

**Stock Code: 9929**

# **Choice Development, Inc.**

**2023**

## **Annual Report**

**Annual report enquiry website: Market Observation Post System**

**<http://mops.twse.com.tw>**

**Website: <http://www.choiceprintgroup.com>**

**Printed on March 31, 2024**

## **1. Spokesperson and Deputy Spokeperson**

Spokesperson: Chang, Chun-Hsiang

Title: Assistant Manager

Tel No.: (02)8768-1999

Email address: neil.chang@choicecompany.com.tw

Deputy Spokesperson: Lee, Chen-Hua

Title: Manager

Tel. No.: (02)8768-1999

Email address: alfa@choicecompany.com.tw

## **2. Headquarters, branch offices, and factories:**

<u>Unit</u>	<u>Address</u>	<u>Tel. No.</u>
Head office	9F, No. 288, Sec. 6, Civic Bulevard, Taipei City	(02) 8768-1999
Branch	No. 13, Xinxin Rd., Tainan City	(06) 261-3121
Tainan Plant	No. 13, Xinxin Rd., Tainan City	(06) 261-3121

## **3. Agency handling shares transfer:**

Name: Stock Transfer Agency Department,Grand Forture Securities

Address: 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Taipei City

Website: <http://www.gfortune.com.tw>

Tel. No.: (02) 2383-6888

## **4. Certified public accountants who duly audited the annual financial report for the most recent fiscal year, and the accounting firm to which they belong Name of Accountig Firm:**

Auditors: Liao, Fu-Ming, Lin, I-Fan

Name: PwC Taiwan

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

Website: <http://www.pwc.tw>

Tel. No.: (02)2729-6666

## **5. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities:** **Nil**

## **6. Company's website: <http://www.choiceprintgroup.com>**

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# I. Report to the shareholders

To the Shareholders:

I would like to appreciate all shareholders for taking the time to attend the company's annual general meeting of shareholders' meeting and express our deep gratitude.

## 1. Implementation results of business plan

(1) Although the impact of COVID-19 on the economy has been reduced in 2023, the economy is still affected by the Ukraine-Russia war. Under the sustainable development of ESG, the paperless trend is expanding day by day, with the printing industry market shrinking gradually. Therefore, it is not easy that both of the operating income and profit of the company's printing industry in 2023 still increased compared with 2022. On the other hand, Omni Int'l Co., Ltd. advertising operating income in 2023 has increased significantly compared with 2022, but due to the gradual cancellation of subsidies of airport royalties, resulting in significant increase in operating costs, its operating profits decreased significantly compared with 2022.

## 2. Earning Power

Unit: NT\$1,000

Account Title \ Year	FY2023	FY2022
Operating revenue	701,308	604,066
Gross Profit	70,410	95,580
Operating income	(6,376)	16,367
Net income	(141,008)	(108,723)

Note: 1. The increase in net loss after tax in 2023 was mainly due to Omni Media Company's loss of 160,521 thousand yuan in lost litigation. Omni Media Company has filed an objection to this failed case to the Supreme Court and added a criminal complaint to make every effort to defend the rights and interests of shareholders.

## 3. Summary of 2024 Business Plan

The company's important operating policies for 2024 are as follows:

- (1) To integrate the company's relevant corporate resources, to exchange resources required by customers, to provide diversified products to meet customer needs, and to seek to expand more business.
- (2) To replace and upgrade old equipment and production lines, increase the proportion of outsourced processing, and make the use of factory space and production processes more rational and efficient.
- (3) To enrich the database of outsourced manufacturers and strengthen the ability to inquire, compare and negotiate prices, making it the back-end core of the order-taking platform that controls the price negotiation and operation procedure.
- (4) To enter into strategical cooperation with large groups and maintain close contact with customers, media agencies and advertising agencies to strive for more advertising space.
- (5) To implement faithfully occupational safety and health education, training and management to safeguard employee safety.

## 4. Future company development strategy:

- (1) To continue to integrate the company's relevant corporate resources.
- (2) To maintain good trusting relationships with customers and manufacturers.
- (3) To reduce costs and losses and to improve quality.
- (4) To Activating assets to create benefits.
- (5) To pursue stable investment returns.

5. Confronted with external competitions, regulatory requirements and overall business difficulties:

When creating profits and safeguards the rights and interests of shareholders, the company will always pay attention to the industrial development and smooth out the overall environmental impacts, and will comply with relevant laws and regulations so as to contribute to the sustainable development of the society as a whole.

Looking at the year of 2024, it is still a year full of challenges, CHOICE will make its greatest efforts to overcome various obstacles, and believes that with the joint efforts of all employees, we will definitely be able to create new heights.

Chairman: Chen, Hui-Yu



## II. Company overview

### 1. Date of incorporation:

October 1, 1976.

### 2. Brief history of the company:

- |      |                                                                                                                                                                                                                                                                                                                                |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1946 | Choice Development, Inc. was established at Ziqiang Street, Tainan City                                                                                                                                                                                                                                                        |
| 1947 | (1) Purchased a "lithographic flat-bed machine".<br>(2) Moved to Xiejin Street, Tainan City to expand the business area.                                                                                                                                                                                                       |
| 1950 | Used rubber-roller OFFSET PRESS.                                                                                                                                                                                                                                                                                               |
| 1953 | Moved the factory to Anping Road, Tainan City and expanded the scale.                                                                                                                                                                                                                                                          |
| 1957 | Introduced of CAMERA PROCESS technology for photographic plate making, with the use of imported plate making equipment and eliminated plate "glass" in favour of photographic soft film plate making.                                                                                                                          |
| 1959 | Firstly used the KODAK's "TRI-MASK" for colour photographic separation and the quality of the whole station in a single step.                                                                                                                                                                                                  |
| 1960 | Changed "DEEP ETCHING" printing.                                                                                                                                                                                                                                                                                               |
| 1965 | Established Taipei office to take over Taipei business.                                                                                                                                                                                                                                                                        |
| 1966 | Changed the company organization to Choice Printing Printing Factory Co.                                                                                                                                                                                                                                                       |
| 1968 | Purchased the first West German ROLAND automatic FEEDER high-speed monochrome printing machine.                                                                                                                                                                                                                                |
| 1970 | Purchased the first West German HEIDELBERG two-color machine.                                                                                                                                                                                                                                                                  |
| 1976 | The company organization changed to Choice Printing Co., Ltd.                                                                                                                                                                                                                                                                  |
| 1977 | Relocated the factory to a 1,000-ping plant in Anping Industrial Park, Tainan City.                                                                                                                                                                                                                                            |
| 1978 | Purchased the 1 <sup>st</sup> and 2 <sup>nd</sup> four-color HEIDELBERG SPEEDMASTERS.                                                                                                                                                                                                                                          |
| 1980 | Established Quilei Industrial Company in Taipei and set up a design and photography center to strengthen business expansion.                                                                                                                                                                                                   |
| 1981 | Established Qishi Binding Company in Tainan, Taiwan, with automatic gluing and finishing equipment. In the same year, it merged Quilei Industrial Company into Taipei branch.                                                                                                                                                  |
| 1982 | Established Taipei Chung Hsiao East Road plate making factory and purchased SG-808 electronic color scanner and related plate making equipment.                                                                                                                                                                                |
| 1983 | Merged Qishi Binding Company into Tainan Factory Binding Division.<br>Established a printing plant in Nangang, Taipei in the same year.                                                                                                                                                                                        |
| 1987 | Moved the head office from Tainan City to Taipei City and started to manage the system computerized operation.                                                                                                                                                                                                                 |
| 1988 | The Nankang plant was relocated to Linkou, occupying 4,000 pings and adding printing and binding equipment, making the Linkou plant a fully engineered production system for color separation, printing and binding.                                                                                                           |
| 1990 | The Financial Supervisory Commission of the Ministry of Finance approved the public offering of stocks, which was the first in the printing industry.                                                                                                                                                                          |
| 1993 | Shares are officially listed for over-the-counter trading.                                                                                                                                                                                                                                                                     |
| 1994 | (1) Established Choice Printing (Shanghai) Co., Ltd.<br>(2) Won the 1984 Golden Tripod Award for Book Printing by the Information Bureau of the Executive Yuan.                                                                                                                                                                |
| 1998 | (1) Purchased a factory building on Xinxin Road, South District, Tainan City, for the office and factory production of the South District BU, covering an area of 1,600 pings.<br>(2) Shanghai company newly purchased 12,000 pings of land for building a factory.<br>(3) Shanghai company passed the ISO-9002 certification. |

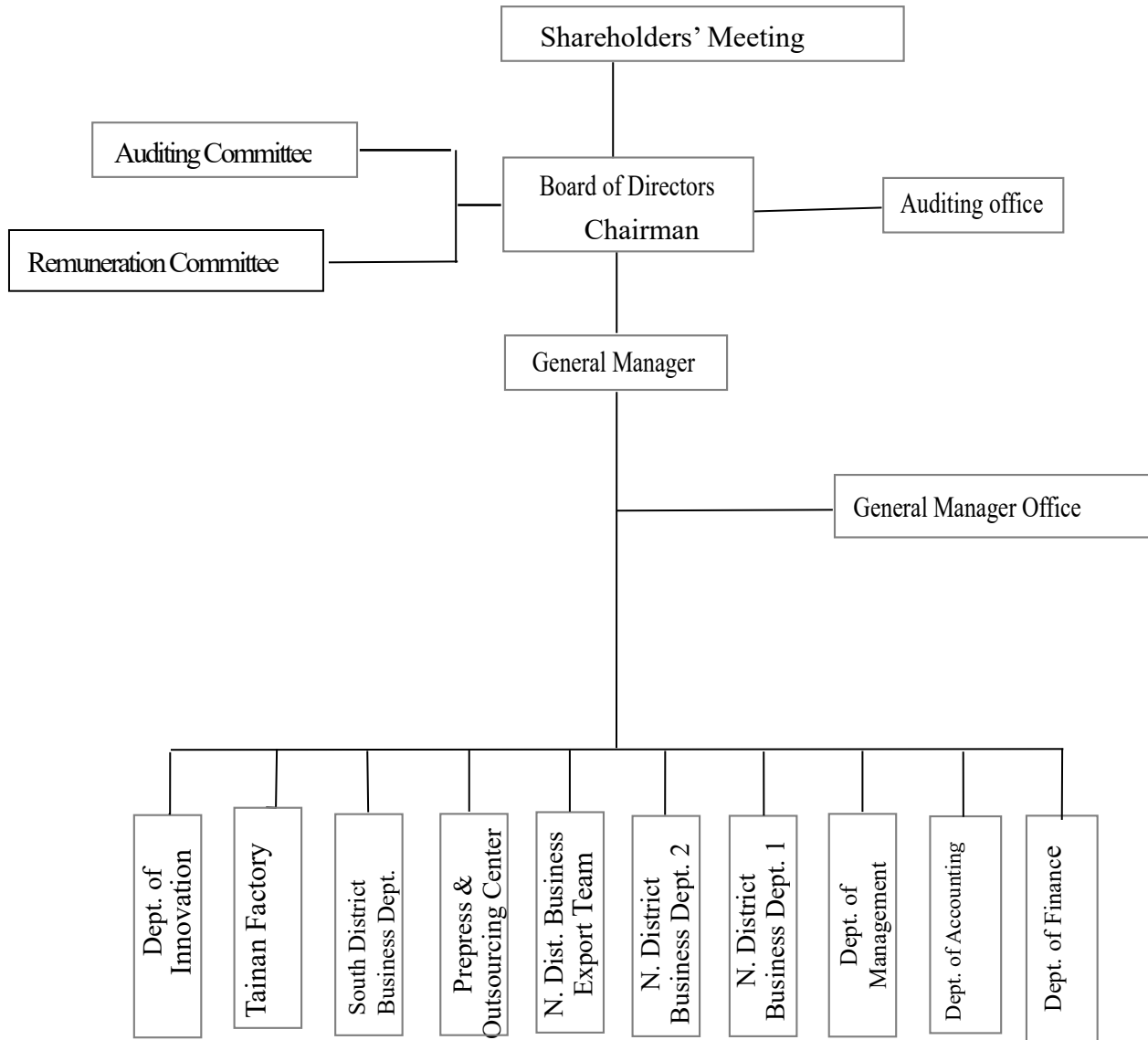
1999	(1) The Securities and Futures Bureau approves the listing of the stock. (2) Newly purchased two eight-color commercial rotary machines.
2000	Pass the ISO 9002 certification.
2001	(1) The Shanghai Meilong factory was completed in October. (2) The new factory was completed at No. 13, Xinxin Road, Tainan City. (3) Won the 2001 Golden Tripod Award for Book Printing by the Information Bureau of the Executive Yuan.
2003	The reinvested Choice Development (B.V.I.) Co., Ltd. established Choice Printing Ltd. (B.V.I.) and holds 100% equity of the later. Choice Printing Ltd. holds 100% equity of Choice Printing (Shanghai) Co., Ltd.
2006	Won The First "Taiwan Golden Print Awards" for hardcover books, paperback books, magazines, calendars, desk calendars and other awards. It is the printing company with the largest number of awards in this year's election.
2007	Disposed a 50% equity in the reinvested Choice Printing (Shanghai) Co. Ltd.
2009	Repurchased 29.5% equity of Choice Printing (Shanghai) Co., Ltd.
2010	The original name "Choice Printing Co., Ltd." was changed to "Choice Development, Inc."
2011	Passed FSC environmental protection paper certification.
2013	(1) Purchased 100% equity of Cenpak Investments Asia Pte. Limited, Hong Kong and indirectly held 20.5% equity of Choice Printing (Shanghai) Co., Ltd. (2) Choice Printing (Shanghai) Co., Ltd. obtained the green printing environmental labeling product certification from the Ministry of Environmental Protection of China
2015	In January, the capital was reduced by NT\$533,704,000, and the paid-in capital after capital reduction was NT\$958,000,000. In May, NT\$120,000,000 of private placement guaranteed common bonds were issued. In May, the capital increase was NT\$260,000,000, and the paid-in capital after the capital increase was NT\$1,218,000,000. In September, the capital increase was NT\$470,000,000, and the paid-in capital after the capital increase was NT\$1,688,000,000.
2016	(1) In January, the board of directors approved the disposal of Choice Development Inc. (B.V.I) equity, and the delivery was completed in May. (2) Early repayment of private placement secured general corporate bonds of NT\$120,000,000 in May.
2017	(1) Passed G7 color management certification. (2) Won the 11th Taiwan Golden Printing Award for both hardcover and sheet-fold first place
2018	(1) In November, participated in the cash capital increase of Omni Media Int'l Inc., holding 67.08% of the shares. (2) Passed ISO9001 and ISO14001 certification
2019	(1) The Lin Kou plant was closed in April 2019 with the approval of the competent authorities. (2) In March, participated in the cash capital increase of Omni Media Int'l Inc., holding a total of 81.19% of the shares. (3) The board of directors approved the disposal of Linkou Plant and land.
2020	(1) In response to the spread of COVID-19, a Tainan factory has started production of face masks. (2) In September, the Extraordinary General Meeting resolved to reduce the capital by NT\$675,200,000, with a refund of NT\$4 per share.

# III. Corporate governance report

## 1. Organization

### (1) Organizational system

#### I. Organization Chart





## **2. Business of main departments**

(1) General Manager Office:

- A. The formulation, implementation and evaluation of the company's business policies and management guidelines.
- B. Handling all external public relations matters of the Company.

(2) Auditing Office:

- A. Ensure the continuous and effective implementation of the internal control system.
- B. Exception analysis and tracking improvements.

(3) Department of Accounting: :

- A. Accounting processing, preparation and analysis of financial statements.
- B. Tax account processing and tax planning.

(4) Department of Finance:

- A. Financial planning, fundraising and scheduling.
- B. Customer financial credit check and accounts receivable management.
- C. Stock affairs processing, dividend distribution.

(5) North District Business Department and South District Business Department:

Business promotion and customer source development, ensuring that products meet customer quality requirements, customer complaint handling window and feedback.

(6) Department of Management:

- A. System maintenance and development, hardware maintenance and deployment.
- B. Asset management, office supplies procurement, environmental maintenance and other related businesses.
- C. Litigation, contract review, contract certificate maintenance and related legal advice.
- D. Human resource planning, salary and attendance, education and training, welfare measures, retirement benefits and other services.
- E. Preparations for board and shareholder meetings.

(7) North Dist. Prepress & Outsourcing Center:

Prepress: Design, pre-engineering and digital print production.

Outsourcing Center: Responsible for the allocation of business and production bases in the North District and the supervision and control of quality, price, and delivery time.

(8) Tainan Factory:

Arrangement and control of the production process of printed products; quality control and dispatch of finished products; warehouse management and stock control; management and maintenance of machinery and equipment.

(9) Department of Innovation

Customer source development and service for innovative business projects.

## 2. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

### (1) Directors

#### 1-1 Information on Directors (1)

March 31, 2024; Unit: per share

Job Title	Nationality or place of registration	Name	Gender, Age	Date of election / appointment to office	Term of office	Commence-ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic quali-fications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share-holding ratio	No. of shares (note 4)	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation-ship
Chairman	ROC	Chen, Hui-Yu	M 51-60	2023.6.14	3	2011.6.15	3,000,057	2.96%	3,000,057	2.96%	-	-	-	-	Dept of Animal Science, NTU	Note 1	No	No	No
Director	ROC	Chang Shih-Kui, the representative of Dehui Investment Co., Ltd.	-	2023.6.14	3	2014.6.23	5,022,409	4.96%	5,022,409	4.96%	-	-	-	-	Master, Institute of Mathematics, Tamkang University	Note 2	No	No	No
	ROC		M 61-70			2014.6.23	57,799	0.06%	57,799	0.06%	622,635	0.62%	-	-					
Director	ROC	Hung Wen-Lai, the representative of Solara Enterprises, Ltd.	-	2020.6.15	3	2008.6.13	626,922	0.62%	626,922	0.62%	-	-	-	-	Master, Graduate Institute of Enterprise Research, Taipei University	Note 3	No	No	No
	ROC		M 71-80			2017.6.22	-	-	-	-	-	-	-	-					
Director	ROC	Lin Keng-Jan, the representative of Solara Enterprises, Ltd.	-	2023.6.14	3	2008.06.13	626,922	0.62%	626,922	0.62%	-	-	-	-	Dept. of Civil Engineering, Chung Yuan University	Supervisor of Choice Logistic Inc.	No	No	No
	ROC		M 71-80			1993.05.03	1,779,553	1.76%	1,440,553	1.42%	744	0.001%	-	-					
Director	ROC	Kuo, Cheng-Hung, the representative of Wei Chen Investment Co., Ltd.	--	2023.6.14	3	2023.6.14	577,996	0.57%	577,996	0.57%	-	-	-	-	Master of Business Administration National Taiwan University	Note 4	No	No	No
	ROC		M 61-70				-	-	-	-	-	-	-	-					
Independent Director	ROC	Lin, Lung-Ta	M 61-70	2023.6.14	3	2017.6.22	-	-	-	-	-	-	-	-	Master, graduate school of China Medical University	Remuneration member of Choice Development, Inc.	No	No	No
Independent Director	ROC	Tsai, Ming-Fang	M 41-50	2023.6.14	2	2021.7.29	-	-	-	-	-	-	-	-	Ph.D., Graduate Institute of Industrial Economics, National Central University	Note 5	No	No	No
Independent Director	ROC	Fang, Kai-Liang	M 51-60	2022.5.26	1	2022.5.26	-	-	-	-	-	-	-	-	Dept. of Business Administration, NTU	Note 6	No	No	No
Independent Director	ROC	Chung, Kung-Chao	M 61-70	2023.6.14	3	2023.6.14	-	-	-	-	-	-	-	-	Mei He Senior High School	-	No	No	No

- Note: 1. Chairman of Yiyu Co., Ltd., Independent Director and member of Remuneration Committee of Senao Networks Inc., Independent Director and member of Remuneration Committee of Maywuf a Company Ltd., Director of Taiwan Microloops Corp., Supervisor of Teyu Co., Ltd., Director of Prospect Hospitality Co., Ltd., Director of TransGlobe Life Insurance Inc. and Ltd., Independent Director and member of Remuneration Committee of TCM BIOTECH INTERNATIONAL CORP.
2. Chairman of Choice Development, Inc, Chairman of Kuitinger Co., Ltd.
3. The term expired on June 14, 2023 and was not renewed.
4. Independent Director and member of Remuneration Committee of TCM BIOTECH INTERNATIONAL CORP., Director of Airoha Technology Co., Ltd.
5. Independent Director of Taiwan Financial Holdings Co., Ltd., Independent Director of Bank of Taiwan, Independent Director of United Renewable Energy Co., Ltd., Director of Eminent II Venture Capital Corporation, Director of Grand Cathay Venture Capital Co.,Ltd., and director of CDIB Capital Global Opportunities Fund. L.P. and member of Remuneration Committee of Choice Development, Inc.
6. The term expired on June 14, 1023 and was not renewed.

### Major Shareholders of Corporate Shareholders

March 31, 2024

Name of corporate	Major shareholders of the corporate shareholder
Dehui Investment Co., Ltd.	Lin, Wen-Hui 50% Peng, Teng-Te 50%
Solara Enterprises, Ltd.	Lin, Hsing-Kui 33% Lin, Chien-Yi 34% Lin, Pei-Ying 33%
Wei Chen Investment Co., Ltd.	Lin, Wen-Hui 50% Peng, Teng-Te 50%

## 1-2 Information on Directors (2)

### 1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chen, Hui-Yu	Experienced in business management. No matters occurred as subparagraphs, Article 30 of Company Act.	There is no the relationship of spouse or a relative within two degrees among directors	3
Chang Shih-Kui, the representative of Dehui Investment Co., Ltd.	Experienced in business management. No matters occurred as subparagraphs, Article 30 of Company Act.	There is no the relationship of spouse or a relative within two degrees among directors	0
Lin Keng-Jan, the representative of Solara Enterprises, Ltd.	Professional printing experience. No matters occurred as subparagraphs, Article 30 of Company Act.	There is not the relationship of spouse or a relative within two degrees among directors	0
Kuo, Cheng-Hung, the representative of Wei Chen Investment Co., Ltd.	Professional printing experience. No matters occurred as subparagraphs, Article 30 of Company Act.	There is not the relationship of spouse or a relative within two degrees among directors	1
Independent Director Lin, Lung-Ta	Qualified as a university professor. Convenor of the Remuneration Committee of the Company. The convener of the audit committee of the company. No matters occurred as subparagraphs, Article 30 of Company Act.	See the description on Independence of the board of directors	0
Independent Director Tsai, Ming-Fang	Qualified as a university professor. Engaged in accounting professional teaching and work practice. Member of the Remuneration Committee of the Company. No matters occurred as subparagraphs, Article 30 of Company Act.	See the description on Independence of the board of directors	3
Impendent Director Chung, Kung-Chao	Business experienced is satisfied for the company No matters occurred as subparagraphs, Article 30 of Company Act.	See the description on Independence of the board of directors	0

### 2. Diversity and Independence of the Board of Directors:

#### (1) Diversity policy of the board of directors:

In accordance with Article 2 of the "Diversity Policy for Board Members" established by the Company, 'The Diversity Policy for Board Members shall be as follows:

- A. In order to achieve sustainable and balanced development and the increasing diversification of the Board level, the company will take into account the diversity of the Board's members when setting the Board's composition as follows.:
  - a. Basic requirements and values: Members of the Board shall be elected without discrimination on the grounds of sex, age, nationality or culture.
  - b. Professional knowledge and skills: The selection of members of the board of directors should try to recruit talents with different professional backgrounds (including but not limited to law, accounting, industry, finance, marketing or technology), professional skills and industry experience.
- B. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The board of directors shall possess the following abilities:
  - a. Ability to make operational judgments.
  - b. Ability to perform accounting and financial analysis.
  - c. Ability to conduct management administration.
  - d. Ability to conduct crisis management.
  - e. Knowledge of the industry.
  - f. An international market perspective.

- g. Ability to lead.
- h. Ability to make policy decisions.

(2) Specific Management Objectives for Diversity of Board Members.:

The Company's Board of Directors shall direct the Company's strategy, supervise the management, and be accountable to the Company and its shareholders. The operations and arrangements of the Company's corporate governance system shall ensure that the Board of Directors exercises its authority in accordance with the laws and regulations, the Company's Articles of Incorporation, or the resolutions of the shareholders' meeting.

The specific management objectives are as follows:

- A. The Company's Board of Directors also emphasizes gender equality among its members, and at least one female director should be included in the Board of Directors.
- B. The Company's Board of Directors emphasizes operational judgment, business management, and crisis management capabilities, and more than two-thirds of the Board of Directors should be capable of handling related core projects.
- C. Independent directors shall not serve more than three consecutive terms to maintain their independence.
- D. The number of directors who are employees of the Company, its parent, subsidiaries, or siblings should be less than one-third of the number of directors in order to achieve the purpose of substantive supervision.

(3) The current status of the diversity of the board members of the company:

On June 14, 2023, the Company's shareholders elected seven directors for the 17th term of the Board of Directors, four of whom are general directors who do not concurrently serve as employees, and three of whom are independent directors whose terms of office have not exceeded three years to ensure independence. The Company will plan for the nomination of candidates of diverse genders in the future, in order to comply with the scope of the Corporate Governance Blueprint Version 3.0.

The members of the Board of Directors are well-qualified in operation and management, and each of them has relevant professional backgrounds and possesses the necessary professional knowledge, skills and qualities to perform their duties. The Company has also continued to arrange continuing education courses for the members of the Board of Directors in order to strengthen the functions of the Board of Directors; at least one-third of the members of the Board of Directors possess the relevant abilities to perform their duties in the eight diversified core business areas, and more than 80% of the members of the Board of Directors possess the core capabilities of the Company's three major core business areas of business judgment, operation and management, and crisis management.

Name	Nationality	Gender	Positions held concurrently in the company	Age			Term of office	Core Abilities							
				~ 60	60~70	70 ~		Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
Chen, Hui-Yu	Taiwan	M		✓				✓		✓	✓	✓	✓	✓	✓
Chang, Shih-Kui	Taiwan	M			✓			✓		✓	✓			✓	✓
Lin, Keng-Jan	Taiwan	M				✓		✓		✓	✓	✓	✓	✓	✓
Kuo, Cheng-Hung	Taiwan	M			✓			✓	✓	✓	✓			✓	✓
Lin, Lung-Ta	Taiwan	M			✓		3	✓		✓	✓	✓		✓	✓
Tsai, Ming-Fang	Taiwan	M		✓			2	✓	✓	✓	✓			✓	✓
Chung, Kung-Chao	Taiwan	M			✓		1	✓		✓	✓			✓	✓

Age of directors	Ratio
~ 60	29%
60 ~ 70	57%
70 ~	14%

Core abilities	Achievement rate
Ability to make operational judgments	100%
Ability to perform accounting and financial analysis	28.57%
Ability to conduct management administration	100%
Ability to conduct crisis management	100%
Knowledge of the industry	42.86%
An international market perspective	28.57%
Ability to lead	100%
Ability to make policy decisions	100%

(2) Independence of the board of directors:

- A. There is no the relationship of spouse or a relative within two degrees among directors  
There are 3 independent directors in the company, it meets the require to appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors according to Securities es and Exchange Act, and without the relationship of spouse or a relative within two degrees among directors.
- B. Each independent director of the company may not have been or be any of the following:
- a. An employee of the company or any of its affiliates.
  - b. A director or supervisor of the company or any of its affiliates.
  - c. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
  - d. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
  - e. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
  - f. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
  - g. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
  - h. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
  - i. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(2) General manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units:

March 31, 2024

Job Title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship
General Manager	ROC	Wang, Chih-Ying Note 1	M	2022.10.01	1,000	0.001%	0	0	0	0	Bachelor Dept. of Public Administration Tung Hai Univ.	Nil	-	-	-
General Manager	ROC	Chen, Hung-Pin	M	2023.8.11	110,000	0.11%	0	0	0	0	Master degree of business management, National Taiwan University	Director of Choice Development, Inc. and CEF of Omni Media Int'l Inc.			
Assistant General Manager	ROC	Yang, Chia-Yu	F	2021.03.01	0	0	0	0	0	0	Ginling Girls' High School	Nil	-	-	-
Manager	ROC	Huang, Shih-Hsuan	F	2022.11.16	21,000	0.02%	0	0	0	0	Bachelor, Dept. of Business Management, National Taipei University	Deputy General Manager of Omni Media Int'l Inc.	-	-	-
Manager	ROC	Huang, Kuan-Hsun Note 2	M	2018.03.01	0	0	0	0	0	0	Dept. of Printing, Chinese Cultural University	Nil	-	-	-
Factory manager	ROC	Chen, Jui-Cheng Note 3	M	2003.08.01	0	0	0	0	0	0	Dept. of Printing, Chinese Cultural University	Nil	-	-	-
Manager	ROC	Lee, Chen-Hua	M	2022.03.16	0	0	0	0	0	0	Dept. of Accounting, Soochow Univ.	Nil	-	-	-
Special Assistant	ROC	Chang, Chun-Hsiang	M	2023.08.01	5,000	0.005%	0	0	0	0	Dapt Life Application, FuRen Univ.	Special Assistant of Omni Media Int'l Inc.			

Note 1: Quit on August 10, 2023

Note 2: Quit on September 30, 2023

Note 3: Quit on December 31, 2023



(3) Remuneration paid during the most recent fiscal year to directors, supervisors, the general manager, and assistant general managers

1. Remuneration to Ordinary Directors and Independent Directors

Unit: NT\$1,000

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as employee								Sum of A+B+C+D+E+F +G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Base compensation (A) (note 1)		Retirement pay and pension (B)		Director profit sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Chen, Hui-Yu	4,500	4,500	0	0	0	0	84	84	4,584 -4.34%	4,584 -4.34%	0	0	0	0	0	0	0	0	4,584 -4.34%	4,584 -4.34%	None
Director	Chang Shih-Kui, the representative of Dehui Investment Co., Ltd.	0	0	0	0	0	0	18	18	18 -0.02%	18 -0.02%	0	1,172	0	0	0	0	0	0	18 -0.02%	18 -0.02%	None
	Lin Keng-Jan, the representative of Solara Enterprises, Ltd.	0	0	0	0	0	0	12	12	12 -0.01%	12 -0.01%	0	0	0	0	0	0	0	0	12 -0.01%	1,190 -1.12%	None
	Kuo, Cheng-Hung, The representative of Wei Chen Invest. Co., Ltd. (note 1)	0	0	0	0	0	0	6	6	6 -0.01%	6 -0.01%	0	0	0	0	0	0	0	0	6 -0.01%	6 -0.01%	None
	Hung Wen-Lai, the representative of Solara Enterprises, Ltd. (note 1)	337	337	0	0	0	0	9	9	346 -0.33%	346 -0.33%	0	0	0	0	0	0	0	0	346 -0.33%	346 -0.33%	None
Independent Director	Lin, Lung-Ta	240	240	0	0	0	0	42	42	282 -0.27%	282 -0.27%	0	0	0	0	0	0	0	0	282 -0.27%	282 -0.27%	None
	Tsai, Ming-Fang	240	240	0	0	0	0	42	42	282 -0.27%	282 -0.27%	0	0	0	0	0	0	0	0	282 -0.27%	282 -0.27%	None
	Chung, Kung-Chao (note 1)	131	131	0	0	0	0	6	6	137 -0.13%	137 -0.13%	0	0	0	0	0	0	0	0	137 -0.13%	137 -0.13%	None
	Fang, Kai-Liang (note 1)	109	109	0	0	0	0	3	3	112 -0.11%	112 -0.11%	0	0	0	0	0	0	0	0	112 -0.11%	112 -0.11%	None

- Note: 1. Kuo, Cheng-hung was elected as an director on June 14, 2023; Hung, Wen-Lai qui the position of director on June 14, 2023; Chung, Kung-Chao was elected as an director on June 14, 2023. And Fang, Kai-Liang was by-elected as an independent director on May 26, 2023.
2. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:  
The compensation and remuneration of the Company's independent directors are determined in accordance with the Company's Articles of Incorporation and are based on the value of their participation in and contribution to the Company's operations at a level not exceeding the maximum salary scale set forth in the Company's compensation plan.  
The Company has established "the Board's Performance Evaluation Management System", which adopts two evaluation methods, namely "the Board members' self-evaluation" and "the designated responsible unit's evaluation", and at the end of each year, the designated responsible unit prepares the "Directors' and Supervisors' Evaluation Summary Sheet" based on the "Directors' and Supervisors' Self-Evaluation Questionnaire" collected. At the end of each year, the designated responsible unit prepares a "Directors' and Supervisors' Evaluation Summary Sheet" based on the "Directors' and Supervisors' Self-Evaluation Questionnaire" collected and the weighted scores set according to the implementation of the evaluation indicators are weighted and averaged to arrive at the scores, which are then submitted to the Board for reporting, and the effectiveness of the evaluation process is regularly reviewed by the Remuneration Committee.
3. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises): nil.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The company	All consolidated entities	The company	All consolidated entities
Less than NT\$1,000,000	Chang, Shih-Kui, Lin, Keng-Jan, Lin, Lung-Ta, Tsai, Ming-Fang, Fang, Kai-Liang Hung, Wen-Lai Kuo, Cheng-Hung Chung, Kung-Chao	Chang, Shih-Kui, Lin, Keng-Jan, Lin, Lung-Ta, Tsai, Ming-Fang, Fang, Kai-Liang Hung, Wen-Lai Kuo, Cheng-Hung Chung, Kung-Chao	Chang, Shih-Kui, Lin, Keng-Jen, Lin, Lung-Ta, Tsai, Ming-Fang, Fang, Kai-Liang Hung, Wen-Lai Kuo, Cheng-Hung Chung, Kung-Chao	Lin, Keng-Jan Lin, Lung-Ta, Tsai, Ming-Fang, Fang, Kai-Liang Hung, Wen-Lai Kuo, Cheng-Hung Chung, Kung-Chao
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)				Chang, Shih-Kui,
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)				
NT\$3,500,000 (incl.)~NT\$10,000,000 (excl.)	Chen, Hui-Yu	Chen, Hui-Yu	Chen, Hui-Yu	Chen, Hui-Yu
NT\$10,000,000 (incl.) ~NT\$15,000,000 (excl.)				
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)				
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)				
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)				
NT\$100,000,000 or above				
Total amount	9 persons	9 persons	9 persons	9 persons

## 2. Remuneration to General Manager(s) and Assistant General Manager(s)

Unit: NT\$1,000

Job Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company		All consolidated entities		The company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Chen, Hung-Pin (note 1)	327	2,487	20	128	140	1,085	0	0	0	0	487 -0.46%	3,700 -3.50%	No
General Manger	Wang, Chih-Ying (note 2)	1,847	1,847	66	66	0	0	0	0	0	0	1,913 -1.81%	1,913 -1.81%	No

Note 1: Reported to duty on August 11, 2023.

Note 2: Reported to duty on October 1, 2022, quit on August 10, 2023.

### 3. Remuneration for the top five executives

Unit: NT\$1,000

Job Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from invested enterprises other than subsidiaries or from the parent company
		The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company		All consolidated entities		The company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Chen, Hung-Pin note 1	327	2,487	20	128	140	1,085	0	0	0	0	487 -0.46%	3,700 -3.50%	No
General Manager	Wang, Chih-Ying Note 2	1,847	1,847	66	66	0	0	0	0	0	0	1,913 -1.81%	1,913 -1.81%	No
Assistant Manager	Huang, Shih-Hsuan	960	1,200	58	58	163	362	0	0	0	0	1,181 -1.12%	1,620 -1.53%	No
Assistant Manager	Lee, Chen-Hua	993	1,113	58	58	197	227	0	0	0	0	1,248 -1.18%	1,398 -1.32%	No
Assistant manager	Yang, Chia-Yu	1,020	1,020	0	0	255	255	0	0	0	0	1,275 -1.21%	1,275 -1.21%	No

Note 1: Reported on August 11, 2023

Note 2: Reported on October 1, 2022, quit on August 10, 2023

4. Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers: None
5. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

The ratio of the total remuneration paid by the company and all companies in the consolidated statement to the company's directors, general manager and deputy general manager to the after-tax net profit (loss)	
FY 2023	FY 2022
-12.89%	-16.02

- A. According to the regulations set forth in the Articles of Incorporation, the Company may remunerate the directors of this Company for the performance of their duties for this Company, irrespective of the Company's profit or loss, at a rate not exceeding the highest salary level set out in this Company's approved salary plan, as agreed by the Board, based on the value of their participation in and contribution to the Company's operations.
- B. The total amount of remuneration paid to the Company's directors, supervisors, general manager and deputy general manager in fiscal 2023 was not significantly different from that in fiscal 2022. As a results of the defeated suit loss of \$160,521 thousand in fiscal 2023 and lease modification loss of \$133,757 thousand in fiscal 2022, therefore, the percentage net income after tax of the recent 2 years were negative.
- C. The remuneration of the directors and managers of the Company is governed by the Company's Articles of Incorporation and the "Regulations Governing the Evaluation of the Performance of Directors, Supervisors and Managers", which are reviewed by the Remuneration Committee and submitted to the Board for discussion.

### 3. State of the company's implementation of corporate governance

#### (1) State of operations of the board of directors

The number of board meetings held in FY 2023 and FY 2024 was 5 times and once respectively, and the attendance by the directors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Chairman	Chen, Hui-Yu	6	0	100%	Should have attended 6 times
Director	the representative of Dehui Investment Co., Ltd. Chang, Shih-Kui	6	0	100%	Should have attended 6 times
Director	the representative of Solara Enterprises, Ltd. Hung, Wen-Lai	2	0	100%	Should have attended 6 times Quit on June 14, 2023
Director	the representative of Solara Enterprises, Ltd. Lin, Keng-Jan	4	1	83%	Should have attended 6 times
Director	The representative of Wen Chen Investment Co., Ltd. Kuo, Cheng-Hung	4	0	100%	Should have attended 4 times Reported on June 14, 2023
Independent Director	Lin, Lung-Ta	6	0	100%	Should have attended 6 times
Independent Director	Tsai, Ming-Fang	6	0	100%	Should have attended 6 times
Independent Director	Fang, Kai-Liang	2	0	100%	Should have attended 2 times Quit on June 14, 2023
Independent Director	Chun, Kung-Chao	3	0	75%	Should have attended 4 times Reported on June 14, 2023

Other information required to be disclosed:

- If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
  - Any matter under Article 14-3 of the Securities and Exchange Act: In 2023 and as of the date of publication of the annual report, the content of the Board's resolutions is as follows from page to page of the annual report, and all independent directors have no objection to the items listed in Article 14-3 of the Securities and Exchange Act.
  - In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: Nil
- The status of implementation of refusals of directors with respect to any motions with which they may have a conflict of interest:
  - Items discussed at the 3rd meeting of the 17th Board of Directors dated November 13, 2023 "The proposal for the fixed monthly remuneration of the directors of the Company for 2023": Director Chen Hui-Yu, Independent Director Lin Lung-Ta, Independent Director Fang Kai-Liang, and Independent Director Tsai Ming-Fang all did not participate in discussions and voting in relation to their personal interests due to conflicts of interests. In addition, the Chen Hui-Yu Director's portion of the case was also acted on behalf of the Chairman by the Chang Shih-Kui Director. The proposal was approved by the Chairman in consultation with the remaining Directors present.

#### 3. Implementation of Evaluations of the Board of Directors

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
performed once per year.	From Oct. 1, 2022 to Sept. 30, 2023	Including performance evaluation of the Board and individual directors and the functional committees	the Board internal self-assessment and board members & the functional committees self-assessment	the Board performance evaluation and Board Members & the functional committees Performance Evaluation

The company's board has passed the "Board Performance Evaluation Method" on November 8, 2018 to give full play to the self-motivation of the Board members and improve the function of the Board operation.

Evaluation of the performance of the board should include at least the following:

degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the

directors; internal control.

Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.

Evaluation results submitted to the Board on November 13, 2023: The Company's performance of the Board is in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

4. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof
  - (1) Establish an audit committee.
  - (2) Strengthen the content of the corporate governance section of the website.
  - (3) "Whistleblowing System", "Accountants Independence Assessment Method" and "The Board Diversity Policy".
  - (4) Evaluate the independence and suitability of certified public accountants, the Board's performance appraisal system for directors, and directors' liability insurance.

(2) State of operations of the audit committee or the state of participation in board meetings by the supervisors:

1. Composition of the Audit Committee

Since 15 June 2020, the Company's Audit Committee has been composed of three independent directors in accordance with Article 14-4 of the Securities and Exchange Act.

2. Terms of Reference of the Audit Committee

- A. Fair presentation of the company's financial statements.
- B. Appointment (dismissal) and independence and performance of certified accountants.
- C. Effective implementation of the company's internal control.
- D. Compliance of the Company with relevant laws and regulations..
- E. Management and control of the company's existing or potential risks.

3. Operation of the Audit Committee:

The number of audit committee meetings held in the most recent fiscal year was: 5 times, the attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Independent director	Lin, Lung-Ta	5	0	100%	Should have attended 5 times
Independent director	Tsai, Ming-Fang	5	0	100%	Should have attended 5 times
Independent director	Fang, Kai-Liang	2	0	100%	Should have attended 2 times; Quitted on June 14, 2023
Independent director	Chung, Kung-Chao	3	0	100%	Should have attended 3 times Reported on June 14, 2023

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

1. Any matter under Article 14-5 of the Securities and Exchange Act: Details are shown in the table below.
2. In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: Nil

Board of Directors	Proposal content and follow-up processing	Matters listed in 14-5 of the Securities and Exchange Act	Resolutions that have not been approved by the Audit Committee but have been agreed by more than 2/3 of all directors
The 15 <sup>th</sup> Meeting of the 16 <sup>th</sup> Term March 22, 2023	1. The company's 2022 annual business report	✓	
	2. The company's 2022 financial statements and consolidated financial statements and earnings distribution.	✓	
	3. 2022 Annual Internal Control Effectiveness Assessment and Internal Control Statement.	✓	
	4. The Company evaluates the independence and suitability of the CPA	✓	
	5. It is proposed to pre-approve the certified accountants, their firms and their affiliated companies to provide non-certification services to the company and its subsidiaries.	✓	
	6. The approval case for the appointed accountant's audit fee and tax compliance audit fees	✓	
	Audit Committee's resolution results (March 22, 2023): Approved by all members present and submitted to the Board. for discussion.		
	The company's handling of the Audit Committee's opinions: approved by all directors present.		
The 16 <sup>th</sup> Meeting of the 16th Term May 10, 2023	1. The company's 1 <sup>st</sup> quarter of 2023 consolidated financial statements	✓	
	Audit Committee's resolution results (May 10, 2023): Approved by all members present and submitted to the Board.		
	The company's handling of the Audit Committee's opinions: approved by all directors present.		
The 2nd Meeting of the 17th Term Aug. 10, 2023	1. The company's 2 <sup>nd</sup> quarter of 2023 consolidated financial statements	✓	
	Audit Committee's resolution results August 10, 2023): Approved by all members present and submitted to the Board.		
	The company's handling of the Audit Committee's opinions: approved by all directors present.		
The 3 <sup>rd</sup> Meeting of the 17th Term Nov. 13, 2023	The company's 3 <sup>rd</sup> quarter of 2023 consolidated financial statements	✓	
	The company's "2024 Audit Plan" case.	✓	
	Proposed to dispose the Long-Term Investment - Shihlin Development Co.	✓	
	Audit Committee's resolution results (November 13, 2023): Approved by all members present and submitted to the Board.		
	The company's handling of the Audit Committee's opinions: approved by all directors present.		

The 4 <sup>th</sup> Meeting of the 17th Term March 13, 2024	1. The company's 2023 annual business report	✓	
	2. The company's 2023 financial statements and consolidated financial statements and earnings distribution.	✓	
	3. Proposal of 2023 annual internal control effectiveness assessment and	✓	
	4. Proposal of Release the Prohibition on Directors and their Representatives from Participation in Competitive Business	✓	
	5. The Company evaluates the independence and suitability of the CPA	✓	
	6. It is proposed to pre-approve the certified accountants, their firms and their affiliated companies to provide non-assurance services to the company and its subsidiaries.	✓	
	7. The approval case for the appointed accountant's audit fee and tax compliance audit fees	✓	
	8. Developed the company's "Operational Procedures for Preparation and Verification of Sustainability Reports".	✓	
	Audit Committee's resolution results (March 13, 2024): Approved by all members present and submitted to the Board.		
	The company's handling of the Audit Committee's opinions: approved by all directors present.		

II. Implementation of refusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for refusal, and whether and how the independent director voted: Nil

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.)

1. The communication methods among independent directors with the internal audit director and the certified public accountant: The company's independent directors have direct communication channels with the internal audit supervisor and certified accountants; in accordance with the regulations of the competent authority, they regularly check the company's financial and business conditions, and communicate directly with the management unit and governance unit.
  - (1) In addition to the monthly audit reports submitted by the Audit Office to the Independent Directors for review, the Company's audit supervisor also regularly conducts internal audit reports in the Audit Committee on a quarterly basis, and communicates adequately on the execution of audit operations, the tracking of audit deficiencies and their effectiveness.
  - (2) Each audit report is required to track internal control deficiencies and irregularities, and a tracking report is prepared and submitted to the independent directors on a quarterly basis.
  - (3) Independent directors, internal audit supervisors and certified accountants hold face-to-face communication meetings at least once a year, and the internal audit supervisor reports on the implementation of the audit plan for the current year, whether major deficiencies are found, and subsequent improvement measures; independent directors and certified accountants provide suggestions or improvement directions for the content of the report,



conduct sufficient communication and make meeting minutes; Certified accountants also reported the results of the audit or review of the financial statements of the company and its subsidiaries during the meeting, and fully communicated whether there were major adjusting entries or whether legal amendments affected the accounting.

(4) If independent directors, internal audit supervisors or certified accountants encounter emergencies, major abnormalities or other situations that require immediate communication, they can communicate in real time through telephone, email or other communication software, and can call meetings at any time.

2. The communication between independent directors with the internal audit director, the independent directors no opinion.

The summary of important communication matters in 2023 and 2024:

Audit committee	Important communication matters	Communication situation and results
The 11 <sup>th</sup> Meeting of the 1 <sup>st</sup> Term (March 22, 2023)	1. Audit report from October 2022 to January 2023. 2. 2022 annual internal control effectiveness assessment and internal control statement.	1. It has been got to know. 2. It was considered and approved and submitted to the Board for resolution.
The 12 <sup>th</sup> Meeting of the 1 <sup>st</sup> Term (May 10, 2023)	1. Audit report from March 2023	1. It has been got to know.
The 1 <sup>st</sup> Meeting of the 2 <sup>nd</sup> Term (Aug. 10, 2023)	1. Audit report from April ~ June 2023	1. It has been got to know.
The 2 <sup>nd</sup> Meeting of the 2 <sup>nd</sup> Term (Nov. 13, 2023)	1. Audit report from July ~ September 2023 2. The company's "2024 Audit Plan"	1. It has been got to know. 2. It was considered and approved and submitted to the Board for resolution.
The 3 <sup>rd</sup> Meeting of the 2 <sup>nd</sup> Term (March 13, 2023)	1. Audit report from October 2023 to February 2024. 2. 2023 annual internal control effectiveness assessment and internal control statement. 3. Developed the company's "Operational Procedures for Preparation and Verification of Sustainability Reports".	1. It has been got to know. 2. It was considered and approved and submitted to the Board for resolution. 3. It was considered and approved and submitted to the Board for resolution.

3. The communication between independent directors with the certified public accountant, the independent directors no opinion.

The summary of important communication matters in 2023 and 2024:

Audit committee	Important communication matters	Communication situation and results
The 11 <sup>th</sup> Meeting of the 1 <sup>st</sup> Term (March 22, 2023)	1. The company's 2022 financial statements and consolidated financial statements and Profit distribution case	1. It was considered and approved and submitted to the Board for resolution.
The 12 <sup>th</sup> Meeting of the 1 <sup>st</sup> Term (May 10, 2023)	1. The Company's consolidated financial statements report for the 1 <sup>st</sup> quarter of 2023.	1. It was considered and approved and submitted to the Board for resolution.
The 1 <sup>st</sup> Meeting of the 1 <sup>st</sup> Term (August 10, 2023)	1. The Company's consolidated financial statements report for the 2 <sup>nd</sup> quarter of 2023	1. It was considered and approved and submitted to the Board for resolution.
The 2 <sup>nd</sup> Meeting of the 1 <sup>st</sup> Term (Nov. 13, 2023)	1. The Company's consolidated financial statements report for the 3 <sup>rd</sup> quarter of 2023.	1. It was considered and approved and submitted to the Board for resolution.
The 3 <sup>rd</sup> Meeting of the 1 <sup>st</sup> Term (March 13, 2024)	1. The company's 2022 financial statements and consolidated financial statements and loss appropriation case	1. It was considered and approved and submitted to the Board for resolution.

4. The communication methods among independent directors with the internal audit director and the certified public accountant, the independent directors no opinion.

The summary of important communication matters in 2023:

Date	Important communication matters	Communication situation and results
The 3 <sup>rd</sup> Meeting of the 1 <sup>st</sup> Term (Nov. 11, 2023)	<ol style="list-style-type: none"> <li>1. Description of the internal audit plan for FY2024.</li> <li>2. Progress of the internal audit in FY2023.</li> <li>3. Presentation of the results of the internal audit in FY2023.</li> <li>4. Communication and discussion on the results of the review of the consolidated financial statements for the third quarter of 2023.</li> <li>5. Communication and discussion before the audit on the audit scope, audit method, and key audit items of the 2023 non-consolidated and consolidated financial reports.</li> <li>6. Discuss and communicate on the relevant guidelines issued by the Financial Supervisory Commission on Audit Quality Indicators (AQI), which will be used as a reference for the Audit Committee to select certified accountants for the 2023 annual financial report review.</li> <li>7. Other matters for discussion</li> </ol>	<ol style="list-style-type: none"> <li>1. It has been got to know after the internal audit supervisor communicated with the independent directors present.</li> <li>2. It has been got to know after the internal audit supervisor communicated with the independent directors present.</li> <li>3. It has been got to know after the internal audit supervisor communicated with the independent directors present..</li> <li>4. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.</li> <li>5. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.</li> <li>6. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.</li> <li>7. Nil</li> </ol>

- (3) State of the company's implementation of corporate governance, any deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has formulated the "Corporate Governance Best-Practice Principles" and disclosed it on the Market Observation Post System (MOPS) .	No significant differences.
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		The Company has a dedicated person responsible for dealing with shareholders' issues, which is assisted by stock affairs agent Grand Fortune Securities Co., Ltd.	No significant differences.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		The Company has a dedicated staff to liaise closely with the stock affairs agent; and to report monthly information on changes in the Company's shareholdings of insiders and major shareholders.	No significant differences.
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		The Company and its affiliated companies operate independently and are handled in accordance with "Related Party Transaction Procedures"; "Subsidiary Supervision Measures" are also stipulated as a risk control mechanism for subsidiaries.	No significant differences.
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		The Company has instituted the "Administrative Measures for Preventing Insider Trading", which prohibits company insiders from using undisclosed information in the market to buy and sell securities.	No significant differences.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		Article 19 of the Company's "Corporate Governance Best-Practice Principles" is to formulate the overall capabilities of the Board and the policy on the diversity of the Board members. The company has 7 directors, all of whom are males of this nationality, including 1 with printing professional background, 3 with management background, and 3 with cultural and accounting academic background. The above 7 directors are all have the ability and professional knowledge required to perform the duties.	No significant differences.
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		✓	In the future, it will be handled according to the company's development needs and legal regulations.	Depending on the future operating conditions and scale settings.
(3) Has the Company established rules and methodology for Evaluation item Implementation status (Note ) Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons Yes No Summary description evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		The Company has passed the "Board Performance Evaluation Method" by the Board on November 18, 2018. The 2023 performance evaluation of directors and supervisors has been reported to the Board on November 13, 2023. The overall operation is good.	No significant differences.
(4) Does the Company regularly evaluate its external auditors' independence?	✓		The Company evaluates the independence and suitability of the CPA on an annual basis and obtains a statement of independence from the CPA, which is reviewed and approved by the Board (March 22, 2023). According to the Company's evaluation, the two CPAs of PwC Taiwan, Liao Fu-Ming and Lin Yi-Fan, both meet the Company's Independence Evaluation Standards and are qualified to serve as the Company's CPAs. (Note 1)	No significant differences.
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		The company has set up and appointed a corporate governance manager with the approval of the board of directors on 5.10.2022, who are responsible for providing the information required by the director and supervisor to execute the business, handling related matters of the Board and shareholders' meeting, handling company registration and change registration, making the Board and shareholders' meeting minutes and other affairs.	No significant differences.
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company has a spokesman system as a channel to express opinions; the Company also sets up a special section for stakeholders, with special personnel responsible for appropriately responding to the concerns of stakeholders for different subjects.	No significant differences.
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed the stock affairs agent, Grand Fortune Securities Co., Ltd. to handle the affairs of the shareholders meeting.	No significant differences.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		The Company has set up a Chinese and English website ( <a href="http://www.choiceprintgroup.com">http://www.choiceprintgroup.com</a> ) and linked it with the MOPS of the Taiwan Stock Exchange to disclose relevant information.	No significant differences.
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		The Company establishes a spokesperson system in accordance with the regulations. In addition, the Company designates dedicated personnel to collect information about the Company and, depending on different business types, assigns individual dedicated personnel to be responsible for the disclosure of material information about the Company and to input MOPS for announcement on a timely basis.	No significant differences.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓		The company has completed the first, second and third quarter financial reports and the announcement and filing of operating conditions for each month in accordance with the regulations of the competent authority before the deadline. However, it has not yet filed the annual financial report within two months after the end of the year.	The company will communicate with the certified accountant with the goal of declaring financial reports in advance.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<ol style="list-style-type: none"> <li>1. In order to ensure the overall safety of the company and the physical and mental health of its employees, the Company has established a safety and health system in accordance with labor safety and health laws and regulations, and plans and supervises the implementation of overall safety operations; it has promulgated the "Sexual Harassment Prevention Act" to seek respect and harmony between the sexes.</li> <li>2. The Company has established the Employee Welfare Committee to allocate employee welfare funds in accordance with the law and promote various welfare measures.</li> <li>3. The Company maintains good relationships with suppliers and stakeholders based on the concept of co-prosperity and co-existence, and provides effective communication channels.</li> <li>4. The Company is required by law to disclose corporate information to protect the basic rights of investors and to fulfill its responsibilities to shareholders.</li> <li>5. The Company's orders are all contracted with the customers, specifying the rights and obligations of both parties. The Company conducts annual customer satisfaction surveys to understand customers' opinions on the Company's product quality, delivery, and after-sales service, analyzes problems and tracks improvements to implement customer policies.</li> <li>6. The Company operates under the principle of prudent management and does not engage in high-risk, high-leverage investment transactions.</li> <li>7. The Company has purchased liability insurance for directors and supervisors with effect from April, 1 2019.</li> <li>8. The Company's directors' continuing education is disclosed in the "MOPS Corporate Governance Zone" (Company Code 9929). <a href="http://mops.twse.com.tw/mops/web/t93sc03_1">http://mops.twse.com.tw/mops/web/t93sc03_1</a></li> </ol>	No significant differences.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.) As for the Company's improvement or priority improvement countermeasures for the issues that did not score in the 10th Corporate Governance Evaluation, please refer to the following:				
<div>(1) Did the Company report on the remuneration received by the Directors, including the remuneration policy, the content and amount of individual remuneration, at the AGM? → The Company will prepare a report to the shareholders at the AGM.</div> <div>(2) Whether the company has established written specifications for financial business-related operations with related parties. The content should include management procedures for transactions such as purchasing and selling goods, acquiring or disposing of assets, and relevant major transactions should be submitted to the board of directors for approval and submitted to the Board of Directors for approval. Shareholders will agree or report? → The company will consider establishing the "Regulations on Financial Transactions Among Related Parties".</div> <div>(3) Did the company adopt bylaws prohibiting insiders, including directors and employees, from using information not publicly disclosed in the market to trade securities, with content including (but not limited to) a prohibition against directors trading the company's stock during a blackout period of 30 days before the publication of the company's annual financial report and 15 days before the publication of each quarterly financial report, and were those bylaws and the status of their implementation disclosed on the company's website? → The company will consider implementing the policy that "Directors are prohibited from trading their stocks during a closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report".</div> <div>(4) Did the Company's Board of Directors regularly (at least once a year) assess the independence and suitability of the certified public accountants with reference to the Audit Quality Indicators (AQIs) and disclose the assessment procedures in detail in the annual report? → The Company will improve the disclosure of the fact that the Board of Directors evaluates the independence and suitability of the certified public accountants with reference to the Audit Quality Indicators (AQIs).</div> <div>(5) Did the Company's annual report disclose a specific and explicit dividend policy? → The Company intends to disclose such information.</div> <div>(6) Did the Company voluntarily disclose the individual remuneration of directors in the annual report? → The Company intends to disclose such information.</div> <div>(7) Did the company disclose the connection between director and managerial officer performance assessment and remuneration in its annual report? → The Company intends to disclose such information.</div> <div>(8) Did the company have a designated unit in charge of promoting ethical corporate management, with responsibility for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and disclose the unit's operations and implementation on the company's website and in its annual report, and did the unit report to the board of directors at least once a year? → The company will consider setting up it.</div> <div>(9) Has the company adopted a policy to adequately reflect business performance or results in employee remuneration, and disclosed it on its website or in its annual report? → The Company intends to disclose such information.</div> <div>(10) Did the company disclose on its website or in its annual report or sustainability report the supplier management policies it adopted, and require suppliers to comply with the relevant provisions regarding issues such as environmental protection, occupational safety and health, or labor rights, and specify the status of implementation? → The company will consider outlining the implementation status of supplier management policies and related regulations.</div>				

Note 1: CPA's Independence Evaluation Standards:

Evaluation item	Evaluation result	Whether it meets independence
1. Whether the CPA has a direct or significant indirect financial interest in the Company	No.	Yes.
2. Whether the CPA has a financial guarantee with the Company or the Company's directors	No.	Yes.
3. Whether the CPA has a close business relationship and potential employment relationship with the Company	No.	Yes.
4. Whether the CPA and its audit team members have served as directors, managers or positions that have a significant impact on the audit work in the Company at present or in the last two years	No.	Yes.
5. Whether the CPA has provided non-audit services to the Company that may directly affect the audit work	No.	Yes.
6. Whether CPA has brokered shares or other securities issued by the Company	No.	Yes.
7. Whether the CPA has acted as an advocate for the Company or mediated conflicts with other third parties on behalf of the Company	No.	Yes.
8. Whether the CPA has a family relationship with the company's directors, managers, or personnel who have a significant impact on the audit case	No.	Yes.

(4) Composition and operation of the remuneration committee of the company

I. Information on Remuneration Committee Members

Capacity Name	Qualifications	Professional qualifications and experience (note2)	Independence analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convenor)	Lin, Lung-Ta	Used to be a professor in the Department of Painting and Calligraphy at National Taiwan University of Arts. With the experience required in the Company's business	Qualified for independence	0
Independent Director	Tsai, Ming-Fang	Independent director of First Life Insurance Co.,Ltd. With the work experience required in business, finance, accounting for the Company's business.	Qualified for independence	1
Member	Chen, Wei-Lun	Branch manager of Kaohiusng Bank With the work experience required in business, finance, accounting for the Company's business.	Qualified for independence Note 3	0
Member	Shen, Ching-Mao	Independent director and remuneration committee member of Shihlin Development Company Ltd. With the work experience required in business, finance, accounting for the Company's business.	Qualified for independence	1

Note:1. The professional qualifications and experience, and the status of independence of each independent director, please refer to pages 9~10 in this report.

2. Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years

3. Relieved on June 14, 2023.

## II. Responsibility and Operation of the Remuneration Committee

- i. The Company's remuneration committee has a total of 3 members.

The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors, supervisors, and managerial officers of this Corporation; its meeting shall be held at least twice a year and as often as necessary, to submit recommendations to the board of directors for its reference in decision making.

Scope of duties:

- A. Establishing and periodically reviewing the performance assessment standards, and the policies, systems, standards, and structure for the compensation.
- B. Periodically assessing and setting the amounts of compensation for the directors and managerial officers.

The Committee shall perform the duties under the preceding paragraph in accordance with the following standards:

- a. Salary management shall be consistent with the Company's compensation philosophy.
- b. The performance evaluation and compensation of directors and managers shall be made with reference to the usual level of compensation in the industry, taking into account the reasonableness of the relationship between individual performance and the Company's operating performance and future risks.
- c. Directors and managers should not be induced to engage in behavior that exceeds the Company's risk appetite in pursuit of compensation.
- d. The percentage of bonuses and the timing of partial change of salary compensation for short-term performance of directors and senior managers shall be determined by taking into account the characteristics of the industry and the nature of the Company's business.
- e. Members of the Committee shall avoid conflict of interest in their personal compensation decisions and shall not participate in discussions and voting.

- ii. The term of the current members is from August 10, 2023 to June 13, 2026.

The number of remuneration committee meetings held in 2023 and the date of this annual report printed was: 4 times. The attendance by the members was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Convenor	Lin, Lung-Ta	4	0	100%	Should have attended 4 times
Member	Chen, Wei-Lun	2	0	100%	Should have attended 2 times
Member	Tsai, Ming-Fang	4	0	100%	Should have attended 4 times
Member	Shen, Ching-Mao	2	0	100%	Should have attended 2 times

Other information required to be disclosed

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): Nil
2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion.: Nil

iii. Important resolutions of the Remuneration Committee in 2023 and as of the publication date of the annual report:

Remuneration Committee	Proposal content and follow-up processing	Resolution result	The company's handling of the Remuneration Committee's comments
The 8 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term March 22, 2023	1. The fixed salary, bonuses, and incentives for directors and managers of each subsidiary of the company will be reviewed monthly, along with the case of business bonuses for Yang Chia-Yu, assistant Manager of the Company's North District Business Department.	1.Choice Development, Inc.'s monthly fixed salary remuneration for directors and managers was approved by the chairman in consultation with all members present and submitted to the board of directors for resolution. 2.Omni Media International Incorporation has a fixed monthly salary, compensation and bonus for directors and managers. It is recommended to add the "Future Company Operation Plan" and more complete experience information of directors and managers and refer to the salaries of peers. It will be reviewed at the next meeting. 3.Regarding the business bonus for Yang Chia-Yu, assistant Manager of the Company's North District Business Department, please attach the comparison table before and after the amendment of the bonus plan for further consideration at the next meeting.	Resolution: Approved by the Chairman with the consent of all Directors present.
The 9 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term May 10, 2023	1. Monthly fixed salary and bonus for directors and managers of Omni Media International Incorporation, a subsidiary of the Company. 2. Bonus for the sales manager of the Company's Northern Region Business Department, Yang Chia-Yu. 3. The "Regulations Governing the Compensation of Directors and Managers" of the Company were finalized. 4. Monthly remuneration for the head of corporate governance in accordance with the Company's regulations.	Approved by the Chairman with the consent of all members present and submitted to the Board for resolution.	Resolution: Approved by the Chairman with the consent of all Directors present.
The 1st Meeting of the 5 <sup>th</sup> Term Nov. 13, 2023	1. Monthly remuneration for new directors and managers of the Company. 2. Monthly remuneration for directors and managers for the year 2023. 3. Approval of year-end bonuses for directors and managers for the year 2023. 4. Revision of the "Regulations Governing the Evaluation of the Performance of the Board of Directors and Managers of the Company".	Approved by the Chairman with the consent of all members present and submitted to the Board for resolution.	Resolution: Approved by the Chairman with the consent of all Directors present.
The 2nd Meeting of the 5 <sup>th</sup> Term March 13, 2024	1. Changes in the monthly fixed salary remuneration of the company's accounting supervisor and associate level or above personnel. 2. Amendment to the company's "Business Performance Bonus Measures". 3. The company's "Administrative Measures for the Payment of Special Performance Bonuses" were finalized.	Approved by the Chairman with the consent of all members present and submitted to the Board for resolution.	Resolution: Approved by the Chairman with the consent of all Directors present.



(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?		✓	A task force has been established and is currently under preparation.	In preparation.
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>1. The Company has obtained ISO 9001 quality management system, ISO14001 environmental management system, FSC forest environmental protection paper and medical mask GMP, ISO13485 and other certifications. In 2020, the head office added a second-level occupational safety and health business supervisor according to law.</p> <p>2. For the sake of information security and confidential information protection, the Company has built firewall, security equipment, anti-virus software and other security related protective measures. Avoid external attacks such as malicious hackers, computer viruses and extortion mails, which may cause financial loss or affect operation; In the first quarter of 2022, the server replacement and related software updates have been completed to maintain the normal operation of related systems.</p> <p>3. The factory and the office also implement relevant epidemic prevention measures in accordance with the law, and hold regular fire drills to effectively prevent fires and minimize damage, so as not to be affected by external factors that may affect the company's operations.</p>	No significant differences.
3. Environmental Issues				
(1) Has the Company set an environmental management system designed to industry characteristics?	✓		It is not established by the Company.	In the future, it will be established according to the actual needs.
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		The Company has installed a solar power system.	No significant differences.
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		In order to reduce the production of VOCs, in addition to reducing the use of various solvents, the purchase of additional air pollution prevention equipment, such as Regenerative Thermal Oxidizer (RTO), can effectively remove volatile organic solvents (VOCs) in organic waste gas up to 95 % ~ 99 %, significantly reducing the emissions of waste gas.	No significant differences.
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?		✓	It is not established by the Company.	In the future, it will be established according to the actual needs.
4. Social Issues				
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The Company's personnel practices comply with the Labor Standards Act and other relevant laws and regulations to protect the legal rights and interests of employees, and respect internationally recognized basic labor human rights principles, including the prohibition of child labor and the elimination of employment discrimination, and the implementation of equal pay, employment conditions, training and promotion opportunities.	No significant differences.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		<ol style="list-style-type: none"> <li>1. The Company's salary and leave system is regulated in the "Employee Work Rules" and approved by the competent authorities.</li> <li>2. The Company has established the "Employee Welfare Committee" in accordance with the law to implement the welfare policy for employees.</li> <li>3. The Company has also established "Labor-Management Meeting" and "Supervisory Committee of Business Entities' Labor Retirement Reserve" in accordance with the law, in order to seek labor-management harmony and effectively implement the pension system.</li> </ol>	No significant differences.
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<ol style="list-style-type: none"> <li>1. The Company's offices and production areas are completely non-smoking, production equipment is equipped with protective devices, monitors and security systems or personnel are installed at entrances and exits, fire drills and first aid courses are regularly scheduled, every employee is insured by group insurance, and regular medical checkups are held to maintain health.</li> <li>2. Our factory employees are scheduled for annual medical checkups (once every two years for the head office) to comply with the health management principle of "prevention is better than cure".</li> <li>3. The Company has a "first responder" who are responsible for dealing with sudden injuries.</li> <li>4. The Company obtained ISO 14001 environmental management system certification.</li> <li>5. No fire accidents occurred this year.</li> </ol>	No significant differences.
(4) Has the Company established effective career development training programs for employees?	✓		In addition to regular professional knowledge training, a second professional training and job agency arrangement system are also carried out.	No significant differences.
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		<ol style="list-style-type: none"> <li>1. The Company operates its business in accordance with the relevant regulations.</li> <li>2. The Company has established a "Complaint and Whistleblowing Policy" and has made the complaint channel available on its website.</li> </ol>	No significant differences.
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		<ol style="list-style-type: none"> <li>1. Regular evaluation of suppliers, including factory visits and occasional meetings, etc.</li> <li>2. In order to ensure that the Company's management system complies with FSC's core labor requirements, and follow the basic principles and rights defined in the International Labor Organization's (ILO) Declaration of the International Labor Organization (ILO) in 1998, the actual situation of suppliers is audited.</li> </ol>	No significant differences.
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		✓	It is not established by the Company.	In the future, it will be established according to the actual needs.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: nil				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: nil				

# Climate-Related Information of TWSE/TPEX Listed Company

## 1 Implementation of Climate-Related Information

Item	Implementation status
<p>Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> <p>Describe the financial impact of extreme weather events and trans-formative actions.</p> <p>Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p> <p>If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</p>	<p>Under preparing</p> <p>During the current fiscal year up to the date of publication of the annual report, the company does not meet certain conditions, so it is not applicable.</p>

### 1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

#### 1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO <sub>2</sub> e), intensity (metric tons CO <sub>2</sub> e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
under preparing

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

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

#### 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
under preparing

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

#### 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
under preparing

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

(6) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
<b>1. Establishment of ethical corporate management policies and programs</b> (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		The Company has formulated "Ethical Corporate Management Best Practice Principles" and approved by the Board. The Board and management will abide by the commitment to actively implement the ethical corporate management policy.	Conformed to.
(2) 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 prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	✓		The Company's "Employee Work Rules" stipulates that Employees of the Company who "intentionally disclose the Company's technical and business secrets, embezzling public funds, stealing Company property, engaging in foreign transactions and seeking private interests from them" and other acts that cause damage to the Company may be dismissed without prior notice. In addition, a letter of integrity agreement is signed with employees to prevent bribery from manufacturers.	Conformed to.
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		The company has formulated the "Ethical Corporate Management Best Practice Principles" and "Complaint and Whistle-blowing Policy", and made the complaint channels public on the website, and regularly reviewed the aforementioned systems.	Conformed to.
<b>2. Ethical Management Practice</b> (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		The Company's contracts for the sale of bulk purchases and bulk sales of offcuts expressly provide that the Company may terminate this contract and seek damages for any commission, rebate, gift or other benefit given to our contractors in order to protect the integrity of the transaction.	Conformed to.
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		The Company's General Manager's Office is responsible for the development of ethical corporate management and prevention programmes, which are overseen by the Audit Office and reported to the Board on a regular basis.	Conformed to.
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?		✓	Not yet formulated.	It will be formulated according to the actual situation in the future.
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		The Company has established an effective accounting system and internal control system. The internal audit unit prepares an annual audit plan and carries out relevant audits in accordance with the plan, and reports the audit results to the Board on a regular basis so that the management can understand the implementation of the Company's internal control for management purposes.	Conformed to.
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		The Company has organised in-house training on ethical corporate management in the 3rd quarter of 2022.	Conformed to.

Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<b>3.Implementation of Complaint Procedures</b> (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	✓		1. The Company has established a "Complaint and Whistleblowing Policy" to regulate. 1. By stakeholder status, the departments responsible for handling these matters are "Human Resources", "Finance and Accounting", "Business" and the "General Manager's Office"; if managers and directors are involved, the audit department will report to the independent director or supervisor.	Conformed to.
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		2. The Company keeps the identity of the whistleblower and the content of the whistleblower confidential, and if it is found that it has been improperly dealt with, the senior management will assist in handling it, and properly arrange the rights and interests of the whistleblower.	
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓		3. If the whistleblowing and complaint case is verified to be true and is in the interest of the company, after the evaluation by the general manager, the complainant or whistleblower will be rewarded in cash.	
<b>4. Strengthening Information Disclosure</b> Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The ethical corporate management policies have been disclosed on the Company website ( <a href="http://www.choiceprintgroup.com/ch/rule.php?id=14">http://www.choiceprintgroup.com/ch/rule.php?id=14</a> ) and Market Observation Post System (MOPS).	Conformed to.
5.If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: No significant differences.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): nil				

(7) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched.

Please refer to the Market Observation Post System (MOPS) for the Company to formulate corporate governance regulations. ( [http://mops.twse.com.tw/mops/web/t100sb04\\_1](http://mops.twse.com.tw/mops/web/t100sb04_1) ) (stock code: 9929) or

Website of the company: <http://www.choiceprintgroup.com/ch/rule.php?id=13> .

(8) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:

In order to establish the Company's good internal material information processing and disclosure mechanism, avoid improper disclosure of information, and ensure the consistency and accuracy of the Company's information released to the outside world, the "Procedures for Handling Material Inside Information" has been formulated to inform all directors and supervisors , managers and employees, and put it in the company's internal sharing folder. If the method is revised in the future, the sharing folder will be updated at any time for all colleagues to follow. "Regulations Governing the Management of the Prevention of Insider Trading" are also in place to prevent breaches or instances of insider trading by colleagues.

(9) The section on the state of implementation of the company's internal control system shall furnish the following:

1. A Statement on Internal Control

Choice Development, Inc.

A Statement on Internal Control System

Date: March 13, 2024

With regard to the internal control system of 2023, the company declares the following per self-assessment results.

1. The company affirms that it is board of directors of the company and management's responsibility to establish, implement and maintain internal control system and the company has established said system. The objective for such establishment is to achieve the goals of operational effectiveness and efficiency (including profit, performance, and asset security, etc.), report reliability, timeliness, transparency, and compliance of governing laws.
2. Internal control system comes systemically with inevitable limitations; however sound the design of it may be, an effective internal control system provides assurance to the aforementioned aims to a mere reasonable extent; moreover, due to changes of the environments and conditions, the effectiveness of internal control system may change accordingly. Nevertheless, the company's internal control system is equipped with a self-monitoring mechanism - should any fault be identified, The company will take immediate corrective action.
3. The company determines whether its design and implementation of internal control system are effective in accordance with "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter as the "Governing Regulations"). As per the governing Regulations, the determining factors for the effectiveness of internal control system shall at least include the following elements: 1. Controlled Environment, 2. Risk Assessment, 3. Controlled Operations, 4. Information and Communication, 5. Monitoring. Each constituent element in turn includes several items. For the aforementioned items, please refer to the provisions of the "Governing Regulations".
4. The company has adopted aforesaid determining factors of internal control system to examine the effectiveness of the design and implementation of internal control system.
5. Based on the examination results from the preceding item, the company deems that the company's internal control system (including the supervision and management of subsidiaries) on December 31, 2023, including understanding the effectiveness of operations and the degree of achievement of efficiency goals, reports are reliable, timely, transparent, and compliance with relevant norms and relevant laws and regulations, the design and implementation of relevant internal control systems are effective, which can provide a reasonable assurance to achieve the above aims.
6. This statement will be the main content of the company's annual report and public deliberation statement, open for public access. Any wrongful act pertaining to falsification or concealment involving the above public declaration will be subjected to legal liabilities under Articles 20, 32, 171, 174 of, and other regulations relating to, the Securities and Exchange Act, Republic of China (Taiwan)
7. This statement has been agreed and signed off by the board of directors of the company as of March 13, 2024; however, it is the fact that, among the 7 directors present at the board meeting, no dissented and the remainder consented herewith.

Choice Development, Inc.

Chairman: Chen, Hui-Yu

General Manager: Chen, Hung-Pin



2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: Nil

(10) 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 condition of improvement: Nil

(11) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

Date	Material resolutions of shareholders meeting and implementation
June 14, 2023	Adoption Matters for adoption: (1) Adoption of the 2022 Business Report and Financial Statements. Execution situation: Adopted as written. (2) Adoption of the Proposal for Distribution of 2022 Profits
	Matters for Discussion: Adopted amendments to some provisions of the Company's "Guideline for Loaning Funds to Others". Adopted the amendments to some articles of the Company's "Rules of Procedure for Shareholders Meetings".
	Matters for Election: Comprehensive re-election of directors of the company. List of elected directors: Chen, Hui-Yu, Chang Shih-Kui, the representative of Dehui Investment Co., Ltd., Lin Keng-Jan, the representative of Solara Enterprises, Ltd., Kuo, Cheng-Hung, the representative of Wei Chen investment Co. Ltd. List of elected independent directors: Lin Lug-Ta, Tsai Ming-Fang, Chung Kung-Chao Execution situation: The change registration to the Ministry of Economic Affairs was completed on July 7, 2023 and announced on the company website.
	Other resolutions: Adopted the lifting of non-competition restrictions on the company's new directors and their representatives.

Date	Material resolutions of board of directors meeting
March 22, 2023	<ol style="list-style-type: none"> <li>Adopted the re-election of directors of the company and the list of nominee directors and independent director candidates.</li> <li>Adopted the company's acceptance of shareholders' nominations on whether to be included in the list of directors, independent director candidates.</li> <li>Adopted the lifting of non-competition restrictions on the company's new directors and their representatives.</li> <li>Adopted 2023 Operating Plan.</li> <li>Adopted The Company's Report on Operations for 2022.</li> <li>Adopted The Company's 2022 financial statements and consolidated financial statements and profit distribution.</li> <li>Adopted 2022 Internal control effectiveness assessment and internal control statement.</li> <li>Adopted the amendments to some provisions of the Company's "Rules of Procedure for Shareholders' Meetings".</li> <li>Convened the 2023 regular shareholders' meeting of the Company</li> <li>Adopted the period for suspending stock transfer and the period for accepting shareholder proposals.</li> <li>Adopted Adopted the Company regularly evaluates the independence and suitability of the CPA.</li> <li>Adopted the proposal to pre-approve the certified accountants, their firms and their affiliated companies to provide non-assurance services to the company and its subsidiaries.</li> <li>Adopted the approval case for the appointed accountant's audit fee and tax compliance audit fees.</li> <li>Adopted The fixed salary, bonuses, and incentives for directors and managers of each subsidiary of the company will be reviewed monthly, along with the case of business bonuses for Yang Chia-Yu, assistant Manager of the Company's North District Business Department. The fixed salary, bonuses, and incentives for directors and managers of each subsidiary of the company will be reviewed monthly, along with the case of business bonuses for Yang Chia-Yu, assistant Manager of the Company's North District Business Department (some content remains undecided).</li> <li>Adopted the lifting the non-competition restriction of the company's managers.</li> </ol>

Date	Material resolutions of board of directors meeting
May 10, 2023	<ol style="list-style-type: none"> <li>1. Adopted the proposal of monthly fixed salary and bonus for directors and managers of Wide Harvest International Media Co.</li> <li>2. Adopted the bonus for Yang Chia-Yu, the assistant manager of the Northern Region Business Department of the Company.</li> <li>3. Adopted the Company's consolidated financial statements for the first quarter of 2023.</li> <li>4. Adopted the "Regulations Governing the Compensation of Directors and Managers" of the Company.</li> <li>5. Adopted the amendment of certain provisions of the "Rules Governing Board Meetings" of the Company.</li> <li>6. Adopted amendments to certain provisions of the "Regulations Governing the Supervision of Subsidiaries" of the Company. Approved the amendment to the "Regulations Governing the Supervision of Subsidiaries" of the Company.</li> <li>7. Adopted the appointment of the head of corporate governance of the Company.</li> </ol>
June 14, 2023	<ol style="list-style-type: none"> <li>1. Adopted the election of the Chairman of the Board of Directors.</li> <li>2. Adopted the election of Vice Chairman.</li> </ol>
August 10, 2023	<ol style="list-style-type: none"> <li>1. Adopted the consolidated financial statements for the second quarter of 2023 for our company.</li> <li>2. Adopted the proposal to appoint members to the Compensation Committee.</li> <li>3. Adopted the partial amendments to the "Standard Operating Procedures for Handling Director Requests" of our company.</li> <li>4. Adopted the appointment of the General Manager for the company.</li> <li>5. Adopted the removal of restrictions on the General Manager's competition restrictions.</li> </ol>
Nov. 13, 2023	<ol style="list-style-type: none"> <li>1. Adopted the Company's consolidated financial statements for the third quarter of 2023.</li> <li>2. Adopted the proposal of monthly fixed salary compensation for new directors and managers of the Company.</li> <li>3. Adopted the monthly fixed salary compensation plan for directors and managers of the Company for the year 2023.</li> <li>4. Adopted the Company's directors' and managers' year-end bonuses for 2023.</li> <li>5. Adopted the amendment to the "Regulations Governing the Evaluation of the Performance of the Board of Directors and Managers" of the Company.</li> <li>6. Adopted the "2024 Audit Plan" of the Company.</li> <li>7. Adopted the proposal to lift the non-competition restriction imposed on General Manager Chen Hong-Pin.</li> </ol>
March 13, 2024	<ol style="list-style-type: none"> <li>1. Adopted the company's 2024 operating plan.</li> <li>2. Adopted the company's 2023 annual business report.</li> <li>3. Adopted the company's 2023 financial statements and consolidated financial statements and loss appropriation plan.</li> <li>4. Adopted the company's 2023 internal control effectiveness assessment and written internal control statement.</li> <li>5. Adopted amendments to some provisions of the company's "Articles of Association".</li> <li>6. Adopted the case of lifting the non-competition restrictions on the company's directors and their representatives.</li> <li>7. Adopted the proposal to convene the 2024 regular shareholders meeting.</li> <li>8. Adopted the period during which stock transfers are suspended and shareholder proposals are accepted.</li> <li>9. Adopted the company regularly evaluates the independence and competency of certified accountants.</li> <li>10. Adopted intends to pre-approve the CPAs, their firms and firm-related companies providing non-assurance service to the company and the subsidiaries.</li> <li>11. Adopted to appoint an accountant to audit the finalization of public expenses and tax visa fees.</li> <li>12. Adopted to formulate the company's "Operational Procedures for Preparation and Verification of Sustainability Reports".</li> <li>13. Adopted amendments to some provisions of the company's "Rules of Procedure for Board of Directors".</li> <li>14. Adopted amendments to some provisions of the Company's "Organizational Rules of the Audit Committee".</li> <li>15. Adopted the case of changes in the monthly fixed salary remuneration of the company's accounting supervisor and associate level or above personnel.</li> <li>16. Adopted the case of change of spokesperson of the company.</li> </ol>

(12) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: Nil

(13) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer:

Job Title	Name	Dismissal Date
General Manager	Wang, Chih-Ying	August 10, 2023



#### 4. Information on CPA (External Auditor) Professional Fees

Unit: NT\$1,000

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees (note)	Total	Remarks
PwC Taiwan	Liao, Fu-Ming	Jan. 1, 2023 ~ Dec. 31, 2023	1,550	200	1,750	
	Lin, I-Fan					

Note: Non-audit fees means tax certification.

- (1) The company shall disclose the amounts of the audit fees and non-audit fees paid to the attesting CPAs and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services: Nil
- (2) When the company changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: Nil
- (3) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: Nil

#### 5. Information on change in CPA: N/A

6. **Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant 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:**  
Nil

**7. 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 date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:**

Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Job title	Name	FY 2023		Current fiscal year as of March 31, 2024	
		Shareholding increase (or decrease)	Pledged Shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Chen, Hui-Yu	0	0	0	0
Director	Chang Shih-Kui, the representative of Dehui Investment Co., Ltd.	0	0	0	0
		0	0	0	0
Director	Lin Keng-Jan, the representative of Solara Enterprises, Ltd.	0	0	0	0
		(190,000)	0	(149,000)	0
Director	Hung Wen-Lai, the representative of Solara Enterprises, Ltd. Note 1	0	0	0	0
		0	0	0	0
Director	Kuo, Cheng-Hung, the representative of Wei Chen investment Co. Ltd. Note 2	0	0	0	0
		0	0	0	0
Independent Director	Lin, Lung-Ta	0	0	0	0
Independent Director	Tsai, Ming-Fang	0	0	0	0
Independent Director	Fang, Kai-Liang Note 3	0	0	0	0
Independent Director	Chung, Kung-Chao Note 4	0	0	0	0
General Manager	Wang, Chih-Ying Note 5	0	0	(477)	0
General Manager	Chen, Hung-Pin Note 6	0	0	0	0
Major Shareholder	Peng, Teng-Te	0	0	0	0
Deputy assistant general manager	Yang, Chia-Yu	0	0	0	0
Deputy assistant general manager	Huang, Shih-Hsuan	0	11,000	0	0
Officer of Dept. Accounting and Finance	Lee, Chen-Hua	0	0	0	0
Special Assistant	Chang, Chun-Hsiang Note 7	0	0	0	0
Corporate Governance Officer	Chen, Yen-Hui	0	0	0	0

Note: Major shareholder means the shareholder with a stake of more than 10 percent. Where the counter-party in any such transfer or pledge of equity interests is a related party: Nil

1. Resigned on June 14, 2023.
2. Reported for duty on June 14, 2023.
3. Resigned on June 14, 2023.
4. Reported for duty on June 14, 2023.
5. Resigned on August 10, 2023.
6. Reported for duty on August 11, 2023.
7. Reported for duty on August 1, 2023.

**8. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another**

Relationship information among the company's 10 largest shareholders

Name	Shares Held by the person		Shares Held by Spouse and Minor Children		Shares Held through Nominees		The names and relations among the Company's 10 largest shareholders who is a related party or a relative within the second degree of kinship of another		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Name	Relationship	
Peng, Teng-Te	19,999,800	19.75	-	-	-	-	Dehui Investment Co., Ltd. Lin, Wen-Hui Peng, Ting-Ching	Director Spouse Brother/sister	
Hsu, Yu-Shan, the representative of Yotze Co., Ltd.	8,369,000	8.26	-	-	-	-			
	1,447	0.001	4,914,194	4.85	-	-	Hsu, Chien-Chen	Spouse	
Lu, Mei-Hu, the representative of Xirui Investment Co., Ltd.	6,000,000	5.92	-	-	-	-	-	-	
	0	0.00	-	-	-	-	-	-	
Lin, Sheng-Hsiu, the representative of Hung Lin Int'l Co., Ltd.	5,974,000	5.90	-	-	-	-	-	-	
	0	0.00	-	-	-	-	-	-	
Lee, Chang-Lin, the representative of Quansheng Investment Co., Ltd.	5,740,200	5.67	-	-	-	-	-	-	
	0	0.00	-	-	-	-	-	-	
Lin, Wen-Hui. The representative of Dehui Investment Co., Ltd.	5,022,409	4.96	-	-	-	-	Peng, Teng-Te	Director	
	0	0.00	19,999,800	19.75	-	-	Peng, Teng-Te	Spouse	
Peng, Ting-Ching, the representative of Sanho Investment Co., Ltd.	5,021,638	4.96	-	-	-	-	-	-	
	0	0.00	-	-	-	-	Peng, Teng-Te	Brother & sister	
Hsu, Chien-Chen	4,914,194	4.85	1,447	0.001	-	-	Hsu, Yu-Shan	Spouse	
Chen, Hui-Yu	3,000,057	2.96	-	-	-	-	-	-	
Hsu, Yu-Shan, the representative of Shilin Development Co., Ltd.	3,000,000	2.96	-	-	-	-	-	-	
	1,447	0.00	4,914,194	4.85	-	-	Hsu, Chien-Chen	Spouse	

Note: This table is the latest closing of the company's transfer of ownership as of the date of publication of the annual report.

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

Total Ownership of Shares in Investee Enterprises  
March 31, 2024

Unit: Shares; %

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Omni Media Int'l Inc.	53,444,341	81.19%	-	-	53,444,341	81.19%
Choice Property Management Inc.	3,000,000	60%	500,000	10%	3,500,000	70%

Note :The investment calculated by equity method.

# IV. Information on capital raising activities

## 1. Capital and Share

### (1) Sources of Capital

March 31, 2024

Month/ year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares (1000 shares)	Amount (NT\$1000)	Shares (1000 shares)	Amount (NT\$1000)	Sources of capital (NT\$1000)	Capital paid in by assets other than cash	Other
01/2015	10	176,000	1,760,000	95,800	958,000	Capital reduced 533,704	No	Note 1
05/2015	10	176,000	1,760,000	121,800	1,218,000	<b>Private placement</b> 260,000	No	Note 2
09/2015	10	176,000	1,760,000	168,800	1,688,000	<b>Private placement</b> 470,000	No	Note 3
06/2019	10	249,200	2,492,000	168,800	1,688,000	-	No	Note 4
12/2020	10	250,000	2,500,000	101,280	1,012,800	Capital reduced 675,200	No	Note 5

Note: 1. Jing-shou-shang-zi No. 10401015860 dated January 26, 2015.  
2. Jing-shou-shang-zi No. 10401101010 dated June 01, 2015.  
3. Jing-shou-shang-zi No. 10401201420 dated September 22, 2015.  
4. Jing-shou-shang-zi No. 10801064130 dated June 04, 2019.  
5. Jing-shou-shang-zi No. 10901201610 dated October 23, 2020.

Unit: share

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common share	101,280,000	148,720,000	250,000,000	Nil

Note: Information about Shelf Registration System: N/A

### (2) Shareholder Composition

March 31, 2024

Quantity \ Shareholder composition	Government agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions and foreign individual	Total
No. of shareholders	-	-	26	5,056	14	5,096
No. of shares held	-	-	45,991,977	55,096,497	191,526	101,280,000
Shareholding ratio	-	-	45.41%	54.40%	0.19%	100.00%

### (3) Distribution of Shareholding: (NT\$10/par value)

#### A. Common share

Range of no. of shares held	No. of shareholders	Shareholding (shares)	Shareholding (%)
1 ~ 999	3,894	761,158	0.75%
1,000 ~ 5,000	833	1,745,155	1.72%
5,001 ~ 10,000	120	882,178	0.87%
10,001 ~ 15,000	51	647,837	0.64%
15,001 ~ 20,000	21	385,995	0.38%
20,001 ~ 30,000	38	964,482	0.95%
30,001 ~ 40,000	26	929,875	0.92%
40,001 ~ 50,000	20	892,440	0.88%
50,001 ~ 100,000	28	1,822,812	1.80%
100,001 ~ 200,000	21	2,869,282	2.83%
200,001 ~ 400,000	14	3,814,338	3.77%
400,001 ~ 600,000	8	4,116,384	4.06%
600,001 ~ 800,000	3	1,996,557	1.97%
800,001 ~ 1,000,000	2	1,785,996	1.76%
1,000,001 above	17	77,665,511	76.68%
Total	5,467	101,280,000	100.00%

B. Preferred shares: Nil

- (4) List of Major Shareholders: List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all 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

March 31, 2024

Shares Names of major shareholders	Shareholding (shares)	Shareholding (%)
Peng, Teng-Te	19,999,800	19.75%
Yaotze Co., Ltd.	8,369,000	8.26%
Xirui Investment Co., Ltd.	6,000,000	5.92%
Hung Lin International Co., Ltd.	5,974,000	5.90%
Quansheng Investment Co., Ltd.	5,740,200	5.67%
Dehui Investment Co., Ltd.	5,022,409	4.96%
Sanho Investment Co., Ltd.	5,021,638	4.96%
Hsu, Chien-Chen	4,914,194	4.85%
Chen, Hui-Yu	3,000,057	2.96%
Shilin Development Company Ltd.	3,000,000	2.96%

- (5) Provide share prices information for the past 2 fiscal years, together with the company's net worth per share, earnings per share, dividends per share.

Fiscal year		2022	2023	Current year to March 31, 2024
Market price per share	Highes	9.77	19.50	17.80
	Lowest	7.57	8.37	14.65
	Average	8.82	11.83	16.38
Net worth per share	Before distribution	8.56	8.03	8.02
	After distribution	8.56	8.03	Note 1
Earnings per share	Weighted average shares	101,280,000	101,280,000	-
	Earnings (loss) per share	(0.82)	(1.04)	-
Dividends per share	Cash dividends		-	-
	Free- Gratis Dividends	Retained Shares Distribution	-	-
		Capital Reserve Shares Distribution	-	-
	Retained Dividends		-	-
Return on investment analysis	Price/earnings ratio		-	-
	Price/dividend ratio		-	-
	Cash dividend yield		-	-

Note: 1. The proposed distribution of the Company's 2023 earnings is subject to resolution at the Annual General Meeting.

2. Price/earnings ratio = average closing price per share for the year / earnings per share

3. Price / dividend ratio = average closing price per share for the year / cash dividends per share.

4. Cash dividend yield = cash dividend per share / average closing price per share for the year

- (6) Company's dividend policy and implementation
- A. Dividend policy as stipulated in the Articles of Incorporation:  
 If this Company has earnings in its annual final accounts, it shall pay taxes and make up losses according to law, and the next 10% is the legal reserve, but this is not the case when the legal reserve has reached the paid-in capital. In addition, after the special reserve is listed or reversed according to the relevant laws and regulations, and the retained earnings-unappropriated at the beginning of the same period is the accumulated distributive earnings of shareholders, the Board will draw up a plan for the distribution of earnings.  
 The dividend policy of this Company is to calculate the distributive earnings according to the preceding paragraph, then reserve the required funds according to the operation plan of this Company, and distribute the rest as dividends to shareholders, and the proportion of cash dividends should not be less than 30%.
- B. Situation of the proposed dividend distribution at this shareholders' meeting: The proposed distribution of cash dividend is NT\$0 per share.
- (7) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:  
 The shareholders' meeting proposed not to distribute stock grants, so it is not applicable.
- (8) Profit-sharing compensation of employees, directors
- A. The percentages or ranges with respect to employee, director profit-sharing compensation, as set forth in the company's articles of incorporation:  
 After deducting the accumulated losses according to the current year's profit status, this Company shall allocate no less than 3% of the employee's remuneration and no more than 3% of the director's remuneration if there is any remaining balance.  
 When employee remuneration is distributed in the form of stock or cash, the Board shall make a resolution with more than two-thirds of the directors present and more than half of the directors present and report it to the shareholders meeting.  
 The recipients of stock or cash as employee remuneration may include employees of controlling or subordinate companies who meet certain conditions, and the conditions are authorized to be set by the Board.
- B. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:  
 Before the issued date of the adopted annual financial report, if there is a major change in the distribution amount resolved by the board of directors, the change shall adjust the original annual expense; after the adopted annual financial report is issued, if there is still a change in the amount, it will be treated as a change in accounting estimate and will be adjusted and recorded in the next year.
- C. Information on any approval by the board of directors of distribution of profit-sharing compensation:
- The amount of any employee profit-sharing compensation and director profit-sharing compensation distributed in cash or stocks: Nil
  - The amount of any employee profit-sharing compensation 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 employee profit-sharing compensation: No employee stock has been issued.
- D. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated:

Unit: NT\$

	Actual number distribution	Annual estimates of recognized expenses	difference number
Employee profit-sharing compensation	0	0	0
Director profit-sharing compensation	0	0	0

- (9) Status of a company repurchasing its own shares: nil

- 2. Information on the company's issuance of corporate bonds: Nil**
- 3. Section on preferred shares: Nil**
- 4. Section on global depository receipts: Nil**
- 5. Section on employee share subscription warrants shall specify the following matters: Nil**
- 6. Section on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: Nil**
- 7. Section on implementation of the company's capital allocation plans: No securities were issued or privately placed during the year.**



# V. Overview of business operations

## 1. Description of the business:

### (1) Scope of business:

- A. the company's major lines of business:
  - Printed Matter Binding and Processing
  - General Advertisement Service
  - Medical Devices Manufacturing
- B. The relative weight of each: Printing revenue 82.8%; advertising revenue 16.9%, and medical equipment 0.3%.
- C. current products (services):
  - a. Pre-press: product planning, design, photography and computer scanning color separation, plate making, etc.
  - b. In-press: printing down, printing (sheet and rotary printing).
  - c. Post-press: origami, bookbinding (saddle stitch, glue binding), calendar collation, etc.
  - d. Advertising business service: According to the characteristics of the advertiser's industry/product, and in response to the different properties of the transportation media field that the Company acts as an agent, provide a full range of outdoor transportation media products for advertisers to place on different media.
  - e. Medical masks and protective masks.
  - f. Thermal paper for invoices.
  - g. Setup of solar power generation equipment.
- D. New products (services) planned for development:
  - Introduces information security products, environmentally friendly products and digital advertising.

### (2) Overview of the industry:

- A. Current status
  - a. The printing market is shrinking due to the development of the Internet, e-commerce, mobile media and the impact of the growing number of children. The printing industry has been downsizing or withdrawing from the market due to lack of production capacity, and printing companies wishing to operate in a sustainable manner must seriously face the issue of restructuring and increasing their business items.
  - b. The rise of environmental awareness, government regulations and increasingly strict environmental inspection, in order to comply with the regulations, it is necessary to build pollution prevention equipment, which makes the printing industry, which is already facing operating difficulties, worse.
  - c. In order to meet the needs of publishers for low inventory and fast orders in small quantities, the introduction of digital processes in printing will be a future trend.
  - d. With the reluctance of young people to enter the printing industry, companies will face a talent gap and a lack of succession.
  - e. Sensing the demand for masks in the market, some highly sensitive peers actively built mask production lines, which not only solved the problem of insufficient printing production capacity and idle manpower, but also greatly increased revenue and profits.
  - f. In recent years, the development of the Internet has had a huge impact on the advertising revenue of traditional media. In addition, after the outbreak of the Covid-19 in 2020, the demand for living at home increases and the decrease of going out for entertainment, which also makes the advertising revenue of outdoor media dependent on population flow worse.
- B. The links between the upstream, midstream, and downstream segments of the industry supply chain
  - The Company's services cover the entire printing process.

The Company's services provide advertising media, i.e. consumer access to media, upstream for advertisers, such as well-known brands of consumer products, or upstream for creative advertising services, responsible for advertising strategy, brand management, creative advertising and advertising execution.

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

- a. The printing process is very mature, but due to the shrinking market and the trend towards smaller, more diverse and faster deliveries, as well as the difficulty of training technicians, production equipment is moving towards slower, digital and automated production and the use of environmentally friendly materials.
- b. In 2024, the printing market will continue to shrink. Under the situation of oversupply, the competition has reached a stage of fierce competition.

3. overview of the company's technologies and its research and development work:

The Company has no R&D department, but the General Manager's Office is responsible for researching and introducing the latest printing technologies, improving production processes and quality management, in order to continuously enhance the Company's competitiveness.

4. The company's long- and short-term business development plans:

i. Short-term development plans

- a. Strive for the cross-field printing market, including accepting more small-volume, diverse, customized and auxiliary processing prints, and training packaging material design and business personnel to strive for the packaging material printing market.
- b. Combining the customer's planning ability to jointly strive for the bidding documents that require proposals, maintain the role of manufacturer and partner with the customer, and sublimate the customer relationship.
- c. Integrate the company's related enterprise resources, exchange resources required by customers, and achieve symbiosis and co-prosperity.
- d. In response to the increase in paper raw materials, periodicals and commonly used paper, contract or purchase inventory in advance according to needs, reduce procurement costs and increase competitiveness.

ii. Middle-term and long-term development plans

- (1) Establish long-term friendly competition and cooperation relationships and develop together with major peers.
- (2) Actively explore the mid-to-high-end business travel advertising market and realize the application of precise fields and big data.
- (3) Expand business projects, including customized products and provision of solution services, and look for new business projects with business model potential,
- (4) Develop different advertising fields, take advantage of resource integration, and expand the media market territory.

## 2. Analysis of the market as well as the production and marketing situation

### (1) Market analysis

#### A. the geographic areas where the main products (services)

Unit: NT\$1,000

Financial year	FY 2022		FY 2023	
District	Amount	%	Amount	%
Taiwan	585,521	96.9	686,704	97.9
Others	18,545	3.1	14,604	2.1
Total	604,066	100.0	701,308	100.0

#### B. the company's market share, demand and supply conditions for the market in the future

Electronic and mobile media are still attracting more attention from consumers. E-commerce, cross-media communication and marketing are directly affecting the growth of the traditional print market, which has led to a significant decline in circulation and advertising in paper media. For the publishing and commercial printing industry, the problem of oversupply continues and price competition is inevitable.

#### C. the company's competitive niche

- North-south network connection, and convenient services across the province
- High quality, fast delivery.
- Long history, good reputation, high customer visibility

#### D. positive and negative factors for future development, and the company's response to such factors

##### a. Positive factors:

- The Company is the only stock listed company in its industry, which helps to enhance its image.
- With consistent production capacity, the Company has a spacious production plant located in Anping Industrial Park, occupying 836 pings and 1400 pings, which not only provides sufficient space for consistent operations, but also has great benefits for production line planning, effective control of raw material inventory, and smooth delivery. °
- Perfect process quality management reduces defective rate to improve quality and production capacity, enhance market competitiveness, and greatly contribute to the increase of sales.
- Invest in or make strategic alliances with upstream industries to obtain orders directly through partnerships.

b. Negative factors and the company's response to such factors:

The market has shrunk and entered into a price war.

The company's response to negative factors:

To cope with the market environment, we will strengthen our management and actively control costs to improve performance. In terms of raw material procurement, we will renegotiate with suppliers to reduce costs and maximize profit margins. At the same time, we will implement cost-saving programs, including measures to save money on defects, transportation, gas and electricity.

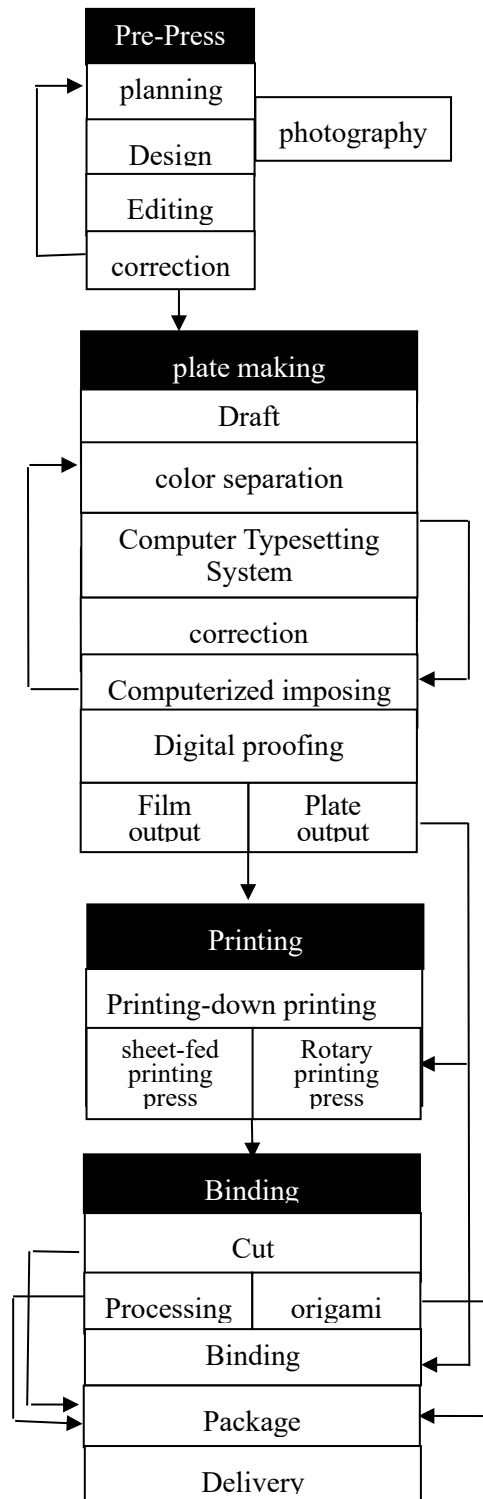
(2) Usage and manufacturing processes for the company's main products

A. Usage for the company's main products

a. Commercial printing: such as DM, posters, brochures, catalogs, annual reports, calendars, weekly calendars and other products, as a promotional tool for companies in the industrial and commercial sector or product promotions.

b. Publishing and printing of magazines: books, periodicals (weekly, semi-monthly, monthly, quarterly), albums, textbooks, etc.

## B. Manufacturing processes for the company's main products



### (3) Supply situation for the company's major raw materials

Paper: 1. General paper is supplied by domestic paper mills.  
2. Some of the special papers are imported from overseas by our agents.

Ink: Mainly supplied by domestic ink suppliers.

- (4) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

A. Information on Major Suppliers for the Most Recent 2 Years

Unit: NT\$1,000

	FY 2022				FY 2023				Up to the first quarter of the current fiscal year 2024			
Item	Nam	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases(%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the first quarter of the current fiscal year (%)	Relationship with the issuer
1	Company B	85,996	30.00	No	Company B	77,342	26.73	No	Company B	13,100	24.88	No
2	Company A	66,602	23.24	No	Company A	60,095	20.77	No	Company C	11,180	21.23	No
3	Company C	32,784	11.44	No	Company C	48,938	16.91	No	Company A	6,171	11.72	No
4	Company D	29,427	10.27	No	Company D	29,345	10.14	No	Company D	6,033	11.46	No
	Others	71,803	25.05		Others	71,803	25.45		Others	16,169	30.71	
	purchases	286,612	100.0		purchases	286,612	100.0		Purchases net	52,653	100.0	

Note: Reason for increase or decrease: In order to meet the needs of some major customers, the proportion of purchases by some major purchasers was adjusted.

B. Information on Major Customers for the Most Recent 2 Fiscal Years

Unit: NT\$1,000

	FY 2022				FY 2023				Up to the first quarter of FY2024			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of net sales up to the first quarter of the current fiscal year (%)	Relationship with the issuer
1	Company A	82,454	13.65	No	Company A	80,366	11.46	No	Company A	17,998	10.04	No
	Others	521,612	86.35		Others	620,942	88.54		Others	161,194	89.96	
	Net sales	604,066	100.0		Net sales	701,308	100.0		Net sales	179,792	100.0	

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

Unit: NT\$1,000; 1000 pieces

Output Main products	FY	2022			2023		
		Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
printed matter (note)		-	-	487,081	-	-	492,861

Note: 1. The Company's printed products are produced in batches, with a wide variation of products. There are no statistics on production capacity and production volume.

- (6) Sales Volume and Value in the Most Recent 2 Fiscal Years

Unit: NT\$1,000; 1000 pieces

Sales volume and Value	FY	FY 2022				FY 2023			
		Local		Export		Local		Export	
		Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
printed matter		-	546,934	-	18,545	-	566,354	-	14,604
advertisement making		-	34,386	-	-	-	118,833	-	-
Others		-	4,201	-	-	-	1,517	-	-

Note: The company's printed matter is produced in batches, and the products vary greatly, so it is impossible to count the sales volume.

### 3. Employees

Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date

Financial year		FY2022	FY2023	As of March 31, 2024 of the current fiscal year
Number of employees	Clerk	62	51	50
	Indirect technician	25	24	27
	Direct labor	45	37	34
	Total	132	112	111
Average age		51.16	51.02	51.01
Average years of service		8.29	9.29	8.75
Education distribution percentage (%)	Ph.D.	0	0	0
	Master's degree	4.5%	6.3%	7.2%
	College/university	48.5%	53.6%	54.1%
	Senior high school	39.4%	31.3%	31.5%
	Below senior high school	7.6%	8.8%	7.2%

### 4. Disbursements for environmental protection:

any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid), and disclosing an estimate of possible expenses that could be incurred in future and an explanation of the facts of why it cannot be made shall be provided : Nil

### 5. Labor relations

- (1) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

#### A. Employee benefit plans

In January 1978, the Company established the Employee Welfare Committee, which provides funds in accordance with government regulations to promote various welfare measures. In addition to universal health insurance and labor insurance, the Committee also provides employees with group insurance, birthday gifts, annual gifts, wedding and funeral subsidies, condolence payments, and employee travel subsidies.

#### B. Continuing education, training

For the company's long-term development and the needs of employees' self-growth, in addition to organizing personnel training courses to improve the professional quality of employees; employees can also participate in irregular external training according to needs to enrich new knowledge and improve work professionalism and efficiency.

#### C. Retirement systems, and the status of their implementation

The Company established the Labor Retirement System in accordance with the Labor Standards Act and other relevant laws and regulations, and set up the Supervisory Committee of Labor Retirement Reserve to make monthly contributions to the employees' retirement reserve and deposit them in a special account in the Trust Department of the Bank of Taiwan. In accordance with the regulations, the Company contributes the full amount of the current year's old labor retirement reserve to the account by the end of March each year for those who are eligible to retire.

Employees who were employed under the Labor Standards Act on the day prior to the implementation of the Labor Pension Act (06.30.2005) and who choose to be covered by the new pension system will have their monthly pensions paid into their individual labor retirement accounts within 6% of their wages. For those who choose to continue to be subject to the retirement provisions of the Labor Standards Act, the amount will be transferred to the pension account of the Bank of Taiwan Trust Department in accordance with the provisions. Employees who joined the Company after 07.01.2005 will be subject to the new pension system.

#### D. Status of labor-management agreements

Since its establishment, the Company has been based on the integrated relationship between labor and management. Since its establishment, the Company has been in line with the relationship between labor and capital. It registered with the government in January 1978 to establish an Employee Welfare Committee to promote various employee welfare work, and regularly held Employee Welfare Committee and labor-management meetings to promote the consensus of "co-existence and co-prosperity" and "integration of labor and management", so that The relationship between labor and management has been harmonious.

#### E. Working environment and personal safety protection measures for employees

- a. In order to ensure the safety of employees in the workplace, the Company promotes the 5-S campaign to improve the cleanliness, hygiene and safety of the working environment.
- b. Prepare work clothes, earplugs, gloves and other necessary safety protective devices, and require employees to wear and use them in accordance with regulations to avoid injury.
- c. Annual fire drill is held to prepare preventive measures and take correct safety protection measures in case of accidents.
- d. Regular annual fire safety inspections, noise measurements and monthly sewage tests are carried out and reported to the relevant authorities.
- e. The environment is cleaned monthly and the chiller equipment is cleaned regularly every year to maintain air quality.
- f. Contracted with a professional electrical and mechanical company to regularly inspect the circuits in order to provide a safe working environment for our staff.
- g. Announce measures for prevention and treatment of sexual harassment, set up channels for employees to complain; colleagues can respond to problems, propose amendments to regulations, and communicate well.

- (2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred in the future and measures being or to be taken: Nil

## 6. Cyber security management

- (1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

#### A. Cyber security risk management framework

The Company's Information Department is the unit responsible for coordinating and implementing information security policies. In addition to the department head, there are three staff members in the department. The main tasks are to promote information security information, strengthen staff's awareness of information security, update and maintain software and hardware equipment, and the audit office regularly conducts information security checks on the internal control system-computerized information use and processing cycle every year, and evaluates the effectiveness of the internal control of the company's information operations. °

#### B. Cyber security policies

In order to implement security management, the Company has set up a "Standard for the Use of Electronic Message Exchange System" to achieve the following long-term and long-term objectives:

- a. Ensure the confidentiality and integrity of information assets.
- b. Ensure data access in accordance with departmental functional specifications.
- c. Ensure the continuous operation of the information system.



- d. Prevent unauthorized modification or use of data and systems.
- e. Perform security audit regularly to ensure the implementation of information security.

**C. Concrete management programs**

- a. Complete server replacement in February 2023.
- b. Conduct regular virus scans of computer systems and data storage media.
- c. Periodically review the System Log of each network service item to track abnormal data access control.
- d. Chrome Remote (computer and mobile version) is available for people to work at home in response to the outbreak.
- e. Review emergency response plans regularly.
- f. Create a daily system backup mechanism.
- g. Review computer network security control measures regularly
- h. Irregularly implement information security information education and training.

- (2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: The Company currently has no major information security incidents that have caused business damage.

## **7. Important contracts**

Nature of contract	Parties	Beginning and end dates	Major content	Restrictive clauses
short-term loan	Yongchun Branch First Bank	June 30 ,2023 ~ June 30, 2024	Tainan factory land and factory mortgage loan	No
Exclusive Agent	Taoyuan International Airport Corporation Ltd.	January 01, 2019 ~ February 28, 2031	Commercial Advertisement Stations in Terminal 1 and	No restrictive clause

# VI. Overview of the company's financial status

## 1. Condensed balance sheets and statements of comprehensive income for the past 5 fiscal years

### (1) Condensed Balance Sheet and Statement of Comprehensive Income

#### A. Condensed Balance Sheet

##### a. Consolidated financial statement

Item \ FY		Financial Information for Most Recent 5 Fiscal Years				
		2019	2020	2021	2022	2023
Current assets		947,432	486,852	464,044	614,760	631,029
Property, Plant and Equipment		304,623	293,573	272,154	263,656	251,710
Intangible assets		86,285	0	0	0	0
Other assets		2,553,719	1,407,067	1,271,958	538,221	1,302,397
Total assets		3,892,059	2,187,492	2,008,156	1,416,637	2,185,136
Current liabilities	Before distribution	1,327,806	484,362	534,684	364,619	434,362
	After distribution	1,327,806	524,874	534,684	364,619	Note 2
Non-current liabilities		1,624,532	548,690	393,488	126,682	904,475
Total liabilities	Before distribution	2,952,338	1,033,052	928,172	491,301	1,338,837
	After distribution	2,952,338	1,073,564	928,172	491,301	Note 2
Equity attributable to owners of the parent company		920,728	1,066,803	995,844	867,084	813,449
Share capital		1,688,000	1,012,800	1,012,800	1,012,800	1,012,800
Capital surplus		68,915	0	0	0	0
Retained earnings	Before distribution	(798,470)	81,641	48,774	60,326	(44,259)
	After distribution	(798,470)	40,949	48,774	60,326	Note 2
Other equity		(37,717)	(27,638)	(65,730)	(206,042)	(155,092)
Non-controlling interests		18,993	87,637	84,140	58,252	32,850
Total equity	Before distribution	939,721	1,154,440	1,079,984	925,336	846,299
	After distribution	939,721	1,113,928	1,079,984	925,336	Note 2

Note: 1. The information of fiscal years 2019 to 2023 has been audited and attested by CPA.

2. The 2023 earnings distribution proposal has not yet been resolved by the shareholders' meeting.

b. non-consolidated financial statement

Unit: NT\$1,000

Item \ FY		Financial Information for Most Recent 5 Fiscal Years				
		2019	2020	2021	2022	2023
Current assets		700,724	426,309	405,480	382,835	413,301
Property, Plant and Equipment		290,090	276,727	261,187	258,231	249,665
Other assets		597,857	558,694	578,619	429,768	315,354
Total assets		1,588,671	1,261,730	1,245,286	1,070,834	978,320
Current liabilities	Before distribution	549,490	153,533	218,933	185,324	155,515
	After distribution	549,490	194,045	218,933	185,324	Note 2
Non-current liabilities		118,453	41,394	30,509	18,426	9,356
Total liabilities	Before distribution	667,943	194,927	249,442	203,750	164,871
	After distribution	667,943	235,439	249,442	203,750	Note 2
Share capital		1,688,000	1,012,800	1,012,800	1,012,800	1,012,800
Capital surplus		68,915	0	0	0	0
Retained earnings	Before distribution	(798,470)	81,641	48,774	60,326	(44,259)
	After distribution	(798,470)	41,129	48,774	60,326	Note 2
Other equity		(98,037)	(37,717)	(65,730)	(206,042)	(155,092)
Total equity	Before distribution	920,728	1,066,803	995,844	867,084	813,449
	After distribution	920,728	1,026,291	995,844	867,084	Note 2

Note: 1. The information of fiscal years 2019 to 2023 has been audited and attested by CPA.

2. The 2023 earnings distribution proposal has not yet been resolved by the shareholders' meeting.

## B. Condensed Statement of Comprehensive Income

### a. consolidated financial statement

Unit: NT\$1,000

Item \ FY	Financial Information for Most Recent 5 Fiscal Years				
	2019	2020	2021	2022	2023
Operating Revenue	1,186,340	749,997	591,369	604,066	701,308
Gross Profit	(21,770)	120,732	88,608	95,580	70,410
Operating Income	(320,636)	26,239	20,326	16,367	(6,376)
Non-operating income and expenses	(46,416)	948,982	(17,482)	(124,879)	(133,754)
Profit Before Income Tax	(367,052)	975,221	2,844	(108,512)	(140,130)
Net income for the period from continuing operations	(366,517)	870,262	1,196	(108,723)	(141,008)
Loss from discontinued operations	-	-	-	-	-
Net income (loss) for the period	(366,517)	870,262	1,196	(108,723)	(141,008)
Other comprehensive income (loss) for the period (net of Income Tax)	118,522	10,057	(35,140)	(45,925)	(51,971)
Total comprehensive income for the period	(247,995)	880,319	(33,944)	(154,648)	(89,037)
Net income attributable to owners of parent	(249,714)	852,461	4,693	(82,835)	(105,606)
Net income (loss) attributable to non-controlling interests	(116,803)	17,801	(3,497)	(25,888)	(35,402)
Total comprehensive income attributable to owners of parent	(176,704)	862,518	(30,447)	(128,760)	(53,635)
Total comprehensive income, attributable to non-controlling interests	(71,291)	17,801	(3,497)	(25,888)	(35,402)
Earnings per share	(1.48)	6.94	0.05	(0.82)	(1.04)

Note: The information of fiscal years 2019 to 2023 has been audited and attested by CPA

b. Non-consolidated financial statement

Unit: NT\$1,000

Item \ FY	Financial Information for Most Recent 5 Fiscal Years				
	2019	2020	2021	2022	2023
Operating Revenue	617,018	588,800	568,207	569,680	582,475
Gross Profit	49,993	76,965	74,309	69,661	67,377
Operating Income	(26,439)	17,175	20,423	13,066	15,588
Non-operating income and expenses	(223,810)	940,245	(14,082)	(95,681)	(120,316)
Profit Before Income Tax	(250,249)	957,420	6,341	(82,615)	(104,728)
Net income for the period from continuing	(249,714)	852,461	4,693	(82,835)	(105,606)
Net income (loss) for the period	(249,714)	852,461	4,693	(82,835)	(105,606)
Other comprehensive income or loss for the period	73,010	10,057	(35,140)	(45,925)	51,971
Total comprehensive income or loss for the	(176,704)	862,518	(30,447)	(128,760)	(53,635)
Earnings per share	(1.48)	6.94	0.05	(0.82)	(1.04)

Note: The information of fiscal years 2019 to 2023 has been audited and attested by CPA.

(2) Name of the certified public accountant and the auditor's opinion for Most Recent 5 Fiscal Years:

FY	Name	Auditor's opinion
2019	Wong, Shih-Jung, Pan, Hui-Ling	unqualified opinion
2020	Wong, Shih-Jung, Liao, Fu-Ming	unqualified opinion
2021	Wong, Shih-Jung, Liao, Fu-Ming	unqualified opinion
2022	Liao, Fu-Ming, Lin, I-Fan	unqualified opinion
2023	Liao, Fu-Ming, Lin, I-Fan	unqualified opinion

## 2. Financial Information for the Most Recent 5 Years

### (1) Financial analysis - International Financial Reporting Standards

#### A. Consolidated financial statement

Item analysis \ FY		Financial Analysis for the Most Recent 5 Years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio	75.86	47.23	46.22	34.68	61.27
	Ratio of long-term capital to property, plant and equipment	841.78	580.14	541.41	399.01	695.55
Solvency (%)	Current ratio	71.35	100.51	86.79	168.60	145.28
	Quick ratio	66.50	87.00	72.46	145.78	120.69
	Times interest earned	(4.49)	34.07	1.17	(9.04)	(5.55)
Operating performance	Accounts receivable turnover (times)	3.13	4.93	4.52	4.52	5.15
	Average collection days	116.61	74.04	80.75	80.75	70.87
	Inventory turnover (times)	10.32	8.74	8.27	8.51	9.14
	Accounts payable turnover (times)	12.90	9.31	8.26	8.22	10.00
	Average days in sales	35.37	41.78	44.12	42.92	39.93
	Property, plant and equipment turnover (times)	2.42	2.51	2.09	2.25	2.72
	Total asset turnover (times)	0.39	0.25	0.28	0.35	0.39
Profitability	Return on total assets (%)	(10.31)	29.41	0.70	(5.84)	(6.88)
	Return on equity (%)	(34.46)	83.11	0.11	(10.84)	(15.92)
	Ratio of income before tax to paid-in capital (%)	(21.74)	96.29	0.28	(10.71)	(13.84)
	Net profit margin (%)	(30.89)	116.01	0.2	(18.00)	(20.11)
	Earnings per share (NT\$)	(1.48)	6.94	0.05	(0.82)	(1.04)
Cash flow	Cash flow ratio (%)	27.40	35.10	(5.86)	4.35	10.79
	Cash flow adequacy ratio (%)	259.73	522.92	517.53	525.70	664.62
	Cash reinvestment ratio (%)	68.45	16.48	(3.81)	1.07	2.15
Leverage	Operating leverage	(0.76)	6.37	7.51	8.20	(35.64)
	Financial leverage	0.83	(8.07)	5.74	2.95	0.23

Note: 1. The information of fiscal years 2019 to 2023 has been audited and attested by CPA.

2. Omni Media Int'l Inc. is an advertising company that has no inventory, so the calculation of inventory turnover does not include the relevant information of this company.

3. Receivables turnover ratios exclude collections from the 2020 consolidation.

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

1. Financial structure: The increase was mainly due to the increase in lease liabilities associated with the extension of Taiwan Taoyuan International Airport's lease, which resulted in an increase in the related ratio.
2. Current ratio and Quick ratio: This is mainly due to the increase in the amount of money payable for unsuccessful lawsuits, resulting in a decrease in the relevant ratio.
3. Accounts Payable Turnover Ratio: This is mainly because the increase in cost of goods sold this year is greater than the increase in average items payable.
4. Profitability: Mainly due to losses caused by losing the lawsuit.
5. Cash flow ratio and Cash reinvestment ratio increased: Mainly due to the increase in net cash flow from operating activities this year.
6. Financial leverage decreased: Mainly due to the operating losses incurred this year, the relevant ratios decreased accordingly.

## B. Non-consolidated financial statement

Item analysis		FY	Financial Analysis for the Most Recent 5 Years				
			2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio		42.04	15.45	20.03	19.03	16.85
	Ratio of long-term capital to property, plant and equipment		358.23	400.47	392.96	342.91	329.56
Solvency (%)	Current ratio		127.52	277.67	185.21	206.58	265.76
	Quick ratio		117.86	240.43	158.57	175.97	232.27
	Times interest earned		(42.61)	432.85	9.05	(73.5)	(228.16)
Operating performance	Accounts receivable turnover (times)		4.18	4.74	4.51	4.48	4.62
	Average collection days		87.32	77.00	80.93	81.47	79.00
	Inventory turnover (times)		10.32	8.74	8.27	8.51	9.14
	Accounts payable turnover (times)		7.20	8.50	8.13	8.11	8.26
	Average days in sales		35.37	41.78	44.12	42.89	39.93
	Property, plant and equipment turnover (times)		1.28	2.08	2.11	2.19	2.29
	Total asset turnover (times)		0.38	0.41	0.45	0.49	0.57
Profitability	Return on total assets (%)		(15.21)	59.94	0.43	(7.07)	(10.27)
	Return on equity (%)		(24.75)	85.78	0.46	(8.89)	(12.57)
	Ratio of income before tax to paid-in capital (%)		(14.83)	94.53	0.63	(8.16)	(10.34)
	Net profit margin (%)		(40.47)	144.78	0.83	(14.54)	(18.13)
	Earnings per share (NT\$)		(1.48)	6.94	0.05	(0.82)	(1.04)
Cash flow	Cash flow ratio (%)		6.44	28.60	(19.07)	20.06	16.45
	Cash flow adequacy ratio (%)		(32.55)	(37.73)	33.09	43.45	232.54
	Cash reinvestment ratio (%)		2.53	2.89	(5.67)	2.81	2.01
Leverage	Operating leverage		(4.77)	6.68	5.59	8.41	7.47
	Financial leverage		0.82	1.15	1.04	1.09	1.03

Note: The information of fiscal years 2019 to 2023 has been audited and attested by CPA.

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

- 1) Current and quick ratios: Mainly due to the disposal of non-current assets.
- 2) Ratios of interest coverage and profitability: The main reason was the loss incurred in the current year due to the loss of the lawsuit.
- 3) Cash flow adequacy ratio: Mainly due to the decrease in average capital expenditures over the past five years.
- 4) Cash reinvestment ratio: Mainly due to the decrease in net cash inflow from operating activities as a result of the increase in loss for the year.

## Formulas for the calculation of the financial Analysis:

### 1. Financial structure

- (1) Debt to assets ratio = total liabilities / total assets.
- (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

### 2. Solvency

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
- (3) Times interest earned = earnings before tax and interest expenses / current interest expenses.

### 3. Operating performance

- (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
- (2) Average collection days = 365 / accounts receivable turnover.
- (3) Inventory turnover = cost of goods sold / average inventory.
- (4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
- (5) Average days in sales = 365 / inventory turnover.
- (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
- (7) Total asset 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 after tax / average total equity.
- (3) Net profit margin = net income after tax / net sales.
- (4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)

### 5. Cash flow

- (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
- (2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
- (3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital).

### 6. Leverage:

- (1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income
- (2) Financial leverage = operating income / (operating income – interest expenses).

Note 1: Special attention shall be paid to the following when making the calculations for cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.

Note 2: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.



**3. Audit committee's report for the most recent year's financial statement.**

**Choice Development, Inc.**  
**Audit Committee's Review Report**

March 13, 2024

To: Shareholders' Annual General Meeting for Year 2023,

Choice Development, Inc.

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of Choice Development, Inc. 2023 Business Report, Consolidated Financial Statements and Dividend Distribution proposal. The Consolidated Financial Statements have been duly audited by Certified Public Accountants of PwC Taiwan. The above Business Report, Consolidated Financial Statements and Dividend Distribution proposal have been examined and determined to be correct and accurate by the undersigned. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of the Company Law.

The Audit Committee, Chairman: Lin, Long-dar

**6. 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: Nil**

## **VII. Review and analyze financial position and financial performance, and assess company's risks**

### **1. Financial position**

#### Comparative analysis statement of financial position

Unit: NT\$1,000

Item \ FY	2023	2022	Difference	
			Amount	%
Current assets	631,029	614,760	16,269	2.65
Property, Plant and	251,710	263,656	(11,946)	(4.53)
Other assets	1,302,397	538,221	764,176	141.98
Total assets	2,185,136	1,416,637	768,499	54.25
Current liabilities	434,362	364,619	69,743	19.13
Non-current liabilities	904,475	126,682	777,793	613.97
Total liabilities	1,338,837	491,301	847,536	172.51
Share capital	1,012,800	1,012,800	0	0
Retained earnings	(44,259)	60,326	(104,585)	(173.37)
Other equity	(155,092)	(206,042)	50,950	(24.73)
Equity of parent	813,449	867,084	(53,635)	(6.19)
Non-controlling interests	32,850	58,252	(25,402)	(43.61)
Total equity	846,299	925,336	(79,037)	(8.54)
<p>Explanation on the analysis of those whose ratio of increase or decrease in the last two years has changed by 20% and NT\$10 million or more:</p> <p>(1) The increase in other assets and non-current liabilities was mainly due to the increase in the related right-of-use assets and lease liabilities as a result of the extension of the lease of Taiwan Taoyuan International Airport.</p> <p>(2) The increase and decrease in retained earnings were mainly due to the impact of the loss of the lawsuit.</p> <p>(3) The increase in other equity was mainly due to the increase in unrealized gain on investment in equity instruments at fair value through other comprehensive income.</p> <p>(4) Decrease in non-controlling interests was mainly due to the loss in the lawsuit.</p>				

## 2. Financial performance

### (1) Financial Performance Analysis

Unit: NT\$1,000

Item \ FY	2023	2022	Difference	
			Amount	%
Operating Revenue	701,308	604,066	97,242	16.10
Operating costs	630,898	508,486	122,412	24.07
Gross profit	70,410	95,580	(25,170)	(26.33)
Operating expenses	76,786	79,213	(2,427)	(3.06)
Operating Income	(6,376)	16,367	(22,743)	(138.96)
Non-operating revenue & expenses, other income(expense)	(133,754)	(124,879)	(8,875)	7.11
Income before taxes	(140,130)	(108,512)	(31,618)	29.14
Income tax expense	878	211	667	316.11
Net Income	(141,008)	(108,723)	(32,285)	29.69
Other comprehensive income	51,971	(45,925)	97,896	(213.16)
Total comprehensive income	(89,037)	(154,648)	65,611	(42.43)
<p>Explanation on the analysis of those whose ratio of increase or decrease in the last two years has changed by 20% and NT\$10 million or more:</p> <ol style="list-style-type: none"> <li>1. The decreases in operating costs, gross profit and operating income were mainly due to the significant increase in depreciation expenses as a result of the gradual elimination of subsidy royalties by the Taiwan Taoyuan International Airport in the current year.</li> <li>2. The decrease in net income and net income for the year was mainly due to the increase in depreciation expenses and the loss on lawsuit in addition to the increase in depreciation expenses mentioned above.</li> <li>3. The increase in other comprehensive income and the current consolidated income was mainly due to the increase in unrealized gain on valuation of equity instruments measured at fair value through other comprehensive income.</li> </ol>				

3. The expected sales volume and its basis, the possible impact on the company's future financial business and the response plan: No public forecast is required, so it is not applicable.

### 3. Cash flow

#### (1) 2023 Cash Flow Analysis

Unit: NT\$1,000

Beginning of the period Cash Balance	Year-round selfservice Net cash flow from activities	Annual Cash Inflow	Cash surplus (Deficiency) Amount	Remedies for cash shortage	
				Investment Plan	Financial Plan
150,796	46,873	99,953	297,622	-	-
1. Analysis of cash flow changes in this year The Consolidated Company's cash inflow for the year was NT\$99,953 thousand, which was mainly due to the transfer of financial assets measured at amortized cost-current to cash.					
2. Estimated remedies for cash shortage and liquidity analysis: Not applicable.					

#### (2) Cash flow analysis for the coming year

Unit: NT\$1,000

Beginning of the period Cash Balance	Year-round self-service Net cash flow from activities	Annual Cash Inflow	Cash surplus (Deficiency) Amount	Remedies for cash shortage	
				Investment Plan	Financial Plan
297,622	21,283	(20,000)	298,905	-	-
1. Analysis of cash flow changes in this year It is estimated that there will be little change in cash flow in the coming year for the consolidated company.					
2. Estimated remedies for cash shortage and liquidity analysis: Not applicable.					

#### 4. The annual report shall describe the effect upon financial operations of any major capital expenditures during the most recent fiscal year.

#### 5. The annual report shall describe the company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:

The Company's reinvestment policy is based on the need for business development and consideration of the Company's future growth.

The management policy of the Company regarding the investment business shall be based on the relevant management measures of the Company's internal control system, and in accordance with the "Subsidiary Supervision Measures" and "Related Party Transaction Procedures" as the operation and management of the reinvested business, implement the supervision and management of the reinvested business.

Choice Development Co., Ltd. is engaged in urban renewal and reconstruction of dangerous and old buildings, etc., because it needs to obtain the consent of all land and building owners before it can carry out urban renewal or reconstruction and collect management fees. At present, part of the ownership has been obtained, and the communication with all land and building owners will be accelerated in the future.

Omni Media International Incorporation is a transport outdoor media operator. The loss for the year was mainly due to the impact of the loss of the lawsuit, and we will continue to liaise closely with our clients, media agencies and advertising agencies to explore possible opportunities for proposals, as well as to seek new layout formats from owners and update our sales tools in response to market conditions.

**6. The section on risks shall analyze and assess the following matters during the most recent fiscal year and as they stood on the date of publication of the annual report:**

- (1) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.
  - a. At present, the market funds continue to be loose, and the overall interest rate remains low. As of the publication date of the annual report, the Company and its subsidiaries are expected to have earnings in cash flow in the next year, and they will adjust financing instruments depending on the interest rate level in the future. Therefore, the impact of interest rates on the Company's profit and loss is not significant.
  - b. The impact of the latest annual exchange rate changes on the company's profit and loss and future countermeasures:  
The company mainly sells domestically and the impact of exchange rate changes is not significant; it already holds foreign currency positions and the finance unit will continue to monitor exchange rate changes to avoid losses to the company.
  - c. Impact of recent annual inflation on the Company's profit and loss and future measures:  
Inflation is a result of changes in the overall economic environment. The Company closely monitors the fluctuation of market prices and maintains good interaction with customers and suppliers to adjust and negotiate sales and import prices in a timely manner in order to hedge the impact of inflation on the Company's profit and loss.
- (2) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.
  - A. The Company does not engage in high risk, highly leveraged investments.
  - B. Loans to other parties: As at the date of printing of the annual report, the balance of the loaning of funds was \$50,084,000; this represents the loaning of funds that existed prior to the Company's capital increase in Omni Media International Incorporation and which the Company will continue to track until its closure.
  - C. Endorsements, guarantees: As of the date of publication of the annual report, the balance of the endorsement guarantee is \$0.
  - D. Derivatives transactions: Nil
- (3) Research and development work to be carried out in the future, and further expenditures expected for research and development work: Nil
- (4) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:  
All the businesses of the Company are implemented in accordance with the laws and regulations of the competent authorities, and we always pay attention to the policy development trend and changes in laws and regulations to fully grasp and respond to changes in the market environment, so as to ensure the smooth operation of the company.
- (5) The impact of technological changes (including information security risks) and industrial changes on the company's financial business and the response measures: Nil
- (6) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: Nil
- (7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.: Nil
- (8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: Nil

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

There is no risk of excessive concentration of the Company's purchase sources and sales customers.

- (10) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: Nil °
- (11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: Nil
- (12) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of 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:

Lee \*\* and others suggested to the court in 2020 and claimed to hold promissory notes issued by OMNI totaling \$245,445,000, and applied for compulsory execution against OMNI, and to confirm the non-existence of the claim on the promissory note, in which although the third instance court ruled against OMNI for the 122,722,000 promissory note claimed by Li \*-Qin, OMNI has been granted compulsory execution by the court and has applied for retrial. The lawsuit is currently being heard by the court. In the remaining three lawsuits, OMNI has won the verdict and returned part of the seized money; in the other case Li \*\* claimed 3,963,000, OMNI won the verdict in the first instance, but Li \*\* has appealed and the court of second instance has not yet decided. The Group has taken the initiative to appoint a lawyer to file the relevant criminal complaint and to file a lawsuit, and the Group will claim relevant rights in the subsequent court proceedings in accordance with the law.

- (13) Other important risks, and mitigation measures being or to be taken: Nil

## **7. Other important matters: Nil**

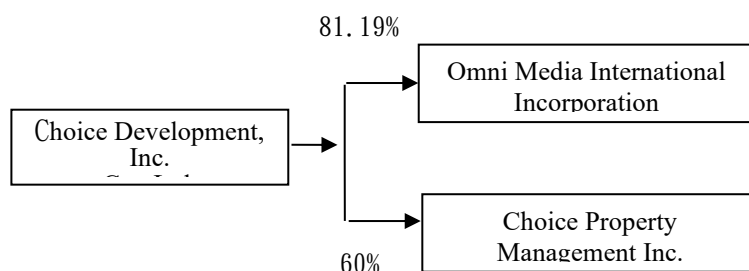
## VIII. Special items

### 1. Information related to the company's affiliates

(1) the consolidated business report

A. Affiliate Organization Chart

March 31, 2024



### 2. Basic information of affiliated companies

Unit: NT\$1,000

Name	Established on	Address	Paid-in Capital	Business Scope
Omni Media International Incorporation	12.02.1992	9F-9, No. 288, Sec. 6, Civic Blvd., Xinyi Dist., Taipei City	658,286	Media advertisement
Choice Property Management Inc.	12.20.2019	9F, No. 288, Sec. 6, Civic Blvd., Xinyi Dist., Taipei City	50,000	Urban renewal and reconstruction

3. Information on the same shareholders who are presumed to be in a controlling and subordinate relationship: None °

4. The industries covered by the business operated by the affiliates overall and the mutual dealings and division of work among such affiliates

Name	controlling (subordinate) company	controlling (subordinate) relationship	The businesses operated by individual affiliates and the mutual dealings and division of work among such affiliates
Choice Development, Inc.	controlling company	shareholding control	Engaged in plate making, printing, bookbinding, packaging material printing, etc.
Omni Media International Incorporation	subordinate company	shareholding control	Media advertisement
Choice Property Management Inc.	subordinate company	shareholding control	Urban renewal and reconstruction

5. Information on Directors, Supervisors and General Managers of affiliated companies

Name of enterprise	Title	Name or representative	Shareholding	
			Shares	Holding ratio
Omni Media International Incorporation	Chairman	Legal representative of Choice Development, Inc.:Chiu Ching-Jui	53,444,341	81.19%
	Director	Legal representative of Choice Development, Inc.:Kao, Chih-Ting		
	Director	Legal representatives of Choice Development, Inc.:Lee Chen-Hua		
	Supervisor	Chiu Hsi-Wen	0	0
Choice Property Management Inc.	Chairman	Legal representative of Choice Development, Inc. :Chang Shih-Kui	3,000,000	60%
	Director	Legal representative of Choice Development, Inc.: Chen, Hung-Pin		
	Director	Legal representative of Yurui Development Co., Ltd.:Sun Yu-Chang	500,000	10%
	Supervisor	Huang Chih-Kai	0	0

6. Operational overview of affiliated companies (December 31, 2023)

Unit: NT\$1,000

Name of enterprise	Capitalization	Assets Total Value	Liabilities Total amount	Net value	Business Revenue	Business Interests (loss)	Profit or loss for the period (loss)	Earnings per share (loss) (NT\$)
Omni Media International Incorporation	658,286	1,269,575	1,164,402	105,173	118,833	(16,852)	(175,799)	(2.67)
Choice Property Management Inc.	50,000	42,226	9,564	32,662	0	(5,886)	(5,822)	(1.16)



(2) Consolidated Financial Statements Covering Affiliated Enterprises (detailed in Appendix 1)

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Choice Development, Inc. as of and for the year 2023 (from January 1, to December 31, 2023), under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Financial Statements and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Choice Development, Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company: Choice Development, Inc.



Director: Chen, Hui-Yu



March 13, 2024

(3) Reports on Affiliations: N/A

- 2. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: Nil**
- 3. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: Nil**
- 4. Other matters that require additional description: Nil**
- 5. If any of the situations listed 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 date of publication of the annual report: Nil**

Choice Development, Inc. and Subsidiaries  
Consolidated Business Statements  
with Independent Auditors' Report  
for the Years of 2023 and 2022  
(Stock Code: 9929)

Address: 9F, No.288, Sec.6, Civic Blvd., Taipei City, Taiwan

Tel No.: (02)8768-1999

Choice Development, Inc. and Subsidiaries  
Consolidated Financial Statements  
with Independent Auditors' Report for the Years of 2023 and 2022

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Choice Development, Inc.  
REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Choice Development, Inc. as of and for the year from January 1 to December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Financial Statements and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Choice Development, Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company: Choice Development, Inc.

Director: Chen, Hui-Yu

March 13, 2024

## Independent Auditors' Report

(113) Cai-shen-bao-zi No. 23004562

To: Choice Development, Inc.

### Opinion

We have audited the consolidated financial statements of Choice Development, Inc. and Subsidiaries ("Choice Group"), which comprise the Consolidated Balance Sheets as of December 31, 2023 and 2022, and the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows for the years then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Choice Group and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows from January 1 to December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Based on our professional judgment, key audit matters pertain to the most important matters in the audit of consolidated financial statements for the year ended December 31, 2023 of Choice Group. Those matters have been addressed in our audit opinion on the said non-consolidated financial statements and during the formation of our audit opinion. However, we do not express an opinion on these matters individually.

The key audit matters of the non-consolidated financial statements of Choice Group in 2023 are as follows:

### **Key Audit Matters: Appropriateness of sales revenue cut-off**

#### Matter descriptions

Please refer to Notes to the Consolidated Financial Statements 4 (25) and 6 (19) for the accounting policies and subject descriptions of sales revenue.

Choice Group's revenue is primarily from the sale of printed materials, and the sales revenue is recognized when the goods are delivered to the destination or when the sales customer picks up the goods. Choice Group recognizes revenue primarily based on the delivery receipt from the destination company and uses the destination company's receipt records as the basis for revenue recognition. Therefore, we have identified this as one of the key audit matter.

#### Audit procedures performed:

We conducted the following audit procedures in response to the key audit matters described above:

1. to understand and evaluate Choice Group's internal control procedures over sales revenue.
2. to perform a cut-off test on sales revenue transactions for the period immediately preceding and following the balance sheet date, which included a random check of the destination company's receiving records and confirmation that the recorded revenue was recorded in the appropriate period.

### **Other matters – Non-Consolidated Financial Statements**

Choice Development, Inc. has additionally prepared non-consolidated financial statement as of and for the financial years 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Choice Group.
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 Choice Group's ability to continue as a going concern. If we determine that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including the accompanying notes) and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on Choice Group. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

PwC Taiwan

CPA: Liao Fu-Ming

Lin Yi-Fan

Financial Supervisory Commission R.O.C. (Taiwan)  
Approved file No.: Jin-guan-zheng-shen-zi 1090350620  
Jin-guan-zheng-shen-zi 1030048544

March 13, 2024

**CHOICE DEVELOPMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2023 and December 31, 2022**

Unit: Thousands of New Taiwan Dollars

Assets		Note(s)	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current assets:						
1100	Cash and cash equivalents	6(1)	\$ 297,622	14	\$ 150,796	11
1110	Current financial assets at fair value	6(2)				
	through profit or loss		43,130	2	72,240	5
1136	Current financial assets at amortized	6(3)				
	cost		37,816	2	159,524	11
1150	Notes receivable, net	6(4)	16,234	1	21,381	1
1170	Accounts receivable, net	6(4)	127,230	6	107,732	8
130X	Current inventories	6(5) and 8	75,663	3	77,154	5
1410	Prepayments		31,139	1	24,914	2
1479	Other current assets		2,195	-	1,019	-
11XX	Total current assets		631,029	29	614,760	43
Non-current assets						
1517	Non-current financial assets at fair	6(6)				
	value through other					
	comprehensive income		192,292	9	166,997	12
1535	Non-current financial assets at	6(3) and 8				
	amortized cost		26,000	1	26,000	2
1600	Property, plant and equipment	6(7) and 8	251,710	11	263,656	19
1755	Right-of-use assets	6(9)	984,792	45	238,364	17
1900	Other non-current assets	6(10) and 8	99,313	5	106,860	7
15XX	Total non-current assets		1,554,107	71	801,877	57
1XXX	Total assets		\$ 2,185,136	100	\$ 1,416,637	100

(Continued on next page)

**CHOICE DEVELOPMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2023 and December 31, 2022**

Unit: Thousands of New Taiwan Dollars

Liabilities and equity		Note(s)	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Current borrowings	6(11)	\$ -	-	\$ 30,000	2
2130	Current contract liabilities	6(19)	3,606	-	4,141	-
2150	Notes payable		818	-	1,500	-
2170	Accounts payable		65,339	3	58,580	4
2200	Other payables	6(13)	189,613	9	102,363	7
2230	Current tax liabilities		878	-	-	-
2280	Current lease liabilities	6(9)	168,701	8	160,311	12
2399	Other current liabilities, others		5,407	-	7,724	1
21XX	Total current liabilities		434,362	20	364,619	26
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(12)	8,720	-	8,720	1
2580	Non-current lease liabilities	6(9)	872,057	40	94,480	7
2640	Net defined benefit liability, non-current	6(14)	987	-	852	-
2670	Other non-current liabilities, others	6(15)	22,711	1	22,630	1
25XX	Total non-current liabilities		904,475	41	126,682	9
2XXX	Total liabilities		1,338,837	61	491,301	35
Equity						
Equity attributable to owners of parent						
Share capital						
3110	Ordinary share	6(16)	1,012,800	46	1,012,800	71
Retained earnings						
3310	Legal reserve	6(18)	10,084	1	8,929	1
3320	Special reserve		50,242	2	39,845	3
3350	Unappropriated retained earnings (accumulated deficit)		( 104,585)	( 5)	11,552	1
Other equity interest						
3400	Other equity interest		( 155,092)	( 7)	( 206,042)	( 15)
31XX	Total equity attributable to owners of parent		813,449	37	867,084	61
36XX	Non-controlling interests	4(3)	32,850	2	58,252	4
3XXX	Total equity		846,299	39	925,336	65
Material contingent liabilities and unrecognized contractual commitments		9				
Significant subsequent events		11				
3X2X	Total liabilities and equity		\$ 2,185,136	100	\$ 1,416,637	100

The attached notes to the consolidated financial statements are part of this consolidated financial report. Please refer to them together.  
Chairman: Chen, Hui-Yiu                      Manager: Chen, Hung-Pin                      Accounting supervisor: Lee, Chen-Hua

**CHOICE DEVELOPMENT, INC. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**January 1 ~ December 31, 2023 and 2022**

Unit: Thousands of New Taiwan Dollars  
(Except Earnings Per Share)

	Accounting Title	Note(s)	FY2023		FY2022	
			Amount	%	Amount	%
4000	Operating revenue	6(19) and 7	\$ 701,308	100	\$ 604,066	100
5000	Operating costs	6(5)(24)	( 630,898)	( 90)	( 508,486)	( 84)
5950	Gross profit (loss) from operations		<u>70,410</u>	<u>10</u>	<u>95,580</u>	<u>16</u>
	Operating expenses	6(24) and 7				
6100	Selling expenses		( 32,024)	( 5)	( 33,051)	( 5)
6200	Administrative expenses		( 44,646)	( 6)	( 45,879)	( 8)
6450	Expected credit loss	12(2)	( 116)	-	( 283)	-
6000	Total operating expenses		<u>( 76,786)</u>	<u>( 11)</u>	<u>( 79,213)</u>	<u>( 13)</u>
6900	Net operating income (loss)		<u>( 6,376)</u>	<u>( 1)</u>	<u>16,367</u>	<u>3</u>
	Non-operating income and expenses					
7100	Interest Income	6(20)	9,340	2	2,307	-
7010	Total other income	6(21)	9,226	1	14,444	3
7020	Other gains and losses, net	6(22)	( 130,931)	( 19)	( 130,820)	( 22)
7050	Finance costs, net	6(23)	( 21,389)	( 3)	( 10,810)	( 2)
7000	Total non-operating income and expenses		<u>( 133,754)</u>	<u>( 19)</u>	<u>( 124,879)</u>	<u>( 21)</u>
7900	<b>Total non-operating income and expenses</b>		<u>( 140,130)</u>	<u>( 20)</u>	<u>( 108,512)</u>	<u>( 18)</u>
7950	Total tax expense (income)	6(25)	( 878)	-	( 211)	-
8200	<b>Profit (loss)</b>		<u>(\$ 141,008)</u>	<u>( 20)</u>	<u>(\$ 108,723)</u>	<u>( 18)</u>
	<b>Other comprehensive income, net</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains (losses) on remeasurements of defined benefit plans	6(14)	\$ 742	-	\$ 1,562	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(6)	<u>52,713</u>	<u>7</u>	<u>( 47,487)</u>	<u>( 8)</u>
8300	<b>Other comprehensive income, net</b>		<u>\$ 51,971</u>	<u>7</u>	<u>(\$ 45,925)</u>	<u>( 8)</u>
8500	<b>Total comprehensive income</b>		<u>(\$ 89,037)</u>	<u>( 13)</u>	<u>(\$ 154,648)</u>	<u>( 26)</u>
	Profit (loss), attributable to:					
8610	Profit (loss), attributable to owners of parent		(\$ 105,606)	( 15)	\$ 82,835	( 14)
8620	Profit (loss), attributable to non-controlling interests		<u>( 35,402)</u>	<u>( 5)</u>	<u>( 25,888)</u>	<u>( 4)</u>
			<u>(\$ 141,008)</u>	<u>( 20)</u>	<u>(\$ 108,723)</u>	<u>( 18)</u>
	Comprehensive income attributable to:					
8710	Comprehensive income, attributable to owners of parent		(\$ 53,635)	( 8)	\$ 128,760	( 22)
8720	Comprehensive income, attributable to non-controlling interests		<u>( 35,402)</u>	<u>( 5)</u>	<u>( 25,888)</u>	<u>( 4)</u>
			<u>(\$ 89,037)</u>	<u>( 13)</u>	<u>(\$ 154,648)</u>	<u>( 26)</u>
	Basic earnings per share					
9750	Total basic earnings per share	6(26)	<u>1.04</u>		<u>0.82</u>	
	Diluted earnings per share					
9850	Total diluted earnings per share		<u>1.04</u>		<u>0.82</u>	

The attached notes to the consolidated financial statements are part of this consolidated financial report. Please refer to them together.

Chairman: Chen, Hui-Yu

Manager: Chen, Hung-Pin

Accountant Supervisor: Lee, Chen-Hua

**CHOICE DEVELOPMENT, INC. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**January 1 ~ December 31, 2023 and 2022**

Unit: Thousands of New Taiwan Dollars

		Equity attributable to owners of parent								
		Retained earnings				Other equity interest				
		Common stock	Legal reserve	Special reserve	Unappropriated Earnings	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensive income	Appreciation in Revaluation on estate	Total	Non-Controlling Interests	Total Equity
	Note(s)									
<u>2022</u>										
		\$ 1,012,800	\$ 8,164	\$ -	\$ 40,610	(\$ 158,465 )	\$ 92,735	\$ 995,844	\$ 84,140	\$ 1,079,984
		-	-	-	( 82,835 )	-	-	( 82,835 )	( 25,888 )	( 108,723 )
Other comprehensive income (loss) for the year	6(6)	-	-	-	1,562	( 47,487 )	-	( 45,925 )	-	( 45,925 )
Total comprehensive income (loss) for the year		-	-	-	( 81,273 )	( 47,487 )	-	( 128,760 )	( 25,888 )	( 154,648 )
2021 Appropriation and distribution of retained earnings:	6(18)									
Legal reserve appropriated		-	765	-	( 765 )	-	-	-	-	-
Cash dividends		-	-	39,845	( 39,845 )	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(6)	-	-	-	90	( 90 )	-	-	-	-
Derecognition of investment property	6(8)	-	-	-	92,735	-	( 92,735 )	-	-	-
Balance on December 31, 2022		<u>\$ 1,012,800</u>	<u>\$ 8,929</u>	<u>\$ 39,845</u>	<u>\$ 11,552</u>	<u>( 206,042 )</u>	<u>\$ -</u>	<u>\$ 867,084</u>	<u>\$ 58,252</u>	<u>\$ 925,336</u>
<u>2023</u>										
		\$ 1,012,800	\$ 8,929	\$ 39,845	\$ 11,552	(\$ 206,042 )	\$ -	\$ 867,084	\$ 58,252	\$ 925,336
		-	-	-	( 105,606 )	-	-	( 105,606 )	( 35,402 )	( 141,008 )
Other comprehensive income (loss) for the year	6(6)	-	-	-	( 742 )	52,713	-	51,971	-	51,971
Total comprehensive income (loss) for the year		-	-	-	( 106,348 )	52,713	-	( 53,635 )	( 35,402 )	( 89,037 )
2022 Appropriation and distribution of retained earnings:	6(18)									
Legal reserve appropriated		-	1,155	-	( 1,155 )	-	-	-	-	-
Cash dividends		-	-	10,397	( 10,397 )	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(6)	-	-	-	1,763	( 1,763 )	-	-	-	-
Change of non-controlling Interest	4(3)	-	-	-	-	-	-	-	10,000	10,000
Balance on December 31, 2023		<u>\$ 1,012,800</u>	<u>\$ 10,084</u>	<u>\$ 50,242</u>	<u>\$ 104,585</u>	<u>( 155,092 )</u>	<u>\$ -</u>	<u>\$ 813,449</u>	<u>\$ 32,850</u>	<u>\$ 846,299</u>

The attached notes to the consolidated financial statements are part of this consolidated financial report. Please refer to them together.

Chairman: Chen, Hui-Yu

Manager: Chen, Hung-Pin

Accountant Supervisor: Lee, Chen-Hua

**CHOICE DEVELOPMENT, INC. AND SUBSIDIARIES**

Consolidated Statements of Cash Flows  
January 1 ~ December 31, 2023 and 2022

Unit: Thousands of New Taiwan Dollars

	Note(s)	Jan. 1 ~ Dec. 31 2023	Jan. 1 ~ Dec. 31 2022
<u>Cash flows from (used in) operating activities</u>			
Profit (loss) before tax		( \$ 140,130 )	\$ 108,512
Adjustments			
Adjustments to reconcile profit (loss)			
Net loss (gain) on financial assets or liabilities	6(2)(22)		
at fair value through profit or loss		( 24,013 )	10,040
Expected credit loss (gain)	12(2)	116	283
Depreciation expense	6(7)(24)	12,386	17,026
Right-of-use asset depreciation expense	6(9)(24)	109,107	7,772
Interest expense	6(23)	21,389	10,810
Amortization expense	6(24)	72	205
Interest income	6(20)	( 9,340 )	( 2,307 )
Other income(s)	6(21)	-	( 11,770 )
Loss on lease modification	6(8)(9)(22)		133,757
Litigation loss	9(1)	89,219	-
Loss (gain) on disposal of property, plant and equipment	6(22)	( 195 )	( 227 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		5,147	1,256
Accounts receivable		( 19,614 )	5,397
Accounts receivable due from related parties		-	479
Inventories		1,491	( 23,846 )
)Prepayments		( 6,225 )	615
Other current assets		( 433 )	162
Changes in operating assets		8,014	-
Contract liabilities, current		( 535 )	1,389
Notes payable		( 682 )	( 5 )
Accounts payable		6,759	( 3,511 )
Other payable		( 1,924 )	( 20,182 )
Other current liabilities		( 2,317 )	3,331
Net defined benefit liability, non-current		( 607 )	( 1,657 )
Cash inflow (outflow) generated from operations		47,685	17,739
Income taxes paid		( 812 )	( 1,871 )
Net cash flows from (used in) operating activities		46,873	15,868

(Continued on next page)

**CHOICE DEVELOPMENT, INC. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**January 1 ~ December 31, 2023 and 2022**

Unit: Thousands of New Taiwan Dollars

	<u>Note(s)</u>	<u>Jan. 1 ~ Dec. 31</u> <u>2023</u>	<u>Jan. 1 ~ Dec. 31</u> <u>2022</u>
Cash flows from (used in) investing activities			
Acquisition of financial assets at fair value through other comprehensive income		\$ 53,123	( \$ 2,766 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	27,418	390
Capital deducted by cash of financial assets at fair value through other comprehensive income	6(6)	-	200
Financial assets measured at amortized cost, current (decrease) increase		121,708	( 159,524 )
Financial assets measured at amortized cost, non-current (decrease) increase		-	2,000
Proceeds from disposal of property, plant and equipment		195	1,395
Acquisition of property, plant, and equipment	6(7)	( 440 )	( 6,897 )
Other non-current assets		( 68 )	508
Interest received		9,409	2,081
Decrease in refundable deposits		( 471 )	77
Collection from derecognition of investing property	6(8)	-	150,268
Cash provided by (used in) investing activities.		<u>210,874</u>	<u>( 12,268 )</u>
<u>Cash flows from (used in) financing activities</u>			
Increase (decrease) in short-term loans	6(27)	( 30,000 )	( 30,000 )
Increase in guarantee deposits received		81	-
Increase (decrease) in other non-current liabilities		-	25
Interest paid		( 459 )	( 900 )
Proceeds from long-term loans	6(27)	-	8,720
Cash Capital Increase	4(3)	10,000	-
Repayments of lease liabilities	6(27)	( 90,543 )	( 8,894 )
Net cash flows from (used in) financing activities		<u>( 110,921 )</u>	<u>( 31,049 )</u>
Net decrease in cash and cash equivalents		146,826	( 24,683 )
Cash and cash equivalents at beginning of period		<u>150,796</u>	<u>175,479</u>
Cash and cash equivalents at end of period		<u>\$ 297,622</u>	<u>\$ 150,796</u>

The attached notes to the consolidated financial statements are part of this consolidated financial report. Please refer to them together.

Chairman: : Chen, Hui-Yu

Manager: Chen, Hung-Pin

Accountant Supervisor: Lee, Chen-Hua

CHOICE DEVELOPMENT, INC. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
FY2023 and FY2022

Unit: Thousands of New Taiwan Dollars  
(Unless Otherwise Specified)

1. Company History

Choice Development, Inc. (“the Company”) formerly known as Choice Lithograph Inc., was founded, and started to operate in 1976, renamed into Choice Development, Inc. on June 23, 2020. The company officially listed on Taiwan Stock Exchanged in 1999. The company and subsidiaries (“the Group”) is engaged in printing, paper folding and binding, photography, design, retail sale of medical equipment, general advertising services and Industrial Factory Development and Rental etc.

2. Approval date and procedures of the financial statements

The Board of Directors approved and issued the consolidated financial statements on March 13, 2024.

3. New standards, amendments and interpretations adopted.

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

The following table summarizes the new, revised or amended standards and interpretations of IFRSs applicable for 2023 that have been endorsed and published by the FSC and are effective:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IAS 1 “Disclosure of Accounting Policy”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a. Single Transaction”	January 1, 2023
Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”	May 23, 2023

The Group has assessed that the above standards and interpretations do not have a material impact on the Group's financial position and financial performance.



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

The following table summarizes the new, revised or amended standards and interpretations of IFRSs applicable for 2024:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
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 & IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Group has assessed that the above standards and interpretations do not have a material impact on the Group's financial position and financial performance.

(3) The impact of IFRSs issued by IASB but not yet endorsed by FSC

The following table summarizes the new, revised or amended standards and interpretations of IFRSs issued by IASB but not yet endorsed by FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	To be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS No. 17 and IFRS No. 9 - Comparative Amendments”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025
The Group has assessed that the above standards and interpretations do not have a material impact on the Group's financial position and financial performance.	

4. Summary of significant accounting policies

The following significant accounting policies have been applied consistently to all periods presented in the consolidated financial statements unless otherwise specified.

(1) Statement of compliance

These 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, IFRIC Interpretations, and SIC Interpretations (hereinafter referred to as IFRSs) endorsed by the Financial Supervisory Commission, R.O.C.

## (2) Basis of preparation

- A. The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:
  - (a) Financial assets at fair value through profit or loss are measured at fair value;
  - (b) Financial assets at fair value through other comprehensive income are measured at fair value;
  - (c) Defined benefit liability recognized as the net amount of pension fund assets minus the Present Value of a Defined Benefit Obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and management's judgement in the process of applying the Group's accounting policies; items involving a higher degree of judgement or complexity, or items involving significant assumptions and estimates in the consolidated financial statements are described in Note 5.

## (3) Basis of Consolidation

### A. Principles of preparation of the consolidated financial statements

- (a) The Group includes all its subsidiaries in the preparation of the consolidated financial statements as an entity. Subsidiaries means an entity (including a structured entity) under the control of the Group, which controls the entity when the Group is exposed to variable remuneration from participation in the entity or has rights to such variable remuneration and can influence such remuneration through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Group obtains control, and the consolidation ceases on the date control is lost.
- (b) Significant intra-group transactions, balances and unrealized gains and losses have been eliminated.
- (c) The components of profit or loss and other comprehensive income are equity attributable to the owners of the parent and non-controlling interests; the total amount of comprehensive income is also the equity attributable to the owners of the parent and non-controlling interests, even if this results in a loss balance for non-controlling interests.
- (d) Changes in the shareholding of subsidiaries that do not result in a loss of control (as in the case of transactions with non-controlling interests) are treated as equity transactions, that is, as transactions with owners. The difference between the fair value of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.
- (e) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and recognized as the fair value of the financial asset or the cost of the investment in the affiliate or joint venture, and the difference between the fair value and the carrying amount is recognized in profit or loss for the period. All amounts previously recognized in other comprehensive income relating to such subsidiaries are accounted for on the same basis as if the Group had directly disposed of the related assets or liabilities, i.e. if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss upon disposal of the related assets or liabilities, the gain or loss is reclassified from equity to profit or loss when control over the subsidiaries is lost.

B. List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			Dec. 31, 2023	Dec. 31, 2022	
Choice Development, Inc.	Omni Media Int'l Inc.	General Advertising Services	81.19%	81.19%	
Choice Development, Inc.	Choice Property Management Inc.	Housing & Building Development and Rental	60.00%	60.00%	Note1
Omni Media Int'l Inc.	Kwong Fong Industries Corp.	Real Estate Development	-	100.00%	Note2

Note 1: Choice Property Management Inc. has subscribed 1,500 thousand shares (\$15,000)

according to its shareholding ratio after the Board of Directors decided to handle the cash capital increase \$25,000 on January 4, 2023, and the rest \$10,000 has been subscribed by noncontrol interest.

Note 2: Kwong Fong Industries Corp. was dissolved with the approval of Taipei City Government on September 2, 2022 and the liquidation process has been completed on April 21, 2023.

C.Subsidiaries excluded from the consolidated financial statements: None.

D.Adjustment and treatment methods for different accounting periods of subsidiaries: None.

E.Major restrictions: None.

F.Subsidiaries with significant non-controlling interests in the Group: The total non-controlling interests of the Group on December 31, 2023 and 2022 were \$32,850 and \$58,252 respectively. The non-controlling interests and subsidiaries that are material to the Group are listed below Information:

Name of subsidiary	Location	Non-controlling interests				explanation
		December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Omni Media International Incorporation	Taiwan	\$19,786	18.81%	\$52,859	18.81%	

Aggregate Financial Information of Subsidiaries:

(a) Balance Sheet

	Omni Media International Incorporation	
	Dec. 31, 2023	Dec. 31, 2022
Current assets	\$ 176,078	\$ 206,782
Non-current assets	1,093,497	350,091
Current liabilities	( 278,110 )	( 176,391 )
Non-current liabilities	( 886,292 )	( 99,510 )
Total net assets	\$ 105,173	\$ 280,972

(b) Consolidated Income Statement

	Omni Media International Incorporation	
	FY2023	FY2022
Revenues	\$ 118,833	\$ 34,387
Loss before income tax	( 175,799 )	( 127,389 )
Income tax benefit	-	9
Loss	(\$ 175,799)	(\$ 127,380)
Other comprehensive income, after tax	-	-
Total comprehensive income	(\$ 175,799)	(\$ 127,380)
Comprehensive income, attributable to non-controlling interests	(\$ 33,073)	(\$ 23,811)

(c) Cash Flows

	Omni Media International Incorporation	
	FY 2023	FY2022
Cash provided by operating activities	\$ 32,011	\$ 2,804
Cash provided by (used in) investing activities	128,583	( 7,223 )
Cash used in financing activities	( 81,415 )	-
Net increase (decrease) in cash and cash equivalents	79,179	( 4,419 )
Cash and cash equivalents at beginning of year	14,739	19,158
Cash and cash equivalents at end of year	\$ 93,918	\$ 14,739

(4) Foreign currency conversion

Each item in the Group's non-consolidated financial statements is measured using the currency of the primary economic environment in which the entity operates (i.e., the functional currency). The consolidated financial statements are presented with the Group's functional currency "Taiwan Dollar" as the presentation currency.

Foreign currency transactions and balance

- A. Foreign currency transactions are converted into functional currency at the spot exchange rate on the trading day or measurement date. Except for those that are deferred to other comprehensive income in line with cash flow hedging and net investment hedging, the translation differences arising from the conversion of these transactions are recognized as current profit and loss.
- B. The balances of foreign currency assets and liabilities are adjusted at the spot rate at the balance sheet date and the translation difference arising from the adjustment is recognized as current profit or loss.
- C. For the balance of non-monetary assets and liabilities, if it is measured by fair value through profit or loss, it shall be adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment shall be recognized as current profit or loss; if it is measured at fair value through other comprehensive income, adjusted 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 items; if it is not measured by fair value, it shall be measured by the historical exchange rate of the initial trading day.
- D. All other exchange profits and losses are reported under "Other Profits and Losses" in the comprehensive income statement according to the nature of the transaction.

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

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

- (a) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (b) It is held primarily for the purpose of trading;
- (c) It is expected to be realized within twelve months after the reporting period; or
- (d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

B. An entity shall classify a liability as current when:

- (a) It is expected to be settled in the normal operating cycle;
- (b) It is held primarily for the purpose of trading;
- (c) It is due to be settled within twelve months after the reporting period; or
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The saving deposits which satisfied the definition above and held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes, are reported as cash equivalents.

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

- A. All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL.
- B. The Group adopts trading day accounting for financial assets measured at fair value through profit and loss in accordance with customary transactions.
- C. The Group measures it at fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit or loss, and subsequently measured at fair value, with the benefit or loss recognized in profit or loss.
- D. The Group recognizes dividend income in profit or loss when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow in, and the amount of the dividend can be measured reliably.

(8) Fair value through other comprehensive income (FVOCI)

- A. Refers to an irrevocable choice made at the time of original recognition to present the fair value changes of equity instrument investments not held for trading in other comprehensive income:
  - (a) Holding the financial assets in a business mode for the purpose of collecting contracted cash flows and selling them.
  - (b) The cash flows generated from the contractual terms of the financial asset on a specified date is entirely the payment of principal and interest on the outstanding principal amount.
- B. The Group adopts trading day accounting for financial assets that meet trading practices and are measured at a fair value based on other comprehensive income.
- C. At the time of original recognition, the Group measured it at its fair value plus transaction costs, and subsequently measured it at its fair value:

Changes in fair value of equity instruments are recognized in other comprehensive income. On derecognition, cumulative gains or losses previously recognized in other comprehensive income are not subsequently reclassified to profit or loss and are transferred to retained earnings. The Group recognizes dividend income in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow and the amount of the dividends can be measured reliably.

(9) Financial assets measured at amortized cost

- A. A financial asset meets following conditions:
  - (a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. The Group adopts trading day accounting for financial assets measured at amortized cost that conform to trading practices.
- C. At the time of original recognition, the Group measured it at its fair value plus transaction costs, and subsequently used the effective interest method to recognize interest income and impairment losses during the circulation period according to the amortization procedure and recognized the benefits or losses in profit or loss during derecognition.
- D. The Group holds time deposits that do not meet cash equivalents. Since the holding period is short, the impact of discounting is not significant and is measured by the investment amount.

(10) Accounts and Notes receivable

- A. Refers to the accounts and bills that have the unconditional right to receive the consideration amount in exchange for the transfer of goods or services in accordance with the contract.
- B. Refers to the short-term accounts receivable and bills that have not paid interest, because the impact of discounting is not significant, the Group measured it by the original invoice amount.

(11) Impairment of financial assets

At each balance sheet date, the Group considers all reasonable and supportable information (including prospective ones) on the financial assets measured at amortized cost and, for those whose credit risk has not increased significantly since the original designation, allowance loss is measured by 12-month expected credit loss; for those whose credit risk has increased significantly since the original recognition, the allowance loss is measured by the amount of expected credit loss during the duration; for accounts receivable or contract assets that do not contain significant financial components, the allowance loss is measured by the expected credit loss amount during the duration.

(12) Derecognition of financial assets

When the Group's contractual right to receive the cash flow from the financial asset expires, it will derecognize the financial asset.

(13) Lessor's Lease Transactions - Operating Leases

Lease income from operating leases, net of any incentives given to the lessee, is amortized on a straight-line basis over the lease term and recognized as current profit or loss.

(14) Inventories

Inventories are measured by the lower of cost and net realizable value using the perpetual inventory system; cost is determined using 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 overheads, but excludes borrowing costs. When comparing the lower of cost and net realizable value, the item-by-item comparison method shall be adopted; net realizable value refers to the balance after deducting relevant variable sales expenses from the estimated selling price in the normal course of business.

(15) Property, plant, and equipment

- A. Real estate, plant and equipment are recorded on an acquisition cost basis and are capitalized with interest incurred during the purchase and construction period.
- B. Subsequent costs are included in the carrying amount of an asset or recognized as a separate asset only when the future economic benefits associated with the project are likely to flow into the Group and the cost of the project can be reliably measured. The carrying amount of the replaced portion should be derecognized. All other maintenance costs are recognized in profit or loss as incurred.
- C. Property, plant, and equipment are subsequently measured using the cost model and are depreciated on a straight-line basis over their estimated useful lives, except for land, which is not depreciated. Separate depreciation is provided for each component of property, plant, and equipment if it is significant.

- D. The Group reviews the salvage value, useful life, and depreciation method of each asset at the end of each financial year. If the expected value of the salvage value and service life is different from the previous estimate, or the expected consumption pattern of the future economic benefits contained in the asset has changed significantly, then the change shall be treated in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors from the date of the change. The useful life of each asset is as follows:

Building	3 years ~ 45 years
Machinery and equipment	2 years ~ 15 years
Transportation equipment	5 years
Office equipment	2 years ~ 15 years
Leasehold improvements	2 years ~ 5 years
Other equipment	2 years ~ 5 years

(16) Lessee's lease transactions - right-of-use assets/lease liabilities

- A. The leased assets are recognized as use assets and lease liabilities on the date they become available to the Group. When the lease contract is a short-term lease or a lease of an underlying asset of low value, the payment of the lease is recognized as an expense by the straight-line method during the lease term.
- B. The lease liability is recognized as the present value of the outstanding lease benefits discounted at the Group's increased borrowing rate on the commencement date of the lease. The lease payments include the following:

- (a) Fixed payments, less any rental incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

Subsequent adoption of the interest method is measured by the amortized cost method, and interest expenses are provided during the lease period. When the lease term or lease payment changes due to non-contract modification, the lease liability will be reassessed, and the remeasurement amount will be adjusted to the right-of-use asset.

- C. The right-of-use asset is recognized at cost on the lease commencement date, and the cost include:
- (a) original measurement amount of lease liabilities;
  - (b) any lease payments made on or before the commencement date; and
  - (c) any original direct costs incurred.

Subsequent measurement is made using the cost model, and depreciation expenses are provided when the useful life of the right-of-use asset expires or when the lease period expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liability.

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



(17) Impairment of non-financial assets

- A. The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date and recognizes the impairment loss when the recoverable amount is lower than its carrying amount. The recoverable amount refers to the fair value of an asset less the cost of disposal or its value in use, whichever is higher. Except for goodwill, when the asset impairment recognized in the previous year does not exist or decreases, the impairment loss shall be reversed, provided that the carrying amount of the asset increased by the reversed impairment loss does not exceed the carrying amount of the asset reduced by depreciation or amortization if the impairment loss had not been recognized.
- B. Goodwill is estimated periodically at its recoverable amount. When the recoverable amount is less than its book value, an impairment loss is recognized. An impairment loss on goodwill is not reversed in subsequent years.
- C. Goodwill is allocated to cash-generating units for the purposes of impairment testing. This allocation is based on the operating segment's identification of the cash-generating unit, or group of cash-generating units, that is expected to benefit from the business combination in which the goodwill arose.

(18) Borrowings

Borrowings are measured at fair value less transaction costs at the time of original recognition, and any difference between the price and the redemption value after deducting transaction costs is then measured by the effective interest method at the amortized cost during the borrowing period.

(19) Accounts and notes payable

- A. Refers to debts incurred due to the purchase of raw materials, commodities, or services on credit, and notes payable incurred due to business and non-business.
- B. They are short-term accounts payable and notes that are unpaid interests, and this Group measured at the original invoice amount because the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

The Group derecognizes financial liabilities upon performance, cancellation or maturity of the obligations contained in the contracts.

(21) Employee benefits

- A. Short term employee benefits

Short-term employee benefits are measured at non-discounted amounts expected to be paid and are recognized as an expense when the related service is rendered.

- B. Pension

- (a) Defined contribution plans

For the defined contribution plan, the amount of the pension fund that should be contributed is recognized as the current pension cost on the accrual basis. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or reduce future benefits.

(b) Defined benefit plans

- i. The net obligation under defined benefit plans is calculated by discounting the number of future benefits earned by employees in the current period or past service and deducting the fair value of the plan assets from the present value of the defined benefit obligations on the balance sheet date. The net obligation of defined benefit is calculated annually by the actuary using the Projected Unit Credit Method; the discount rate is the market yield of government bonds (on the balance sheet date) that match the currency and period of the defined benefit plans on the balance sheet date.
- ii. The remeasurement amount generated by defined benefit plans is recognized in other comprehensive income in the current period and expressed in retained earnings.
- iii. The expenses related to the previous service cost are immediately recognized as profit or loss.

(c) Post-employment Benefits

Post-employment Benefits are benefits provided when the employee's employment is terminated before the normal retirement date, or when the employee decides to accept the company's offer of benefits in exchange for termination of employment. The Group recognizes expenses when the offer of Post-employment Benefits can no longer be withdrawn, or upon recognition of related restructuring costs, whichever comes first. Benefits that are not expected to be fully repaid 12 months after the balance sheet date should be discounted.

(d) Remuneration of employees and remuneration of directors and supervisors

Remuneration of employees and remuneration of directors and supervisors are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reasonably estimated. If there is any difference between the actual allotment amount and the estimated amount in subsequent resolution, it shall be treated as a change in accounting estimate.

(22) Income tax

- A. Income tax includes current and deferred income tax. Income tax is recognized in profit or loss, except that income tax related to items included in other comprehensive income or directly included in equity, which are included in other comprehensive income or directly included in equity, respectively.
- B. The Group calculates the income tax for the current period based on the tax rate that has been legislated or substantively legislated on the balance sheet date in the country where the Group operates and generates taxable income. Management regularly assesses the status of income tax declarations for applicable income tax regulations and, where applicable, estimates income tax liabilities based on expected tax payments to tax authorities. For the income tax levied on the undistributed earnings according to the Income Tax Act will be recognized undistributed earnings income tax expense on the actual distribution of earnings after the shareholder meeting approves the earnings distribution plan in the year following the year in which the earnings is generated
- C. The deferred income tax is recognized on the basis of temporary differences between the tax basis of assets and liabilities and their carrying amounts in the consolidated balance sheets using the balance sheet approach. Deferred income tax liabilities arising from goodwill are not recognized, and deferred income tax is not recognized if it arises from the original recognition of an asset or liability in a transaction (other than a business merger) that does not

affect the accounting profit or taxable income (tax loss) at the time of the transaction. The temporary differences arising from investment in subsidiaries will not be recognized if the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax adopts the tax rate (and tax law) as of the balance sheet date when legislation is enacted or materially enacted and the deferred income tax assets are realized or the deferred income tax liabilities are liquidated.

- D. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

(23) Capital

Common stocks are classified as equity. The net amount of incremental cost directly attributable to the issuance of new shares or stock options after deducting the income tax shall be recognized as price deductions in equity.

(24) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the Company's shareholders resolve to distribute the dividends, and cash dividends are recognized as a liability.

(25) Revenue Recognition

A. Merchandising

- (a) The Group manufactures and sells products related to the printing industry, electronic components, and medical devices; sales revenue is recognized when the control of the products is transferred to the customer, that is when the product is delivered to the customer, the customer has discretion over the access and price of the product and the Group has no outstanding obligations that may affect the customer's acceptance of the product. Delivery of goods occurs when the product has been delivered to the specified location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract or there is objective evidence that all acceptance criteria have been met.
- (b) Sales revenue is recognized based on contract prices less discounts on sales. The recognized amount of income is limited to the part that is highly unlikely to have a significant reversal in the future, and the estimate is updated on each balance sheet date. The terms of collection for sales transactions are contractually agreed on an individual basis. The Group did not adjust the transaction price to reflect the time value of money because the time interval between the goods or services promised by transfer to the customer and the customer's payment did not exceed one year.
- (c) Accounts receivable is recognized when the goods are delivered to the customer, because the Group has an unconditional right to the contract price from that point on, and the consideration can be collected from the customer only after time passes.

B. Service revenue

The Group provides advertising production and placement services; sales revenue is recognized when the project (performance obligation) is completed and delivered to the customer. Revenue is measured at the fair value of the consideration agreed between the Company and the buyer and is recognized when the contractual obligation is satisfied. The contract price is paid in accordance with the agreed payment schedule and is recognized as a contract asset when the services provided by the Group exceed the amount due from the customer, or as a contract liability when the amount due from the customer exceeds the amount of services provided by the Group.

(26) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and that it will receive the grant. Where the nature of government grants is to compensate the Group for costs incurred, government grants are recognized as current profit and loss on a systematic basis over the period in which the relevant costs are incurred.

(27) Operating Department

The Group's Operating Department information is reported in a consistent manner with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the Operating Department and evaluating its performance. The chief operating decision maker for the Group is identified as the Board of Directors.

5. Significant accounting assumptions and judgments, and major sources

In preparing these consolidated financial statements, no significant accounting judgement has been involved in the process of applying the accounting policies. Management has used its judgement in determining the accounting policies to be used and has made accounting estimates and assumptions that are based on reasonable expectations of future events under the circumstances at the balance sheet date. Significant accounting estimates and assumptions made that may differ from actual results are continually evaluated and adjusted, considering historical experience and other factors. The Group has no significant accounting judgments, estimates and assumptions that are uncertain.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	Dec. 31, 2023	Dec. 31, 2022
Cash and cash equivalents	\$ 810	\$ 810
Cash on hand and revolving funds	176,338	141,344
Deposit account	120,474	8,642
	<u>\$ 297,622</u>	<u>\$ 150,796</u>

A. The Group's dealings with financial institutions are of good credit quality and the Group's dealings with several financial institutions diversify its credit risk and the likelihood of default is expected to be low.

B. For the situation that the Group provides bank deposits as pledge guarantee, please refer to Note 8, which lists Financial Assets measured at amortized cost and Other Non-current assets.

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

<u>Item</u>	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Current items:		
Mandatorily measured at fair value through profit or loss		
Stocks listed on domestic markets	\$ 36,063	\$ 81,616
Adjustments for change in value	<u>7,067</u>	<u>( 9,376 )</u>
	<u>\$ 43,130</u>	<u>\$ 72,240</u>

A. The details of financial asset at fair value through profit or loss recognized in profit and loss are as follows:

	<u>2023</u>	<u>2022</u>
Mandatorily measured at fair value through profit or loss		
Equity Instrument	\$ <u>24,013</u>	(\$ <u>10,040</u> )

B. The Group has not pledged any financial assets at fair value through profit or loss.

(3) Financial Assets measured at amortized cost

<u>Item</u>	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Current items:		
Time deposits with a maturity of more than three months	\$ <u>37,816</u>	\$ <u>159,524</u>
Fixed deposit interest rate range	<u>1.31%</u>	<u>4.35%~4.7%</u>
Non-current items:		
Pledge fixed deposit	\$ <u>26,000</u>	\$ <u>26,000</u>
Fixed deposit interest rate range	<u>0.74%~1.59%</u>	<u>0.06%~1.465%</u>
Period	<u>3.1.2022~3.1.2025</u>	<u>3.1.2022~3.1.2025</u>

A. The details of financial Assets measured at amortized cost recognized in profit and loss are as follows:

	<u>FY2023</u>	<u>FY2022</u>
Interest revenue	\$ <u>2,237</u>	\$ <u>1,607</u>

B. Without taking into account collateral held or other credit enhancements, the most representative financial assets held by the Group measured at amortized cost on December 31, 2023 and 2022 are equal to the carrying amount of the largest credit risk exposures respectively.

C. Please refer to Note 8 for details of the Group providing financial assets measured at amortized cost as pledge guarantee.

D. Please refer to Note 12(2) for information on the credit risk of the underlying financial assets measured at amortized cost. The Group invests in time deposits with creditworthy financial institutions and the likelihood of default is low.

(4) Notes receivable and accounts receivable

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Notes receivable	\$ <u>16,234</u>	\$ <u>21,381</u>
Accounts receivable	<u>127,232</u>	<u>107,734</u>
Less: Allowance for doubtful receivables	( <u>2</u> )	( <u>2</u> )
	\$ <u>127,230</u>	\$ <u>107,732</u>

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Overdue receivables (Listed other non-current assets)	\$ 242,990	\$ 242,874
Less: Allowance loss(note)	( 242,990 )	( 242,874 )
	<u>\$ -</u>	<u>-</u>

Note: It is disclosed by the original account numbers of each consolidated entity of the Group.

A. The aging analysis of Accounts receivable (including overdue receivables and restricted assets-accounts receivable) is as follows:

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
~ 90 days	\$ 114,791	\$ 101,848
91 ~ 120 days	12,440	5,179
121 ~ 180 days	-	707
~ 90 days - restricted assets	8,859	-
91 ~ 120 days – restricted assets	3,641	-
121 ~ 180 days – restricted assets	553	-
181 days ~ restricted assets	-	2,142
181 days ~ others	242,990	242,874
	<u>\$ 383,274</u>	<u>\$ 352,750</u>

The above ageing analysis is based on the date of establishment of the accounts.

- B. On December 31, 2023 and 2022, the Group's notes receivable are not overdue.
- C. The accounts receivable and notes receivable balances on December 31, 2023 and 2022 are all generated by the customer contract, and the receivable balance of the customer contract on January 1, 2022 is \$136,048.
- D. If the Group's notes receivable and accounts are not pledged, but restricted due to the circumstances mentioned in Note 9, please refer to notes 6(10) and 9(1).
- E. The Group does not hold any collateral.
- F. The above accounts receivable includes \$233,117 and \$233,417 from certain customers of Omni Media International Incorporation (Omni Int'l) on December 31, 2023 and 2022.
- G. Since these accounts have not been paid after repeated calls, Omni Int'l filed a civil ruling in Taiwan Taipei District Court on November 2019 for a promissory note of \$126,686 issued by the specific customer, and transferred it to overdue receivables (listed in "Other non-current assets").
- H. Without considering the collateral held or other credit enhancements, the risk amount that best represents the Group notes receivable and accounts receivable on December 31, 2023 and 2011 is the carrying amount.
- I. Please refer to notes 12(2) for the credit risks of the notes receivable, accounts receivable.

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Carrying amount
Development Dept.			
Land to be built	\$ 24,111	\$ -	\$ 24,111
Printing Dept.			
Commodities	28	( - )	28
Material	22,002	( 1,566 )	20,436
Raw material	1,396	( 91 )	1,305
Work-in process	25,790	( 181 )	25,609
Finished products	4,253	( 79 )	4,174
Subtotal	53,469	( 1,917 )	51,552
Total amount	\$ 77,580	(\$ 1,917 )	\$ 75,663

	December 31, 2022		
	Cost	Allowance for valuation loss	Carrying amount
Development Dept.			
Land to be built	\$ 21,800	\$ -	\$ 21,800
Printing Dept.			
Commodities	1	-	1
Material	22,775	( 3,353 )	19,422
Raw material	1,447	( 77 )	1,370
Work-in process	25,121	( 301 )	24,820
Finished products	9,844	( 103 )	9,741
Subtotal	59,188	( 3,834 )	55,354
Total amount	\$ 80,988	(\$ 3,834 )	\$ 77,154

A. Inventory cost recognized as expense by the Group in the current period:

	FY2023	FY2022
Cost of Inventory Sold	\$ 519,942	\$ 503,091
Gain from price recovery of inventory	( 1,917 )	925
Scrap income	( 2,927 )	( 3,997 )
	\$ 515,098	\$ 500,019

In 2023, the Group suffered a gain from price recovery due to the price reduction and slow-moving inventory that was originally listed as having been sold..

B. Please refer to Note 8 for details of the Group providing guarantees for inventories.

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

Item	Dec. 31, 2023	Dec. 31, 2022
Non-current items:	\$	
Equity instruments		
Stocks of listed companies	\$ 338,935	\$ 338,935
Unlisted, OTC, emerging OTC stocks	8,449	34,104
	<u>347,384</u>	<u>373,039</u>
Adjustments of change in value	( 155,092 )	( 206,042 )
Total amount	<u>\$ 192,292</u>	<u>\$ 166,997</u>

A. The Group has chosen to classify investments in securities that are strategic investments and receive stable dividends as financial assets measured at fair value through other comprehensive income. The fair value of these investments on December 31, 2023 and 2022 is equal to the book value of these investments, respectively.

B. Some equity instruments invested by the Group were reduced in February 2022, and the original investment of \$200 was returned.

C. Due to strategic investment adjustments in 2023 and 2022, the Group sells securities investments with fair values of \$27,418 and \$390 respectively, and the original accumulated gains and losses in other equity of \$1,763 and \$90 have been transferred to retained earnings.

D. Financial assets at fair value through other comprehensive income are recognized in profit and loss and the details of comprehensive income are as follows:

<u>Financial assets at fair value through other comprehensive income</u>	FY2023	FY2022
Changes in fair value recognized in other comprehensive income	\$ 52,713	(\$ 47,487 )
Accumulated profit or loss transferred to retained earnings due to derecognition	<u>\$ 1,763</u>	<u>\$ 90</u>

E. Without considering the collateral held or other credit enhancements, the risk amount that best represents the Group holding financial assets at fair value through other comprehensive income on December 31, 2023 and 2022 is the carrying amount.

F. The Group has not pledged financial assets at fair value through other comprehensive income.

G. For relevant financial assets at fair value through other comprehensive income credit risk information, please refer to note 12(2).



(7) Property, plant and equipment

	Land	Buildings	Mechanical equipment	Transportation equipment	Office equipment	Other equipment	Lease improvement	Total amount
January 1, 2023								
Cost	\$ 190,316	\$ 142,964	\$ 326,961	\$ 4,380	\$ 21,001	\$ 27,394	\$ 6,490	\$ 719,506
Accumulated depreciation and impairment	( 6,342 )	( 93,052 )	( 307,512 )	( 1,425 )	( 18,886 )	( 22,143 )	( 6,490 )	( 455,850 )
	<u>\$ 183,974</u>	<u>\$ 49,912</u>	<u>\$ 19,449</u>	<u>\$ 2,955</u>	<u>\$ 2,115</u>	<u>\$ 5,251</u>	<u>\$ -</u>	<u>\$ 263,656</u>
FY 2023								
January 1	\$ 183,974	\$ 49,912	\$ 19,449	\$ 2,955	\$ 2,115	\$ 5,251	\$ -	\$ 263,656
Addition	-	-	100	-	-	340	-	440
Depreciation expense	-	( 2,144 )	( 5,107 )	( 677 )	( 860 )	( 3,598 )	-	( 12,386 )
December 31	<u>\$ 183,974</u>	<u>\$ 47,768</u>	<u>\$ 14,442</u>	<u>\$ 2,278</u>	<u>\$ 1,255</u>	<u>\$ 1,993</u>	<u>\$ -</u>	<u>\$ 251,710</u>
December 31, 2023								
Cost	\$ 190,316	\$ 142,964	\$ 320,664	\$ 4,380	\$ 21,001	\$ 25,943	\$ 6,490	\$ 711,758
Accumulated depreciation and impairment	( 6,342 )	( 95,196 )	( 306,222 )	( 2,102 )	( 19,746 )	( 23,950 )	( 6,490 )	( 460,048 )
	<u>\$ 183,974</u>	<u>\$ 47,768</u>	<u>\$ 14,442</u>	<u>\$ 2,278</u>	<u>\$ 1,255</u>	<u>\$ 1,993</u>	<u>\$ -</u>	<u>\$ 251,710</u>

	<u>Land</u>	<u>Buildings</u>	<u>Mechanical equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Lease improvement</u>	<u>Total amount</u>
January 1, 2022								
Cost	\$ 190,316	\$ 142,964	\$ 322,855	\$ 4,332	\$ 20,397	\$ 27,394	\$ 6,490	\$ 714,748
Accumulated depreciation and impairment	( 6,342 )	( 90,886 )	( 302,318 )	( 2,184 )	( 17,572 )	( 16,802 )	( 6,490 )	( 442,594 )
	<u>\$ 183,974</u>	<u>\$ 52,078</u>	<u>\$ 20,537</u>	<u>\$ 2,148</u>	<u>\$ 2,825</u>	<u>\$ 10,592</u>	<u>\$ -</u>	<u>\$ 272,154</u>
FY 2022								
January 1	\$ 183,974	\$ 52,078	\$ 20,537	\$ 2,148	\$ 2,825	\$ 10,592	\$ -	\$ 272,154
Addition	-	-	5,034	1,500	363	-	-	6,897
Disposal	-	-	( 1,168 )	-	-	-	-	( 1,168 )
Transfer	-	-	2,557	-	242	-	-	2,799
Depreciation expense	-	( 2,166 )	( 7,511 )	( 693 )	( 1,315 )	( 5,341 )	-	( 17,026 )
December 31	<u>\$ 183,974</u>	<u>\$ 49,912</u>	<u>\$ 19,449</u>	<u>\$ 2,955</u>	<u>\$ 2,115</u>	<u>\$ 5,251</u>	<u>\$ -</u>	<u>\$ 263,656</u>
December 31, 2022								
Cost	\$ 190,316	\$ 142,964	\$ 326,961	\$ 4,380	\$ 21,001	\$ 27,394	\$ 6,490	\$ 719,506
Accumulated depreciation and impairment	( 6,342 )	( 93,052 )	( 307,512 )	( 1,425 )	( 18,886 )	( 22,143 )	( 6,490 )	( 455,850 )
	<u>\$ 183,974</u>	<u>\$ 49,912</u>	<u>\$ 19,449</u>	<u>\$ 2,955</u>	<u>\$ 2,115</u>	<u>\$ 5,251</u>	<u>\$ -</u>	<u>\$ 263,656</u>

1.The Group has no interest capitalization situation at all.

2.For pledge of property, plant, and equipment, please refer to note 8.

(8) Investment property

	FY2023	FY2022
January 1	\$ -	\$ 508,569
Derecognition	-	( 508,569 )
December 31	\$ -	\$ -

A. Investment property–superficies are the royalties paid by Omni Media International Incorporation (hereinafter referred to as "Omni Int'l"), a subsidiary of the Company setting the superficies of the business district at Sec. Laojiexi, Zhongli Dist., Taoyuan City obtained by winning a bid in March 2018; the contract is 50 years from March 2018, and the following agreement was signed:

- (a) In addition to the royalty, superficies' land rent shall be paid on an annual basis from the date of delivery, and the land rent is calculated on an annual basis. In addition to the royalties, the land rent for superficies is required to be calculated from the date of delivery, and the land rent is calculated on an annual basis. In the contracting year, the rent will be calculated at 3% annual interest of the announced land values (total \$2,594); the land rent after the next contract year shall be calculated by multiplying the annual interest rate of the preceding paragraph by the announced land price of the current year; However, if the ground rent has increased by more than 6% compared with the previous year, the excess part shall not be collected. If the land rent in the previous two items is lower than the land value tax payable according to law, the land value tax shall be calculated and collected instead. In 2022, due to the impact of the Covid-19 epidemic, the Group was affected by the reduction of advertising budgets, so the Group wrote to Taoyuan City Government to agree to postpone the payment of royalties and land rent.
- (b) As of December 31, 2022, the Group has paid the first installment of \$56,398 and the second installment of \$84,597, while the third installment of \$140,994 has not been paid in accordance with the contract. A performance bond of \$37,650 has been provided, which is recorded as other non-current assets - refundable deposits.

(9) Lease transaction - lessee

- A. The underlying assets leased by the Group include land, buildings, and billboards, etc.; the period of the lease contract usually ranges from 1 to 7 years. The lease contract is negotiated individually and contains various terms and conditions, except that the leased assets cannot be used as loan guarantees, without imposing any other restrictions.
- B. The lease period of the offices and parking spaces leased by the Group does not exceed 12 months, and the underlying assets leased are low-value office equipment, which are not recognized as right-of-use assets.

- C. The book value of the right-of-use asset and the recognized depreciation expense information are as follows:

	Dec. 31, 2023 Carrying amount	Dec. 31, 2022 Carrying amount
Billboard	\$ 970,544	\$ 216,345
House	13,657	21,104
Parking space	591	915
	<u>\$ 984,792</u>	<u>\$ 238,364</u>

	FY2023 Depreciation Expense	FY2022 Depreciation Expense
Billboard	\$ 101,336	\$ -
House	7,447	7,450
Parking space	324	322
	<u>\$ 109,107</u>	<u>\$ 7,772</u>

- D. The main leasing contracts related to billboards are as follows:

- a. Omni Int'l signed a commercial advertising business contract with Taoyuan International Airport Corporation Ltd. in December 2018. The lease is for a period of 5 years and 6 months from January 1, 2019 for the use of commercial advertising in the first and second terminals of Taoyuan International Airport.
- b. Omni Int'l renewed the commercial advertising business contract with Taoyuan International Airport Corporation Ltd. in July 2023, the period of this contract is from June 30, 2024 to February 28, 2031.

- E. The right-of-use assets of this Group in 2023 and 2022 are added \$894,026 and \$0 respectively.

- F. In addition to depreciation expense, other profit and loss items related to the lease contract are as follows:

	FY2023	FY2022
<u>Items affecting current profit and loss</u>		
Interest expense of lease liabilities	\$ 20,975	\$ 9,916
Expenses for short-term rental contracts	3,137	561
Expenses for the lease of low-value assets	151	123
Lease modification loss	-	133,757

- G. The Group's total cash outflows for leases in 2023 and 2022 are \$93,831 and \$9,578, respectively.

- H. The Group recognizes a lease modification loss of \$133,757 in 2022, and the relevant instructions are detailed in Note 6(8)2.

- I. The book value information of the lease liabilities (including such as the superficies of investment property in Note 6(8)) related to the above-mentioned right-of-use assets is as follows:

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Lease liabilities-current		
Billboards	\$ 159,496	\$ 151,447
Others	9,205	8,864
	<u>\$ 168,701</u>	<u>\$ 160,311</u>
Lease liabilities-non-current		
Billboard	\$ 864,138	\$ 77,356
Others	7,919	17,124
	<u>\$ 872,057</u>	<u>\$ 94,480</u>

- J. The Group recognizes the profit and loss of changes in lease payments arising from rental concessions as follows:

<u>Account items</u>	<u>FY2023</u>	<u>FY2022</u>
Deduction for "Operating Costs - Depreciation of Right-of-Use Assets"	\$ 38,491	\$ 144,230
"Other revenues"	-	11,770

Note: Before June 30, 2022, the practical expedient method of "Covid-19-Related Rent Concessions" was adopted, and from July 1, 2022, the variable lease payments arising from rent concessions that occurred during the recognition period were recognized.

(10) Other non-current assets

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Refundable deposits	\$ 4,331	\$ 3,859
Restricted Assets—demand deposits	23,767	44,786
Restricted Assets—time deposits	57,184	30,000
Restricted Assets—account receivables	13,053	2,142
Restricted Assets—other receivables	-	25,000
Others	978	983
	<u>\$ 99,313</u>	<u>\$ 106,860</u>

- A. Restricted Assets—demand deposits, accounts receivable and other receivables provided as guarantee, please refer to note 9(1).
- B. The amount of \$50,084 in other receivables for December 31, 2023 and 2022 represents Omni International's loaning funds to certain customers as described in Note 6(4)6. Omni Int'l has transferred the above amount to overdue receivables and has recorded a full charge for expected credit losses.

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Overdue receivables-other receivables (listed other non-current assets )	\$ 50,084	\$ 50,084
Less: Allowance loss	( 50,084 )	( 50,084 )
	<u>\$ -</u>	<u>\$ -</u>

(11) Short-term borrowings

<u>Nature of Borrowing</u>	<u>Dec. 31, 2023</u>	<u>Interest rate range</u>	<u>Collaterals</u>
Bank Guaranteed Loan	\$ -	-	-

<u>Nature of Borrowing</u>	<u>Dec. 31, 2022</u>	<u>Interest rate range</u>	<u>Collaterals</u>
Bank Guaranteed Loan	\$ 30,000	1.78%	Please refer to note 8

The interest expense recognized in profit or loss in 2023 and 2022 is \$194 and \$741 respectively.

(12) Long-term borrowings

<u>Nature of Borrowing</u>	<u>Loan Period and Repayment Method</u>	<u>Interest rate range</u>	<u>Collaterals</u>	<u>Dec. 31, 2023</u>
long-term bank loans				
Secured loan	From March 15, 2022 to March 15, 2025, interest will be paid on a monthly basis, and the principal will be repaid once due	2.43~2.55%	Please refer to note 8	\$ <u>8,720</u>

<u>Nature of Borrowing</u>	<u>Loan Period and Repayment Method</u>	<u>Interest rate range</u>	<u>Collaterals</u>	<u>Dec. 31, 2022</u>
long-term bank loans				
Secured loan	From March 15, 2022 to March 15, 2025, interest will be paid on a monthly basis, and the principal will be repaid once due	1.80%~2.43%	Please refer to note 8	\$ <u>8,720</u>

(13) Other payables

<u>Item</u>	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Salary payable	\$ 12,044	\$ 11,684
Payable service fee	2,089	2,118
Business tax payable	341	1,020
Payable business promotion fee	-	2,450
Outsourcing processing fee payable	55,683	54,321
Litigation expenses payable	89,219	-
Other payables	30,237	30,770
	<u>\$ 189,613</u>	<u>\$ 102,363</u>

1. The subcontract processing fee payable is the amount payable for the printed copies of the outsourced manufacturers.
2. The Litigation expenses referred to note 9(1).

(14) Pension

A. Defined benefit plans

- (a) According to the provisions of the "Labor Standard Act", the Group has established a retirement method with defined benefits, which is applicable to the service years of all regular employees before the implementation of the "Labor Pension Act" on July 1, 2005. And the follow-up service years of employees who choose to continue to apply the Labor Standards Act after the implementation of the "Labor Pension Act". For employees who meet the retirement requirements, the pension payment is calculated based on the years of service and the average salary of the six months before retirement. The service years within 15 years (inclusive) will be given two bases every year, and the service years exceeding 15 years will be paid every year. A base is given for one full year, but the accumulation is limited to a maximum of 45 bases. The Group contributes 6% of the total salary to the retirement fund monthly, and deposits it in the Bank of Taiwan in a special account in the name of the Labor Pension Fund Supervisory Committee. In addition, The Group estimates the balance of the labor retirement reserve account before the end of each year. If the balance is not enough to pay the estimated amount of pension calculated above for workers who meet the retirement conditions in the next year, the Group will contribute the difference before the end of March of the following year.

- (b) The amounts recognized in the balance sheet were as follows:

	Dec. 31, 2023	Dec. 31, 2022
Defined benefit obligation (present value)	\$ 11,160	\$ 12,253
Fair value of planned assets	( 10,173 )	( 11,401 )
Net defined benefit obligation	<u>\$ 987</u>	<u>\$ 852</u>

- (c) The changes in the net defined benefit obligation were as follows:

	Defined benefit obligation (present value)	Fair value of planned assets	Net defined benefit obligation
FY2023			
Balance at January 1	\$ 12,253	(\$ 11,401 )	\$ 852
Interest revenue	-	( 152 )	( 152 )
Interest cost	159	-	159
	<u>12,412</u>	<u>( 11,553 )</u>	<u>859</u>
Remeasurements:			
Planned ROA(Amounts not included in interest revenue or fees)	-	( 110 )	( 110 )
Impact of changes in financial assumptions	14	-	14
Experience adjustments	838	-	838
	<u>852</u>	<u>( 110 )</u>	<u>742</u>
Retirement funds contributed	-	( 614 )	( 614 )
Payment of pensions	( 2,104 )	2,104	-
Balance at Dec. 31	<u>\$ 11,160</u>	<u>(\$ 10,173 )</u>	<u>\$ 987</u>

	Defined benefit obligation (present value)	Fair value of planned assets	Net defined benefit obligation
FY2022			
Balance at January 1	\$ 16,691	\$ 12,620	\$ 4,071
Interest revenue	-	( 90 )	( 90 )
Interest cost	115	-	115
	<u>16,806</u>	<u>12,710</u>	<u>4,096</u>
Remeasurements:			
Planned ROA(Amounts not included in interest revenue or fees)	-	( 1,123 )	( 1,123 )
Impact of changes in demographic assumptions	( 597 )	-	( 597 )
Experience adjustments	158	-	158
	<u>( 439 )</u>	<u>1,123</u>	<u>( 1,562 )</u>
Retirement funds contributed	-	( 1,682 )	( 1,682 )
Payment of pensions	( 4,114 )	4,114	-
Balance at Dec. 31	<u>\$ 12,253</u>	<u>( \$ 11,401 )</u>	<u>\$ 852</u>

- (d) For the Group's Defined benefit plans fund assets, Bank of Taiwan entrusts operation according to the items set forth in Article 6 of Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (that is, deposit in domestic or foreign financial institutions, Investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and Investment in domestic or foreign real estate and its securitization products), within the proportion and amount of entrusted operation projects determined in accordance with the fund's annual investment and utilization plan. The relevant usage is supervised by the Labor Pension Fund Supervisory Committee. In the use of the fund, the minimum income distributed in the final accounts of each year shall not be less than the income calculated based on the two-year fixed deposit rate of the local bank. If there is any shortfall, it shall be made up by the state Treasury after approval by the competent authority. Since the Group has no right to participate in the operation and management of the fund, it is not possible to disclose the fair value classification of plan assets in accordance with paragraph 142 of International Financial Reporting Standards (IFRS) No. 19. For the fair value of the total assets of the fund on December 31, 2023 and 2022, please refer to the annual Labor Pension Fund operation report announced by the government.

- (e) Actuarial assumptions related to pensions are summarized as follows:

	FY2023	FY2022
Discount rate	1.28%	1.30%
Future salary increase rate	2.00%	2.00%

The assumptions for future mortality in 2023 and 2022 are based on 90% of the 6th Experience Life Table for the Taiwan life insurance industry..



The defined benefit obligation (present value of) impacted by changes in the main actuarial assumptions adopted is analyzed as follows:

	Discount Rate		Future Salary Increase Rate	
	Increase by	Decrease by	Increase	Decrease
	0.25%	0.25%	by 0.25%	by 0.25%
December 31, 2023				
Impact on the present value of defined benefit obligations	(\$ <u>145</u> )	\$ <u>148</u>	\$ <u>119</u>	(\$ <u>117</u> )

	Discount Rate		Future Salary Increase Rate	
	Increase by	Decrease by	Increase	Decrease
	0.25%	0.25%	by 0.25%	by 0.25%
December 31, 2023				
Impact on the present value of defined benefit obligations	(\$ <u>177</u> )	\$ <u>182</u>	\$ <u>149</u>	(\$ <u>147</u> )

The above sensitivity analysis is based on the analysis of the impact of a single assumption change under the condition that other assumptions remain unchanged. In practice, changes in many assumptions may be linked. The sensitivity analysis is used to calculate the net pension liability of the balance sheet consistent approach.

The methods and assumptions used in the preparation of the sensitivity analysis in this period are the same as those in the previous period.

- (f) The Group expects to pay \$580 contributions to retirement plans in 2024.

B. Defined contribution plan

- (a) Since July 1, 2005, the company and domestic subsidiaries have established a retirement method with a certain contribution in accordance with the "Labor Pension Act", which is applicable to employees of their nationality. The Group contributes 6% of the salary to the employee's personal account of the Bureau of Labor Insurance every month when the employee chooses to apply the part of the labor pension system stipulated in the "Labor Pension Act". The employee's pension is paid according to the employee's personal pension account and the amount of accumulated income in the form of monthly pension or one-time pension.
- (b) In 2023 and 2022, the Group's pension costs recognized in accordance with the above pension method are \$3,366 and \$3,573 respectively.

(15) Other non-current liabilities

	Dec. 31, 2023	Dec. 31, 2022
Deposits received	\$ <u>22,711</u>	\$ <u>22,630</u>

The deposits received on December 31, 2023 and 2022 amounted to \$22,094, representing the deposits received by the Group for signing an advertising cooperation contract with a specific manufacturer.

(16) Capital

- A. On December 31, 2023, the rated capital of the company is \$1,760,000, the paid-in capital is \$1,012,800, and the face value of each share is NT\$10. The company's issued shares have all been received.

The adjustment of the number of shares outstanding at the beginning of the period and at the end of the period is as follows (Unit: 1000 shares):

	FY2023	FY2022
December 31 (same as January 1)	\$ <u>101,280</u>	\$ <u>101,280</u>

B. Private placement is as follows:

(a) The changes in the number of private placement shares of the company are as follows:

	FY2023		FY2022	
	1000 shares	Amount	1000 shares	Amount
December 31 (same as January 1)				
-belonging to May 2015	15,600	\$ 184,600	15,600	\$ 184,600
-belonging to Sept. 2015	28,200	305,500	28,200	305,500
	<u>43,800</u>	<u>\$ 490,100</u>	<u>43,800</u>	<u>\$ 490,000</u>

(b) The rights and obligations of the above private ordinary shares are the same as those of any other issued ordinary shares, except that they are subject to restrictions on circulation and transfer under the Securities and Exchange Act and cannot be applied for listing and trading until three years have passed on the delivery date and a supplementary public offering has been made.

(17) Capital reserve

According to the provisions set forth in the Company Act, the capital reserve of which the income derived from the issuance of new shares at a premium and the income from endowments received by the company, in addition to covering losses, where the Company incurs no loss, issue to its original shareholders in proportion to the number of shares being held by each of them or by cash. In addition, in accordance with the relevant regulations of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. If the company still has insufficient surplus reserves to make up for capital losses, it may not use capital reserves to make up for it.

(18) Retained earnings

A. According to the provisions set forth in this Company's Articles of Incorporation, if this Company has earnings in its annual final accounts, it shall pay taxes and make up losses according to law, and the next 10% is the legal reserve, but this is not the case when the legal reserve has reached the paid-in capital. In addition, after the special reserve is listed or reversed according to the relevant laws and regulations, and the retained earnings-unappropriated at the beginning of the same period is the accumulated distributable earnings of shareholders, the Board will draw up a plan for the distribution of earnings. When issuing new shares, it should be submitted to the shareholders meeting for resolution before distribution. If the aforementioned special reserve is the net deduction of other equity and net increase in the fair value of investment real estate accumulated by this company in the previous period, the same amount of special reserve shall be withdrawn from the retained earnings-unappropriated in the previous period, if there is any deficiency at that time, the net profit of the current period plus the amount other than the net profit after tax of the current period included in the retained earnings-unappropriated amount of the current period shall be provided.

If this Company distributes dividends and bonuses or all or part of the legal reserve and capital reserve in the form of cash distribution, the Board is authorized to do so with the presence of more than two-thirds of the directors present and the consent of more than half of the directors present, and report to the shareholders' meeting.

The dividend policy of this Company is to calculate the distributable earnings according to the preceding paragraph, then reserve the required funds according to the operation plan of this Company, and distribute the rest as dividends to shareholders, and the proportion of cash dividends should not be less than 30%.

B. The Legal reserve shall not be used except to cover the loss of the company and to issue new shares or cash in proportion to the original shares of the shareholders. However, in the case of issuing new shares or cash, the amount of such reserves shall be limited to 25% of the paid-in capital.

C. Earnings Distribution:

(a) On June 14, 2023 and May 26, 2022, the Company resolved at the shareholders' meeting to distribute the 2022 and 2021 earnings as follows:

		<u>FY2022</u>		<u>FY2021</u>
		<u>Amount</u>		<u>Amount</u>
Legal reserve	\$	1,155	\$	765
Special reserve		10,397		39,845

(b) On March 13, 2024, the Board of Directors of the Company proposed the following distribution of the 2023 earnings. The aforementioned resolution for the earnings distribution for the year 2023, as of March 14, 2024, has not yet been approved by

(19) Operating revenue

		<u>FY2023</u>		<u>FY2022</u>
		<u>Amount</u>		<u>Amount</u>
Revenue from customer contracts	\$	701,308	\$	604,066

A. Breakdown of revenue from customer contracts

The Group's revenue is derived from the provision of modalities and labor that are progressively transferred over time and at a point in time, and can be broken down into the following key product lines:

	<u>FY2023</u>	<u>Printing department</u>				<u>Advertising department</u>	<u>Mask department</u>	
		<u>Advertising literature</u>	<u>periodicals</u>	<u>Textbooks</u>	<u>Other printed materials, etc.</u>	<u>Professional Advertising</u>	<u>Masks</u>	<u>Total</u>
Department revenue								
Revenue from contracts with external customers		<u>\$132,092</u>	<u>\$215,380</u>	<u>\$42,402</u>	<u>\$191,820</u>	<u>\$118,833</u>	<u>\$781</u>	<u>\$701,308</u>
Timing of revenue recognition		<u>\$132,092</u>	<u>\$215,380</u>	<u>\$42,402</u>	<u>\$191,820</u>	\$6,120	\$781	\$588,595
Revenue recognized at a point in time		-	-	-	-	112,713	-	112,713
		<u>\$132,092</u>	<u>\$215,380</u>	<u>\$42,402</u>	<u>\$191,820</u>	<u>\$118,833</u>	<u>\$781</u>	<u>\$701,308</u>

FY2022	Printing department				Advertising department	Mask department	
	Advertising literature	periodicals	Textbooks	Other printed materials, etc.	Professional Advertising	Masks	Total
Department revenue							
Revenue from contracts with external customers	<u>\$155,676</u>	<u>\$255,498</u>	<u>\$46,205</u>	<u>\$138,754</u>	<u>\$34,386</u>	<u>\$3,547</u>	<u>\$604,066</u>
Timing of revenue recognition	\$155,676	\$255,498	\$46,205	\$138,754	\$4,822	\$3,547	\$574,502
Revenue recognized at a point in time	-	-	-	-	29,564	-	29,564
	<u>\$155,676</u>	<u>\$255,498</u>	<u>\$46,205</u>	<u>\$138,754</u>	<u>\$34,386</u>	<u>\$3,547</u>	<u>\$604,066</u>

B. Contract assets and contract liabilities

(a) The Group recognizes contract assets and contract liabilities related to customer contract revenue as follows:

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>	<u>Jan. 1, 2022</u>
Contractual liabilities - amounts received in advance from customers	<u>\$3,606</u>	<u>\$4,141</u>	<u>\$2,752</u>

(b) Contract liabilities at the beginning of the period Recognized revenue in the current period

	<u>FY2023</u>	<u>FY2022</u>
Beginning balance of contract liabilities		
Receive money from customers in advance	\$ 2,923	\$ 1,495

(20) Interest revenue

	<u>FY2023</u>	<u>FY2022</u>
Bank deposit interest	\$ 9,312	\$ 2,292
Other interest revenue	28	15
	<u>\$ 9,340</u>	<u>\$ 2,307</u>

(21) Other revenues

	<u>FY2023</u>	<u>FY2022</u>
Rental revenue	\$ 521	\$ 238
government grants income	-	120
Other subsidy income	-	11,770
Other Income - Other	8,705	2,316
	<u>\$ 9,226</u>	<u>\$ 14,444</u>

The Group applied the Ministry of Economic Affairs' "Operating Guidelines for Electricity and Utilities Grants" and received government grants of \$0 and \$120 in 2023 and 2022 respectively.

(22) Other profit and loss

	FY2023	FY2022
Disposal of real estate, plant, and equipment	\$ 195	\$ 227
Lease modification loss	-	( 133,757 )
foreign currency exchange gain (loss)	5,507	12,783
Financial assets (loss) interest measured at fair value through profit and loss	24,013	( 10,040 )
Fair value adjustment loss -investing property	( 160,521 )	-
Miscellaneous expenditure	( 125 )	( 33 )
	(\$ <u>130,931</u> )	(\$ <u>130,820</u> )

(23) Financial cost

	FY2023	FY2022
Interest expense		
Bank loan interest	\$ 414	\$ 894
Interest expense of lease liabilities	20,975	9,916
	<u>\$ 21,389</u>	<u>10,810</u>

(24) Additional information on the nature of the fee

Nature	FY2023		
	Those belonging to operating costs	Those belonging to operating expenses	Total
Payroll expense	\$ 34,593	\$ 46,550	\$ 81,143
Labor insurance premium	3,853	3,027	6,880
Pension expense	1,873	1,493	3,366
Other employment expenses	2,575	2,190	4,765
Depreciation expense	11,446	940	12,386
Right-of-use assets depreciation expense	103,104	6,003	109,107
Amortization expense	-	72	72

Nature	FY2022		
	Those belonging to operating costs	Those belonging to operating expenses	Total
Payroll expense	\$ 38,099	\$ 42,066	\$ 80,165
Labor insurance premium	4,158	3,071	7,229
Pension expense	2,157	1,441	3,598
Other employment expenses	3,133	1,767	4,900
Depreciation expense	15,790	1,236	17,026
Right-of-use assets depreciation expense	1,757	6,015	7,772
Amortization expense	-	205	205

- A. As of December 31, 2023 and 2022, the employees of this group are 112 and 132 persons respectively.
- B. In accordance with the provisions set forth in the Group's Articles of Incorporation, after deducting the accumulated losses according to the current year's profit status, this Group shall allocate no less than 3% of the employee's remuneration and no more than 3% of the director's remuneration if there is any remaining balance.
- C. The Group did not estimate staff remuneration and directors' remuneration for 2023 as no profit was made; 2022 staff remuneration and directors' remuneration were estimated at \$196 and \$0 respectively, which are included in the salary expense account.
- D. The Board of Directors' resolution on the remuneration of employees and directors and supervisors for 2022 is consistent with the amounts recognized in the 2022 financial statements. Information on the remuneration of employees and directors and supervisors approved by the Board of Directors and resolved by the shareholders' meeting of the Company is available on the Market Observation Post System.

(25) Income tax

- A. The amount of income tax was as follows:

	FY2023	FY2022
Current income tax expense:		
Current period	\$ 878	\$ -
Adjustment for prior periods	-	211
Total amount of current period	\$ 878	211
Income tax expense	\$ 878	\$ 211

- B. The relationship between income tax expenses and accounting profit

	FY2023	FY2022
Net profit before tax calculated according to the statutory tax rate income tax	(\$ 28,026 )	\$ 21,703
Expenses that should be excluded according to the tax law	-	23,123
Income exempted from tax according to the tax law	( 13,741 )	( 31,590 )
Temporary differences are not recognized as deferred income tax assets	16,956	1,361
Tax loss unrecognized deferred income tax assets	28,379	36,031
Change in realizability assessment of deferred income tax assets	( 3,568 )	( 7,222 )
Undistributed earnings plus levy	878	-
Low performance in previous years	-	211
Income tax fee	\$ 878	211

C. The effective periods of the Group's unused tax losses and the related amounts of unrecognised deferred income tax assets are as follows:

(a) The Group and domestic subsidiaries :

December 31, 2023					
year of occurrence	Amount approved/reported	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Last year to be deducted	
2016	\$ 448,619	\$ 418,473	\$ 418,473	2026	
2018	29,455	29,455	29,455	2028	
2019	218,217	216,872	216,872	2029	
2020	88,587	88,475	88,475	2030	
2021	170,609	170,609	170,609	2031	
2022	176,426	176,426	176,426	2032	
2023	141,896	141,896	141,896	2033	

December 31, 2022					
year of occurrence	Amount approved/reported	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Last year to be deducted	
2016	\$ 448,619	\$ 436,033	\$ 436,033	2026	
2018	29,455	29,455	29,455	2028	
2019	218,217	218,217	218,217	2029	
2020	88,587	88,857	88,857	2030	
2021	170,609	170,609	170,609	2031	
2022	180,123	180,123	180,123	2032	

D. Deductible temporary differences not recognized as deferred income tax assets

	Dec. 31, 2023	Dec. 31, 2022
Deductible temporary differences	\$ 152,201	\$ 64,262

E. The income tax of the Company and its subsidiaries - Omni Int'l, Choice Development Co., Ltd have been approved by the tax authorities until 2021.

(26) (Loss) earnings per share

	FY2023		
	After-tax amount	Weighted average shares outstanding (1000 shares)	loss per share
<u>Basic and diluted loss per share</u>			
Net loss for the period attributable to the parent company	(\$ 105,606 )	101,280	(\$ 1.04 )

	FY2022		
		Weighted average shares outstanding (1000 shares)	loss per share
basic & diluted earnings per share	After-tax amount		
Net loss for the period attributable to the parent company	(\$ 82,835 )	101,280	(\$ 0.82 )

(27) Changes in liabilities arising from financing activities

	Short-term debt	Long-term borrowings	lease liabilities	Total liabilities from financing activities
January 1, 2023	\$ 30,000	\$ 8,720	\$ 254,791	\$ 293,511
Changes in financing cash flow	( 30,000 )	-	( 90,543 )	( 120,543 )
Interest expense	-	-	20,975	20,975
Termination of lease	-	-	894,026	894,026
Rent concession	-	-	( 38,491 )	( 38,491 )
December 31, 2023	\$ -	\$ 8,720	\$ 1,040,758	\$ 1,049,478
	Short-term debt	Long-term borrowings	lease liabilities	Total liabilities from financing activities
January 1, 2022	\$ 60,000	\$ -	\$ 664,706	\$ 724,706
Changes in financing cash flow	( 30,000 )	8,720	( 8,894 )	( 30,174 )
Interest expense	-	-	9,916	9,916
Termination of lease	-	-	( 254,937 )	( 254,937 )
Rent concession	-	-	( 156,000 )	( 156,000 )
December 31, 2022	\$ 30,000	\$ 8,720	\$ 254,7912	\$ 293,511

7. Related-party transactions

(1) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
TransGlobe Life Insurance Inc.	Other related-party
Grand Champ Int'l Co., Ltd.	Other related-party (became a non-related-party from July 12, 2023)
Chen, Hui-Yu	Chairman of the company
Chang, Shih-Kui	Vice Chairman of the company

(2) Significant transactions with related parties

A. Operating revenue

	FY2023	FY2022
Commodities sale:		
Other related-party	\$ 2,847	\$ 3,253

There is no material difference in the transaction price and payment terms of sales from those of non-related parties.



B. Business Promotion Service Fee (Accounted Operating Expenses)

	FY2023	FY2022
Other related-party	\$ <u>-</u>	\$ <u>2,349</u>

The company's subsidiary—Omni Int'l entrust other related parties to be responsible for business promotion services, and the relevant fees are determined by considering comprehensive factors such as labor costs and business promotion.

C. Circumstances in which a related party provides an endorsement guarantee

The company's long-term short-term debt for December 31, 2023 and 2022 are \$138,720, which are guaranteed by the main management.

(3) Key management personnel remuneration

	FY2023	FY2022
Short-term employee benefits	\$ 13,415	\$ 12,297
Post-employment benefits	194	108
Termination benefits	-	868
Total amount	\$ <u>13,609</u>	\$ <u>13,273</u>

(4) Disposal of financial assets

				FY2023	
	Item	shares	Object	price	Gain/loss
Supervisory of The company's subsidiary	Financial Assets Measured at Fair Value through Other Comprehensive Income – non-current	173,497	e-Formula	\$ 2,500	(\$ 362 )

There is no “disposal of financial assets” in 2022.

There is no material difference in the price of disposal of financial assets and payment terms of sales from those of non-related parties.

## 8. Mortgaged (pledged) assets

The Group's asset guarantee details are as follows:

Capital items	Carrying Amount		Guarantee purposes
	Dec. 31, 2023	Dec. 31, 2022	
inventory	\$	\$	
Land to be built	24,111	21,800	Long-term borrowings
Finance measured at amortized cost			
Assets-non-current			
Time deposit	26,000	26,000	Material purchase deposit and advertising deposit
Net real estate, plant, and equipment	231,742	233,886	Short-term debt and amount
Other non-current assets			
Refundable deposits	4,331	3,859	Lease office deposit, advertising deposit and superficies performance bond, etc.
Restricted asset-demand deposit	23,767	44,876	Deposit seized by Taipei District Court
Restricted asset-time deposit	57,184	30,000	Deposit seized by Taipei District Court
Restricted asset-accounts receivable	13,053	2,142	Receivables provisional attachment by Taipei District Court
Restricted asset-other receivables	-	25,000	Receivables provisional attachment by Taipei District Court
	\$ 380,188	\$ 387,563	

For the above pledged time deposits, please refer to Note 6(3) for the interest rate range and period.

## 9. Material contingent liabilities and unrecognized contractual commitments

### (1) Contingencies

A. In 2020, a specific customer filed with the Taipei District Court and claimed to hold promissory notes issued by Omni Int'l totaling \$245,445, and applied for compulsory execution against Omni Int'l, so the accounts receivable and Other receivables perform provisional attachment within the scope of \$100,000 and related expenses. However, Omni Int'l has no record of issuing a promissory note, and Omni Int'l still holds a promissory note of the same denomination jointly issued by the counterparty and guaranteed by outsiders Li O-Hsuan and Xie O-Yeh (detailed in Note 6 (4) 6) Therefore, Omni Int'l also appointed a lawyer to initiate a lawsuit on the authenticity of the promissory note, and held relevant persons accountable. At present, the Taipei District Court has made a civil judgment of the first instance that the promissory note held by a specific customer is not forged, but Omni Int'l has already filed an appeal.

In addition to the promissory notes mentioned above, the prosecution found that Li O-Hsuan and Xie O-Yeh have other promissory notes issued in the name of Omni Int'l in the amount of \$380,058, and that Omni Int'l has no record of issuing such notes. The Group has voluntarily appointed a lawyer to file a lawsuit to confirm the non-existence of the promissory note claims and related criminal complaints. The damages caused to the Group will also be claimed in accordance with the law in the subsequent court proceedings. As of March 13, 2024, Omni Int'l's lawsuits against specific customers (2 cases) and Xie O-Yeh to confirm the non-existence of promissory note in the amount of \$130,650, the above cases have been judged or ruled that Omni Int'l won the cases finally by the third-instance court and been on record.

- B. Omni International filed a lawsuit of \$122,722 against Li O-Chin to confirm the non-existence of the promissory note claim. Although the first-instance court ruled that Omni International won the case, but the defendant Li O-Chin appealed, and the judgment was changed, Omni International lost the lawsuit, by second-instance court in July 2023. but Omni International was dissatisfied with the judgment and therefore appealed in accordance with the law. In November 2023, it still be ruled that Omni International lost the case by the third-instance court. Omni International should have paid Li O-Chin \$122,722 and interest calculated at an annual interest rate of 6% from May 18, 2020 to the settlement date (approximately \$26,641 as of December 28, 2023). However, Omni International was not satisfied with the previous judgment, and in January 2024, it still applied to the second-instance court for a retrial for relief. It is currently being heard by the court. As of December 31, 2023, Omni International recognized litigation losses totaling 160,521 in terms of judgments and related expenses, of which the original restricted assets-demand and time deposits totaling \$71,302 were subject to enforcement. Li O-Chin's collection is recorded, and the remaining amount of \$89,219 is recognized as other payables - legal fees payable.
- C. Omni International filed a \$3,963 lawsuit against Li O-xuan to confirm the non-existence of the promissory note claim. Although the court of first-instance ruled that Omni International won the case, but the defendant Li O-xuan has appealed, and it is reviewing by the court of second-instance currently.
- D. In addition, Lee O-Hsuan filed a claim for damages against the Company and Omni Int'l for the failure of Omni Int'l to retain a director to its designee. The Company and Omni Int'l have appointed attorneys to defend the Company's and Omni Int'l's interests in a lawsuit filed by a certain customer against Omni Int'l for the non-existence of a promissory note with a face value of \$122,722, of which \$104,932 was denied.
- E. As of December 31, 2023, Omni Int'l's accounts receivable and demand deposit and time deposit seized by Taipei District Court due to the aforementioned case amounted to \$13,053, \$23,767 and \$57,184 respectively.

(2) Commitments

None.

10. Losses due to major disasters

None.

11. Significant subsequent events

- (1) The company proposed the 2023 earnings distribution on March 13, 2024 Board of Directors, please refer to note 6(18)3.

12. Other

(1) Capital management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, to maintain an optimal capital structure to reduce the cost of capital and to provide returns to shareholders. To maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. The Group monitors its capital by using a debt-to-capital ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as reported in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" plus net debt as reported in the consolidated balance sheet.

The Group's strategy for 2023 remains the same as for 2022, with a commitment to a zero debt-to-capital ratio. As on December 31, 2023 and 2022, the Group's debt-to-capital ratio is as follows:

	Dec. 31, 2023	Dec. 31, 2022
Total borrowings	\$ 8,720	\$ 38,720
Less: cash and cash equivalents	( 297,622 )	( 150,796 )
Net debt	( 288,902 )	( 112,076 )
Total equity	846,299	925,336
Total capital	\$ 557,397	\$ 813,260
Debt to capital ratio	-	-

(2) Financial instrument

A. Kind of financial instrument

	Dec. 31, 2023	Dec. 31, 2022
Financial assets	\$	\$
Financial asset at fair value through profit or loss		
Restricted financial asset or financial liability at fair value through profit or loss	43,130	72,240
Financial assets at fair value through other comprehensive income		
Select a designated equity instrument for investment	\$ 192,292	166,997
Financial Assets measured at amortized cost		
Cash and cash equivalents	\$ 297,622	150,796
Financial Assets measured at amortized cost		
- Current	37,816	159,524
Notes receivable	16,234	21,381
Accounts receivable	127,230	107,732
Financial Assets measured at amortized cost – Non-current	26,000	26,000
Other non-current assets	98,335	105,877
	\$ 603,237	\$ 571,310

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Financial liabilities		
Financial Assets measured at amortized cost		
Short-term debt	\$ -	\$ 30,000
Notes payable	818	1,500
Accounts payable	65,339	58,580
Other payable	189,613	102,363
Long-term borrowings	8,720	8,720
deposits received	22,711	22,630
	<u>\$ 287,201</u>	<u>\$ 223,793</u>
Lease liabilities -current	\$ 168,701	\$ 160,311
Lease liabilities -non-current	872,057	94,480
	<u>\$ 1,040,758</u>	<u>\$ 254,791</u>

B. Risk Management Policy

- (b) The Group's day-to-day operations are subject to several financial risks, including market risk (including exchange rate risk and price risk), credit risk and liquidity risk.
- (c) Risk management is performed by the Group's Finance Department in accordance with policies approved by the Board of Directors. The Group's Finance Department is responsible for identifying, evaluating and mitigating financial risks by working closely with the Group's operating units. The Group's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. The Group's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the Group must comply with relevant financial operating procedures regarding overall financial risk management and segregation of duties and responsibilities.

C. Nature and extent of significant financial risks

(c) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to foreign exchange rate risk, primarily in U.S. dollars, Hong Kong dollars and Australian dollars. The related exchange rate risk arises from future business transactions and are recognized assets and liabilities.
- ii. The management of the Group has formulated a policy requiring each company in the group to manage the exchange rate risk relative to its functional currency.

- iii. The Group's business involves certain non-functional currencies, so it is affected by exchange rate fluctuations. The foreign currency assets and liabilities with significant exchange rate fluctuations are as follows:

		December 31, 2023		
		foreign currency (thousand)	Rate	Book amount
<b>(Foreign currency: Functional Currency)</b>				
Financial Assets				
Monetary item				
USD:NTD	\$	2,998	30.71	\$ 92,043
NZD:NTD		169	19.48	3,229
AUD:NTD		329	20.98	6,893

		December 31, 2022		
		foreign currency (thousand)	Rate	Book amount
<b>(Foreign currency: Functional Currency)</b>				
Financial Assets				
Monetary item				
USD:NTD	\$	5,291	30.71	\$ 162,506
NZD:NTD		211	19.44	4,106
AUD:NTD		535	20.83	11,147

- iv. For the Group's monetary items, due to the significant impact of exchange rate fluctuations, the aggregated amounts of all exchange profit and loss (including realized and unrealized) recognized in 2023 and 2022 are \$5,507 and \$12,783 respectively.
- v. The Group's foreign currency market risk analysis due to major exchange rate fluctuations is as follows:

		FY2023		
		Sensitivity analysis		
		Range of change	Affect profit and loss income	Affect other comprehensive income
<b>(foreign currency : Functional Currency)</b>				
Financial Assets				
Monetary item				
USD:NTD		1%	\$ 920	
NZD:NTD		1%	32	
AUD:NTD		1%	69	

(foreign currency : Functional Currency)	FY2022		
	Sensitivity analysis		
	Range of change	Affect profit and loss income	Affect other comprehensive income
Financial Assets			
Monetary item			
USD:NTD	1% \$	1,625 \$	-
NZD:NTD	1%	41	-
AUD:NTD	1%	111	-

#### Price risk

- i. The Group's equity instruments exposed to price risk are financial assets held at fair value through profit or loss and financial assets held at fair value through other comprehensive income. To manage the price risk of its investments in equity instruments, the Group diversifies its investment portfolio. The diversification is carried out according to the limits set by the Group.
- ii. The Group invests primarily in equity instruments and closed-end funds issued by domestic and foreign companies, the prices of which are subject to uncertainty regarding the future value of the underlying investments. If the price of these equity instruments were to increase or decrease by 1%, all other factors being equal, net income after tax for 2023 and 2022 would increase or decrease by \$431 and \$722, respectively, due to the gain or loss on equity instruments measured at fair value through profit or loss; for other comprehensive income, the gain or loss on equity investments classified as fair value through other comprehensive income would increase or decrease by \$1,923 and \$1,670, respectively.

#### **(b) Credit Risk**

- i. The Group's credit risk is the risk of financial loss resulting from the failure of customers or counterparties to financial instruments to meet their contractual obligations, primarily due to the failure of counterparties to settle accounts receivable paid in accordance with collection terms.
- ii. The Group establishes credit risk management from the perspective of the group. For banks and financial institutions, only those with an independent credit rating of at least "A" can be accepted as transaction objects. In accordance with the internal credit policy, each operating entity within the Group and each new customer is required to manage and analyze credit risk before establishing payment and delivery terms and conditions. According to the internally specified credit policy, each operating entity within the group and each new customer must conduct management and credit risk analysis before setting payment and proposing the terms and conditions of delivery. Internal risk control is to evaluate the credit quality of customers by considering their financial status, past experience and other factors. The limits of individual risks are formulated by the Board of Directors based on internal or external ratings, and the use of credit limits is regularly monitored.
- iii. The Group adopts IFRS 9 to provide the following assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since the original recognition:  
When the contract payment is more than 30 days overdue according to the agreed payment terms, it is considered that the credit risk of the financial asset has increased significantly since the original recognition.

- iv. For customers with overdue accounts, the Group will list them as key assessment customers if they have any doubts about being uncollectable after assessment, and measure their credit risk at the same time, and carry out related operating procedures to list bad debts for those who have doubts about default.
- v. The Group groups customers' accounts receivable according to the characteristics of customer types and uses a simplified method to estimate expected credit losses based on the provision matrix.
- vi. The loss rates are based on historical and current information for specific periods that the Group adjusted for forward-looking assumptions to estimate the allowance loss of accounts receivable (including related persons), the preparation matrix for December 31, 2023 and 2022 is as follows:

(i) General Customer Accounts:

December 31, 2023					
Group 1	age range				Total amount
	within 90 days	91-120 days	121-180 days	more than 181 days	
Expected loss rate	0%~0.03%	0%~0.03%	0%~0.03%	0%~100%	
Total book value	\$ 104,744	\$ 10,101	\$ -	\$ -	\$ 114,845
Allowance loss	\$ -	\$ 2	\$ -	\$ -	\$ 2
Group 2	within 90 days	91-120 days	121-180 days	more than 181 days	Total amount
	0%~0.03%	0.52%~1.74%	2.34%~7.74%	100%	
Expected loss rate	0%~0.03%	0.52%~1.74%	2.34%~7.74%	100%	
Total book value	\$ 18,906	\$ 6,533	\$ -	\$ -	\$ 25,439
Allowance loss	\$ -	\$ -	\$ -	\$ -	\$ -
December 31, 2022					
Group 1	age range				Total amount
	within 90 days	91-120 days	121-180 days	more than 181 days	
Expected loss rate	0%~0.03%	0%~0.03%	0%~0.03%	0%~0.03%	
Total book value	\$ 93,809	\$ 5,179	\$ 707	\$ -	\$ 99,695
Allowance loss	\$ -	\$ -	\$ 2	\$ -	\$ 2
Group 2	within 90 days	91-120 days	121-180 days	more than 181 days	Total amount
	0%~0.03%	0.52%~1.74%	2.34%~7.74%	100%	
Expected loss rate	0%~0.03%	0.52%~1.74%	2.34%~7.74%	100%	
Total book value	\$ 8,039	\$ -	\$ -	\$ 2,142	\$ 10,181
Allowance loss	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Restricted assets-account receivable \$13,053 and \$2,142 on December 31, 2023 and 2022 were under provisional attachment by Taipei District Court, so no expected credit loss was provided, please refer to note 9(1).



(ii) Individual assessment account:

December 31, 2023					
	age range				Total amount
	within 90 days	91-120 days	121-180 days	more than 181 days	
Expected loss rate	0%~0.03%	0%~0.03%	0%~0.03%	0%~100%	
Total book value	\$ -	\$ -	\$ -	\$ 242,990	\$ 242,990
Allowance loss	\$ -	\$ -	\$ -	\$ 242,990	\$ 242,990

December 31, 2022					
Group 1	age range				Total amount
	within 90 days	91-120 days	121-180 days	more than 181 days	
Expected loss rate	100%	100%	100%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 242,874	\$ 242,874
Allowance loss	\$ -	\$ -	\$ -	\$ 242,874	\$ 242,874

vii. The Group adopts the simplified method of accounts receivable allowance loss change table as follows:

	FY2023	FY2022
January 1	\$ 353,876	\$ 242,593
Provision for impairment loss	227	283
December 31	\$ 242,990	\$ 242,876

Note: It is disclosed based on the original account numbers of the consolidated entities of the Group.

viii. The notes receivable on December 31, 2023 and 2022 are not overdue, and the allowance loss is \$0.

(c) Liquidity risk

- The cash flow forecast is performed by each operating entity within the group and is summarized by the Group's Finance Department. The Group Finance Department monitors the forecast of the Group's liquidity needs to ensure that it has sufficient funds to meet operating needs and maintain sufficient unused loan commitments at any time. These forecasts take into account the Group's debt financing plans, compliance with internal balance sheet financial ratio targets, and external regulatory requirements such as foreign exchange controls.
- The Group's unused loan amount on December 31, 2023 and 2022 are \$480,000 and \$450,000 respectively.
- The following table is the grouping of the Group's non-derivative financial liabilities according to the relevant maturity date, which is analyzed based on the remaining period from the balance sheet date to the contract maturity date. The contract cash flow amount disclosed in the table below is the undiscounted amount.

Non-derivative financial liabilities December 31, 2023	Within 1 year	Within 1~2 years	over 2 years
Notes and account payable	\$ 66,157	\$ -	\$ -
Other payable	189,613	-	-
lease liabilities	201,454	163,963	806,000
Long-term borrowings	226	46	8,720
deposits received	-	-	22,711
	<u>\$ 457,450</u>	<u>164,009</u>	<u>837,431</u>
Non-derivative financial liabilities December 31, 2022	Within 1 year	Within 1~2 years	over 2 years
Short-term debt	\$ 30,000	\$ -	\$ -
Notes and account payable	60,080	-	-
Other payable	102,363	-	-
lease liabilities	165,127	87,361	7,963
deposits received	211	211	8,755
	<u>\$ -</u>	<u>-</u>	<u>22,630</u>
	<u>\$ 357,781</u>	<u>87,572</u>	<u>39,348</u>

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available to the Company at the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investments in publicly traded stocks are included in this category.

Level 2: Observable inputs directly or indirectly to assets or liabilities, other than those included in Level 1 quoted prices.

Level 3: Unobservable inputs to assets or liabilities. Equity in the non-active market invested by the Group, including instrument investment and investment real estate.

- B. Financial instruments that are not measured by fair value include cash and cash equivalents, notes receivable, accounts receivable, short-term debt, notes payable, accounts payable and other payables. The carrying amount is a reasonable approximation of fair value.

- C. The financial and non-financial instruments measured by fair value are classified by the Group according to the nature, characteristics and risks of assets and liabilities and the basic classification of fair value levels. The relevant information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Repetitive fair value</u>				
Financial asset at fair value through profit or loss				
Domestic and foreign listed (OTC) stocks	\$ 43,130	\$ -	\$ -	\$ 43,130
Financial assets at fair value through other comprehensive income				
Domestic and foreign listed (OTC) stocks	\$ 187,590	\$ -	\$ -	\$ 187,590
Domestic and foreign non-listed (OTC) stocks	-	-	4,702	4,702
Total amount	\$ 187,590	\$ -	\$ 4,702	\$ 192,292
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
<u>Repetitive fair value</u>				
Financial asset at fair value through profit or loss				
Domestic and foreign listed (OTC) stocks	\$ 72,240	\$ -	\$ -	\$ 72,240
Financial assets at fair value through other comprehensive income				
Domestic and foreign listed (OTC) stocks	\$ 148,531	\$ -	\$ -	\$ 148,531
Domestic and foreign non-listed (OTC) stocks	-	-	18,466	18,466
Total amount	\$ 148,531	\$ -	\$ 18,466	\$ 166,997

- D. The methods and assumptions used by the Group to measure fair value are explained below:

- (a) The Group adopts the quoted market price as the input value of the fair value (i.e. Level 1), which is classified according to the characteristics of the instrument as follows:

Quoted market price	Listed (OTC) company stocks
	Closing price

- (b) Except for the above-mentioned financial instruments with an active market, the rest of the fair value measurement is based on the net asset value method and the valuation technique of the analogous listing and OTC company method. The price of the same or similar transaction in the market is used as the observable input value, and the calculation is made its fair value.

- (c) The fair value valuation technique of the investment real estate measured by the fair value of the Group is based on the provisions of the financial reporting standards for securities issuers, and is calculated by the self-assessment method using the income method. The relevant parameter assumptions and input value information are as follows:
- Cash flow: Based on the local rent or the rental price of similar comparative targets in the market, and excluding those that are too high or too low, if there is an end-of-period value, the present value of the end-of-period value may be added.
  - Analysis period: If the revenue has a specific period, the remaining period is estimated..
  - Discount rate: The discount rate is estimated using the Risk Premium Method, which is based on a certain interest rate, plus the individual characteristics of investment properties. The so-called certain interest rate as the base shall not be lower than two-year regular savings small deposits mobile interest rate plus 0.75% announced by Chunghwa Post Co., Ltd.
- E. No transfer between Level 1 and Level 2 in 2023 and 2022.
- F. The Group's fair value valuation process for financial instruments classified as Level 3 is performed by the Group's Finance Department, which conducts independent fair value verification of the financial instruments, using independent sources of information to closely approximate market conditions, confirm that the sources of information are independent, reliable, consistent with other sources and representative of executable prices. It also updates the input values and information required by the valuation model and any other necessary fair value adjustments to ensure that the valuation results are reasonable.
- G. The quantitative information and sensitivity analysis of the changes in the Significant unobservable inputs of the evaluation model used for Level 3 fair value measures are as follows:

December 31, 2023	Fair value	Valuation technique	Significant unobservable inputs	Relationship between input value and fair value
Domestic and foreign non-listed (OTC) stocks	\$ 4,702	Net asset value method	N/A	N/A
December 31, 2022	Fair value	Valuation technique	Significant unobservable inputs	Relationship between input value and fair value
Domestic and foreign non-listed (OTC) stocks	\$ 18,466	Net asset value method	N/A	N/A

### 13. Other disclosures

#### (1) Information on significant transactions

- Lending funds to others: please refer to appendix 1.
- Providing endorsements or guarantees for others: please refer to appendix 2.
- Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture): none
- Aggregate purchases or sales of the same securities reaching NT\$300 million or 20 percent of paid-in capital or more: none
- Acquisition of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: none

- F. Disposal of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: none
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: none
- H. Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: none
- I. Trading in derivative instruments: none
- J. The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: none

(2) Information on investees:

The information on investees (excluding investees in Mainland China): please refer to appendix 3.

(3) Information on investments in the Mainland Area:

- F. Basic information: None.
- G. Significant transactions that occurred directly or indirectly through enterprises in third regions and investee companies reinvested in mainland China: None.

(4) Information on major shareholders:

14. Operating department information

(1) General information

The management of the Group has identified the reporting departments based on the reporting information used by the Board of Directors in making decisions.

The reporting department of the Group should report that the developments are distinguished by product and business structure, mainly divided into printing, advertising, mask, and development departments.

(2) Measurement of departmental information

The accounting policy of the Group Operating Department is the same as the summary description of important accounting policies described in Note 4 of the financial report. Operating segment profit and loss is measured by operating profit and loss and is used as the basis for evaluating the performance of the Operating Department. The reportable information of departments provided to the chief operating decision maker is as follows:

	FY2023				
	Printing Dept.	Advertising Dept.	Mask Dept.	Development Dept.	Total amount
External revenue	\$ 581,694	\$ 118,833	\$ 781	\$ -	\$ 701,308
Internal revenue	-	-	-	-	-
Segment revenue	<u>\$ 581,694</u>	<u>\$ 118,833</u>	<u>\$ 781</u>	<u>\$ -</u>	<u>\$ 701,308</u>
Segment profit and loss	<u>\$ 16,057</u>	<u>(\$ 16,130)</u>	<u>(\$ 469)</u>	<u>(\$ 5,834)</u>	<u>(\$ 6,376)</u>
Segment profit and loss include:					
Depreciation and amortization	\$ 16,439	\$ 105,126	\$ -	\$ -	\$ 121,565
Interest expense	<u>\$ 457</u>	<u>\$ 20,712</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 21,389</u>
Interest revenue	<u>\$ 1,184</u>	<u>\$ 8,043</u>	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ 9,340</u>

	FY2022				
	Printing Dept.	Advertising Dept.	Mask Dept.	Development Dept.	Total amount
External revenue	\$ 566,133	\$ 34,386	\$ 3,547	\$ -	\$
Internal revenue	-	-	-	-	-
Segment revenue	<u>\$ 566,133</u>	<u>\$ 34,386</u>	<u>\$ 3,547</u>	<u>\$ -</u>	<u>\$ 604,066</u>
Segment profit and loss	<u>\$ 12,916</u>	<u>\$ 8,121</u>	<u>\$ 150</u>	<u>(\$ 4,820 )</u>	<u>\$ 16,367</u>
Segment profit and loss include:					
Depreciation and amortization	\$ 19,040	\$ 5,747	\$ 216	\$ -	\$ 25,003
Interest expense	<u>\$ 1,109</u>	<u>\$ 9,549</u>	<u>\$ -</u>	<u>\$ 152</u>	<u>\$ 10,810</u>
Interest revenue	<u>\$ 507</u>	<u>\$ 1,789</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 2,307</u>

(3) Segment revenue and adjustment of profit and loss

A. The adjustment of operating segment profit and loss and continuing operating income before tax for 2023 and 2022 to be reported is as follows:

Revenue	FY2023	FY2022
The total department revenue should be reported	\$ 701,308	\$ 604,066
Sales department revenue	-	-
Operating revenue	<u>\$ 701,308</u>	<u>\$ 604,066</u>
Profit (loss)	FY2023	FY2022
Segment profit and loss	(\$ 6,376 )	\$ 16,367
Adjustments and write-offs	-	-
Non-operating income and expenses	( 133,754 )	( 124,879 )
continuing operating income before tax	<u>(\$ 140,130 )</u>	<u>(\$ 108,512 )</u>

B. The Group does not provide the operating decision maker with total assets and total liabilities for operating decisions, as the statements provided to the operating decision maker for segment operating decisions do not differ from the statement of segment profit and loss and therefore no adjustment is required.

(4) Product information

The Group's main product revenue details are as follows:

	FY2023	FY2022
Advertising	\$ 132,092	\$ 155,676
Project Advertising	118,833	34,386
Periodicals	215,380	255,498
Textbooks	42,402	46,205
Masks	781	3,547
Others	<u>191,820</u>	<u>138,754</u>
Total amount	<u>\$ 701,308</u>	<u>\$ 604,066</u>

(5) Information about Geographical Areas

The Group's Information about Geographical Areas in 2023 and 2022 are as follows:

	FY2023		FY2022	
	Revenue	Non-current asset	Revenue	Non-current revenue
Taiwan	\$ 701,308	\$ 1,237,481	\$ 604,066	\$ 503,003

Non-current assets mean real property, plant and equipment, right-of-use assets, investment real estate and other non-current assets - other but excluding financial instruments.

(6) Information about Major Customers

The Group's information about major customers in 2023 and 2022 are as follows:

	FY2023		FY2022	
	Revenue	Department	Revenue	Department
Company A	\$ 80,366	Printing Dept.	\$ 82,454	Printing Dept.

## Choice Development Inc. and Subsidiaries

## FINANCING PROVIDED TO OTHERS

January 1 ~ December 31, 2023

Table 1 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (note 1)	Lender	Borrower	Financial Statement Account (note 2)	Related Party Related (y/n)	Highest Balance for the Period (note 3)	Ending Balance (note 8)	Actual Borrowing Amount	Range of Interest Rates	Nature of Financing (note 4)	Business Transaction Amounts (note 5)	Reasons for Short-term Financing (note 6)	Allowance for Impairment Loss	Collateral Item	Value	Financing Limit for Each Borrower (note 7)	Aggregate Financing Limit (note 7)	Remarks
1	Omni Media Int'l Inc.	Hohoad International Incorporation	Other receivables	N	\$ 41,000	\$ 41,000	\$ 39,857	2.80%	Those who need short-term financing	\$ -	Turnover	\$ 39,857	-	-	\$ 21,035	\$ 42,070	
2	"	Taiwan More Media International Incorporation	Other receivables	N	37,000	37,000	10,227	2.80%	Those who need short-term financing	-	Turnover	10,227	-	\$ -	21,035	42,070	

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

(1) The Company is '0'.

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

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2023

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction' or 'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: The total amount of funds loaned to others shall not exceed 40% of the net value of Omni Media International Incorporation (Omni Int'l); however, the total amount of funds loaned to the same borrower:

1. For companies or firms that have business dealings with Omni Int'l, the amount of funds loaned to individual objects shall not exceed the amount of business transactions between the two parties.

2. For companies or firms that need short-term financing, the amount of funds loaned to individual objects shall not exceed 20% of Omni Int'l's net worth.

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Paragraph 1, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: On 13 July 2022, Omni Int'l formally appointed a lawyer to file a criminal complaint against the relevant persons to recover the outstanding amounts; on April 19, 2023, Omni Int'l held a board meeting to approve amendments "Procedures for the Funds Loaning to Others" to improve compliance and on August 10, 2022, the Company's Audit Committee and the Board of Directors presented the relevant audit report and will regularly follow up on the improvement of the implementation

Note 10: The amounts shown as "other non-current assets", which have not been paid after repeated collections, have been transferred to collections and are have been set aside as an allowance for uncollectible accounts.



Choice Development Inc. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2023

Table 2

(In Thousands of New Taiwan Dollars,  
Unless Stated Otherwise)

			December 31, 2023				
Type and Name of Marketable Securities		Relationship with the Holding Company		Carrying Amount	Percentage of Ownership	Fair Value	Remarks
<u>Holding Company Name</u>	<u>(note 1)</u>	<u>(note 2)</u>	<u>Financial Statement Account</u>	<u>Unit/Share</u>	<u>(note 3)</u>	<u>(%)</u>	<u>(note 4)</u>
Choice Development Inc.	Domestic Listed (OTC) Stocks/Shihlin Development Co., Ltd.	-	Current Financial Assets at Fair Value through Profit or Los	3,800,000	\$ 43,130	1.97	\$ 43,130
					\$ 43,130		
Choice Development Inc.	Domestic Listed (OTC) Stocks/Shihlin Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	13,206,014	149,888	5.83	149,888
Choice Development Inc.	Domestic Listed (OTC) Stocks/Eslite Spectrum Corporation	-	Non-current financial assets at fair value through other comprehensive income	150,000	9,735	0.32	9,735
Choice Development Inc.	Foreign Listed (OTC) Stocks/Beijing Enterprises Medical and Health Industry Group Limited, common stocks	-	Non-current financial assets at fair value through other comprehensive income	106,242,000	27,967	1.75	27,967
Choice Development Inc.	Unlisted (OTC) stocks /ImageDJ Corporation	-	Non-current financial assets at fair value through other comprehensive income	29,760	172	1.19	172
Choice Development Inc.	Unlisted (OTC) stocks /SCI, StemCyte Taiwan Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	5,326	56	0.01	56
Choice Development Inc.	Unlisted (OTC) stocks /e-Formula Technologies, INC.	-	Non-current financial assets at fair value through other comprehensive income	451,075	4,474	2.07	4,474
					\$ 192,292		

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Choice Development Inc. and Subsidiaries  
Information on investees (not including investee company of Mainland China)

January 1 ~ December 31, 2023

Table 3

(In Thousands of New Taiwan Dollars,  
Unless Stated Otherwise)

Investee		Location	Main Businesses and Products	December 31,	December 31,	As of December 31, 2023			Net Income	Share of Profit	Remarks
				2023	2022	Number of Shares	Percentage (%)	Carrying Amount	(Loss) of the Investee (note 2(2))	(Loss) (note 2(3))	
Choice Development Inc.	Omni Media Int'l Inc.	Taiwan	Media Advertising	\$ 571,854	\$ 571,854	53,444,341	81.19%	\$ 85,387	(\$ 175,799)	(\$ 142,726)	
"	Choice Property Management Inc.		Residential & Building Development & Leasing	30,000	15,000	3,000,000	60.00%	19,596	( 5,822)	( 3,494)	
Omni Media Int'l Inc.	Omni Int'l Devp. Co., Ltd.	"	Real Estate Development	-	5,000	-	-	-	-	-	Note 3

Note1: This transaction was written off when the consolidated financial statements were prepared. Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: Omni International Industrial Development Co., Ltd. was dissolved with the approval of the Taipei City Government on September 2, 2022. As of April 21, 2023, the liquidation process has not been completed

Choice Development Inc. and Subsidiaries  
INFORMATION ON MAJOR SHAREHOLDERS

December 31, 2023

(In Thousands of New Taiwan Dollars, Unless  
Stated Otherwise)

Table 4

Names of Major Shareholders	Shares		
	<u>Number of Shares Held (common)</u>	<u>Number of Shares Held (Preferred)</u>	<u>Percentage of Ownership (%)</u>
Peng, Teng-Te	19,999,800	-	19.74%
Yaoze Co., Ltd.	8,369,000	-	8.26%
Xi Jui Investment Co., Ltd.	6,000,000	-	5.92%
Chuan Sheng Investment Co., Ltd.	5,740,200	-	5.66%
Hung Lin International Co., Ltd.	5,123,000	-	5.05%

Note 1. The table discloses shareholding information of shareholders whose shareholding percentage is more than 5%. The Taiwan Depository & Clearing Corporation (TDC) calculates the total number of ordinary shares and preferred shares (including treasury shares) that have completed the dematerialized registration and delivery on the last business day of the quarter. The share capital reported in the Company's consolidated financial statements and the actual number shares that have completed the dematerialized registration and delivery may be different due to the difference in the basis of calculation.

Note 2. In the event where the shareholders delivers its equity to trust, the information is disclosed in the form of individual trust accounts opened by the trustee. As for the shareholders declaring insider equity holdings of more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholdings include the shares held by themselves plus the shares delivered to trust while retaining the right to determine the utilization. For information on insider equity declarations, please refer to the Market Observatory Post System

# Certificate of Seal-Impression

## Member of Taiwan CPA Association

Certificate No.: 1130080

Name of Accountant: (1) Liao, Fu-Ming  
(2) Lin, Yi-Fan

Office Name: PricewaterhouseCoopers (PwC) Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Road, Xinyi Dist., Taipei City

Business Registration No: 03932533

Office Tel. No.: (02)27296666

Business Registration No. of Client: 69439272

Membership Certificate No.: (1) Taipei City 4263

(2) Taipei City 3666

Purpose: for Financial Statement & Auditor's Report of CHOICE DEVELOPMENT INC.

(from January 1, 2023 to December 31, 2023)

Specimen signature –signed-

Seal-impression -seal affixed-

Specimen signature –signed-

Seal-impression -seal affixed-

Chairman-sealed-

Checked by –sealed-

January 3, 2024  
(official seal affixed)

# **Choice Development, Inc.**

Parent Company Only Financial Statements  
with Independent Auditors' Report  
for the Years of 2023 and 2022  
(Stock code: 9929)

Address: 9F, No. 288, Sec. 6, Civic Blvd., Xinyi Dist.,  
Taipei City  
Tel No. : (02)8768-1999

Choice Development, Inc.  
Parent Company Only Financial Statements  
with Independent Auditors' Report for the Years of 2023 and 2022

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## **Independent Auditors' Report**

(113) cai-shen-bao-zi 23004690

To: Choice Development, Inc.

### **Opinion**

We have audited the non-consolidated financial statements of Choice Development, Inc. (“the company”), which comprise the Non-Consolidated Balance Sheets as of December 31, 2022 and 2023, and the Non-Consolidated Statements of Comprehensive Income, Non-Consolidated Statements of Changes in Equity, Non-Consolidated Statements of Cash Flows for the years then ended, and Notes to the Non-Consolidated Financial Statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

We conducted our audit in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

Based on our professional judgment, key audit matters pertain to the most important matters in the audit of non-consolidated financial statements for the year ended December 31, 2023 of Choice Development, Inc. Those matters have been addressed in our audit opinion on the said non-consolidated financial statements and during the formation of our audit opinion. However, we do not express an opinion on these matters individually.

The key audit matters of the non-consolidated financial statements of Choice Development, Inc. in 2023 are as follows:



## **Key audit matters: Appropriateness of sales revenue cut-off**

### Matter descriptions

Please refer to Notes to the Non-Consolidated Financial Statements 4 (24) and 6 (17) for the accounting policies and subject descriptions of sales revenue.

Choice Development, Inc.'s revenue is primarily from the sale of printed materials, and the sales revenue is recognized when the goods are delivered to the destination or when the sales customer picks up the goods. Choice Development, Inc. Choice Development, Inc. recognizes revenue primarily based on the delivery receipt from the destination company and uses the destination company's receipt records as the basis for revenue recognition. Therefore, we have identified this as a key audit matter.

### Audit procedures performed:

We conducted the following audit procedures in response to the key audit matters described above:

1. to understand and evaluate Choice Development, Inc.'s internal control procedures over sales revenue.
2. to perform a cut-off test on sales revenue transactions for the period immediately preceding and following the balance sheet date, which included a random check of the destination company's receiving records and confirmation that the recorded revenue was recorded in the appropriate period.

## **Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Non-Consolidated Financial Statements**

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

1. Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Choice Development, Inc.'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 Choice Development, Inc.'s ability to continue as a going concern. If we determine that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the non-consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on Choice Development, Inc. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

PwC Taiwan

CPA: Liao Fu-Ming

Lin Yi-Fan

Financial Supervisory Commission R.O.C. (Taiwan)

Approved file No.: Jin-guan-zheng-shen-zi 1090350620

Jin-guan-zheng-shen-zi 1030048544

March 13, 2024

**Choice Development, Inc.**  
Non-Consolidated Balance Sheets  
December 31, 2023 and 2022

Unit: NT\$1,000

Asset		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 186,541	13	\$ 132,985	13
1110	Current financial assets at fair value through profit or loss	6 (2)	43,130	4	72,240	7
1150	Notes receivable, net	6 (4)	16,234	2	21,381	2
1170	Accounts receivable, net	6 (4)	114,843	12	99,693	9
130X	Inventories	6 (5)	51,552	5	55,354	5
1410	Prepayments		527	-	672	-
1479	Other current assets, others		474	-	510	-
11XX	Total current assets		413,301	42	382,835	36
Non-current assets:						
1517	Financial assets measured at fair value through other comprehensive income or loss — non-current	6 (6)	192,292	20	166,997	16
1535	Gain from Sale of Amortized Cost Financial Assets — non-current	6 (3) and 8	1,000	-	1,000	-
1550	Investments using equity method	6 (7)	104,983	11	236,203	22
1600	Property, plant, and equipment	6 (8) and 8	249,665	26	258,231	24
1755	Right-of-use assets	6 (9)	14,248	1	22,019	2
1990	Other non-current assets — others	6 (10) and 8	2,831	-	3,549	-
15XX	Total non-current assets		565,019	58	687,999	64
1XXX	Total assets		\$ 978,320	100	\$ 1,070,834	100

(continued on next page)

**Choice Development, Inc.**  
Non-Consolidated Balance Sheets  
December 31, 2023 and 2022

Unit: NT\$1,000

Liabilities and Equity			Note	December 31, 2023		December 31, 2022		
				Amount	%	Amount	%	
Current liabilities								
2100	Short-term loan	6 (11)	\$	-	-	\$	30,000	3
2130	contract liabilities — current	6 (17)		3,151	-		3,536	-
2150	Notes payable			818	-		1,500	-
2170	Accounts payable			63,922	7		58,460	6
2200	Other payables	6 (12)		72,749	7		78,208	7
2230	Current tax liabilities			878	-		-	-
2280	Lease liabilities — current	6 (9)		9,205	1		8,864	1
2399	Other current liabilities, others			4,792	1		4,756	-
21XX	Total current liabilities			155,515	16		185,324	17
Non-Current liabilities								
2580	Lease liabilities — non-current	6 (9)		7,919	1		17,124	2
2640	Net defined benefit liability, non-current	6 (13)		987	-		852	-
2645	Deposits received			450	-		450	-
25XX	Total non-current liabilities			9,356	1		18,426	2
2XXX	Total liabilities			164,871	17		203,750	19
Equity								
	Capital stock	6 (14)						
3110	Common stock			1,012,800	104		1,012,800	94
	Retained earnings:	6 (16)						
3310	Legal reserve			10,084	1		8,929	1
3320	Special reserve			50,242	5		39,845	4
3350	Unappropriated retained earnings		(	104,585)	( 11)		11,552	1
	Other equity							
3400	Other equity		(	155,092)	( 16)	(	206,042)	( 19)
3XXX	Total equity			813,449	83		867,084	81
	Significant subsequent events	11						
3X2X	Total liabilities and equity		\$	978,320	100	\$	1,070,834	100

The attached notes to the non-consolidated financial statements are part of this non-consolidated financial report. Please refer to them together.

Chairman: Chen, Hui-Yiu

Manager: Chen, Hung-Pin

Accounting supervisor: Lee, Chen-Hua

**Choice Development, Inc.**  
**Non-Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2023 and 2022**

Unit: NT\$1,000

(Except for earnings per share (loss) in NT\$)

	Item	Note	For the year ended 2023		For the year ended 2022	
			Amount	%	Amount	%
4000	Operating revenue	6 (17) and 7	\$ 582,475	100	\$ 569,680	100
5000	Operating costs	6 (5) (22)	( 515,098)	( 88)	( 500,019)	( 88)
5950	Gross margin, net		67,377	12	69,661	12
	Operating expenses	6 (22)				
6100	Selling expenses		( 19,495)	( 3)	( 21,657)	( 4)
6200	Administrative expenses		( 31,878)	( 6)	( 34,656)	( 6)
6450	Expected credit loss	12(2)	( 416)	-	282	-
6000	Total operating expenses		( 51,789)	( 9)	( 56,595)	( 10)
6900	Operating Income		15,588	3	13,066	2
	Non-operating income and expenses					
7100	Interest income	6 (18)	1,185	-	507	-
7010	Other income	6 (19) and 7	1,163	-	1,514	-
7020	Other gains and losses	6 (20)	24,013	4	( 9,809)	( 2)
7050	Other gains and losses	6 (21)	( 457)	-	( 1,109)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	6 (7)	( 146,220)	( 25)	( 106,402)	( 19)
7000	Total non-operating income and expenses		( 120,316)	( 21)	( 95,681)	( 17)
7900	<b>Income before tax</b>		( 104,728)	( 18)	82,615	15
7950	Income tax expenses	6 (23)	( 878)	-	( 220)	-
8200	Profit (loss)		<u>(\$ 105,606)</u>	<u>( 18)</u>	<u>\$ 82,835</u>	<u>15</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains (losses) on remeasurements of defined benefit plans	6 (13)	( \$ 742)	-	\$ 1,562	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6 (6)	52,713	9	( 47,487)	( 8)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		51,971	9	( 45,925)	( 8)
8300	<b>Total other comprehensive income</b>		<u>\$ 51,971</u>	<u>9</u>	<u>(\$ 45,925)</u>	<u>( 8)</u>
8500	<b>Total comprehensive income</b>		<u>(\$ 53,635)</u>	<u>( 9)</u>	<u>\$ 128,760)</u>	<u>( 23)</u>
	Basic earnings(loss) per share	6 (24)				
9750	Profit (loss)		<u>(\$ 1.04)</u>		<u>\$ 0.82</u>	
	Diluted earnings(loss) per share	6 (24)				
9850	Profit (loss)		<u>(\$ 1.04)</u>		<u>\$ 0.82</u>	

The attached notes to the non-consolidated financial statements are part of this non-consolidated financial report. Please refer to them together.

Chairman: Chen, Hui-Yu

Manager: Chen, Hung-Pin

Accounting supervisor: Lee, Chen-Hua

CHOICE DEVELOPMENT, INC.  
Non-consolidated Statements of Changes in Equity  
January 1 ~ December 31, 2023 and 2022

Unit: Thousands of New Taiwan Dollars

		Retained earnings				Other equity interest		
	Note(s)	Common stock	Legal reserve	Special reserve	Unappropriated Earnings	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensive income	Appreciation in Revaluation on estate	Total Equity
<u>Year 2022</u>								
Balance at January 1, 2022		\$ 1,012,800	\$ 8,164	\$ -	\$ 40,610	(\$ 158,465 )	\$ 92,735	\$ 995,844
Profit for the year		-	-	-	( 82,835 )	-	-	( 82,835 )
Other comprehensive income (loss) for the year	6 (6)(13)	-	-	-	1,562	( 47,487 )	-	( 45,925 )
Total comprehensive income (loss) for the year		-	-	-	( 81,273 )	( 47,487 )	-	( 128,760 )
2021 Appropriation and distribution of retained earnings:	6 (16)							
Legal reserve		-	765	-	( 765 )	-	-	-
Cash dividends		-	-	39,845	( 39,845 )	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6 (6)	-	-	-	90	( 90 )	-	-
Derecognition of investments property in subsidiaries	6 (7)	-	-	-	92,735	-	( 92,735 )	-
Balance at December 31, 2022		<u>\$ 1,012,800</u>	<u>\$ 8,929</u>	<u>\$ 39,845</u>	<u>\$ 11,552</u>	<u>(\$ 206,042 )</u>	<u>\$ -</u>	<u>\$ 867,084</u>
<u>Year 2023</u>								
Balance at January 1, 2023		\$ 1,012,800	\$ 8,929	\$ 39,845	\$ 11,552	(\$ 206,042 )	\$ -	\$ 867,084
Loss of this year		-	-	-	( 105,606 )	-	-	( 105,606 )
Other comprehensive income (loss) for the year	6 (6)(13)	-	-	-	( 742 )	52,713	-	51,971
Total comprehensive income (loss) for the year		-	-	-	( 106,348 )	52,713	-	( 53,635 )
2022 Appropriation and distribution of retained earnings:	6 (16)							
Legal reserve appropriated		-	1,155	-	( 1,155 )	-	-	-
Cash dividends of ordinary share		-	-	10,397	( 10,397 )	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6 (6)	-	-	-	1,763	( 1,763 )	-	-
Balance at December 31, 2023		<u>\$ 1,012,800</u>	<u>\$ 10,084</u>	<u>\$ 50,242</u>	<u>\$ 104,585</u>	<u>(\$ 155,092 )</u>	<u>\$ -</u>	<u>\$ 813,449</u>

The attached notes to the non-consolidated financial statements are part of this non-consolidated financial report. Please refer to them together.

Chairman: Chen, Hui-Yu

Manager: Chen, Hung-Pin  
~11~

Accounting supervisor: Lee, Chen-Hua

CHOICE DEVELOPMENT, INC.  
Non-consolidated Statements of Cash Flows  
January 1 ~ December 31, 2023 and 2022

		Unit: Thousands of New Taiwan Dollars	
	note	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flows from (used in) operating activities			
Profit (loss) before tax		( \$ 104,728 )	( \$ 82,615 )
Adjustments			
Adjustments to reconcile profit (loss)			
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6 (2)(20)	( 24,013 )	10,040
Expected credit loss (gain)	12(2)	416	282
Depreciation expense	6 (8)(22)	8,666	11,484
Depreciation of right-of-use assets	6 (9)(22)	7,771	7,772
Interest expense	6 (21)	457	1,109
Interest income	6 (18)	( 1,185 )	( 507 )
Share of loss (profit) of associates and joint ventures accounted for using equity method	6 (7)	146,220	106,402
Loss (gain) on disposal of property, plant, and equipment	6 (20)	( 100 )	( 227 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		5,147	( 255 )
Accounts receivable		( 15,566 )	10,432
Accounts receivable — due from related parties		-	479
Inventories		3,802	( 2,046 )
Prepayment		145	1,600
Other current assets - others		207	271
Changes in operating liabilities			
Contract liabilities - current		( 385 )	1,674
Notes payable		( 682 )	( 5 )
Accounts payable		5,462	( 3,457 )
Other payable		( 5,462 )	( 19,467 )
Other current liabilities — others		36	384
Net defined benefit liability — non-current		( 607 )	( 1,657 )
Cash inflow (outflow) generated from operations		25,649	41,693
Income taxes paid (refund)		( 67 )	( 1,756 )
Net cash flows from (used in) operating activities		25,582	39,937

(continued to next pages)



**CHOICE DEVELOPMENT, INC.**  
**Non-consolidated Statements of Cash Flows**  
**January 1 ~ December 31, 2023 and 2022**

		Unit: Thousands of New Taiwan Dollars	
	note	January 1 to December 31, 2023	January 1 to December 31, 2022
<b><u>Cash flows from (used in) investing activities</u></b>			
Proceeds from disposal(acquisition) of financial assets measured at fair value through profit or loss	6 (6)	\$ 53,123	( \$ 2,766 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6 (6)	27,418	390
Financial assets measured at fair value through other comprehensive income or loss-Capital Reduction on Stock Return		-	200
Decrease in repayments of financial assets at amortized cost		-	2,000
Proceeds from disposal of property, plant and equipment	6(8)	100	1,395
Acquisition of property, plant and equipment	6 (8)	( 100 )	( 6,897 )
Decrease (Increase) in refundable deposits		718	387
Interest received		1,081	540
Follow-on offering	6(7)	( 15,000 )	-
Net cash flows from (used in) investing activities		( 67,340 )	( 4,751 )
<b><u>Cash flows from (used in) financing activities</u></b>			
Decrease in short-term loans	6 (25)	( 30,000 )	( 30,000 )
Interest paid		( 239 )	( 755 )
Payments of lease liabilities	6 (25)	( 9,127 )	( 8,894 )
Net cash flows from (used in) financing activities		( 39,366 )	( 39,649 )
Net increase (decrease) in cash and cash equivalent		53,556	( 4,463 )
Cash and cash equivalents at beginning of period		132,985	137,448
Cash and cash equivalents at end of period		<u>\$ 186,541</u>	<u>\$ 132,985</u>

The attached notes to the non-consolidated financial statements are part of this non-consolidated financial report. Please refer to them together.

Chairman: Chen, Hui-Yu

Manager: Chen, Hung-Pin

Accounting supervisor: Lee, Chen-Hua

CHOICE DEVELOPMENT, INC.  
Notes to the Non-Consolidated Financial Statements  
FY2023 and FY2022

Unit: Thousands of New Taiwan Dollars  
(Unless Otherwise Specified)

1. Company history

Choice Development, Inc. (“the Company”) formerly known as Choice Lithograph Inc., was founded, and started to operate in 1976, renamed into Choice Development, Inc. on June 23, 2020. The company officially listed on Taiwan Stock Exchanged in 1999. The company's main business items are printing, packaging material production, photography, plate making, binding, planning and design, and medical equipment retailing.

2. Approval date and procedures of the financial statements

The non-consolidated financial statements were authorized for issue by the Board of Directors on March 13, 2024.

3. New standards, amendments and interpretations adopted

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

The following table summarizes the new, revised or amended standards and interpretations of IFRSs applicable for 2023 that have been endorsed and published by the FSC and are effective:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IAS 1 “Disclosure of Accounting Policy”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a. Single Transaction”	January 1, 2023
Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”	May 23, 2023

The Company has assessed that the above standards and interpretations do not have a material impact on the Company's financial position and financial performance.

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

The following table summarizes the new, revised or amended standards and interpretations of IFRSs applicable for 2023 that have been endorsed by the FSC and are effective:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
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 & IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Company has assessed that the above standards and interpretations do not have a material impact on the Company's financial position and financial performance.

(3) The impact of IFRSs issued by IASB but not yet endorsed by FSC

The following table summarizes the new, revised or amended standards and interpretations of IFRSs issued by IASB but not yet endorsed by FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	To be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS No. 17 and IFRS No. 9 - Comparative Amendments”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Company has assessed that the above standards and interpretations do not have a material impact on the Company's financial position and financial performance.

4. Summary of significant accounting policies

The following significant accounting policies have been applied consistently to all periods presented in the non-consolidated financial statements unless otherwise specified.

(1) Statement of compliance

The non-consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- (1) The non-consolidated financial statements have been prepared on the historical cost basis except for the following material items:
  - A. Financial instruments measured at fair value through profit or loss and liability are measured at fair value;
  - B. Financial assets at fair value through other comprehensive income and liability are measured at fair value;
  - C. Defined benefit liability recognized as the net amount of pension fund assets minus the Present Value of a Defined Benefit Obligation.
- (2) The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and management's judgement in the process of applying the Company's accounting policies; items involving a higher degree of judgement or complexity, or items involving significant assumptions and estimates in the consolidated financial statements are described in Note 5.

(3) Foreign currency conversion

The non-consolidated financial statements are presented with the 's functional currency "Taiwan Dollar" as the presentation currency.

Foreign currency transactions and balance

- A. Foreign currency transactions are converted into functional currency at the spot exchange rate on the trading day or measurement date. The translation differences arising from the conversion of these transactions are recognized as current profit and loss.
- B. The balances of foreign currency assets and liabilities are adjusted at the spot rate at the balance sheet date and the translation difference arising from the adjustment is recognized as current profit or loss.
- C. For the balance of non-monetary assets and liabilities, if it is measured by fair value through profit or loss, it shall be adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment shall be recognized as current profit or loss; if it is measured at fair value through other comprehensive income, adjusted 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 items; if it is not measured by fair value, it shall be measured by the historical exchange rate of the initial trading day.
- D. All other exchange profits and losses are reported under "Other Profits and Losses" in the comprehensive income statement according to the nature of the transaction.

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

- A. An asset is classified as current when :
  - (a) It is expected to be realized the asset, or intended to be sold or consumed, during the normal operating cycle;
  - (b) It is held primarily for the purpose of trading;
  - (c) It is expected to be realized within twelve months after the reporting period; or
  - (d) The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.All other assets are classified as non-current.
- B. liability is classified as current when
  - (a) It is expected to be realized the asset, or intended to be sold or consumed, during the normal operating cycle;

- (b) It is held primarily for the purpose of trading;
- (c) It is expected to be realized within twelve months after the reporting period; or
- (d) The Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(5) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are assets that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in their fair value. Time deposits are accounted under cash and cash equivalents if they are accord with the definition aforementioned and are held for the purpose of meeting short-term cash commitment rather than for investment or other purpose.

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

- A. All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL.
- B. The Company adopts trading day accounting for financial assets measured at fair value through profit and loss in accordance with customary transactions.
- C. The Company measures it at fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit or loss, and subsequently measured at fair value, with the benefit or loss recognized in profit or loss.
- D. The Company recognizes dividend income in profit or loss when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow in, and the amount of the dividend can be measured reliably.

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

- A. Refers to an irrevocable choice made at the time of original recognition to present the fair value changes of equity instrument investments not held for trading in other comprehensive income:
  - (a) Holding the financial assets in a business mode for the purpose of collecting contracted cash flows and selling them.
  - (b) The cash flows generated from the contractual terms of the financial asset on a specified date is entirely the payment of principal and interest on the outstanding principal amount.
- B. The Company adopts trading day accounting for financial assets that meet trading practices and are measured at a fair value based on other comprehensive income.
- C. At the time of original recognition, the Company measured it at its fair value plus transaction costs, and subsequently measured it at its fair value:  
 Changes in fair value of equity instruments are recognized in other comprehensive income. On derecognition, cumulative gains or losses previously recognized in other comprehensive income are not subsequently reclassified to profit or loss and are transferred to retained earnings. The Company recognizes dividend income in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow and the amount of the dividends can be measured reliably.

(8) Financial assets measured at amortized cost

- A. A financial asset meets following conditions:
  - (a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. The Company adopts trading day accounting for financial assets measured at amortized cost that conform to trading practices.
- C. At the time of original recognition, the Company measured it at its fair value plus transaction costs, and subsequently used the effective interest method to recognize interest income and impairment losses during the circulation period according to the amortization procedure and recognized the benefits or losses in profit or loss during derecognition.
- D. The Company holds time deposits that do not meet cash equivalents. Since the holding period is short, the impact of discounting is not significant and is measured by the investment amount.

(9) Accounts and notes receivable

- A. Refers to the accounts and bills that have the unconditional right to receive the consideration amount in exchange for the transfer of goods or services in accordance with the contract.
- B. Refers to the short-term accounts receivable and bills that have not paid interest, because the impact of discounting is not significant, the Company measured it by the original invoice amount.

(10) Impairment of financial assets

At each balance sheet date, the Company considers all reasonable and supportable information (including prospective ones) on the financial assets measured at amortized cost and, for those whose credit risk has not increased significantly since the original designation, allowance loss is measured by 12-month expected credit loss; for those whose credit risk has increased significantly since the original recognition, the allowance loss is measured by the amount of expected credit loss during the duration; for accounts receivable or contract assets that do not contain significant financial components, the allowance loss is measured by the expected credit loss amount during the duration.

(11) Derecognition of financial assets

When the Company's contractual right to receive the cash flow from the financial asset expires, it will derecognize the financial asset.

(12) Lessor's Lease Transactions - Operating Leases

Lease income from operating leases, net of any incentives given to the lessee, is amortized on a straight-line basis over the lease term and recognized as current profit or loss.

(13) Inventories

Inventories are measured by the lower of cost and net realizable value using the perpetual inventory system; cost is determined using 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 overheads, but excludes borrowing costs. When comparing the lower of cost and net realizable value, the item-by-item comparison method shall be adopted; net realizable value refers to the balance after deducting relevant variable sales expenses from the estimated selling price in the normal course of business °

(14) Investments using the equity method

- A. Subsidiaries means an entity (including a structured entity) under the control of the Company, which controls the entity when the Company is exposed to variable remuneration from participation in the entity or has rights to such variable remuneration and can influence such remuneration through its power over the entity.
- B. Significant transactions, balances and unrealized gains and losses between the have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Company.
- C. The Company recognizes the share of profit or loss acquired by the subsidiary as current profit or loss, and the share of other comprehensive profit or loss acquired by the subsidiary as other comprehensive profit or loss. If the share of losses recognized by the Company for a subsidiary is equal to or exceeds the equity in the subsidiary, the company will continue to recognize losses in proportion to its shareholding.
- D. When the Company loses control of a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and recognized as the fair value of the financial asset or the cost of the investment in the affiliate or joint venture, and the difference between the fair value and the carrying amount is recognized in profit or loss for the period. All amounts previously recognized in other comprehensive income relating to such subsidiaries are accounted for on the same basis as if the Company had directly disposed of the related assets or liabilities, i.e. if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss upon disposal of the related assets or liabilities, the gain or loss is reclassified from equity to profit or loss when control over the subsidiaries is lost.
- E. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive profit and loss in the non-consolidated statements should be the same as the share of the current profit and loss and other comprehensive profit and loss attributable to the owner of the parent company in the financial report prepared based on consolidation. The owner's equity in the financial report shall be the same as the equity attributable to the owner of the parent company in the financial report prepared on a consolidated basis. The owner's equity in the non-consolidated statements shall be the same as the equity attributable to the owner of the parent company in the financial report prepared on a consolidated basis.

(15) Property, plant, and equipment

- A. Real estate, plant and equipment are recorded on an acquisition cost basis and are capitalized with interest incurred during the purchase and construction period.
- B. Subsequent costs are included in the carrying amount of an asset or recognized as a separate asset only when the future economic benefits associated with the project are likely to flow into the Company and the cost of the project can be reliably measured. The carrying amount of the replaced portion should be derecognized. All other maintenance costs are recognized in profit or loss as incurred.
- C. Property, plant, and equipment are subsequently measured using the cost model and are depreciated on a straight-line basis over their estimated useful lives, except for land, which is not depreciated. Separate depreciation is provided for each component of property, plant, and equipment if it is significant.
- D. The Company reviews the salvage value, useful life, and depreciation method of each asset at the end of each financial year. If the expected value of the salvage value and service life

is different from the previous estimate, or the expected consumption pattern of the future economic benefits contained in the asset has changed significantly, then the change shall be treated in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors from the date of the change. The useful life of each asset is as follows:

Building	3 years ~ 45 years
Machinery and equipment	2 years ~ 15 years
Transportation equipment	5 years
Office equipment	2 years ~ 15 years
Leasehold improvements	2 years ~ 5 years
Other equipment	2 years ~ 5 years

(16) Lessee's lease transactions - right-of-use assets/lease liabilities

- A. The leased assets are recognized as use assets and lease liabilities on the date they become available to the Company. When the lease contract is a short-term lease or a lease of an underlying asset of low value, the payment of the lease is recognized as an expense by the straight-line method during the lease term.
- B. The lease liability is recognized as the present value of the outstanding lease benefits discounted at the Company's increased borrowing rate on the commencement date of the lease. The lease payments include the following:  
Fixed payments, less any rental incentives receivable;  
Subsequent adoption of the interest method is measured by the amortized cost method, and interest expenses are provided during the lease period. When the lease term or lease payment changes due to non-contract modification, the lease liability will be reassessed, and the remeasurement amount will be adjusted to the right-of-use asset.
- C. The right-of-use asset is recognized at cost on the lease commencement date, and the cost include:
  - (a) original measurement amount of lease liabilities;
  - (b) any lease payments made on or before the commencement date; and
  - (c) any original direct costs incurred.
 Subsequent measurement is made using the cost model, and depreciation expenses are provided when the useful life of the right-of-use asset expires or when the lease period expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liability.

(17) Impairment of non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date and recognizes the impairment loss when the recoverable amount is lower than its carrying amount. The recoverable amount refers to the fair value of an asset less the cost of disposal or its value in use, whichever is higher. Except for goodwill, when the asset impairment recognized in the previous year does not exist or decreases, the impairment loss shall be reversed, provided that the carrying amount of the asset increased by the reversed impairment loss does not exceed the carrying amount of the asset reduced by depreciation or amortization if the impairment loss had not been recognized.

(18) Borrowings

It refers to short-term funds borrowed from banks. The company measures them at fair value less transaction costs at the time of original recognition, and any difference between the price and the redemption value after deducting transaction costs is then measured by the effective interest method at the amortized cost during the borrowing period.



(19) Accounts and notes payable

- A. Refers to debts incurred due to the purchase of raw materials, commodities, or services on credit, and notes payable incurred due to business and non-business.
- B. They are short-term accounts payable and notes that are unpaid interests, and this Company measured at the original invoice amount because the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

The Company derecognizes financial liabilities upon performance, cancellation or maturity of the obligations contained in the contracts.

(21) Employee benefits

A. Short term employee benefits

Short-term employee benefits are measured at non-discounted amounts expected to be paid and are recognized as an expense when the related service is rendered.

B. Pension

i. Defined contribution plans

For the defined contribution plan, the amount of the pension fund that should be contributed is recognized as the current pension cost on the accrual basis. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or reduce future benefits.

ii. Defined benefit plans

① The net obligation under defined benefit plans is calculated by discounting the number of future benefits earned by employees in the current period or past service and deducting the fair value of the plan assets from the present value of the defined benefit obligations on the balance sheet date. The net obligation of defined benefit is calculated annually by the actuary using the Projected Unit Credit Method; the discount rate is the market yield of government bonds (on the balance sheet date) that match the currency and period of the defined benefit plans on the balance sheet date.

② The remeasurement amount generated by defined benefit plans is recognized in other comprehensive income in the current period and expressed in retained earnings.

③ The expenses related to the previous service cost are immediately recognized as profit or loss.

C. Post-employment Benefits

Post-employment Benefits are benefits provided when the employee's employment is terminated before the normal retirement date, or when the employee decides to accept the company's offer of benefits in exchange for termination of employment. The Company recognizes expenses when the offer of Post-employment Benefits can no longer be withdrawn, or upon recognition of related restructuring costs, whichever comes first. Benefits that are not expected to be fully repaid 12 months after the balance sheet date should be discounted.

D. Remuneration of employees and remuneration of directors and supervisors

Remuneration of employees and remuneration of directors and supervisors are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reasonably estimated. If there is any difference between the actual allotment amount and the estimated amount in subsequent resolution, it shall be treated as a change in accounting estimate.

(22) Income tax

- A. Income tax includes current and deferred income tax. Income tax is recognized in profit or loss, except that income tax related to items included in other comprehensive income or directly included in equity, which are included in other comprehensive income or directly included in equity, respectively.
- B. The Company calculates the income tax for the current period based on the tax rate that has been legislated or substantively legislated on the balance sheet date in the country where the Company operates and generates taxable income. Management regularly assesses the status of income tax declarations for applicable income tax regulations and, where applicable, estimates income tax liabilities based on expected tax payments to tax authorities. For the income tax levied on the undistributed earnings according to the Income Tax Act will be recognized undistributed earnings income tax expense on the actual distribution of earnings after the shareholder meeting approves the earnings distribution plan in the year following the year in which the earnings is generated.
- C. The deferred income tax is recognized on the basis of temporary differences between the tax basis of assets and liabilities and their carrying amounts in the non-consolidated balance sheets using the balance sheet approach. Deferred income tax liabilities arising from goodwill are not recognized, and deferred income tax is not recognized if it arises from the original recognition of an asset or liability in a transaction (other than a business merger) that does not affect the accounting profit or taxable income (tax loss) at the time of the transaction. The temporary differences arising from investment in subsidiaries will not be recognized if the Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax adopts the tax rate (and tax law) as of the balance sheet date when legislation is enacted, or materially enacted and the deferred income tax assets are realized, or the deferred income tax liabilities are liquidated.
- D. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

(23) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the Company's shareholders resolve to distribute the dividends, and cash dividends are recognized as a liability.

(24) Revenue Recognition

Merchandising

- A. The Company manufactures and sells products related to the printing industry, electronic components, and medical devices; sales revenue is recognized when the control of the products is transferred to the customer, that is when the product is delivered to the customer, the customer has discretion over the access and price of the product and the Company has no outstanding obligations that may affect the customer's acceptance of the product. Delivery of goods occurs when the product has been delivered to the specified location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract or there is objective evidence that all acceptance criteria have been met.
- B. Sales revenue is recognized based on contract prices less discounts on sales. The recognized amount of income is limited to the part that is highly unlikely to have a significant reversal in the future, and the estimate is updated on each balance sheet date.

The terms of collection for sales transactions are contractually agreed on an individual basis. The Company did not adjust the transaction price to reflect the time value of money because the time interval between the goods or services promised by transfer to the customer and the customer's payment did not exceed one year.

- C. Accounts receivable is recognized when the goods are delivered to the customer, because the Company has an unconditional right to the contract price from that point on, and the consideration can be collected from the customer only after time passes.

(25) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and that it will receive the grant. Where the nature of government grants is to compensate the Company for costs incurred, government grants are recognized as current profit and loss on a systematic basis over the period in which the relevant costs are incurred.

5. Significant accounting assumptions and judgments, and major sources

In preparing these non-consolidated financial statements, no significant accounting judgement has been involved in the process of applying the accounting policies. Management has used its judgement in determining the accounting policies to be used and has made accounting estimates and assumptions that are based on reasonable expectations of future events under the circumstances at the balance sheet date. Significant accounting estimates and assumptions made that may differ from actual results are continually evaluated and adjusted, considering historical experience and other factors. The Company has no significant accounting judgments, estimates and assumptions that are uncertain.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 810	\$ 810
Checking Deposits and Demand Deposits	126,667	126,033
Deposit account	<u>59,064</u>	<u>6,142</u>
	<u>\$ 186,541</u>	<u>\$ 132,985</u>

- A. The Company's dealings with financial institutions are of good credit quality and the Company's dealings with several financial institutions diversify its credit risk and the likelihood of default is expected to be low.

- B. As of December 31, 2023 and 2022 cash and cash equivalents were pledged as collateral as described in Note 8 and shown in the table under Other non-current assets – other.

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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets designated as fair value through profit or loss		
Listed, OTC stocks	\$ 36,063	\$ 81,616
Adjustments for change in value	<u>7,067</u>	<u>( 9,376)</u>
Total	<u>\$ 43,130</u>	<u>\$ 72,240</u>

A. The details of financial asset at fair value through profit or loss recognized in profit and loss are as follows::

	<u>Year 2023</u>	<u>Year 2022</u>
Mandatorily measured at fair value through profit or loss		
Equity Instrument	<u>\$ 24,013</u>	<u>(\$ 10,040)</u>

B. The Company has not pledged any financial assets at fair value through profit or loss.

(3) Financial Assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Non-current items:		
Pledge fixed deposit	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Fixed deposit interest rate range	1.590%	1.465%
Period	3.1.2022~3.1.2025	3.1.2022~3.1.2025

A. The details of financial Assets measured at amortized cost recognized in profit and loss are as follows:

	<u>FY2023</u>	<u>FY2022</u>
Interest revenue	<u>\$ 8</u>	<u>\$ 104</u>

B. Without taking into account collateral held or other credit enhancements, the most representative financial assets held by the Company measured at amortized cost on December 31, 2023 and 2022 are equal to the carrying amount of the largest credit risk exposures respectively.

C. Please refer to Note 12(2) for information on the credit risk of the underlying financial assets measured at amortized cost. The Company invests in time deposits with creditworthy financial institutions and the likelihood of default is low.

(4) Notes receivable and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	<u>\$ 16,234</u>	<u>\$ 21,381</u>
Accounts receivable	<u>\$ 114,845</u>	<u>\$ 99,695</u>
Less: Allowance for doubtful receivables	<u>( 2 )</u>	<u>( 2 )</u>
	<u>\$ 114,843</u>	<u>\$ 99,693</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Overdue receivables (Listed other non-current assets)		
Less: Allowance loss	<u>\$ 9,783</u>	<u>\$ 9,367</u>
	<u>( 9,783 )</u>	<u>( 9,367 )</u>
	<u>\$ -</u>	<u>\$ -</u>

A. The aging analysis of Accounts receivable is as follows:

	December 31, 2023	December 31, 2022
~ 90 days	\$ 104,744	\$ 93,809
91 ~ 120 days	10,101	5,179
121 ~ 180 days	-	707
181 days ~ others	9,783	9,367
	<u>\$ 124,628</u>	<u>\$ 109,062</u>

The above ageing analysis is based on the date of establishment of the accounts.

- B. The accounts receivable and notes receivable balances on December 31, 2023 and 2022 are all generated by the customer contract, and the receivable balance of the customer contract on January 1, 2022 is \$131,533.
- C. On December 31, 2023 and 2022, the Company's notes receivable are not overdue.
- D. The Company's notes receivable and accounts are not pledged.
- E. The Company does not hold any collateral.
- F. Without considering the collateral held or other credit enhancements, the risk amount that best represents the Company's notes receivable on December 31, 2023 and 2022 are \$16,234 & \$21,381; the risk amount that best represents the Company's accounts receivable on December 31, 2023 and 2022 are \$114,843 and \$99,693 respectively.
- G. Please refer to notes 12(2) for the credit risks of the notes receivable, accounts receivable.

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Carrying amount
Commodities	\$ 28	\$ -	\$ 28
Material	22,002	( 1,566)	20,436
Raw material	1,396	( 91)	1,305
Work-in process	25,790	( 181)	25,609
Finished products	4,253	( 79)	4,174
Total	<u>\$ 53,469</u>	<u>(\$ 1,917)</u>	<u>\$ 51,552</u>

	December 31, 2022		
	Cost	Allowance for valuation loss	Carrying amount
Commodities	\$ 1	\$ -	\$ 1
Material	22,775	( 3,353)	19,422
Raw material	1,447	( 77)	1,370
Work-in process	25,121	( 301)	24,820
Finished products	9,844	( 103)	9,741
Total	<u>\$ 59,188</u>	<u>(\$ 3,834)</u>	<u>\$ 55,354</u>

Inventory cost recognized as expense by the Company in the current period:

	<u>FY2023</u>	<u>FY2022</u>
Cost of Inventory Sold	\$ 519,942	\$ 503,091
(Gain from price recovery of inventory)		925
Reduce inventory to market	( 1,917)	
Scrap income	( 2,927)	( 3,997)
	<u>\$ 515,098</u>	<u>\$ 500,019</u>

In 2023, the Company suffered a gain from price recovery due to the price reduction and slow-moving inventory that was originally listed as having been sold.

(6) Financial assets measured at fair value through other comprehensive income or loss

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Equity instruments		
Stocks of listed companies	\$ 338,935	\$ 338,935
Unlisted, OTC, emerging OTC stocks	<u>8,449</u>	<u>34,104</u>
	347,384	373,039
Adjustments of change in value	( 155,092)	( 206,042)
Total amount	<u>\$ 192,292</u>	<u>\$ 166,997</u>

A. The Company has chosen to classify investments in securities that are strategic investments and receive stable dividends as financial assets measured at fair value through other comprehensive income. The fair value of these investments on December 31, 2023 and 2022 are \$192,292 and \$166,997 of these investments, respectively.

B. Some equity instruments invested by the Company were reduced in February 2022, and the original investment of \$200 was returned.

C. Due to strategic investment adjustments in 2023 and 2022, the Company sells securities investments with fair values of \$27,418 and \$390 respectively, and the original accumulated gains and losses in other equity of \$1,763 and \$90 have been transferred to retained earnings.

D. Financial assets at fair value through other comprehensive income are recognized in profit and loss and the details of comprehensive income are as follows:

<u>Financial assets at fair value through other comprehensive income</u>	<u>FY2023</u>	<u>FY2022</u>
Changes in fair value recognized in other comprehensive income	\$ <u>52,713</u>	(\$ <u>47,487</u> )
Accumulated profit or loss transferred to retained earnings due to derecognition	\$ <u>1,763</u>	\$ <u>90</u>

E. Without considering the collateral held or other credit enhancements, the risk amount that best represents the Company holding financial assets at fair value through other comprehensive income on December 31, 2023 and 2022 is the carrying amount.

F. The Company has not pledged financial assets at fair value through other comprehensive income.

G. For relevant financial assets at fair value through other comprehensive income credit risk information, please refer to note 12(2).

(7) Investments using the equity method/subsequent events

	<u>FY2023</u>	<u>FY2022</u>
1 January	\$ 236,203	\$ 342,605
Investments Accounted for Using Equity Method	15,000	-
Share of investment gains and losses using the equity method	( 146,220 )	( 106,402 )
31 December	<u>\$ 104,983</u>	<u>\$ 236,203</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Omni Media Int'l Inc.	\$ 85,387	\$ 228,113
Choice Development Co., Ltd.	<u>19,596</u>	<u>8,090</u>
	<u>\$ 104,983</u>	<u>\$ 236,203</u>

A. For information about the company's subsidiaries, please refer to Note 4(3) of the company's 2023 consolidated financial statements.

B. This Company's subsidiary, Omni Media International Incorporation received a letter from the Land Administration Bureau, Taoyuan City Government on March 28, 2022, agreeing to terminate the superficies of the business district at Sec. Laojiexi, Zhongli Dist., Taoyuan City Government and refund \$150,268; the investment property derecognized in related accounts is \$508,569, refundable deposits is \$37,650, and the lease liabilities are \$254,937; in addition, \$133,757 was recognized as a lease modification loss, and the revaluation gain of \$138,247 originally recognized in equity was transferred to retained earnings. The Company recognized revaluation increment of \$92,735 in equity based on the original shareholding ratio to retained earnings.

C. On January 4, 2023, Choice Development Co., Ltd. was approved by the board of directors to increase capital in cash. The company has subscribed 1,500,000 shares for \$15,000 according to the shareholding ratio.

(Blank below)

(8) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Mechanical equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Lease improvement</u>	<u>Total amount</u>
January 1, 2023							
Cost	\$ 190,316	\$ 142,964	\$ 326,961	\$ 4,380	\$ 18,878	\$ 6,490	\$ 689,989
Accumulated depreciation and impairment	( 6,342 )	( 93,052 )	( 307,512 )	( 1,425 )	( 16,937 )	( 6,490 )	( 431,758 )
	<u>\$ 183,974</u>	<u>\$ 49,912</u>	<u>\$ 19,449</u>	<u>\$ 2,955</u>	<u>\$ 1,941</u>	<u>\$ -</u>	<u>\$ 258,231</u>
FY 2023							
January 1	\$ 183,974	\$ 49,912	\$ 19,449	\$ 2,955	\$ 1,941	\$ -	\$ 258,231
Addition	-	-	100	-	-	-	100
Depreciation expense	-	( 2,144 )	( 5,107 )	( 677 )	( 738 )	-	( 8,666 )
December 31	<u>\$ 183,974</u>	<u>\$ 47,768</u>	<u>\$ 14,442</u>	<u>\$ 2,278</u>	<u>\$ 1,203</u>	<u>\$ -</u>	<u>\$ 249,665</u>
December 31, 2023							
Cost	\$ 190,316	\$ 142,964	\$ 320,664	\$ 4,380	\$ 18,878	\$ 6,490	\$ 683,692
Accumulated depreciation and impairment	( 6,342 )	( 95,768 )	( 306,222 )	( 2,102 )	( 17,675 )	( 6,490 )	( 434,027 )
	<u>\$ 183,974</u>	<u>\$ 49,912</u>	<u>\$ 14,442</u>	<u>\$ 2,278</u>	<u>\$ 1,203</u>	<u>\$ -</u>	<u>\$ 249,665</u>



	<u>Land</u>	<u>Buildings</u>	<u>Mechanical equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Lease improvement</u>	<u>Total amount</u>
January 1, 2022							
Cost	\$ 190,316	\$ 142,964	\$ 322,855	\$ 4,332	\$ 18,273	\$ 6,490	\$ 685,230
Accumulated depreciation and impairment	( 6,342 )	( 90,886 )	( 302,318 )	( 2,184 )	( 15,822 )	( 6,490 )	( 442,043 )
	<u>\$ 183,974</u>	<u>\$ 52,078</u>	<u>\$ 20,537</u>	<u>\$ 2,148</u>	<u>\$ 2,451</u>	<u>\$ -</u>	<u>\$ 261,187</u>
FY 2022							
January 1	\$ 183,974	\$ 52,078	\$ 20,537	\$ 2,148	\$ 2,451	\$ -	\$ 261,187
Addition	-	-	5,034	1,500	363	-	6,897
Disposal	-	-	( 1,168 )	-	-	-	( 1,168 )
Transfer	-	-	2,557	-	242	-	2,799
Depreciation expense	-	( 2,166 )	( 7,511 )	( 693 )	( 1,115 )	-	( 17,026 )
December 31	<u>\$ 183,974</u>	<u>\$ 49,912</u>	<u>\$ 19,449</u>	<u>\$ 2,055</u>	<u>\$ 1,941</u>	<u>\$ -</u>	<u>\$ 258,231</u>
December 31, 2022							
Cost	\$ 190,316	\$ 142,964	\$ 326,961	\$ 4,380	\$ 18,878	\$ 6,490	\$ 689,989
Accumulated depreciation and impairment	( 6,342 )	( 93,052 )	( 307,512 )	( 1,425 )	( 16,937 )	( 6,490 )	( 431,758 )
	<u>\$ 183,974</u>	<u>\$ 49,912</u>	<u>\$ 19,449</u>	<u>\$ 2,955</u>	<u>\$ 1,941</u>	<u>\$ -</u>	<u>\$ 258,231</u>

A. The Company has no interest capitalization situation at all.

B. For pledge of property, plant, and equipment, please refer to note 8.

C. Transfer is to transfer other non-current assets to real property, plant, and equipment.

(9) Lease transaction - lessee

- A. The underlying assets leased by the Company include land, buildings, and billboards, etc.; the period of the lease contract usually ranges from 1 to 7 years. The lease contract is negotiated individually and contains various terms and conditions, except that the leased assets cannot be used as loan guarantees, without imposing any other restrictions.
- B. The lease period of the offices and parking spaces leased by the Company does not exceed 12 months, and the underlying assets leased are low-value office equipment, which are not recognized as right-of-use assets.
- C. The book value of the right-of-use asset and the recognized depreciation expense information are as follows:

	Dec. 31, 2023 Carrying amount	Dec. 31, 2022 Carrying amount
House	\$ 13,657	\$ 21,104
Parking space	591	915
	<u>\$ 14,248</u>	<u>\$ 22,019</u>
	FY2023 Depreciation Expense	FY2022 Depreciation Expense
House	\$ 7,447	\$ 7,450
Parking space	324	322
	<u>\$ 7,771</u>	<u>\$ 7,772</u>

- D. The Company has no additions in 2023 and 2022 right-of-use assets.
- E. Other profit and loss items related to the lease contract are as follows:

	<u>FY2023</u>	<u>FY2022</u>
<u>Items affecting current profit and loss</u>		
Interest expense of lease liabilities	\$ 263	\$ 368
Expenses for short-term rental contracts	165	189
Expenses for the lease of low-value assets	123	120

- F. The Company's total cash outflows for leases in 2023 and 2022 are \$9,203 and \$8,985 respectively.
- G. The book value information of the lease liabilities related to the above-mentioned right-of-use assets is as follows:

	<u>FY2023</u>	<u>FY2022</u>
<u>Lease liabilities-current</u>		
House	\$ 8,874	\$ 8,537
Parking space	331	327
	<u>\$ 9,205</u>	<u>\$ 8,864</u>
<u>Lease liabilities-non-current</u>		
House	\$ 7,641	\$ 16,515
Parking space	278	609
	<u>\$ 7,919</u>	<u>\$ 17,124</u>

## (10) Other non-current assets

<u>Item</u>	December 31, 2023	December 31, 2022
Refundable deposits	\$ 2,831	\$ 3,549
Overdue receivables	9,783	9,367
Less: allowance for bad debts	( 9,783 )	( 9,367 )
	<u>\$ 2,831</u>	<u>\$ 3,549</u>

## (11) Short-term loan

<u>Nature of Borrowing</u>	<u>Dec. 31, 2023</u>	<u>Interest rate range</u>	<u>Collaterals</u>
Bank Guaranteed Loan	\$ -	-	Please refer to note 8

<u>Nature of Borrowing</u>	<u>Dec. 31, 2022</u>	<u>Interest rate range</u>	<u>Collaterals</u>
Bank Guaranteed Loan	\$ 30,000	1.78%	Please refer to note 8

The interest expense recognized in profit or loss in 2023 and 2022 is \$194 and \$741 respectively.

## (12) Other payables

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salary payable	\$ 8,039	\$ 9,843
Payable service fee	1,665	1,818
Business tax payable	341	1,020
Outsourcing processing fee payable	55,683	54,321
Other payables	7,021	11,206
	<u>\$ 72,749</u>	<u>\$ 78,208</u>

The subcontract processing fee payable is the amount payable for the printed copies of the outsourced manufacturers.

## (13) Pension

## A. Defined benefit plans

- (a) According to the provisions of the "Labor Standard Act", the Company has established a retirement method with defined benefits, which is applicable to the service years of all regular employees before the implementation of the "Labor Pension Act" on July 1, 2005. And the follow-up service years of employees who choose to continue to apply the Labor Standards Act after the implementation of the "Labor Pension Act". For employees who meet the retirement requirements, the pension payment is calculated based on the years of service and the average salary of the six months before retirement. The service years within 15 years (inclusive) will be given two bases every year, and the service years exceeding 15 years will be paid every year. A base is given for one full year, but the accumulation is limited to a maximum of 45 bases. The Company contributes 6% of the total salary to the retirement fund monthly, and deposits it in the Bank of Taiwan in a special account in the name of the Labor Pension Fund Supervisory Committee. In addition, The Company estimates the balance of the labor retirement reserve account before the end of each year. If the balance is not enough to pay the estimated amount of pension calculated above for workers who meet the retirement conditions in the next year, the Company will contribute the difference before the end of March of the following year.

(b) The amounts recognized in the balance sheet were as follows:

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Defined benefit obligation (present value of)	\$ 11,160	\$ 12,253
Fair value of planned assets	( 10,173 )	( 11,401 )
Net defined benefit obligation	<u>\$ 987</u>	<u>\$ 852</u>

(c) The changes in the net defined benefit obligation were as follows:

	<u>Defined benefit obligation (present value)</u>	<u>Fair value of planned assets</u>	<u>Net defined benefit obligation</u>
FY2023			
Balance at January 1	\$ 12,253	(\$ 11,401 )	\$ 852
Interest revenue	-	( 152 )	( 152 )
Interest cost	159	-	159
	<u>12,412</u>	<u>( 11,553 )</u>	<u>859</u>
remeasurements:			
Planned ROA(Amounts not included in interest revenue or fees)	-	( 110 )	( 110 )
Impact of changes in financial assumptions	14	-	14
Experience adjustments	838	-	838
	<u>852</u>	<u>( 110 )</u>	<u>742</u>
Retirement funds contributed	-	( 614 )	614
Payment of pensions	( 2,104 )	2,104	-
Balance at December 31	<u>\$ 11,160</u>	<u>(\$ 10,173 )</u>	<u>\$ 987</u>

	Defined benefit obligation (present value)	Fair value of planned assets	Net defined benefit obligation
FY2022			
Balance at January 1	\$ 16,691	(\$ 12,620 )	\$ 4,071
Interest revenue	-	( 90 )	( 90 )
Interest cost	115	-	115
	<u>16,806</u>	<u>( 12,710 )</u>	<u>4,096</u>
remeasurements:			
Planned ROA(Amounts not included in interest revenue or fees)	-	( 1,123 )	( 1,123 )
Impact of changes in financial assumptions	( 597 )	-	( 597 )
Experience adjustments	158	-	158
	<u>( 439 )</u>	<u>( 1,123 )</u>	<u>( 1,562 )</u>
Retirement funds contributed	-	( 1,682 )	( 1,682 )
Payment of pensions	( 4,114 )	4,114	-
Balance at December 31	<u>\$ 12,253</u>	<u>(\$ 11,401 )</u>	<u>\$ 852</u>

- (d) For the Company's Defined benefit plans fund assets, Bank of Taiwan entrusts operation according to the items set forth in Article 6 of Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (that is, deposit in domestic or foreign financial institutions, Investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and Investment in domestic or foreign real estate and its securitization products), within the proportion and amount of entrusted operation projects determined in accordance with the fund's annual investment and utilization plan. The relevant usage is supervised by the Labor Pension Fund Supervisory Committee. In the use of the fund, the minimum income distributed in the final accounts of each year shall not be less than the income calculated based on the two-year fixed deposit rate of the local bank. If there is any shortfall, it shall be made up by the state Treasury after approval by the competent authority. Since the Company has no right to participate in the operation and management of the fund, it is not possible to disclose the fair value classification of plan assets in accordance with paragraph 142 of International Financial Reporting Standards (IFRS) No. 19. For the fair value of the total assets of the fund on December 31, 2023 and 2022, please refer to the annual Labor Pension Fund operation report announced by the government.

- (e) Actuarial assumptions related to pensions are summarized as follows:

	FY2023	FY2022
Discount rate	<u>1.28%</u>	<u>1.3%</u>
Future salary increase rate	<u>2.00%</u>	<u>2.00%</u>

The assumptions for future mortality in 2023 and 2022 are based on 90% of the 6th Experience Life Table for the Taiwan life insurance industry..

The defined benefit obligation (present value of) impacted by changes in the main actuarial assumptions adopted is analyzed as follows:

	Discount Rate		Future Salary Increase Rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2023				
Impact on the present value of defined benefit obligations	(\$ <u>145</u> )	\$ <u>148</u>	\$ <u>119</u>	(\$ <u>117</u> )
	Discount Rate		Future Salary Increase Rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2022				
Impact on the present value of defined benefit obligations	(\$ <u>177</u> )	\$ <u>182</u>	\$ <u>149</u>	(\$ <u>147</u> )

The above sensitivity analysis is based on the analysis of the impact of a single assumption change under the condition that other assumptions remain unchanged. In practice, changes in many assumptions may be linked. The sensitivity analysis is used to calculate the net pension liability of the balance sheet consistent approach.

The methods and assumptions used in the preparation of the sensitivity analysis in this period are the same as those in the previous period.

- (f) The Company expects to pay \$580 contributions to retirement plans in 2023.

**B. Defined contribution plan**

- (a) Since July 1, 2005, the company and domestic subsidiaries have established a retirement method with a certain contribution in accordance with the "Labor Pension Act", which is applicable to employees of their nationality. The Company contributes 6% of the salary to the employee's personal account of the Bureau of Labor Insurance every month when the employee chooses to apply the part of the labor pension system stipulated in the "Labor Pension Act". The employee's pension is paid according to the employee's personal pension account and the amount of accumulated income in the form of monthly pension or one-time pension.
- (b) In 2023 and 2022, the Company's pension costs recognized in accordance with the above pension method are \$2,887 and \$3,349 respectively.

**(14) Capital**

- A. On December 31, 2023, the rated capital of the company is \$1,760,000, the paid-in capital is \$1,012,800, and the face value of each share is NT\$10. The company's issued shares have all been received.

The adjustment of the number of shares outstanding at the beginning of the period and at the end of the period is as follows (Unit: 1000 shares):

	FY2023	FY2022
December 31 (same as Jan. 1)	\$ <u>101,280</u>	\$ <u>101,280</u>

B. Private placement is as follows:

(a) The changes in the number of private placement shares of the company are as follows:

	2023		2022	
	1000 shares	Amount	1000 shares	Amount
Dec. 31 (same as 1 Jan.)				
-belonging to May 2015	15,600	\$ 184,600	15,600	\$ 184,600
-belonging to Sept. 2015	28,200	305,500	28,200	305,500
	<u>43,800</u>	<u>\$ 490,100</u>	<u>43,800</u>	<u>\$ 490,100</u>

(b) The rights and obligations of the above private ordinary shares are the same as those of any other issued ordinary shares, except that they are subject to restrictions on circulation and transfer under the Securities and Exchange Act and cannot be applied for listing and trading until three years have passed on the delivery date and a supplementary public offering has been made.

(15) Capital reserve

According to the provisions set forth in the Company Act, the capital reserve of which the income derived from the issuance of new shares at a premium and the income from endowments received by the company, in addition to covering losses, where the Company incurs no loss, issue to its original shareholders in proportion to the number of shares being held by each of them or by cash. In addition, in accordance with the relevant regulations of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. If the company still has insufficient surplus reserves to make up for capital losses, it may not use capital reserves to make up for it.

(16) Retained earnings

A. According to the provisions set forth in this Company's Articles of Incorporation, if this Company has earnings in its annual final accounts, it shall pay taxes and make up losses according to law, and the next 10% is the legal reserve, but this is not the case when the legal reserve has reached the paid-in capital. In addition, after the special reserve is listed or reversed according to the relevant laws and regulations, and the retained earnings-unappropriated at the beginning of the same period is the accumulated distributable earnings of shareholders, the Board will draw up a plan for the distribution of earnings. When issuing new shares, it should be submitted to the shareholders meeting for resolution before distribution. If the aforementioned special reserve is the net deduction of other equity and net increase in the fair value of investment real estate accumulated by this company in the previous period, the same amount of special reserve shall be withdrawn from the retained earnings-unappropriated in the previous period, if there is any deficiency at that time, the net profit of the current period plus the amount other than the net profit after tax of the current period included in the retained earnings-unappropriated amount of the current period shall be provided.

If this Company distributes dividends and bonuses or all or part of the legal reserve and capital reserve in the form of cash distribution, the Board is authorized to do so with the presence of more than two-thirds of the directors present and the consent of more than half of the directors present, and report to the shareholders' meeting.

The dividend policy of this Company is to calculate the distributable earnings according to the preceding paragraph, then reserve the required funds according to the operation plan of this Company, and distribute the rest as dividends to shareholders, and the proportion of cash dividends should not be less than 30%.

B. The Legal reserve shall not be used except to cover the loss of the company and to issue new shares or cash in proportion to the original shares of the shareholders. However, in the case of issuing new shares or cash, the amount of such reserves shall be limited to 25% of the paid-in capital.

C. Earnings Distribution:

- (a) On June 14, 2023 and May 26, 2022, the Company resolved at the shareholders' meeting to distribute the 2022 and 2021 earnings as follows:

	FY2022		FY2020	
	Amount	Dividend/per share (\$)	Amount	Dividend/per share (\$)
Legal reserve	\$ 1,155		\$ 765	
Special reserve	10,397	\$	39,845	\$

- (b) On March 13, 2023, the Board of Directors of the Company proposed the loss make-up of 2023; the aforementioned resolution for Loss make-up proposal for the year 2023, as at March 13, 2023, has not yet been approved by the shareholders' meeting.

(17) Operating revenue

	FY2023	FY2022
Revenue from customer contracts	\$ <u>582,475</u>	\$ <u>569,680</u>

A. Breakdown of revenue from customer contracts

The Company's revenue is derived from the provision of modalities and labor at a point in time, and can be broken down into the following key product lines:

FY2023	Advertising literature	periodicals	Textbooks	Masks	Other	Total
Timing of revenue recognition	\$132,092	\$215,380	\$42,402	\$781	\$191,820	\$582,475

FY2022	Advertising literature	periodicals	Textbooks	Masks	Other	Total
Timing of revenue recognition	\$155,676	\$225,498	\$46,205	\$3,547	\$138,754	\$569,680

B. Contract liabilities

- (a) The Company recognizes contract liabilities related to customer contract revenue as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contractual liabilities:			
Contractual liabilities - amounts received in advance from customers	\$ <u>3,151</u>	\$ <u>3,536</u>	\$ <u>1,862</u>

- (b) Contract liabilities at the beginning of the period Recognized revenue in the current period

	FY2023	FY2022
Beginning balance of contract liabilities		
Revenue recognized in the current period	\$ <u>2,773</u>	\$ <u>1,495</u>



(18) Interest revenue

	<u>FY2023</u>	<u>FY2022</u>
Bank deposit interest	\$ 1,157	\$ 492
Other interest revenue	28	15
	<u>\$ 1,185</u>	<u>\$ 507</u>

(19) Other revenues

	<u>FY2023</u>	<u>FY2022</u>
Rental revenue	\$ 660	\$ 762
government grants income	-	120
Other subsidy income	503	632
Other Income - Other	<u>\$ 1,163</u>	<u>\$ 1,514</u>

The Company applied the Ministry of Economic Affairs' "Operating Guidelines for Electricity and Utilities Grants" and received government grants of \$0 and \$120 in 2023 and 2022 respectively.

(20) Other profit and loss

	<u>FY2023</u>	<u>FY2022</u>
Disposal of real estate, plant, and equipment	\$ 100	\$ 227
foreign currency exchange gain (loss)	25	19,648
Financial assets (loss) interest measured at fair value through profit and loss	24,013	( 10,040)
Miscellaneous expenditure	( 125)	( 26)
Total	<u>\$ 24,013</u>	<u>\$ 9,809</u>

(21) Financial cost

	<u>FY2023</u>	<u>FY2022</u>
Interest expense		
Bank loan interest	\$ 194	\$ 741
Interest expense of lease liabilities	263	368
Total	<u>\$ 457</u>	<u>\$ 1,109</u>

(22) Additional information on the nature of the fee

Nature	FY2023		
	Those belonging to operating costs	Those belonging to operating expenses	Total
Payroll expense	\$ 32,730	\$ 25,145	\$ 57,875
Labor insurance premium	3,675	2,396	6,071
Pension expense	1,765	1,122	2,887
Director's remuneration	-	5,785	5,785
Other employment expenses	2,491	1,347	3,838
Depreciation expense	7,849	8,17	8,666
Depreciation expense on right-of-use assets	1,768	6,003	7,771

Nature	FY2022		
	Those belonging to operating costs	Those belonging to operating expenses	Total
Payroll expense	\$ 37,160	\$ 27,863	\$ 65,023
Labor insurance premium	4,068	2,604	6,672
Pension expense	2,103	1,271	3,374
Director's remuneration	-	6,740	6,740
Other employment expenses	3,090	1,575	4,665
Depreciation expense	10,654	830	11,484
Depreciation expense on right-of-use assets	1,757	6,015	7,772

- A. As of December 31, 2023 and 2022, the employees of this Company are 106 and 125 respectively and the number of directors who are not part-time employees are 4 and 5
- B. In accordance with the provisions set forth in the Company's Articles of Incorporation, after deducting the accumulated losses according to the current year's profit status, this Company shall allocate no less than 3% of the employee's remuneration and no more than 3% of the director's remuneration if there is any remaining balance.
- C. The company's average employee welfare expenses in 2023 and 2022 are \$693 and \$664 respectively; the company's average employee salaries in 2023 and 2022 are \$567 and \$542 respectively, and the average employee salary expense adjustment changes by 4.61%.
- D. The Company did not estimate staff remuneration and directors' remuneration for 2023 as no profit was made.
- E. The Board of Directors' resolution on the remuneration of employees and directors and supervisors for 2022 is consistent with the amounts recognized in the 2022 financial statements.

Information on the remuneration of employees and directors and supervisors approved by the Board of Directors and resolved by the shareholders' meeting of the Company is available on the Market Observation Post System.

- F. The Company's remuneration policy for directors, independent directors, managers and employees is described below:
  - (a) The Directors of the Company shall be entitled to remuneration for the performance of their duties with the Company, irrespective of the profit or loss of the Company, which shall be determined by the Board of Directors on the basis of their participation in and contribution to the operations of the Company at a level not exceeding the maximum salary scale established by the Company.

- (b) The remuneration of the general manager, assistant manager and other managers, including salaries, bonuses and staff remuneration, is based on the position held, the responsibilities assumed and the level of contribution to the Company, and is determined by reference to industry standards.
- (c) Employees' fixed and variable salaries are agreed upon in consideration of employees' education, experience and annual performance appraisal.

(23) Income tax

A. Income tax expense

Components of income tax expense:

	<u>FY2023</u>	<u>FY2022</u>
Current income tax expense:		
Current period	\$ 878	\$ -
Adjustment for prior periods	<u>-</u>	<u>220</u>
Income tax expense	<u>\$ 878</u>	<u>\$ 220</u>

B. The relationship between income tax expenses and accounting profit

	<u>FY2023</u>	<u>FY2022</u>
Net profit before tax calculated according to the (\$	20,946)	(\$ 16,523)
statutory tax rate income tax		
Expenses that should be excluded according to the tax law	24,514	23,746
Temporary differences are not recognized as deferred income tax assets	( 3,568)	( 7,223)
Tax loss unrecognized deferred income tax assets	878	-
Change in realizability assessment of deferred income tax assets	<u>-</u>	<u>220</u>
Undistributed earnings plus levy	<u>\$ 878</u>	<u>\$ 220</u>

C. The effective periods of the Company's unused tax losses and the related amounts of unrecognized deferred income tax assets are as follows:

<u>December 31, 2023</u>					
year of occurrence	Amount approved/reported	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Last year to be deducted	
2016	\$ 448,619	\$ 436,033	\$ 436,033	2026	
2019	31,390	31,390	31,390	2029	
2020	23,858	23,858	23,858	2030	

<u>December 31, 2022</u>					
year of occurrence	Amount approved/reported	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Last year to be deducted	
2016	448,619	\$ 448,619	\$ 448,619	2026	
2019	31,390	31,390	31,390	2029	
2020	23,858	23,858	23,858	2030	

D. Deductible temporary differences not recognized as deferred income tax assets

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Deductible temporary differences	\$ 60,619	\$ 61,928

E. The income tax of the Company has been approved by the tax authorities until 2020.

(24) (Loss) earnings per share

	<u>FY2023</u>		
	<u>After-tax amount</u>	<u>Weighted average shares outstanding (1000 shares)</u>	<u>loss per share</u>
<u>Basic and diluted loss per share</u>			
Net loss for the period attributable to the parent company	(\$ 105,606 )	101,280	(\$ 1.04 )

	<u>FY2022</u>		
	<u>After-tax amount</u>	<u>Weighted average shares outstanding (1000 shares)</u>	<u>loss per share</u>
<u>basic earnings per share</u>			
Net loss for the period attributable to the parent company	(\$ 82,835 )	101,280	(\$ 0.82 )

(25) Changes in liabilities arising from financing activities

	<u>Short-term loan</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
January 1, 2023	\$ 30,000	\$ 25,988	\$ 55,988
Changes in financing cash flow	( 30,000)	( 9,127)	( 39,127)
Interest expense	-	263	263
December 31, 2023	<u>\$ -</u>	<u>\$ 17,124</u>	<u>\$ 17,124</u>
	<u>Short-term loan</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
January 1, 2022	\$ 60,000	\$ 34,514	\$ 94,514
Changes in financing cash flow	( 30,000)	( 8,894)	( 38,894)
Interest expense	-	368	368
December 31, 2022	<u>\$ 30,000</u>	<u>\$ 25,988</u>	<u>\$ 55,988</u>

7. Related-party transactions

(1) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Company</u>
Omni International Media Incorporation	The Company's subsidiary
Choice Development, Inc.	The Company's subsidiary
TransGlobe Life Insurance Inc.	Other related-party
Chiu, Hsi-Wen	Supervisor of subsidiaries of the company

(2) Significant transactions with related parties

A. Operating revenue

	<u>FY2023</u>	<u>FY2022</u>
Commodities sale:		
Other related-party	\$ <u>847</u>	\$ <u>1,357</u>
There is no material difference in the transaction price and payment terms of sales from those of non-related parties.		

B. Operating lease

The company leases some offices and parking spaces to Omni International Media Incorporation, the details are as follows:

<u>Lease subject</u>	<u>Rental period</u>	<u>monthly rent</u>	<u>FY 2023</u>
Office subletting	From July 16, 2023 to October 31, 2024	\$47-\$51	\$ 612
Parking space subletting	"	4	48
			<u>\$ 660</u>
<u>Lease subject</u>	<u>Rental period</u>	<u>monthly rent</u>	<u>FY2022</u>
Office subletting	From May 1, 2023 to October 31, 2023	\$47-\$72	\$ 718
Parking space subletting	"	\$4	44
			<u>\$ 762</u>

The lease agreement between the Company and Omni International Media Incorporation is determined with reference to the market rate and the rent is charged monthly.

C. Other revenue

	<u>FY2023</u>	<u>FY2022</u>
subsidiary	\$ <u>114</u>	\$ <u>267</u>

Other revenue is the management service provided by the company to Omni International Media Incorporation.

D. Circumstances in which a related party provides an endorsement guarantee

The company's long-term short-term debt for December 31, 2023 and 2022 is \$130,000 and \$130,000 respectively, which are guaranteed by the main management. °

E. Disposal Financial Assets

				FY 2023	
	Accounting item	Shares	Transaction objects	Disposal proceeds	Gain (loss) on disposal
Supervisor of subsidiaries of the company	Financial Assets Measured at Fair Value through Other Comprehensive Income-non-current	173,497	e-Formula	\$ 2,500	(\$ 362)

There is no disposal financial assets in 2022.

There are no significant differences on the transaction price and collection of disposal financial assets and unrelated parties.

(3) Key management personnel remuneration

	<u>FY2023</u>	<u>FY2022</u>
Short-term employee benefits	\$ 8,100	\$ 10,084
Post-employment benefits	86	976
Total amount	<u>\$ 8,186</u>	<u>\$ 11,060</u>

8. Mortgaged (pledged) assets

As of December 31, 2023 and 2022, the company's asset guarantee details are as follows:

<u>Assets items</u>	<u>Carrying Amount</u>		<u>Guarantee purposes</u>
	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>	
Financial assets measured at amortized cost -non-current			
Time deposit	\$ 1,000	\$ 1,000	Material purchase deposit
Real estate, plant, and equipment	231,742	233,886	Short-term debt and amount
Other non-current assets — other			
Refundable deposits	<u>2,831</u>	<u>3,549</u>	Lease office deposit and contract deposit, etc.
	<u>\$ 235,573</u>	<u>\$ 238,435</u>	

For the above pledged time deposits, please refer to Note 6(3) for the interest rate range and period.

9. Material contingent liabilities and unrecognized contractual commitments

(1) Contingencies

None.

(2) Commitments

None.

10. Losses due to major disasters

None.

11. Significant subsequent events

The company proposed the 2023 earnings distribution on March 13, 2023 Board of Directors, please refer to Note 6 (16) 3.

12. Other

(1) Capital management

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern, to maintain an optimal capital structure to reduce the cost of capital

and to provide returns to shareholders. To maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. The Company monitors its capital by using a debt-to-capital ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as reported in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" plus net debt as reported in the consolidated balance sheet.

The Company's strategy for 2023 remains the same as for 2022, with a commitment to a zero debt-to-capital ratio.

As on December 31, 2023 and 2022, the Company's debt-to-capital ratio is as follows:

	Dec. 31, 2023	Dec. 31, 2022
Total borrowings	\$ -	\$ 30,000
Less: cash and cash equivalents	( 186,541)	( 132,985)
Net debt	( 186,541)	( 102,985)
Total equity	813,449	867,084
Total capital	<u>\$ 626,908</u>	<u>\$ 764,099</u>
Debt to capital ratio	<u>-</u>	<u>-</u>

(2) Financial instrument

A. Kind of financial instrument

	December 31, 2023	December 31, 2022
Financial assets		
Financial asset at fair value through profit or loss		
Restricted financial asset or financial liability at fair value through profit or loss	<u>\$ 43,130</u>	<u>\$ 72,240</u>
Financial assets at fair value through other comprehensive income		
Select a designated equity instrument for investment	<u>\$ 192,292</u>	<u>\$ 166,997</u>
Financial Assets measured at amortized cost		
Cash and cash equivalents	\$ 186,541	\$ 132,985
Notes receivable	16,234	21,381
Accounts receivable	114,843	99,693
Financial Assets measured at amortized cost – Non-current	1,000	1,000
Deposit margin (other non-current assets in the account)	<u>2,831</u>	<u>3,549</u>
	<u>\$ 321,449</u>	<u>\$ 258,608</u>

December 31, 2023      December 31, 2022

Financial liabilities

Financial Assets measured at amortized cost

Short-term debt	\$	-	\$	30,000
Notes payable		818		1,500
Accounts payable		53,922		58,460
Other payable		72,749		78,208
Long-term borrowings		450		450
	\$	137,939	\$	168,618

Lease liabilities -current	\$	9,205	\$	8,864
Lease liabilities -non-current		7,919		17,124
	\$	17,124	\$	25,988

B. Risk Management Policy

- (a) The Company's day-to-day operations are subject to several financial risks, including market risk (including exchange rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is performed by the Company's Finance Department in accordance with policies approved by the Board of Directors. The Company's Finance Department is responsible for identifying, evaluating and mitigating financial risks by working closely with the Company's operating units. The Company's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. The Company's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the Company must comply with relevant financial operating procedures regarding overall financial risk management and segregation of duties and responsibilities.

C. Nature and extent of significant financial risks

(a) Market risk

Exchange rate risk

- i. The Company operates internationally and is exposed to foreign exchange rate risk, primarily in U.S. dollars, Hong Kong dollars and Australian dollars. The related exchange rate risk arises from future business transactions and are recognized assets and liabilities.
- ii. The management of the Company has formulated a policy requiring each company in the Company to manage the exchange rate risk relative to its functional currency.



- iii. The Company's business involves certain non-functional currencies, so it is affected by exchange rate fluctuations. The foreign currency assets and liabilities with significant exchange rate fluctuations are as follows:

<u>December 31, 2023</u>			
	<u>Foreign currency</u>		<u>Book amount</u>
	<u>(thousand)</u>	<u>Rate</u>	<u>(NTD)</u>
<b>(Foreign currency: Functional Currency)</b>			
Financial Assets			
Monetary item			
USD:NTD	\$ 974	30.71	\$ 29,911
NZD:NTD	169	19.48	3,286
AUD:NTD	329	20.98	6,893

<u>December 31, 2022</u>			
	<u>Foreign currency</u>		<u>Book amount</u>
	<u>(thousand)</u>	<u>Rate</u>	<u>(NTD)</u>
<b>(Foreign currency: Functional Currency)</b>			
Financial Assets			
Monetary item			
USD:NTD	\$ 262	30.71	\$ 8,052
NZD:NTD	211	19.44	4,106
AUD:NTD	535	20.83	11,147

- iv. For the Company's monetary items, due to the significant impact of exchange rate fluctuations, the aggregated amounts of all exchange profit and loss (including realized and unrealized) recognized in 2023 and 2022 are \$25 and \$19,648 respectively.
- v. The Company's foreign currency market risk analysis due to major exchange rate fluctuations is as follows:

<u>FY2023</u>			
<u>Sensitivity analysis</u>			
	<u>Range of change</u>	<u>Affect profit and loss income</u>	<u>Affect other comprehensive income</u>
<b>(foreign currency : Functional Currency)</b>			
Financial Assets			
Monetary item			
USD:NTD	1% \$	299	\$ -
NZD:NTD	1%	33	-
AUD:NTD	1%	69	-

	Y2022		
	Sensitivity analysis		
	Affect		
	profit	Affect other	
	and loss	comprehensive	
	income	income	
	Range of		
	change		
(foreign currency : Functional			
Currency)			
Financial Assets			
Monetary item			
USD:NTD	1% \$	81 \$	-
NZD:NTD	1%	41	-
AUD:NTD	1%	111	-

#### Price risk

- i. The Company's equity instruments exposed to price risk are financial assets held at fair value through profit or loss and financial assets held at fair value through other comprehensive income. To manage the price risk of its investments in equity instruments, the Company diversifies its investment portfolio. The diversification is carried out according to the limits set by the Company.
- ii. The Company invests primarily in equity instruments and closed-end funds issued by domestic and foreign companies, the prices of which are subject to uncertainty regarding the future value of the underlying investments. If the price of these equity instruments were to increase or decrease by 1%, all other factors being equal, net income after tax for 2023 and 2022 would increase or decrease by \$431 and \$722, respectively, due to the gain or loss on equity instruments measured at fair value through profit or loss; for other comprehensive income, the gain or loss on equity investments classified as fair value through other comprehensive income in 2023 and 2022 would increase or decrease by \$1,923 and \$1,670, respectively.

#### **(b) Credit Risk**

- i. The Company's credit risk is the risk of financial loss resulting from the failure of customers or counterparties to financial instruments to meet their contractual obligations, primarily due to the failure of counterparties to settle accounts receivable paid in accordance with collection terms.
- ii. The Company establishes credit risk management from the perspective of the Company. For banks and financial institutions, only those with an independent credit rating of at least "A" can be accepted as transaction objects. In accordance with the internal credit policy, each operating entity within the Company and each new customer is required to manage and analyze credit risk before establishing payment and delivery terms and conditions. According to the internally specified credit policy, each operating entity within the Company and each new customer must conduct management and credit risk analysis before setting payment and proposing the terms and conditions of delivery. Internal risk control is to evaluate the credit quality of customers by considering their financial status, past experience and other factors. The limits of individual risks are formulated by the Board of Directors based on internal or external ratings, and the use of credit limits is regularly monitored.
- iii. The Company adopts IFRS 9 to provide the following assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since the original recognition:

When the contract payment is more than 30 days overdue according to the agreed payment terms, it is considered that the credit risk of the financial asset has increased significantly since the original recognition.

- iv. For customers with overdue accounts, the Company will list them as key assessment customers if they have any doubts about being uncollectable after assessment, and measure their credit risk at the same time, and carry out related operating procedures to list bad debts for those who have doubts about default.
- v. The Company customers' accounts receivable according to the characteristics of customer types and uses a simplified method to estimate expected credit losses based on the provision matrix.
- vi. The loss rates are based on historical and current information for specific periods that the Company adjusted for forward-looking assumptions to estimate the allowance loss of accounts receivable (including related persons), the preparation matrix for December 31, 2023 and 2022 is as follows:

(i) General Customer Accounts:

December 31, 2023					
Dec. 31, 2023	age range				Total amount
	within 90 days	91-120 days	121-180 days	more than 181 days	
Expected loss rate	0%~0.03%	0%~0.03%	0%~0.03%	100%	
Total book value	\$ 104,744	\$ 10,101	\$ -	\$ -	\$ 114,845
Allowance loss	\$ -	\$ 2	\$ -	\$ -	\$ 2

December 31, 2022					
Dec. 31, 2022	age range				Total amount
	within 90 days	91-120 days	121-180 days	more than 181 days	
Expected loss rate	0%~0.03%	0.52%~1.74%	0%~0.03%	100%	
Total book value	\$ 93,809	\$ 5,179	\$ 707	\$ -	\$ 99,695
Allowance loss	\$ -	\$ -	\$ 2	\$ -	\$ 2

(ii) Individual assessment account:

December 31, 2023					
Dec. 31, 2023	age range				Total amount
	within 90 days	91-120 days	121-180 days	more than 181 days	
Expected loss rate	100%	100%	100%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 9,783	\$ 9,783
Allowance loss	\$ -	\$ -	\$ -	\$ 9,783	\$ 9,783

December 31, 2022					
Dec. 31, 2022	age range				Total amount
	within 90 days	91-120 days	121-180 days	more than 181 days	
Expected loss rate	100%	100%	100%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 9,367	\$ 9,367
Allowance loss	\$ -	\$ -	\$ -	\$ 9,367	\$ 9,367

- vii. The Company adopts the simplified method of accounts receivable allowance loss change table as follows:

	FY2023	FY2022
January 1	\$ 9,369	\$ 9,087
Provision for impairment loss	416	282
December 31	<u>\$ 9,785</u>	<u>\$ 9,369</u>

The notes receivable on December 31, 2023 and 2022 are not overdue, and the allowance loss is \$0.

(c) Liquidity risk

- i. The cash flow forecast is performed by each operating entity within the Company and is summarized by the Company's Finance Department. The Company Finance Department monitors the forecast of the Company's liquidity needs to ensure that it has sufficient funds to meet operating needs and maintain sufficient unused loan commitments at any time. These forecasts take into account the Company's debt financing plans, compliance with internal balance sheet financial ratio targets, and external regulatory requirements such as foreign exchange controls.
- ii. The Company's unused loan amount on December 31, 2023 and 2022 are \$480,000 and \$450,000 respectively.
- iii. The following table is the Companying of the Company's non-derivative financial liabilities according to the relevant maturity date, which is analyzed based on the remaining period from the balance sheet date to the contract maturity date. The contract cash flow amount disclosed in the table below is the undiscounted amount.

Non-derivative financial liabilities

December 31, 2023	<u>Within 1 year</u>	<u>Within 1~2 years</u>	<u>Within 2~5 years</u>
Short-term loan	\$ -	\$ -	\$ -
Notes and account payable	64,740	-	-
Other payable	72,749	-	-
lease liabilities	<u>9,361</u>	<u>7,963</u>	<u>-</u>
	<u>\$ 146,850</u>	<u>\$ 7,963</u>	<u>\$ -</u>

Non-derivative financial liabilities

December 31, 2022	<u>Within 1 year</u>	<u>Within 1~2 years</u>	<u>Within 2~5 years</u>
Short-term loan	\$ 30,000	\$ -	\$ -
Short-term loan	59,960	-	-
Notes and account payable	78,208	-	-
Other payable	<u>9,127</u>	<u>9,361</u>	<u>7,963</u>
	<u>\$ 177,295</u>	<u>\$ 9,361</u>	<u>\$ 7,963</u>

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available to the Company at the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investments in publicly traded stocks are included in this category.

Level 2: Observable inputs directly or indirectly to assets or liabilities, other than those included in Level 1 quoted prices.

Level 3: Unobservable inputs to assets or liabilities. Equity in the non-active market invested by the Company, including instrument investment and investment real estate.

- B. Financial instruments that are not measured by fair value include cash and cash equivalents,

notes receivable, accounts receivable, short-term debt, notes payable, accounts payable and other payables. The carrying amount is a reasonable approximation of fair value.

- C. The financial and non-financial instruments measured by fair value are classified by the Company according to the nature, characteristics and risks of assets and liabilities and the basic classification of fair value levels. The relevant information is as follows:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				
Financial asset at fair value through profit or loss				
Domestic listed (OTC) stocks	<u>\$ 43,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,130</u>
Financial assets at fair value through other comprehensive income				
Domestic listed (OTC) stocks	\$159,623	\$ -	\$ -	\$ 159,623
Foreign listed (OTC) stocks	27,967	-	-	27,967
Domestic non-listed (OTC) stocks	-	-	4,646	4,646
Foreign non-listed (OTC) stocks	-	-	56	56
Total	<u>\$187,590</u>	<u>\$ -</u>	<u>\$ 18,466</u>	<u>\$ 192,292</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				
Financial asset at fair value through profit or loss				
Domestic listed (OTC) stocks	<u>\$ 72,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,240</u>
Financial assets at fair value through other comprehensive income				
Domestic listed (OTC) stocks	\$120,081	\$ -	\$ -	\$120,081
Foreign listed (OTC) stocks	28,450	-	-	28,450
Domestic non-listed (OTC) stocks	-	-	18,410	18,410
Foreign non-listed (OTC) stocks	-	-	56	56
Total	<u>\$148,531</u>	<u>\$ -</u>	<u>\$ 18,466</u>	<u>\$166,997</u>
Assets	<u>\$ 72,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,240</u>

- D. The methods and assumptions used by the Company to measure fair value are explained below:
- (a) The Company adopts the quoted market price as the input value of the fair value (i.e. Level 1), which is classified according to the characteristics of the instrument as follows:

	<u>Listed (OTC) company stocks</u>
Quoted market price	Closing price

- (b) Except for the above-mentioned financial instruments with an active market, the rest of the fair value measurement is based on the net asset value method and the valuation technique of the analogous listing and OTC company method. The price of the same or similar transaction in the market is used as the observable input value, and the calculation is made its fair value.

- E. No transfer between Level 1 and Level 2 in 2023 and 2022.

- F. The Company's fair value valuation process for financial instruments classified as Level 3 is performed by the Company's Finance Department, which conducts independent fair value verification of the financial instruments, using independent sources of information to closely approximate market conditions, confirm that the sources of information are independent, reliable, consistent with other sources and representative of executable prices. It also updates the input values and information required by the valuation model and any other necessary fair value adjustments to ensure that the valuation results are reasonable.
- G. The quantitative information and sensitivity analysis of the changes in the Significant unobservable inputs of the evaluation model used for Level 3 fair value measures are as follows:

	Dec. 31, 2023 Fair value	Valuation technique	Significant unobservable inputs	Relationship between input value and fair value
Non-derivative equity instruments: Domestic and foreign non-listed (OTC) stocks	\$ 4,702	Net asset value method	N/A	N/A
	Dec. 31, 2022 Fair value	Valuation technique	Significant unobservable inputs	Relationship between input value and fair value
Non-derivative equity instruments: Domestic and foreign non-listed (OTC) stocks	\$ 18,466	Net asset value method	N/A	N/A

- H. If the evaluation parameters change, there will be no significant impact on the company's financial assets classified as Level 3.

(4) Others

The Company operated normally during the COVID-19 epidemic and the government's promotion of various anti-epidemic measures. It has been assessed that the ability to continue operating, asset impairment and financing risks have not been significantly affected.

13. Other disclosures

(1) Information on significant transactions

- A. Fund financing to other parties: please refer to appendix 1.
- B. Endorsements for other parties: none.
- C. Securities held as of end of the year (excluding investment in subsidiaries, associates and joint ventures): please refer to appendix 2.
- D. Accumulated buying/selling of the same marketable securities for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
- E. Acquisition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid in capital: None.
- F. Disposition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.

- G. Buying/selling products with related-parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:
- H. Accounts receivable from related parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital: none.
- I. Derivative transactions: None.
- J. Business relationships and significant inter-company transactions: none.

(2) Information on reinvestment

The information on investees (excluding investees in Mainland China): please refer to appendix 3.

(3) Information on investment in Mainland China

- A. Basic information: None.
- B. Significant transactions that occurred directly or indirectly through enterprises in third regions and investee companies reinvested in mainland China: None.

(4) Major shareholders

Please refer to Attached Table 4.

14. Operating department information

There is no need to reveal.

Choice Development Inc.  
FINANCING PROVIDED TO OTHERS

January 1 ~ December 31, 2023

Attached Table 1

(In Thousands of New Taiwan Dollars,  
Unless Stated Otherwise)

No. (note 1)	Lender	Borrower	Financial Statement Account (note 2)	Related Party Related (y/n)	Highest Balance for the Period (note 3)	Ending Balance (note 8)	Actual Borrowing Amount	Range of Interest Rates	Nature of Financing (note 4)	Business Transaction Amounts (note 5)	Reasons for Short-term Financing (note 6)	Allowance for Impairment Loss	Collateral Item	Value	Financing Limit for Each Borrower (note 7)	Aggregate Financing Limit (note 7)	Remarks
1	Omni Media Int'l Inc.	Hohoad International Incorporation	Other receivables	N	\$ 41,000	\$ 41,000	\$ 39,857	2.80%	Those who need short-term financing	\$ -	Turnover	\$ 39,857	-	\$ -	\$ 21,035	\$ 42,070	
2	"	Taiwan More Media International Incorporation	Other receivables	N	37,000	37,000	10,227	2.80%	Those who need short-term financing	-	Turnover	10,227	-	-	21,035	42,070	

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

(1) The Company is '0'.

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

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2023

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction' or 'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: The total amount of funds loaned to others shall not exceed 40% of the net value of Omni Media International Incorporation (Omni Int'l); however, the total amount of funds loaned to the same borrower:

1. For companies or firms that have business dealings with Omni Int'l, the amount of funds loaned to individual objects shall not exceed the amount of business transactions between the two parties.

2. For companies or firms that need short-term financing, the amount of funds loaned to individual objects shall not exceed 20% of Omni Int'l's net worth.

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Paragraph 1, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: On July 13, 2022, Omni Int'l formally appointed a lawyer to file a criminal complaint against the relevant persons to recover the outstanding amounts; on April 19, 2023, Omni Int'l held a board meeting to approve amendments "Procedures for the Funds Loaning to Others" to improve compliance and on August 10, 2022, the Company's Audit Committee and the Board of Directors presented the relevant audit report and will regularly follow up on the improvement of the implementation

Note 10: The amounts shown as "other non-current assets", which have not been paid after repeated collections, have been transferred to collections and are have been set aside as an allowance for uncollectible accounts.



Choice Development Inc.  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2023

Attached Table 2

(In Thousands of New Taiwan Dollars,  
Unless Stated Otherwise)

				December 31, 2023					
Type and Name of Marketable Securities		Relationship with the Holding Company			Carrying Amount		Percentage of Ownership		Remarks
<u>Holding Company Name</u>	<u>(note 1)</u>	<u>(note 2)</u>	<u>Financial Statement Account</u>	<u>Unit/Share</u>	<u>(note 3)</u>		<u>(%)</u>	<u>Fair Value</u>	<u>(note 4)</u>
Choice Development Inc.	Domestic Listed (OTC) Stocks/Shihlin Development Co., Ltd.	-	Current Financial Assets at Fair Value through Profit or Los	8,300,000	\$ 43,130		1.97	\$ 43,130	
					\$ 43,130				
Choice Development Inc.	Domestic Listed (OTC) Stocks/Shihlin Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	13,206,014	149,888		5.83	149,888	
Choice Development Inc.	Domestic Listed (OTC) Stocks/Eslite Spectrum Corporation	-	Non-current financial assets at fair value through other comprehensive income	150,000	9,735		0.32	9,735	
Choice Development Inc.	Foreign Listed (OTC) Stocks/Beijing Enterprises Medical and Health Industry Group Limited, common stocks	-	Non-current financial assets at fair value through other comprehensive income	106,242,000	27,967		1.75	27,967	
Choice Development Inc.	Unlisted (OTC) stocks /ImageDJ Corporation	-	Non-current financial assets at fair value through other comprehensive income	29,760	172		1.19	172	
Choice Development Inc.	Unlisted (OTC) stocks /SCI, StemCyte Taiwan Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	5,326	56		0.01	56	
Choice Development Inc.	Unlisted (OTC) stocks /e-Formula Technologies, INC.	-	Non-current financial assets at fair value through other comprehensive income	451,075	4,474		2.07	4,474	
					\$ 192,292				

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Choice Development Inc.

Information on investees (not including investee company of Mainland China)

January 1 ~ December 31, 2023

Attached Table 3

(In Thousands of New Taiwan Dollars,  
Unless Stated Otherwise)

Investee		Location	Main Businesses and Products	December 31, 2023	December 31, 2022	As of December 31, 2023			Net Income (Loss) of the Investee (note 2(2))	Share of Profit (Loss) (note 2(3))	Remarks
						Number of Shares	Percentage (%)	Carrying Amount			
Choice Development Inc.	Omni Media Int'l Inc.	Taiwan	Media Advertising	\$ 571,854	\$ 571,854	53,444,341	81.19%	\$ 85,387	(\$ 175,799)	(\$ 142,726)	
"	Choice Property Management Inc.	"	Residential & Building Development & Leasing	30,000	15,000	3,000,000	60.00%	19,596	( 5,822)	( 3,494)	
Omni Media Int'l Inc.	Omni Int'l Devp. Co., Ltd.	"	Real Estate Development	-	5,000	-	-	-	( -)	( -)	Note 3

Note1: This transaction was written off when the consolidated financial statements were prepared. Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: Omni International Industrial Development Co., Ltd. was dissolved with the approval of the Taipei City Government on September 2, 2022. As of April 21, 2023, the liquidation process has not been completed.

Choice Development Inc.  
INFORMATION ON MAJOR SHAREHOLDERS

December 31, 2023

Attached Table 4

(In Thousands of New Taiwan Dollars, Unless  
Stated Otherwise)

Names of Major Shareholders	Shares		
	<u>Number of Shares Held (common)</u>	<u>Number of Shares Held (Preferred)</u>	<u>Percentage of Ownership (%)</u>
Peng, Teng-Te	19,999,800	-	19.74%
Yao Tse Co., Ltd.	8,369,000	-	8.26%
Xi Jui Investment Co., Ltd.	6,000,000	-	5.92%
Chuan Sheng Investment Co., Ltd.	5,740,200	-	5.66%
Hung Lin International Co., Ltd.	5,123,000	-	5.05%

Note 1. The table discloses shareholding information of shareholders whose shareholding percentage is more than 5%. The Taiwan Depository & Clearing Corporation (TDC) calculates the total number of ordinary shares and preferred shares (including treasury shares) that have completed the dematerialized registration and delivery on the last business day of the quarter. The share capital reported in the Company's consolidated financial statements and the actual number shares that have completed the dematerialized registration and delivery may be different due to the difference in the basis of calculation.

Note 2. In the event where the shareholders delivers its equity to trust, the information is disclosed in the form of individual trust accounts opened by the trustee. As for the shareholders declaring insider equity holdings of more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholdings include the shares held by themselves plus the shares delivered to trust while retaining the right to determine the utilization. For information on insider equity declarations, please refer to the Market Observatory Post System

**Choice Development, Inc.**



**Chairman: Chen, Hui-Yu**

