TWSE TICKER：2312

KINPO ELECTRONICS, INC.

ANNUAL REPORT 2023



- http://www.kinpo.com.tw
- http://mops.twse.com.tw

Date of publication：April 8, 2024

Kinpo Electronics, Inc
Annual Report 2023

I. Spokesperson

Spokesperson: Yu Chien-Hui / Senior Director, Financial Accounting Management Center

Deputy Spokesperson: Lin, Cheng-Hsien / Director, General Affairs Office

Tel: (02)2662-2660

Email: investor@kinpo.com.tw

II. Company contact information

Headquarters: 10F, 99, Sec. 5, Nanjing E. Rd., Taipei City 105, Taiwan R.O.C.

Factory address: 147, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City 222, Taiwan R.O.C.

Tel: (02) 2662-2660

III. Common Share Transfer Agent and Registrar

Company: The Transfer Agency Department of Chinatrust Commercial Bank

Address: 5F, 83, Sec. 1, Chung-Ching S. Rd., Taipei City 100, Taiwan R.O.C.

Website: https://www.ctbcbank.com

Tel: (02) 6636-5566

IV. Auditors for the recent financial report

Name: Chen, Chih-Chung and Fuh, Wen-Fun

Company: EY Taiwan

Address: 9F, 333, Sec. 1, Keelung Rd., Taipei City 110, Taiwan R.O.C.

Website: http://www.ey.com/tw/zh_tw

Tel: (02) 2757-8888

V. Stock Exchange where depositary receipts or common shares are listed and related information

none

VI. Company website

www.kinpo.com.tw

1 1. Letter to Shareholders

3 2. Company Profile

3 2.1 Date of Incorporation

3 2.2 Company History

3. Corporate Governance Report

7 3.1 Organization

9 3.2 Information on Board Directors, President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Units and Branches

20 3.3 Remuneration paid during the most recent fiscal year to directors, the general managers and vice general managers

26 3.4 Implementation of Corporate Governance

76 3.5 Information Regarding the Company' s Audit Fee and Independence

77 3.6 Replacement of CPA

77 3.7 Company Directors, General Managers, Managers of Finance or Accounting that Were Employed by the CPA's Accounting Firm or Its Affiliated Corporation in the Most Recent Year

77 3.8 Transfers or Pledge the shares by Directors, Managers or Shareholders with Shareholdings of over 10% in the Recent Year or as of the Date of Publication of the Annual Report

79 3.9 Information on Relationship Among the Top Ten Shareholders

81 3.10 Information on the Company Directors, Managers, or Businesses Directly or Indirectly Controlled by the Company

4. Capitals Overview

82 4.1 Capitals and Shares

88 4.2 Issuance of corporate bonds

88 4.3 Preferred Shares

88 4.4 Issuance of Global Depositary Receipts

89 4.5 Employee Stock Options

90 4.6 Status of employee restricted stock

90 4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions

90 4.8 Financing Plans and Implementation

5. Operational Highlights

91 5.1 Business Activities

106 5.2 Market, Production, and Sales Overview

115 5.3 Information on Employees in the Last Two Calendar Years

116 5.4 Information on Environmental Protection Expenditure

116 5.5 Relations between Labors and Employers

117 5.6 Information Security Management

119 5.7 Major Contracts

6. Financial Information

120 6.1 Five-year Condensed Balance Sheet and Statement of Comprehensive Income

124 6.2 Five-year Financial Analysis

128 6.3 Audit Committee's Review Report on the Latest Financial Statements

129 6.4 Latest Consolidated Financial Statements

274 6.5 Latest Individual Financial Statements Audited by CPAs

277 6.6 The Financing Status of the Company and its Affiliates

7. Review of Financial Status, Operating Results, and Risk Management

378 7.1 Financial Status

379 7.2 Analysis of Financial Performance

380 7.3 Cash Flow

381 7.4 Major Capital Expenditure Items and Impact on Finance and Business in the Recent Year

381 7.5 Reinvestment policy in the most recent year, main reasons for profit or loss, improvement plan and investment plan for the coming year

381 7.6 Risk Management in the Recent Year as of the Publication Date of this Annual Report

385 7.7 Other Matters of Materiality

8. Special Disclosure

386 8.1 Information of Affiliates (2023/12/31)

399 8.2 Private Placement of Securities in The Last Year Up until The Publication Date of Annual Report

399 8.3 Company Shares Held or Disposed by Subsidiaries in the Most Recent Year

399 8.4 Other Necessary Matters to be Supplemented and Explained

399 8.5 If Any Event, which Has a Material Impact on Shareholders' Rights and Interests or Securities Prices as Prescribed in Article 36-3-2 of the Securities and Exchange Act, Has Occurred During the Most Recent Year or During the Current Fiscal Year up to the Date of the Annual Report, such Matters Shall Be Listed in Clarity

I. Letter to Shareholders

Dear Shareholders,

In 2023, the whole world has faced severe challenges due to international inflation and economic slowdown. The ongoing competition between the U.S. and China continued to influence geopolitical dynamics, along with the several war conflicts, causing the whole landscape of the international supply chain to reshape. In response to the rapid changes in the global environment, Kinpo actively engaged in resource integration and implemented automated processes to reduce costs and enhance competitiveness.

According to the World Economic Outlook published by the International Monetary Fund (IMF), the global economy staggered under the implementation of monetary tightening policies, with economic growth continuing to slow down to 3.1% in 2023. The global uncertainty in 2023 also affected currency exchange rate volatility, posing significant operational challenges for all businesses. However, despite these challenges, Kinpo still strived to maintain stable operations and renegotiated with clients and vendors to accelerate cash flow, as the global economy has not yet recovered, and most of the customers are still trying to deplete their inventories. The Company's net consolidated revenue in 2023 amounted to NT$159,757,214 thousand, a decrease of 11.94% compared to 2022's net amount of NT$181,414,449 thousand. Despite this decrease, through continuous improvement in automation processes and organizational refinements, Kinpo's operating expenses decreased significantly by 13.46% compared to 2022, leading to a 6.10% increase in net operating profit despite decreased performance.

In operations, despite the challenges of the environment, Kinpo continues to aim for establishing long-term competitiveness, persistently pursuing forward-looking layouts amidst stability. Over the past year, to achieve better operations, we underwent organizational restructuring and adjusted our product portfolio, resulting in a decrease of NT$7,599,451 thousand in inventory management compared to 2022. In product development, besides actively investing in existing products, our R&D efforts are advancing towards high-tech ODM, pursuing innovation and quality improvement in new ventures, and promoting the development of related products such as charging stations, AI computing, semiconductors, networking, and smart surveillance.

In terms of manufacturing, over the years, Kinpo has established production bases in eight countries and regions globally. With geopolitical issues gaining attention from customers, Kinpo's global strategy has been recognized by customers. Currently, the four new factories in Thailand have been completed, and we will continue to promote automated production management, Industry 4.0^{+}, and the localization of the supply chain ecosystem to expand capacity and optimize continuously to meet the long-term performance growth needs of global customers.

Regarding corporate sustainability, in 2023, the Sustainable Development Committee under the Board was established to guide the direction of corporate sustainability policies. Moreover, a dedicated Sustainable Development Office was also set up to plan sustainable development action programs, promote an internal carbon pricing mechanism, and establish three groups for sustainable design, procurement, and operations. This initiative includes introducing a product carbon footprint project and establishing a collection mechanism for material weight and composition. In addition, in collaboration with our extensive supply chain network, we monitor customer trends and comply with regulatory requirements, jointly dedicating efforts towards promoting corporate sustainable development and advancing towards the goal of carbon neutrality by 2030.

Looking forward to 2024, although the global market remains relatively conservative, along with the sluggish consumer demand and geopolitical tensions emerging worldwide, crisis also presents opportunity. Kinpo's long-established global production base is a significant advantage for customers, offering flexible solutions to ensure a diverse and stable global product supply chain. On the other hand, with the goal of increasing revenue, Kinpo aims to increase the market share of its long-term production products and will vigorously pursue high-growth, high-price, high-profit, and high value-added products. The Company is also implementing digital data governance to promote enterprise risk management, enhance sustainable information disclosure, and strengthen stakeholder communication, achieving sustainable development of the enterprise through governance, transparency, digitalization, and innovation.

With glory for over half a century, Kinpo continues to uphold the spirit of "innovation, accord, and transcendence". In a market environment where challenges and opportunities coexist, relying on a solid operational foundation and forward-thinking, we consolidate competitive advantages, strengthen corporate governance, commit to environmental protection, create a happy workplace, and foster a beneficial society, thus propelling the overall development of the Company. Looking forward, we will continue to create long-term value and share the fruits of success with shareholders, striving for excellence once again.

Kinpo Electronics, Inc.

Chairman : Hsu, Sheng-Hsiung

President : Chen, Wei-Chang

II. Company Profile

2.1. Date of Incorporation: April 24th, 1973.

2.2. Company History:

Year	Event
1973	● Company founded on April 24, 1973. ● Captial: 6 million NTD. ● Number of Employees: 50.
1976	● Capital increased to 36 million NTD. ● Launched the first LCD electronic calculator in Taiwan.
1977	● Capital increased to 66 million NTD. ● Launched electronic cashier.
1978	● Launched ultra-slim card-size calculator. ● Received A Level quality for our export product examination.
1979	● Approved to establish bonded factories.
1980	● Capital increased to 96 million NTD.
1982	● Capital increased to 146 million NTD. ● Shenkeng Factory building completed.
1983	● Capital increased to 160.6 million NTD.
1984	● Capital increased to 190.6 million NTD. ● Developed computer peripheral products together with Electronics Research and Service Organization (ERSO).
1986	● Our calcutators entered the Japanese market. ● Started to develop telephone fax machines and received subsidy from Industrial Development Bureau, Ministry of Economic Affairs.
1988	● Launched LP-20 foldable print calculators, and received patent for its design. ● Capital increased to 290.6 million NTD with an 100 million NTD increase. ● Launched new printing calculators and Data Bank calculators.
1989	● Capital increased to 893.17 million NTD. ● Began to mass produce fax machines. ● Launched F102 small-size fax machine. ● Officially listed on the stock market. ● Received "Outstanding Factory Award -- New Product Development"from the Chinese National Foundation of Industries. ● Kinpo Electronics, Inc. (Thailand) established.
1990	● Factory and office in Thailand completed and operation begun. ● POCKET PC R&D completed. ● Capital increased to 1,071.8 million NTD.
1991	● Taoyuan Factory completed. Production line of fax machine and type writer moved to the factory and started production. ● Launched family use fax machine F90, F91. ● Launched ORGANIZER electronic calculator with several memory functions. ● Capital increased to 1,200.42 million NTD.
1992	● Founder and Chairman Hsu Chao-Ing stepped down and was named Honerary Chairman. Hsu Sheng-hsiung elected to be the new chairman. ● The first in Taiwan to launch plain-paper fax machine and laser fax machine. ● With capital increased by retained earnings, capital increased to 1,272.45 million NTD.
1993	● With 200 million NTD cash capital increase, capital increased to 1,472.45 million NTD. ● Taoyuan Factory, Shenkeng Factory, and both factories in Thailand received ISO-9002 Certificate. ● Ranked 14th in import and export performance in 1992 and received "Premier Award". ● Received "Outstanding Business Award"from the Taiwan Electrical and Electronic

Year	Event
	Manufacturers'Association (TEEMA).
1994	● Issued ECB of 44 million USD. ● Ranked 10th in import and export performance in 1993 and received "Premier Award". ● New office building in Taipei completed. ● Capital increased to 1,766.93 million NTD through transferring retained earnings and capital surplus to capital.
1995	● PCMCIA CARD and electronic dictionary R&D completed and launched. ● Ranked 11th in import and export performance in 1994 and received "Premier Award". ● Received " Group Quality Award"from Chinese Society for Quality. ● Capital increased to 2,403.66 million NTD with an 150 million NTD cash capital increase and capital surplus transferred to capital.
1996	● Capital increased to 2,770.8 million NTD with retained earnings and capital surplus transferred to capital. ● In April, calculator factory in Dongguan, Guangdong Province established and began production. ● Software Design Center established in Shanghai and started operating in November. ● Reinvested 31.5 million shares (630 milion NTD) in AcBel Polytech Inc., holding 30% of its equity. ● Ranked 15th in import and export performance in 1995 and received "Premier Award".
1997	● Expanded and transformed Shenkeng Factory to an operation management center. ● Capital increased to 4,027.87 million NTD with an 600 million NTD cash capital increase and capital surplus transferred to capital. ● Shekeng Factory received ISO-9001 Certificate, and Thailand Factory ISO-14000 Certificate.
1998	● Software Development Center officially launched in Beijing in November. ● Received "Taiwan National Quality Award"(NQA) presented by the Premier. ● Our Thailand Factory received "Prime Minister Quality Award"presented by the Prime Minister of Thailand. ● Capital increased to 5,080.38 million NTD with retained earnings and capital surplus transferred to capital.
1999	● Bought 160 thousand m2 of land in Dongguan, China to build factories. ● Kinpo Electronics Inc.(Thailand) received "The1st Outsatnding Overseas Taiwanese SMEs Award". ● Capital increased to 6,411.04 million NTD with retained earnings and capital surplus transferred to capital.
2000	● Kinpo Electronics Inc.(Thailand) set up Taipei Branch Office to plan for listing on the Thai stock market. ● Shenkeng Office Building completed. Having factory and office building together enabled better administrative efficiency. ● Received CNLA Testing Laboratory Accreditation Certificate. ● Capital increased to 8191.61 million with retained earnings and employee bonuses transferred to capital.
2001	● Kinpo Electonics Inc.(Thailand) approved to be listed on the Thai stock market in January. ● Sole propriotership factory in Dongguan, China completed and operation begun. ● Capital increased to 2,770.8 million with retained earnings and employee bonuses transferred to capital.
2002	● Capital increased to 10,774.33 million NTD with retained earnings, capital surplus and employee bonuses transferred to capital. ● The Industrial Development Bureau approved of the establishment of our headquaters.
2003	● Received "Supplier Excellence Award"and "0PPM" from Texas Instruments 2003. ● Digital camera R&D completed. ● Capital increased to 11,914.83 million NTD with retained earnings, capital surplus and employee bonuses transferred to capital.
2004	● Received "Supplier Excellence Award"and "0PPM" from Texas Instruments 2004. ● Shenkeng Factory and sole proprietory Dongguan Factory received QS9000 Certificate. ● Sole proprietory Dongguan Factory received OHSAS18001Certificate. ● Capital increased to 12,948.02 million NTD with retained earnings and employee bonuses transferred to capital.
2005	● Smart Phone iDo began mass production and shipment in Taiwan.

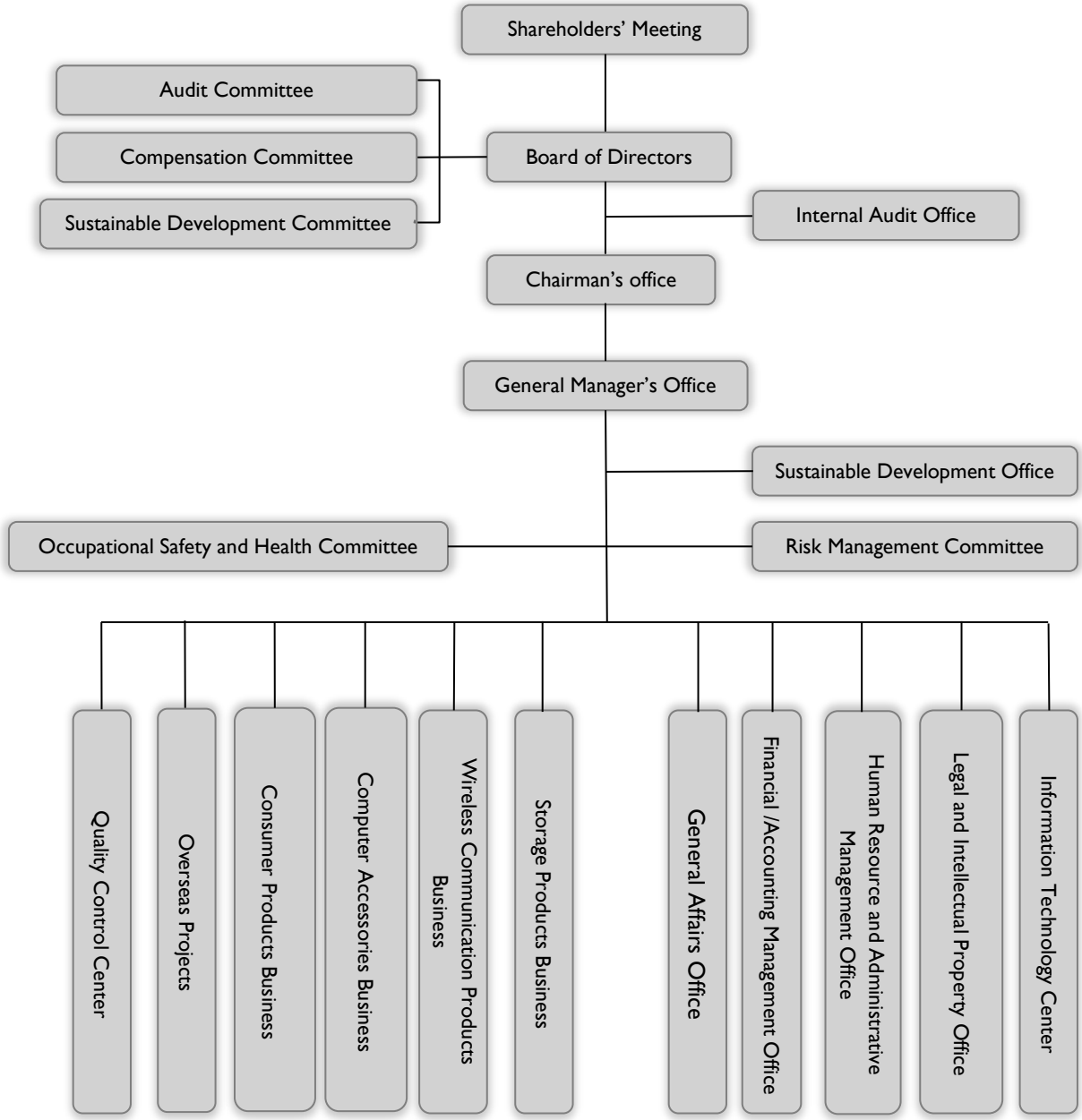
Year	Event
	● Capital increased to 13,651.42 million NTD with retained earnings, capital surplus and employee bonuses transferred to capital.
2006	● Received Software CMMI ML-2 Accreditation Certificate. ● Capital increased to 13,952.26 million NTD with retained earnings and employee bonuses transferred to capital.
2007	● Passed SONY's Green Partner Standard (ODM GP). ● Capital increased to 14,266.91 million NTD with retained earnings and employee bonuses transferred to capital.
2008	● Received TI SEA 2007 Supplier Excellence Award. ● Passed SONY's Green Partner Standard -- Design (ODM GP). ● Capital increased to 14,582.33 million NTD with retained earnings, capital surplus and employee bonuses transferred to capital.
2009	● Received 2009 Performance Achievement Award from WD. ● Received 2009 Supplier Excellence Award from TI with record-breaking scores.
2010	● Received 2010 Supplier Excellence Award from TI. ● Received 2010 Supplier Excellence Award from Digital Persona.
2011	● Received Excellent Partner Award from HGST. ● The thrid consecutive year to receive Supplier Excellence Award (SEA) from TI.
2012	● Received Q.C.D. gratification certificate from Canon zhongshan/zhuhai. ● The fourth consecutive year to receive SEA from TI.
2013	● HGST Progect ranked No. 1 in HGST 2013 2H SPR.
2014	● Established subsidiary Kinpo Electronics (Philippines), Inc. with 1,000 million NTD investment, holding 100% of its shares. ● Subsidiary Kinpo Electronics (Philippines), Inc. bought 5,120 m2 of land in LIPA CITY to build a dormitory for R&D staff. Expense: 224.84 million PHP. ● Received PACE Excellence Award performance. ● Received PACE 2014 PSQE award special individual performance. ● HGST Progect ranked No. 1 in HGST 2014 2H SPR. ● Received Best Supplier Award from Sony 2014.
2015	● Subsidiary Kinpo Electronics (Philippines), Inc. bought FPIP Land, 16 kilometers away from LIMA Industrial Park, as the site for the next two new factories. Total investment: PHP1,606,544,115. Site area: 133,600 m² ● With an additional investment of 30 million USD, the Kinpo Electronics (Philippines), Inc. capital increased to 60 million USD.
2016	● Cal-Comp Electronics(Thailand) Public Company Limited(CCET) was included in Kinpo's consolidated financial statement starting January 2016. ● With an additional investment of 50 million USD, the Kinpo Electronics (Philippines), Inc. capital increased to 110 million USD. ● Acquired 18,132,000 shares of CastleNet Technology Inc., with a cumulative shareholding of 19.9%. ● Audit committee established. ● Received "Core Supplier Award"from Huawei. ● Received "Excellent Craftsman Award"from Huawei. ● Received Excellent Quality 2016 Certificate from Lexmark.
2017	● Increased investment in 100% shareholding subsidiary Kinpo International (Singapore) Pte. Ltd. with stocks, and yielded the entire Kinpo Electronics (Philippines), Inc. equity to Kinpo International (Singapore) Pte. Ltd.. ● Acquired 9,326,907 shares of CastleNet Technology Inc., with a cumulative shareholding of 31.89%. ● Kinpo Electronics (Philippines)'s family-use hair drier for European customers began shipment in August, 2017.
2018	● Subsidaries Kinpo (Singapore), Kinpo Electronics (Philippines), and Cal-Comp Technology (Philippine), Inc. underwent structural reorganization. Kinpo (Singapore) sold its Kinpo Electronics (Philippines), Inc. equity to Cal-Comp Technology (Philippine), Inc., and in turn got 80.81% of Cal-Comp Technology (Philippine), Inc. equity. ● Cal-Comp Technology (Philippine), Inc.'s application to be listed and traded in the Philippines was

Year	Event
	approved by the Securities and Exchange Commission Philippines.
2019	● Hair Curler (AirWarp) by a European home appliances brand began mass production. ● Participated in a private placement of NT$1,378 million of common stock in the subsidiary, CastleNet Technology Inc. to increase its shareholding to 69%.
2020	● Bought back 28,443,000 shares of the Company. ● Awareded the Seagate best supplier of 2019. ● Employee stock warrants were converted into additional paid-in capital, after which the paid-in capital amounted to NT$14,666,312,110.
2021	● Executed the transfer of treasury stock to employees. ● Selected as one of the world's top 100 innovative institutions by the international professional information service provider Clarivate Analytic. ● Employee stock warrants were converted into additional paid-in capital, after which the paid-in capital amounted to NT$14,704,392,110. ● Received 2020 Texas Instructments Supplier Excellence Award ● Seagate QBR No.1 for 4 consecutive seasons in 2021 ● Received Excellent Unit in Green Procurement from New Taipei City Government ● Ranked as the best supplier for three consecutive Quarters, and got the highest score in the QBR rating for 3 Qtrs
2022	● Employee stock warrants were converted into additional paid-in capital, after which the paid-in capital amounted to NT$14,930,552,110. ● Received Happy Enterprise 2022 Gold Award from 1111 Job Bank ● Received National Enterprise Environmental Protection Award from Environmental Protection Administration ● Received Excellent Unit in Green Procurement from New Taipei City Government ● CCET Thailand-MAH, PET & China-Yue Yang factory obtained RBA VAP platinum pride certificate ● Taiwan Shenkeng (Kinpo/Cal-Comp) obtained ISO 14064-1:2018 Greenhouse Gas Verification Statement ● Kinpo Electronics China, Philippines obtained ISO 14064-1:2018 Greenhouse Gas Verification Statement ● CCET Thailand, Suzhou, Yue Yang, NKG Advanced Intelligence & Technology Development, Mexico, Brazil, and San Diego obtained ISO 14064-1:2018 Greenhouse Gas Verification Statement ● Cal-Comp Precision Thailand, Dongguan, Yue Yang, Philippines obtained ISO 14064-1:2018 Greenhouse Gas Verification Statement ● Received Supplier Excellence Award 2021 from Texas Instruments
2023	● Employee stock warrants were converted into additional paid-in capital, after which the paid-in capital amounted to NT$14,985,152,110. ● Taiwan Shenkeng (Kinpo / Cal-Comp) obtained ISO 50001:2018 Energy Management System Certification. ● Kinpo China, Philippines obtained ISO 50001:2018 Energy Management System Certification. ● Cal-Comp Thailand, Suzhou, Yueyang obtained ISO 50001:2018 Energy Management System Certification. ● Cal-Comp Precision Dongguan, Yueyang, Philippines, Malaysia obtained ISO 50001:2018 Energy Management System Certification. ● Kinpo Electronics (China) Co., Ltd. obtained RBA VAP silver pride certificate. ● KINPO 45 year of partnership with Texas Instructments. ● KINPO Electronics established Sustainability Committee. ● KINPO Electronics received the 'Platinum' award for its 'Sustainability Report' from Taiwan Corporate Sustainability Awards (TCSA). ● 'Green Procurement Outstanding Enterprise' award from the Environmental Protection Department, New Taipei City Government.
2024	● Kinpo and AcBel Polytech have reached a significant cooperation agreement with an American electric vehicle charging solution provider. The three parties will work together to develop innovative and efficient electric vehicle charging solutions, expanding AcBel Polytech and Kinpo's footprint in the electric vehicle and its related industries.

III. Corporate Governance Report

3.1. Organization

3.1.1. Organizational Chart



3.1.2. Major Corporate Functions

Department	Primary Business Activities
General Manager's Office	Plan the company's business strategy, organize, manage, and coordinate the business of each department.
Internal Audit Office	Responsible for internal audit.
Sustainable Development Offcie	Formulate sustainable development visions, policies, goals and action plans, and monitor the effectiveness of implementation.
Risk Management Committee	Comprehensively manage the company's risk management policies and risk management mechanisms, as well as early warnings and countermeasures for major risk issues.
Occupational Safety and Health Committee	Oversee and manage any policy planning related to occupational safety and health within the company.
General Affairs Office	Oversee and manage the planning and execution of matters concerning administrative issues, management, investments, and stock affairs of the Company.
Financial /Accounting Management Office	Responsible for matters concerning financial reports, the corporation's tax plans, long term and short term capital requirements, finance, accounting, taxes, and investment evaluation.
Human Resource and Administrative Management Office	Responsible for the planning and management of company personnel and general affairs.
Legal and Intellectual Property Office	Oversee and manage the Company's relevant businesses including contracts, patents, litigation, and legal consultation.
Information Technology Center	Oversee and manage the planning, implementation, and formulation of the overall information system and Information Safety policies of the Company, as well as their promotion and implementation.
Storage Products Business	Oversee and manage the sale and R&D of all storage products.
Wireless Communication Products Business	Oversee and manage the sale and R&D of all communication products.
Computer Accessories Business	Oversee and manage the sale and R&D of all computer accessories.
Consumer Products Business	Oversee and manage the sale and R&D of all consumer products.
Overseas Projects	Responsible for managing production overseas.
Quality Control Center	Oversee and manage the planning and implementation of the company's quality control, environment protection, and ESG.

3.2. Information on Board Directors, President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Units and Branches

3.2.1. Directors Information

April 8, 2024

Title	Nationality	Name	Gender Age	Date of appointment to position	Office Term (Years)	Date of First Elected	Shareholding when Owned Shares upon Assignment		Shareholding		Shareholding held by Spouse and minor Children		Holding shares in the name of others		Background	Other key positions held in other companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Chairman	Republic of China	Ho Bao Investment Co., Ltd.	-	2022.6.27	3 years	2022.6.27	43,923,442	2.94%	30,000,000	2.00%	-	-	0	0.00%	B.S., Chinese National Taiwan Normal University Honorable Ph.D, in philosophy National Taiwan Normal University, National Policy Advisor	Note	-	-	-	-
	Republic of China	Representative: Hsu, Sheng-Hsiung	M 71-80			1984.2.20	13,683,942	0.93%	13,683,942	0.91%	21,678,723	1.44%	0	0.00%						
Director	Republic of China	Ko, Charng-Chyi	M 81-90	2022.6.27	3 years	1984.2.20	4,707,915	0.32%	4,707,915	0.31%	2,594,010	0.17%	0	0.00%	M.S., Management, National Taiwan University MBA, National Chengchi University PhD, Lincoln University, USA Chairman of Taiwan Biotech Co., Ltd.	Note	-	-	-	-
Director	Republic of China	Ho, Mei-Yueh	F 71-80	2022.6.27	3 years	2022.6.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	B.S., Agricultural Chemistry, National Taiwan University Minister, Ministry of Economic Affairs, R.O.C.	Note	-	-	-	-
Director	Republic of China	Panpal Technology Corp.	-	2022.6.27	3 years	2001.4.10	69,369,644	4.65%	69,369,644	4.62%	-	-	0	0.00%	BS, Electrical Engineering, National Taiwan Ocean University Senior Vice President of Compal Electronics, Inc.	Note	-	-	-	-
	Republic of China	Representative: Chen, Wei-Chang	M 61-70			2021.3.29	4,000,000	0.27%	5,064,000	0.34%	0	0.00%	0	0.00%						
Director	Republic of China	Tai-Yen Industrial Co., Ltd.	-	2022.6.27	3 years	2022.6.27	1,410,000	0.09%	1,390,000	0.09%	-	-	0	0.00%	Ph.D. in Information Engineering, National Taiwan University Professor of Information Management, Soochow University	Note	-	-	-	-
	Republic of China	Representative: Hung, Yung-Chen	M 61-70			2022.6.27	150,000	0.01%	0	0.00%	15,000	0.00%	0	0.00%						
Director	Republic of China	Chiu, Ping-Ho	M 71-80	2022.6.27	3 years	2022.6.27	4,903,304	0.33%	4,903,304	0.33%	6,052	0.00%	0	0.00%	M.S., International Business Studies, National Taiwan University Director of AcBel Polytech Inc.	Note	-	-	-	-

Title	Nationality	Name	Gender Age	Date of appointment to position	Office Term (Years)	Date of First Elected	Shareholding when Owned Shares upon Assignment		Shareholding		Shareholding held by Spouse and minor Children		Holding shares in the name of others		Background	Other key positions held in other companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Director	Republic of China	Ruey Shinn Co., Ltd.	-	2022.6.27	3 years	2022.6.27	28,029,000	1.88%	28,029,000	1.87%	-	-	0	0.00%	Lehigh University /Industrial and Systems Engineering Vice Director of Compal Electronics, Inc.	Note	-	-	-	-
	Republic of China	Representative: Chen, Hsin-Tso	M 41-50		3 years	2022.6.27	62,025	0.00%	62,025	0.00%	0	0.00%	0	0.00%						
Director	Republic of China	Hsu, Chieh-Cheng	M 41-50	2022.6.27	3 years	2022.6.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Boston University School of Management International MBA Manager of PwC Financial Advisory Firm	Note	-	-	-	-
Independent Director	Republic of China	Hsieh, Fa-Dah	M 71-80	2022.6.27	3 years	2019.6.24	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.S. and B.S. Department of Economics, National Chengchi University Ambassador to the Singaporean Mission	Note	-	-	-	-
Independent Director	Republic of China	Huang, Chih-Peng	M 71-80	2022.6.27	3 years	2016.6.22	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA, Georgetown University, USA B.S., Public Finance, National Chengchi University Ambassador to the Vietnamese Mission	Note	-	-	-	-
Independent Director	Republic of China	Wu, Chung-Fern	F 61-70	2022.6.27	3 years	2022.6.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	University of California, Los Angeles (UCLA) Commissioner of the Financial Supervisory Commission (Government official) Professor of the Department of Accounting, College of Management, National Taiwan University	Note	-	-	-	-

Note: All directors currently hold other key positions in the Company and other companies.

Title	Name	Holding Key Positions in Other Companies	
Chairman / Group CEO	Ho Bao Investment Co., Ltd. Representative: Hsu, Sheng-Hsiung	Chairman	Compal Electronics, Inc. ,Cal-Comp Electronics(Thailand) Public Company Limited ,Teleport Access Services, Inc. ,Cal-Comp Electronics & Communication Co., Ltd. ,NTNU Innovation Investment Holding Company ,Gempal Technology Corp. ,Panpal Technology Corp. ,Hong Jin Investment Co., Ltd. ,Hong Ji Capital Co., Ltd. ,Compal Management (Chengdu) Co., Ltd. ,Compal Optoelectronics (Kunshan) Co., Ltd. ,Compal Investment (Sichuan) Co., Ltd. ,Compal Investment (Jiangsu) Co., Ltd. , Compal Information Technology (Kunshan) Co., Ltd. ,Compal Display Electronics (Kunshan) Co., Ltd. ,Compal Information (Kunshan) Co., Ltd. , Compal Electronics Technology (Kunshan) Co., Ltd. ,Compal Electronics (Chengdu) Co., Ltd. ,Compal Electronics (ChongQing) Co., Ltd. ,Compal Electronics, (China) Co., Ltd. ,Compal Digital Technology (Kunshan) Co., Ltd. ,Kunshan Botai Electronics Co., Ltd. ,Kinpo Electronics (China) Co., Ltd. ,Cal-Comp Semiconductor, Ltd. (formerly QBit Semiconductor Holding, Ltd.)
		Chairman /President	Kinpo Group Management Service Company, Cal-Comp Precision Holding Co., Ltd.
		Managing Director	Taiwan Biotech Co., Ltd.

Title	Name	Holding Key Positions in Other Companies	
		Director	Crownpo Technology Inc., Compal System Trading (Kunshan) Co., Ltd., Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Ascendant Private Equity Investment Ltd., Big Chance International Co., Ltd., Billion Sea Holdings Limited, Cal-Comp Electronics (USA) Co., Ltd., Cal-Comp Electronics de Mexico Co. S.A. de C.V., Cal-Comp Precision (Philippines), Inc., Cal-Comp Precision (Singapore) Limited, Cal-Comp Precision (Thailand) Limited, Cal-Comp USA (San Diego), Co., Inc., Center Mind International Co., Ltd., Compal Display Holding (HK) Limited, Compal Electronics (Holding) Ltd., Compal Electronics International Ltd., Compal International Holding Co., Ltd., Compal International Holding (HK) Limited, Compal International Ltd., Compal Mexico Electromex, S.A. de C.V., Compal Rayonnant Holdings Ltd., Confiar Land Corp., Core Profit Holdings Limited, Flight Global Holding Inc., Fortune Way Technology Corp., Goal Reach Enterprises Ltd., HengHao Holdings A Co., Ltd., HengHao Holdings B Co., Ltd., High Shine Industrial Corp., Intelligent Universal Enterprise Ltd., Jenpal international Ltd., Just International Ltd., Kinpo Electronics (Philippines), Inc., Kinpo International (Singapore) Pte. Ltd., Kinpo International Ltd., Lipo Holding Co., LTD., Prisco International Co., Ltd., Prospect Fortune Group Ltd., Ranashe International Ltd., Smart International Trading Ltd.
		Other	Honorary Chairman of the Chinese National Federation of Industries, Honorary Chairman of The Third Wednesday Club, Honorary Chairman of the Importers and Exporters Association of Taipei, Consultant of the Taiwan Electrical and Electronic Manufacturers' Association, Chairman of the China Productivity Center,Vice Chairman of the Straits Exchange Foundation,Vice Chairman of the Sinocon Industrial Standards Foundation
Director	Ko, Charng-Chyi	Chairman	Taiwan Biotech Co., Ltd.,Taiwan Venture Capital Co., Ltd.,T.B.C. Development and Construction Co., Ltd.,All For Health Biotech Co., Ltd., Evergene Biotech Industrial Co., Ltd.,Taiwan Chariston AMC Corp., Ltd,Weck Tech Biotech Co., Ltd.,Aseptic Innovative Medicine Co., Ltd., Global BioParma LTD.,Young & Health Care Resorts Inc.,Taiwan Veterans Pharmaceutical Co., Ltd,Yinfeng International, Inc., Long Yee Investment Co. Ltd.,Taiwan Venture Capital Co., Ltd., Yang Bi Li Education Foundation Of Management,Twin Luck Global Company Ltd.
		Vice Chairman	OmniHealth Group, Inc.
		Director	Compal Electronics, Inc.,Taiwan Carefor Home Pharmacy Co., Ltd., Genhealth Pharma Co., Ltd., SMARTINT, INC.,All Information Inc., Health,Welfare & Environment Foundation, Gold Precision Ltd., KKXC Integrated Management Holding (CYPRUS) Ltd., Optics Lab Inc., Syn Pharm Inc.
		Supervisor	Teleport Access Services, Inc. ,Sunny Special Dyeing & Finishing Co., Ltd. ,
		Managing Supervisor	Cross-Strait Health Care and Leisure Activities Association
	Ho, Mei-Yueh	Independent Director	ASE Technology Holding Co., Ltd., Center Laboratories Inc.,Acer Inc., Onward Therapeutics SA
	Panpal Technology Corp. Representative: Chen,Wei-Chang	Chairman	XYZprinting, Inc., Cal-Comp Asset Management, Inc., iHelper Inc., ICKP (Beijing) Technology Development Co., Ltd., Cal-Comp Precision (Dongguan) Limited, Cal-Comp Precision (Yueyang) Co., Ltd., Cal-Comp Big Data, Inc.(KunShan)., NKG Advanced Intelligence & Technology Development (Yue Yang) Co., Ltd., Cal-Comp Technology (Philippines), Inc., Cal Comp (Malaysia) SDN. BHD., Cal-Comp Precision (Philippines), Inc., Cal-Comp Electronics de Mexico Co., S.A. de C.V., Kinpo Electronics (Philippines) Inc., XYZLife (Philippines) Inc., XYZprinting Japan, Inc.
		Vice Chairman	PChome (Thailand) Co.,Ltd
		Chairman /President	Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Optical Electronics (Yueyang) Co., Ltd.
		Director	AcBel Polytech Inc., Cal-Comp Electronics (Thailand) Public Company Limited, HippoScreen Neurotech Corp., Kinpo Group Management Service Company, XYZprinting (Suzhou) Co., Ltd., Cal-Comp Electronics & Communication Co., Ltd., Cal-Comp Precision Holding Co., Ltd.,Ascendant Private Equity Investment Ltd., Cal-comp Industria De Semicondutores S.A., Cal-Comp Precision (Malaysia) SDN. BHD., Cal-Comp Precision (Singapore) Limited, Cal-Comp Precision (Thailand) Limited, Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd., Castlenet Technology (BVI) Inc., Kinpo International (Singapore) Pte. Ltd., Kinpo International Ltd., Logistar International Holding Company Limited, Shennona Corporation, XYZprinting Netherlands, B.V., XYZprinting (Thailand) Co., Ltd.
		Director / President	Kinpo Electronics (China) Co., Ltd., Cal-Comp Electronics (USA) Co., Ltd, Cal-Comp USA (San Diego), Co., Inc., XYZ printing, Inc. (USA) ,Cal-Comp Semiconductor, Ltd. (formerly QBit Semiconductor Holding, Ltd.)
	Tai-Yen Industrial Co., Ltd. Representative: Hung,Yung-Chen	Director	Hua Vi Venture Capital Corporation
		Independent Director	President Chain Store Corporation
	Chiu, Ping-Ho	Director	Acbel Polytech Inc., Power Station Holdings Ltd., Hsu Chauing Social Welfare Charity Foundation,The Pure Fragrance Charitable Foundation
		Supervisor	Crownpo Technology Inc. ,Zigong Art Sharing Co., Ltd. ,Zigong Smart Sporting Co., Ltd. , AcBel Electronic(Dong Guan)Co.,Ltd. , AcBel Electronic (Wuhan) Co., Ltd.

Title	Name	Holding Key Positions in Other Companies	
	Ruey Shinn Co., Ltd. Representative: Chen, Hsin-Tso	Director	Ruey Shinn Co., Ltd., Arce Therapeutics, Inc.
		Director / President	River Regeneration and Rejuvenation Biotechnology Co. Ltd.
		Director / Executive Vice President	Raypal Biomedical Co., Ltd.
		Senior Director	Compal Electronics, Inc.
	Hsu, Chieh-Cheng	Director	Anthroposophy Education Foundation
		Director / Manager	Integrate Investment Corp
Independent Director	Hsieh, Fa-Dah	Chairman	Abico Asia Capital Co., Ltd.
		Director	Excelsior Capital Management Co., Ltd
	Huang, Chih-Peng	Independent Director	Ampacs Corporation ,Mai-Liao Power Corporation
	Wu, Chung-Fern	Independent Director	Everlight Chemical Industrial Corporation, Taiwan Sugar Corporation, Chunghwa Precision Test Tech. Co., Ltd

Main legal person

April 8, 2024

Name of Legal entity	Main legal person	%
Panpal Technology Corp.	Compal Electronics, Inc.	100.00 %
Tai-Yen Industrial Co., Ltd.	Shen, Kun-Chao	29.00 %
	Shen Jin-gtai	42.00 %
	Shen,Tsai Lai- Shun	29.00 %
Ho Bao Investment Co., Ltd.	Hsu, Chieh-Li	45.76 %
	Tsai, Li-Chu	20.06 %
	Hsu, Chun-Chi	17.09 %
	Hsu,Yung-Hsu	17.09 %
Ruey Shinn Co., Ltd.	Chen, Hsin-Chung	33.34 %
	Chen, Hsin-Tso	33.33 %
	Chen, Hsin-Yu	33.33 %

Major shareholders of the major shareholders that are juridical persons

April 2, 2024

Name of juridical persons	Major shareholders of the juridical persons	%
Compal Electronics, Inc.	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	6.97 %
	Yuanta/P-shares Taiwan Dividend Plus ETF	4.27 %
	Kinpo Electronics, Inc.	3.44 %
	New Labor Pension Fund	2.39 %
	Yuanta Taiwan High Dividend Low Volatility ETF	1.59 %
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.28 %
	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1.25 %
	JP Morgan Chase Bank Custody ABP Retirement Fund Investment Account	1.23 %
	Citibank (Taiwan) Ltd. in custody for Norges Bank	1.10 %
	Labor Insurance Fund	0.87 %

3.2.2. Professional qualifications and independence analysis of directors

Criteria / Name	Professional Qualifications with experiences (Note 1)	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Hsu, Sheng-Hsiung	Having Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	-	-
Director Ko, Charng-Chyi	Having CPA License, Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Act.	-	-
Director Ho, Mei-Yueh	Having Finance & Accounting Knowledge, Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	-	3
Director Chen, Wei-Chang	Having Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	-	-
Director Hung, Yung-Chen	Having Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	-	1
Director Chiu, Ping-Ho	Having Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	-	-
Director Chen, Hsin-Tso	Having Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	-	-
Director Hsu, Chieh-Cheng	Having Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	-	-

Criteria / Name	Professional Qualifications with experiences (Note 1)	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Hsieh, Fa-Dah	Having Finance & Accounting Knowledge, Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	Note 2	-
Independent Director Huang, Chih-Peng	Having Finance & Accounting Knowledge, Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	Note 2	2
Independent Director Wu, Chung-Fern	Having Finance & Accounting Knowledge, Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer major experience & education as previous section (1) Director information; None against Article 30 of the Company Law.	Note 2	3

Note 1: Professional qualifications and experience: state the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and whether there is no company Act Article 30 of each case.

Note 2: The independence situation of the Independent Director:

Independence Criteria	Hsieh, Fa-Dah	Huang, Chih-Peng	Wu, Chung-Fern
1. Neither I, my spouse, nor my relatives within two degrees of kinship have taken up the role of Director, Supervisor, or employee in the Company or its related enterprises.	✓	✓	✓
2. Not served as a director, supervisor, or employee of a company with a specific relationship with The Company (refer to the provisions of Article 3, Paragraph 1, Items 5 to 8 of the regulations on the establishment of independent directors and things to be followed by publicly issued companies).	✓	✓	✓
3. The number and proportion of shares held by myself, Spouse, and relatives within two degrees of kinship (or Holding shares in the name of others).	none		
4. The amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its Relation in the last two years.	none		

3.2.3. The Diversity & Indepen dence of the Board of Directors

1. The Diversity of the Board of Directors:

(1) In accordance with the Company's Corporate Governance Practice Code and the Corporate Governance Practice Code for TWSE/TPEx Listed Company, the composition of the Board of Directors should be diversified. In addition to the Directors who also serve as the Company's Management should not exceed one-third of the total seats of the Directors, it should be appropriate to formulate a diversification policy for its own operations, operational style, and development needs. The policy should include, but is not limited to, the following two types of standards:

- Basic conditions and values: Gender, age, nationality, and culture, etc., of which the proportion of female directors should reach one-third of the board seats.
- Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, industry experience, etc.

Members of the Board of Directors should generally possess the knowledge, skills, and qualities necessary to perform their duties. To achieve the ideal goal of corporate governance, the abilities that the board should possess are as follows:

- Operating Judgment Ability.
- Accounting and Financial Analysis Ability.
- Operating Management Ability.
- Crisis Management Ability.
- Industry Knowledge.
- International Market View.
- Leadership Ability.
- Decision-making ability.

(2) The specific management objectives and achievements of the Company's diversity policy are as follows:

Management Objectives	Achievement Status
Gradually increase the number of Directors of different Genders.	There are two directors of different genders.
The directors who also serve as Managerial officer do not exceed one-third of the total board seats.	Achieved

(3) The implementation status of the board members' diversity policy is as follows:

Title		Chairman	Director							Independent Director		
Name		Hsu, Sheng-Hsiung	Ko, Charng-Chyi	Ho, Mei-Yueh	Chen, Wei-Chang	Hung, Yung-Chen	Chiu, Ping-Ho	Chen, Hsin-Tso	Hsu, Chieh-Cheng	Hsieh, Fa-Dah	Huang, Chih-Peng	Wu, Chung-Fern
Gender		M	M	F	M	M	M	M	M	M	M	F
Age Distribution	41-50							✓	✓			
	51-60											
	61-70				✓	✓						✓
	71-80	✓		✓			✓			✓	✓	
	81-90		✓									
Nationality		Republic of China										
Serving concurrently as an employee of the Company		✓			✓							
Consecutive terms of independent Director										2	3	1
Major Areas of Diversity Policy												
Business Decision-Making		✓		✓	✓	✓	✓	✓		✓	✓	✓
Leadership and Command		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Industry Expertise		✓			✓	✓	✓	✓	✓	✓	✓	✓
Macroeconomics and Global Perspective		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Law and Financial Accounting		✓	✓	✓					✓	✓	✓	✓

2. Independence of the Board of Directors:

The procedures for the election of all directors of the Company are public and fair, in compliance with the company's "Articles of Incorporation", "Director Election Regulations", "Corporate Governance Best Practice Principles", "Regulations on the Establishment of Independent Directors and Matters to be Obeyed by Public Offering Companies", and "Article 14-2 of the Securities and Exchange Act" and other regulations. The current Board of Directors is composed of 3 Independent Directors (27.2%), 8 non-independent Directors (72.8%), including 2 Directors with a Management status (18.2%, not exceeding one-third of all Director positions). All Directors do not have a Spousal or close Relative Relationship, in compliance with the provisions of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

The Board of Directors of the Company guides the company's strategy, supervises the management level, and is responsible for the company and its shareholders. In all aspects of corporate governance systems and arrangements, the Board of Directors exercises its powers in accordance with laws, company articles, or shareholders' meeting resolutions. The Company's board emphasizes the functionality of independent operation and transparency. Both directors and independent directors are independent entities exercising their powers independently. The three Independent Directors also comply with relevant legal regulations, coupled with the powers of the Audit Committee, to review the control and management of the Company's existing or potential risks, in order to effectively supervise the implementation of the Company's internal control, the independence of certified public accountants, and the proper preparation of financial statements.

3.2.4. President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Units and Branches Information

April 8, 2024

Title	Nationality	Name	Gender	Date of appointment to position (Note 1)	Shareholding		Shareholding held by Spouse and minor Children		Holding shares in the name of others		Background	Current concurrent positions at other companies	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remark
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Group CEO	Republic of China	Hsu, Sheng-Hsiung	M	2022.8.11	13,683,942	0.91%	21,678,723	1.44%	0	0.00%	B.S.,Chinese National Taiwan Normal University Honorable Ph.D, in philosophy National Taiwan Normal University,	Please refer to page 10 for director information.	-	-	-	-
President	Republic of China	Chen, Wei-Chang	M	2020.05.13	5,064,000	0.34%	0	0.00%	0	0.00%	BS, Electrical Engineering, National Taiwan Ocean University	Please refer to page 11 for director information.	-	-	-	-
Senior Vice President	Republic of China	Huang, Yu-Hui	M	2007.1.1	4,082,382	0.27%	0	0.00%	0	0.00%	MBA, Pacific Western University	Note 3	-	-	-	-
Vice President	Republic of China	Wong, Yee Lok Kirby	M	2008.4.1	169,000	0.01%	104	0.00%	0	0.00%	Department of Mechanical Engineering, University of New South Wales, Australia	Note 3	-	-	-	-
Vice President	Republic of China	Lo, Guo-Lun	M	2011.1.1	573,700	0.04%	840	0.00%	0	0.00%	Master of Science in Manufacturing Engineering, Carroll University	Note 3	-	-	-	-
Vice President	Republic of China	Yu, Shih-Tung	M	2020.8.13	260,000	0.02%	249,000	0.02%	0	0.00%	MBA, Pacific Western University	Note 3	-	-	-	-
Vice President	Republic of China	Chen, Pei-Yuan	M	2020.8.13	2,338,372	0.16%	416,293	0.03%	0	0.00%	International trade, Hsing Wu University	Note 3	-	-	-	-
Vice President	Republic of China	Lin , Dah-Jiun	M	2021.06.01	80,000	0.01%	0	0.00%	0	0.00%	Master of Engineering Management, George Washington University	-	-	-	-	-
Head of Corporate Governance	Republic of China	Hsiao, Chin-Hua (Note 2)	M	2020.6.27	96,000	0.00%	0	0.00%	0	0.00%	Master of Finance and Accounting Research Institute, Macquarie University, Australia	Note 3	-	-	-	-
Head of Corporate Governance	Republic of China	Lin, Cheng-Hsien (Note 2)	M	2023.11.14	30,000	0.00%	0	0.00%	0	0.00%	Master of Finance and Taxation, National Cheng Chi University	Note 3	-	-	-	-
Chief of Accounting & Financial	Republic of China	Yu, Chien-Hui	F	2015.11.11 2016.03.18	711,000	0.05%	3,000	0.00%	0	0.00%	MS Accounting, National Taiwan University	Note 3	-	-	-	-

Note 1: The date hereof refers to the date the person appoints the position of managerial officer or the date specified in the original Tai-Ze-Zheng-Zi No.09200013O1 letter issued by the Securities and Futures Commission, Ministry of Finance on March 27, 2003.

Note 2: Mr. Hsiao, Chin-Hua resigned on October 26, 2023; on November 14, 2023, the Board of Directors appointed Mr. Lin, Cheng-Hsien, the Director of the General Affairs Office, as the Head of Corporate Governance.

Note 3: All members of the management team currently hold other key positions in the Company and other companies.

Title	Name	Holding Key Positions in Other Companies	
Senior Vice President	Huang, Yu-Hui	Chairman /President	XYZprinting (Suzhou) Co., Ltd.
		Director	CastleNet Technology Inc., ICKP (Beijing) Technology Development Co., Ltd., ICKP (Beijing) Technology Development Co., Ltd., Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Precision (Yue Yang) Co., Ltd., Cal-Comp Precision (Dongguan) Limited, SynQ Technology Ltd.
		Director / President	CastleNet Technology Inc. (Kunshan), NKG Advanced Intelligence and Technology Development (Yue Yang) Co., Ltd.
		Vice President	Kinpo Electronics (China) Co., Ltd.
Vice President	Wong, Yee Lok Kirby	Director	Cal-Comp Precision (Singapore) Limited、Cal-Comp Semiconductor, Ltd. (Formerly known as QBit Semiconductor Holding, Ltd.)
		Supervisor	QBit Semiconductor Ltd.
		President	Cal-Comp Technology (Philippines), Inc.
Vice President	Lo, Guo-Lun	Director	Cal-Comp Technology (Philippines), Inc.、XYZLife (Philippines) Inc.
Vice President	Yu, Shih-Tung	Director	XYZprinting (SuZhou) Co., Ltd., ICKP (Beijing) Technology Development Co., Ltd.
Vice President	Chen, Pei-Yuan	Director	SynQ Technology Ltd.
Head of Corporate Governance (Note 2)	Hsiao, Chin-Hua	Director	CastleNet Technology Inc. (Kunshan)
		Supervisor	SynQ Technology Ltd.
Head of Corporate Governance (Note 2)	Lin, Cheng-Hsien	Director	CastleNet Technology Inc., Hongyi optical Co., Ltd., Crownpo Technology Inc., Norm Pacific Automation Corp., Teleport Access Services, Inc., iHelper Inc., Prudence Venture Investment Corp, QBit Semiconductor Ltd. , McTec Taiwan Ltd.
		Supervisor	ICKP (Beijing) Technology Development Co., Ltd., Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Kinpo Electronics (China) Co., Ltd., Cal-Comp Optical Electronics (Yue Yang) Co., Ltd., Cal-Comp Precision (Yue Yang) Co., Ltd., Li-Cheng Materials Corporation
Chief of Accounting & Financial	Yu, Chien-Hui	Director	Kinpo International (Singapore) Pte. Ltd.、Castlenet Technology (BVI) Inc.
		Director / CFO	Cal-Comp Electronics (USA) Co., Ltd.
		Supervisor	Cal-Comp Electronics & Communication Co., Ltd., XYZprinting, Inc., XYZprinting (Suzhou) Co., Ltd., Cal-Comp Precision (Dongguan) Limited, NKG Advanced Intelligence and Technology Development (Yue Yang) Co., Ltd.
		CFO	Cal-Comp USA (San Diego), Co., Inc.、XYZprinting, Inc. (USA)

3.3. Remuneration paid during the most recent fiscal year to directors, the general managers and vice general managers

3.3.1. Remuneration of Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Remuneration								The sum of A, B, C and D as a percentage of after-tax profits		Remuneration as an employee								The sum of A, B , D , E, F and G as a percentage of after-tax profits		Remuneration from ventures other than subsidiaries or from the parent company
		Remuneration (A)		Pension(B)		Remuneration from earnings appropriation (C)		Business department implementation Fees for services rendered (D)				Salaries, bonuses, special allowances, etc (E)		Retirement pension (F)		Share of profits as an employee (G)						
																The Company		All companies included in the financial statements				
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companiesi ncluded in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash	Cash Stock	Cash	Cash Stock	The Company	All companies included in the financial statements	
Chairman	Ho Bao Investment Co., Ltd. Representative: Hsu, Sheng-Hsiung	0	6,915	0	0	11,407	11,407	1,690	2,277	1.74%	2.74%	37,705	51,934	108	216	17,600	0	17,600	0	9.12%	12.03%	15,492
Director	Ko, Charng-Chyi																					
Director	Ho, Mei-Yueh																					
Director	Panpal Technology Corp. Representative: Chen, Wei-Chang																					
Director	Tai-Yen Industrial Co., Ltd. Representative: Hung, Yung-Chen																					
Director	Chiu, Ping-Ho																					
Director	Ruey Shinn Co., Ltd. Representative: Chen, Hsin-Tso																					
Director	Hsu, Chieh-Cheng																					
Independent Director	Hsieh, Fa-Dah Huang, Chih-Peng Wu, Chung-Fern	6,506	6,506	0	0	0	0	598	598	0.95%	0.95%	0	0	0	0	0	0	0	0	0.95%	0.95%	0

1. Please state the remuneration payment policy, system, standard and structure of Independent Directors, and the relationship between factors such as the responsibilities, risks and time devoted, and the amount of remuneration: The remuneration of Independent Directors shall be submitted by the remuneration committee to the Board of Directors and decided by the Board of Directors, which depended on personal participation in and contribution to the Company's business and benchmarks within the same industry according to the "Articles of Association".
2. Remuneration collected by Directors for their services (i.e. acting as advisor for non employees) as disclosed in the Financial Report in the most recent year not shown in the table: None.

Table of Remuneration Ranges

Range of Remuneration Paid to Directors	Names of Directors			
	Aggregate of First Four Items of Remuneration (A+B+C+D)		Aggregate of First Seven Items of Remuneration (A+B+C+D+E+F+G)	
	The Company	All consolidated entities (H)	The Company	Parent company and all investee enterprises (I)
Below NT$1,000,000	Hsu, Sheng-Hsiung, Chen, Wei-Chang, Hung, Yung-Chen, Chen, Hsin-Tso, Tai-Yen Industrial Co., Ltd., Ruey Shinn Co., Ltd.	Hung, Yung-Chen, Chen, Hsin-Tso, Tai-Yen Industrial Co., Ltd., Ruey Shinn Co., Ltd.	Hung, Yung-Chen, Chen, Hsin-Tso, Tai-Yen Industrial Co., Ltd., Ruey Shinn Co., Ltd.	Hung, Yung-Chen, Tai-Yen Industrial Co., Ltd., Ruey Shinn Co., Ltd.
NT$1,000,000(incl.)~ NT$2,000,000(excl.)	Ko, Charng-Chyi, Ho, Mei-Yueh, Chiu, Ping-Ho, Hsu, Chieh-Cheng, Panpal Technology Corp.	Ko, Charng-Chyi, Ho, Mei-Yueh, Chen, Wei-Chang, Chiu, Ping-Ho, Hsu, Chieh-Cheng, Panpal Technology Corp.	Ko, Charng-Chyi, Ho, Mei-Yueh, Chiu, Ping-Ho, Hsu, Chieh-Cheng, Panpal Technology Corp.	Ho, Mei-Yueh, Chiu, Ping-Ho, Hsu, Chieh-Cheng, Panpal Technology Corp.
NT$2,000,000(incl.)~ NT$3,500,000(excl.)	Hsieh, Fa-Dah, Huang, Chih-Peng, Wu, Chung-Fern	Hsieh, Fa-Dah, Huang, Chih-Peng, Wu, Chung-Fern	Hsieh, Fa-Dah, Huang, Chih-Peng, Wu, Chung-Fern	Chen, Hsin-Tso, Hsieh, Fa-Dah, Huang, Chih-Peng, Wu, Chung-Fern
NT$3,500,000(incl.)~ NT$5,000,000(excl.)	Ho Bao Investment Co., Ltd.	Ho Bao Investment Co., Ltd.	Ho Bao Investment Co., Ltd.	Ho Bao Investment Co., Ltd.
NT$5,000,000(incl.)~ NT$10,000,000(excl.)		Hsu, Sheng-Hsiung		Ko, Chang-Chyi
NT$10,000,000(incl.)~ NT$15,000,000(excl.)				
NT$15,000,000(incl.)~ NT$30,000,000(excl.)			Hsu, Sheng-Hsiung	
NT$30,000,000(incl.)~ NT$50,000,000(excl.)			Chen, Wei-Chang	Hsu, Sheng-Hsiung, Chen, Wei-Chang
NT$50,000,000(incl.)~ NT$100,000,000(excl.)				
Above NT$100,000,000				
Total (the names of the corporate shareholder and its representative shall be stated separately)	15	15	15	15

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). The kind and cost of the assets provided, the actual prices of fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the company's payment for the driver, but not included in remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. The kind and cost of the assets provided, the actual prices of fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the company's payment for the driver, but not included in remuneration. The salary expenses are recognized in accordance with IFRS 2 "Share-based payment", including shares acquired under employee stock option, restricted new shares to employees and shares acquired from participation in cash capital increase option and so forth. They shall also be included in the remuneration.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.

Note 9: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).

Note 10: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 11:

a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").
b. If the directors of the Company receive the remuneration from the invested companies other than subsidiaries, the remuneration shall be merged with the column I of the emolument bracket sheet; and the name of the column shall be changed to "Remuneration from Invested Companies Other Than Subsidiaries".
c. Remuneration refers to the emolument (including employees, directors and supervisors emoluments) and business operation expense, etc., for directors of the Company as they are directors, supervisors or managers of invested companies other than subsidiaries.

■ The content of the remuneration disclosed in this sheet is different from the concept of the Income Tax Act. Therefore, the purpose of this sheet is only for information disclosure but not for withholding tax.

3.3.2. Remuneration of the President and Vice Presidents

2023 Unit: NT$ thousands

Title	Name	Remuneration(A) (Note 2)		Pension(B)		Rewards and special disbursements (C) (Note 3)		Employee Bonus (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%)(Note 8)		Remuneration from Invested Companies other than Subsidiaries (E) (Note 9)
								The Company		All Companies in the Consolidated Financial Statements (Note 5) H				
		The Company	All Companies in the Consolidated Financial Statements Pension (F)	The Company	All Companies in the Consolidated Financial Statements Pension (F)	The Company	All Companies in the Consolidated Financial Statements Pension (F)	Cash	Cash Stock	Cash	Cash Stock	The Company	All Companies in the Consolidated Financial Statements	
Group CEO	Hsu, Sheng-Hsiung	31,257	40,211	2,036	2,144	40,400	45,763	23,900	0	23,900	0	12.99%	14.92%	7,577
President	Chen, Wei-Chang													
Senior Vice President	Huang, Yu-Hui													
Vice President	Wong, Yee Lok Kirby													
Vice President	Lo, Guo-Lun													
Vice President	Yu, Shih-Tung													
Vice President	Chen, Pei-Yuan													
Vice President	Lin , Dah-Jiun													

■ Disclosures must be made for all persons in positions equivalent to general manager or assistant general manager, regardless of job title (e.g., president, chief executive officer, chief administrative officer…etc.)

Table of Remuneration Ranges

Range of Remuneration Paid to General Managers and Vice General Managers	Names of General Managers and Vice General Managers	
	The Company (Note 6)	Parent company and all investee enterprises (Note 7) E
Below NT$1,000,000		
NT$1,000,000(incl.)~ NT$2,000,000(excl.)		
NT$2,000,000(incl.)~ NT$3,500,000(excl.)		
NT$3,500,000(incl.)~ NT$5,000,000(excl.)		
NT$5,000,000(incl.)~ NT$10,000,000(excl.)	Huang, Yu-Hui, Wong, Yee Lok Kirby, Lo, Guo-Lun, Yu, Shih-Tung, Chen, Pei-Yuan, Lin , Dah-Jiun	Huang, Yu-Hui, Wong, Yee Lok Kirby, Lo, Guo-Lun, Yu, Shih-Tung, Chen, Pei-Yuan, Lin , Dah-Jiun
NT$10,000,000(incl.)~ NT$15,000,000(excl.)		
NT$15,000,000(incl.)~ NT$30,000,000(excl.)	Hsu, Sheng-Hsiung	
NT$30,000,000(incl.)~ NT$50,000,000(excl.)	Chen, Wei-Chang	Hsu, Sheng-Hsiung, Chen, Wei-Chang
NT$50,000,000(incl.)~ NT$100,000,000(excl.)		
Above NT$100,000,000		
Total	8 persons	8 persons

Note 1: The name of each general manager and assistant general manager shall be stated separately, based on the amount of the aggregated remuneration items paid to each.

Note 2: This includes salary, duty allowances, and severance pay to the general manager(s) and assistant general manager(s) in the most recent fiscal year.

Note 3: This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the general manager(s) and assistant general managers(s) in the most recent fiscal year. The kind and cost of the assets provided, the actual prices of fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the company's payment for the driver, but not included in remuneration. The salary expenses are recognized in accordance with IFRS 2 "Share-based payment", including shares acquired under employee stock option, restricted new shares to employees and shares acquired from participation in cash capital increase option and so forth. They shall also be included in the remuneration.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the general manager(s) and assistant general manager(s) as approved or expected to be approved by the board of directors for the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year.

Note 5: Disclose the total amount of remuneration in each category paid to the general manager(s) and assistant general manager(s) by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager by the Company.

Note 7: Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9:

a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and assistant general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").
b. If the general managers or vice general managers of the Company receive the emoluments from the invested companies other then subsidiaries, the remuneration shall be merged with the column E of the remuneration bracket sheet; and the name of the column shall be changed to "Remuneration from the Company and its Invested companies".
c. Remuneration refers to the emolument (including employee, director and supervisor's emoluments) and business operation expense, etc. for Other Than Subsidiaries general managers and vice general managers of the Company as they are directors, supervisors or managers of invested companies other than subsidiaries.

■ the content of the remuneration disclosed in this sheet is different from the concept of the Income Tax Act. Therefore, the purpose of this sheet is only for information disclosure but not for withholding tax.

3.3.3. Earnings distribution as employees' remuneration to management team

Unit: NT$ thousands

	Title	Name	Cash Stock	Cash	Total	Total as a percentage of after-tax profits (%)
Management	Group CEO	Hsu, Sheng-Hsiung	0	25,240	25,240	3.36%
	President	Chen, Wei-Chang				
	Senior Vice President	Huang, Yu-Hui				
	Vice President	Wong, Yee Lok Kirby				
	Vice President	Lo, Guo-Lun				
	Vice President	Yu, Shih-Tung				
	Vice President	Chen, Pei-Yuan				
	Vice President	Lin , Dah-Jiun				
	Head of Corporate Governance (Note 1)	Hsiao, Chin-Hua				
	Head of Corporate Governance (Note 1)	Lin, Cheng-Hsien				
	Chief of Accounting & Financial	Yu, Chien-Hui				

Note 1: Mr. Hsiao, Chin-Hua resigned on October 26, 2023; on November 14, 2023, the Board of Directors appointed Mr. Lin, Cheng- Hsien, the Director of the General Affairs Office, as the Head of Corporate Governance.

Note 2: The remuneration of the employees for the year of 2023 was approved by the Company's Board of Directors on March 11, 2024, and the above amount is an estimate of the proposed distribution.

Note 3: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 4: The applicable scope of "managerial officers" is defined under the March 27, 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:

(1) General Manager and equivalent
(2) Vice general manager and equivalent
(3) Associate general manager and equivalent
(4) Head of finance department
(5) Head of accounting department
(6) Other person who have the rights to manage affairs nd sign for the company

3.3.4. Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents, and Vice Presidents

1. The percentage of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to Directors, supervisors, presidents, and vice presidents of the Company, relative to net income.

Unit: NT$ thousands

Items	2022		2023	
	Amount	%	Amount	%
Director President/ Vice President	174,036	17.19%	155,213	20.67%
Profit after Income Tax	1,012,463		751,037	

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and correlation with business performance.

(1) Director remuneration: In accordance with Article 26 of the Company's Articles of Association, the Company, if profitable in the year, shall set aside no less than 2% of the profit as remuneration for the employees and no higher than 2% as remuneration for the directors.

(2) Directors and Independent Directors all receive travel expenses (i.e. business operation expenses). Independent Directors receive a fixed salary and do not participate in the distribution of Director remuneration; General Directors do not receive a fixed salary, but participate in the Director remuneration distribution.

(3) The Remuneration Committee refers to the performance evaluation results of the board of directors, reports to the board of directors, and proposes specific suggestions as a reference for issuing director remuneration.

(4) The remuneration for positions such as the President and Vice President is based on the position, contribution to the Company, and reference to industry standards, and is handled in accordance with the Company's HR Policy. For example, KPI achievement, various financial business indicators, absence status, and training hours, etc.

(5) The procedure for determining the remuneration of Directors, President/ Vice President: Set annual performance indicators → annual performance (including board of Directors performance) evaluation → remuneration amount verification → remuneration committee review → board of Directors approval → release.

(6) The linkage to operating performance and future risk exposure: In order to enhance long-term competitiveness and sustainable operation, the Company's principles of remuneration are fully linked to performance. Comprehensive evaluation items such as the Company's operating performance (revenue, net income after tax, etc.), overall salaries and individual performance are taken into account. Differentiated grants are made according to individual contributions to implement a performance-oriented incentive system. The Company's management level's crucial decisions all take into account various risk factors. The performance of these decisions is reflected in the Company's profitability and review the remuneration system accordingly, to balance the Company's sustainable operation and risk control.

The remuneration for the company's directors is determined according to the company's articles of incorporation and is based on the company's annual profitability, thus closely linked to operational performance. The company's Compensation Committee reviews the remuneration system based on the directors' contributions to the Board of Directors and the company's operations, including considerations of future business risks, environmental protection, and sustainable development.

3.4. Implementation of Corporate Governance

3.4.1. Board of Directors

In the year 2023, the Board of Directors held 7 meetings (A). The attendance of the directors is as follows:

Title	Name (Note 1)	No. of meetings attended in person (B)	By Proxy	In-person attendance rate (%) 【B/A】(Note 2)	Remark
Chairman	Ho Bao Investment Co., Ltd. Representative: Hsu, Sheng-Hsiung	7	0	100%	-
Director	Ko, Charng-Chyi	7	0	100%	-
Director	Ho, Mei-Yueh	5	2	71%	-
Director	Panpal Technology Corp. Representative: Chen, Wei-Chang	7	0	100%	-
Director	Tai-Yen Industrial Co., Ltd. Representative: Hung, Yung-Chen	4	1	57%	-
Director	Chiu, Ping-Ho	5	2	71%	-
Director	Ruey Shinn Co., Ltd. Representative: Chen, Hsin-Tso	6	1	86%	-
Director	Hsu, Chieh-Cheng	7	0	100%	-
Independent Director	Hsieh, Fa-Dah	7	0	100%	-
Independent Director	Huang, Chih-Peng	7	0	100%	-
Independent Director	Wu, Chung-Fern	7	0	100%	-

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2:

(1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

Other mentionable items:

1. If the operation of the board of directors meets any of the following situations, the board meeting date, session, agenda items, opinions of all independent directors and the company's handling of the opinions of independent directors shall be stated:

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

Board meeting date, Session	Agenda items	Opinions of independent directors	Handling the opinions of independent directors
2023/03/10 The 4th Meeting of the 19th Session	Amendments to the "Rules of Shareholders' Meeting" of the Company.	Approved as proposed	Implemented in accordance with the resolution
	Amendments to some provisions of the Company's "internal major information processing procedures".	Approved as proposed	
	Amendments to some provisions of the "Corporate Governance Practice Guide" of the Company.	Approved as proposed	
	Amendments to some provisions of the "Performance Evaluation Methods for the Board of Directors and Functional Committees" of the Company.	Approved as proposed	
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	Approved as proposed	
	Evaluation of the accountant independence and suitability of the company.	Approved as proposed	
	Discussion on Appointment and Remuneration of CPA of the Company.	Approved as proposed	
	Proposal for increasing capital in the subsidiary company, XYZprinting, Inc.	Approved as proposed	
	Proposal for Endorsement and guarantee for its subsidiaries.	Approved as proposed	
	Proposal for the Company's loan of funds to subsidiaries	Approved as proposed	
	Proposal to amend the "Procedures for Lending Funds to Other Parties".	Approved as proposed	
2023/05/15 The 5th Meeting of the 19th Session	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	Approved as proposed	Implemented in accordance with the resolution
	Proposal for the Company's Treasury stock transfer to employees.	Approved as proposed	
	Proposal for the endorsement and guarantee for its subsidiaries	Approved as proposed	
	Proposal for the Company's loan of funds to subsidiaries	Approved as proposed	
2023/06/19 The 6th Meeting of the 19th Session	The Company's participation in the cash capital increase subscription case of AcBel Polytech Inc.	Approved as proposed	Implemented in accordance with the resolution
2023/08/14 The 7th Meeting of the 19th Session	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	Approved as proposed	Implemented in accordance with the resolution
	Proposal for the Company applies for the syndicated loan to Mega International Commercial Bank and other syndicated banks.	Approved as proposed	
	Proposal for the Company's endorsement guarantee to its subsidiaries.	Approved as proposed	
	Proposal for the Company's loan of funds to subsidiaries.	Approved as proposed	

Board meeting date, Session	Agenda items	Opinions of independent directors	Handling the opinions of independent directors
2023/09/07 The 8th Meeting of the 19th Session	Subscription for Cal-Comp Electronics (Thailand) Public Company Limited's cash capital increase.	Approved as proposed	Implemented in accordance with the resolution
2023/11/14 The 9th Meeting of the 19th Session	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	Approved as proposed	Implemented in accordance with the resolution
	Proposal for the Company's endorsement guarantee to its subsidiaries.	Approved as proposed	
	Proposal for the Company's loan of funds to subsidiaries.	Approved as proposed	
2023/12/29 The 10th Meeting of the 19th Session	Proposal for the endorsement and guarantee for its subsidiaries.	Approved as proposed	Implemented in accordance with the resolution
	Proposal for the Company's loan of funds to subsidiaries and between subsidiaries.	Approved as proposed	
	Discussion on Appointment and Remuneration of CPA of the Company.	Approved as proposed	

(2) Other agenda items that involve the objection or reservation of independent directors of which the opinion is recorded or stated in writing: None

2. In the case of a director's avoidance of motions in conflict of interest, the director's name, agenda item, reason for the avoidance and voting shall be stated:

Board meeting date, Session	Agenda item, reasons for the director's avoidance of conflicts of interest and voting participation.
2023/03/10 The 4th Meeting of the 19th Session	■ 2022 Remuneration of employees and directors of the Company. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, who also serve as the Group CEO and President of the Company respectively, recused themselves from the review of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ The Company's 2023 annual salary adjustment. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, who also serve as the Group CEO and President of the Company respectively, recused themselves from the review of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ 2023 annual Dragon Boat Festival and Mid-Autumn Festival bonuses of the Employees. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, who also serve as the Group CEO and President of the Company respectively, recused themselves from the review of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ The 2023 remuneration case for the Company's directors, managerial officers, who are also serving as directors, managerial officers and hold other titles in the subsidiary companies. Chairman Hsu, Sheng-Hsiung, Director Chen, Wei-Chang, and Director Chiu, Ping-He, due to their concurrent positions as Directors or Managerial officers of its subsidiaries, recused themselves from the discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Proposal for the capital increase for subsidiary XYZprinting, Inc. Director Chen, Wei-Chang is a Director of XYZ Printing Inc.; Chairman Hsu, Sheng-Hsiung and XYZ Printing Inc. Director Hsu, Chieh-Li are immediate relatives. Therefore, they recused themselves from the discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation

Board meeting date, Session	Agenda item, reasons for the director's avoidance of conflicts of interest and voting participation.
	by the acting Chairman. ■ Endorsement and guarantee for its subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction company in this case; Director Hsu, Chieh-Cheng and Director of Kinpo International Ltd. Hsu, Sheng-Chieh are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Fund lending case of subsidiaries. Director Chen, Wei-Chang is a director of the transaction company; Chairman Hsu, Sheng-Hsiung and the director of XYZprinting, Inc, Hsu, Chieh-Li are immediate relatives; Director Hsu, Chieh-Cheng and Kinpo International Ltd. director Hsu, Sheng-Chieh are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman.
2023/05/15 The 5th Meeting of the 19th Session	■ Proposal for the Company's Treasury stock transfer to employees. Director Chen, Wei-Chang also serves as the President of the Company and is the subject of discussion for this case. Therefore, he recused himself from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Endorsement and guarantee for its subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction company in this case; Director Hsu, Chieh-Cheng and Director of Kinpo International Ltd. Hsu, Sheng-Chieh are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Fund lending case of subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction company in this case; Director Hsu, Chieh-Cheng and Director of Kinpo International Ltd. Hsu, Sheng-Chieh are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Issued the letter of support to financial institutions for its subsidiaries. Chairman Hsu, Sheng-Hsiung and the Director of the transaction company, Hsu, Chieh-Li, are immediate relatives. Therefore, they recused themselves from the discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman.
2023/06/19 The 6th Meeting of the 19th Session	■ The Company's participation in the cash capital increase subscription case of AcBel Polytech Inc. Director Chen, Wei-Chang and Chiu, Ping-He are directors of AcBel Polytech Inc.; Chairman Hsu, Sheng-Hsiung and AcBel Polytech Inc.'s director Hsu, Chieh-Li are immediate relatives, so they legally avoided this case when deliberating. After the acting chairman solicited the opinions of the directors present, except for Director Yong-Cheng Hong expressing opposition, the rest of the directors in attendance passed the resolution.
2023/08/14 The 7th Meeting of the 19th Session	■ Endorsement and guarantee for its subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the company involved in the transaction. Therefore, they recused themselves from the discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Fund lending case of subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction company in this case; Director Hsu, Chieh-Cheng and Director of Kinpo International Ltd. Hsu, Sheng-Chieh are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Issued the letter of support to financial institutions for its subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the company involved in the transaction. Therefore, they recused themselves from the

Board meeting date, Session	Agenda item, reasons for the director's avoidance of conflicts of interest and voting participation.
	discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman.
2023/09/07 The 8th Meeting of the 19th Session	■ Subscribing to the cash capital increase of Cal-Comp Electronics (Thailand) Public Company Limited. Chairman Hsu, Sheng-Hsiung and DirectorChen, Wei-Chang are directors of Cal-Comp Electronics(Thailand) Public Company Limited, Therefore, they recused themselves from the discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman.
2023/11/14 The 9th Meeting of the 19th Session	■ Proposal for the 2023 year-end bonuses for managerial officers (including those serving subsidiary positions) of the Company. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, who also serve as the Group CEO and President of the Company respectively, recused themselves from the review of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Endorsement and guarantee for its subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction company in this case; Director Hsu, Chieh-Cheng and Director of Kinpo International Ltd. Hsu, Sheng-Chieh are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Proposal for the Company's loan of funds to subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction company in this case; Director Hsu, Chieh-Cheng and Director of Kinpo International Ltd. Hsu, Sheng-Chieh are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Issued the letter of support to financial institutions for its subsidiaries. Chairman Hsu, Sheng-Hsiung and the Director of the transaction company, Hsu, Chieh-Li, are immediate relatives. Therefore, they recused themselves from the discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman.
2023/12/29 The 10th Meeting of the 19th Session	■ Endorsement and guarantee for its subsidiaries. Director Chen, Wei-Chang is a director of the transactional company in this case; Chairman Hsu, Sheng-Hsiung and Director of the transactional company Hsu, Chieh-Li are immediate relatives. Therefore, they recused themselves from the discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Proposal for the Company's loan of funds to subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are the Directors of the transaction company in this case; Chairman Hsu, Sheng-Hsiung and the transaction company's Director Hsu, Chieh-Li are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman.

3. Implementation of Evaluations of the Board of Directors:

According to the regulations of the performance evaluation method of the Company's Board of Directors and functional committees, an internal performance evaluation should be carried out every year, and from 2022 onwards, there should be at least one evaluation carried out by an external professional independent organization or team of external experts and scholars every three years.

(1) External Performance Evaluation:

Evaluation cycle	Execute every three years
Evaluation Period	From January 1, 2022 to October 31, 2023
Scope of evaluation	Performance evaluation of the Board of Directors and functional committees (including the Audit Committee and Remuneration Committee)
Evaluation Method	■ Evaluation Institution: Taipei Foundation of Finance. (1) The evaluation institution provides self-assessment and explanation for the Board of Directors of he Company based on seven performance evaluation indicators, and also provides necessary documents and online data related to the various performance indicators. (2) The evaluation committee reviews the self-assessment data provided by the Company. (3) The evaluation agency arranged for assessment members and evaluation task force members to conduct on-site interviews at the Company.
Evaluation content	The performance assessment this time mainly focuses on the seven aspects of the development of the assessment agency, and appropriately incorporates additional evaluation considerations. (1) Protecting the rights and interests of shareholders; (2) Strengthening the structure and operation of the Board of Directors; (3) Participation in the company's operations; (4) Improvement of the quality of the board of directors' decision making; (5) Enhancing transparency; (6) Internal control; (7) Promoting sustainable development; (8) Other additional evaluation considerations.

The external performance evaluation results of the Board of Directors in 2023 have been submitted to the Board of Directors meeting on December 2, 2023. The Abstract Illustration is as follows:

i. Various performance evaluation dimensions and analysis results:

Evaluation Dimension	Evaluation outcome
Protecting the rights and interests of shareholders	Comply with regulations
Strengthen the structure and operation of the board of directors	Board members possess professional and female diversity.
Participation in the company operation	The Board of Directors implements tracking.
Improvement of the quality of the board of directors' decision making;	Communicate and coordinate in advance before the meeting, have complete information, and increase the speed and quality of decision making.
Enhance Information Transparency	The meeting information, fully comprehensive shareholder meeting information, and the sustainability report disclose important topics concerning the rights of stakeholders.
Internal control.	The system is quite comprehensive.
Promote sustainable development	The Company has a dedicated Sustainable Development Office, and the structure of sustainable governance is complete.
Other additional evaluation considerations	-

ii. Improvement Suggestions and the Company's Responses:

Item Number	Improvement Suggestions	The Company's responses
Suggestion 1	In order to deepen the ESG corporate culture of the evaluated companies and enhance the roles of managerial officers in sustainable governance and Change of Climate, it is suggested to integrate their responsibilities with annual Key Performance Indicators (KPIs).	The ESG responsibilities of the managerial officers need to be integrated with the annual KPI evaluations.
Suggestion 2	Considering the multifaceted and comprehensiveness of the performance assessment of the audited company's chief internal audit officer, it is suggested that the performance assessment of the chief internal audit officer can appropriately invite the Independent Director or Audit Committee for opinions or participation in the assessment.	The Audit Committee members will be asked to express their opinions on the evaluation results of the chief internal audit officer.
Suggestion 3	In the face of the international trend of forward-looking ESG sustainability, it is suggested that the Sustainable Development Office could be responsible for interpreting external ESG sustainability governance knowledge, regulations, and trends, to help integrate into the company's ESG sustainability governance.	The Sustainable Development Department will follow through.

(2) Internal Performance Evaluation:

Evaluation cycle	Executed once a year
Evaluation Period	From January 1, 2023 to October 3, 2023
Scope of evaluation	Performance evaluation of the Board of Directors, individual directors, and functional committees (including the Audit Committee and Remuneration Committee)
Evaluation Method	Self-assessment by questionnaire
Evaluation content	■ Evaluation items of the Board of Directors performance: (1) Participation in the company operation; (2) Improvement of the quality of the board of directors' decision making; (3) Composition and structure of the board of directors; (4) Election and continuing education of the directors; (5) Internal control. ■ Evaluation items of the Performance of the Board members: (1) Alignment of the goals and missions of the company; (2) Awareness of the duties of a director; (3) Participation in the company operation; (4) Internal relationship and communication; (5) The director's professionalism and continuing education; and (6) Internal control. ■ Evaluation items of the Audit Committee performance: (1) Participation in the company operation; (2) Understanding of the Audit Committee's responsibilities; (3) Improvement of the Audit Committee's decision-making quality; (4) Composition of the Audit Committee and selection of its members; (5) Internal control. ■ Evaluation items of the Remuneration Committee: (1) Participation in the company operation; (2) Understanding of the responsibilities of the Remuneration Committee; (3) Improving the decision-making quality of the Remuneration Committee; (4) The composition and selection of members of the Remuneration Committee.

The results of the internal performance evaluation of the Board of Directors in 2023 have been submitted to the Board of Directors on March 11, 2024, and the summary is as follows:

Scope of evaluation	Avg.	Level
The board	4.79	A
Performance of the Board members	4.71	A
Audit Committee	4.62	A
Remuneration Committee	4.68	A

Note: The evaluation outcome is divided into 5 levels: Number 1: Extremely poor (strongly disagree); Number 2: Poor (disagree); Number 3: Average (neutral); Number 4: Good (agree); Number 5: Excellent (strongly agree).

4. Goals for enhancing the functionality of the board of directors (e.g. establish an audit committee, enhance information transparency, etc.) and the evaluation on the implementation status in the current and most recent fiscal year:

(1) Increasing Transparency: The Company uploads information regarding the changes in insider shareholding from the previous month to the MOPS before the 10th day of every month in 2023.

(2) Strengthening the functionality of the committees: The Company's board of directors passed the resolution to establish the Sustainable Development Committee on September , 2023.

(3) In order to cultivate director talents and enhance the functionality of the board of directors, the Company adopts the following methods:

i. Director Improvement: To continually enhance the professional knowledge and legal literacy of the directors, and to assist the effective operation of the Board of Directors, The Company conducted two director improvement courses in 2023. Additionally, the Kinpo Group Management Consultant Company, a related corporation of the Company, will also occasionally offer refresher courses for directors, and encourages all directors of the Kinpo Group to participate in the courses.

ii. Succession Plan: This includes cultivating professional managers to rotate through various important positions in related companies and the Company, serving as a director of the Company to familiarize themselves with the operation of the board of directors. The high-level management in the group is full of talents. They have been trained and cultivated through rotation, expatriation, and other methods to discover all-round talents, and strengthen the future management team in a planned and targeted manner. The current president and group CEO have been promoted from the high-level management within the group, and the succession plan is continuously underway.

Please refer to "Implementation of Corporate Governance: Actions taken by the Audit Committee", "Actions taken by the Compensation Committee", and "Actions taken by the Sustainable Development Committee" in this annual report for the details on the same. The Company will continue to uphold the mission of "innovation, harmony, and transcendence." In the face of a constantly changing future, while pursuing excellence, we adhere to a transparent attitude toward information and disclose the main decisions of the board of directors to MOPS in accordance with the law. We also hold regular corporate briefings aimed at building trust, safeguarding shareholders' rights, and jointly realizing sustainability.

3.4.2. The Audit Committee

1. The function of the Audit Committee:

   (1) Strengthen the internal control mechanism.
   The operation of the Audit Committee is mainly for the purpose of supervising the following matters:
   - Appropriate elaboration of financial statements of the Company.
   - Election, dismissal, independence and performance of CPA.
   - Effectively implementation of internal control of the Company.
   - To ensure the Company comply with laws and regulations.
   - Control and management of the Company existing or potential risks.

   (2) Assisting the Board of Directors in making decisions for the functional committee.
   The Audit Committee is a functional committee established under the board of Directors. For the sake of strengthening the supervisory function and enhancing the management function, the Board of Directors leverages independent individuals with professional backgrounds to serve as members of the Audit Committee. By way of professional division and purely independent position, it aids the Board of Directors in decision making and can more effectively supervise the managerial operations. However, matters resolved by the Audit Committee should still be decided by the Board of Directors to clearly implement the responsibility of the Board of Directors.

2. Annual Working Priorities of the Audit Committee:

   (1) Amend the Internal Control System.
   (2) Assessment of the effectiveness of the internal control system.
   (3) Tracking of deficiencies, abnormalities and improvements in the Internal Control System.
   (4) Revise the handling procedures for significant financial business activities such as acquisition or disposal of assets, conducting derivative transactions, loaning funds to others, and endorsing or guaranteeing for others.
   (5) Year and mid-term financial reports, business reports, and profit distribution.
   (6) Evaluate the independence and competency of the certified public accountant.
   (7) Appointment, Dismissal, or Remuneration of CPA.
   (8) Matters involving directors' own interest.
   (9) Significant asset or derivative transactions.
   (10) Significant fund lending, endorsement or provision of guarantees.

3. A total of 7 times meeting of Audit Committee were held in 2023. The attendance of independent directors was as follows:

Title	Name	No. of meetings attended in person (B)	By Proxy	In-person attendance rate (%)(B/A) (Note 1, 2)	Remark
Independent Director	Hsieh, Fa-Dah	7	0	100%	-
Independent Director	Huang, Chih-Peng	6	1	86%	-
Independent Director	Wu, Chung-Fern	7	0	100%	-

Note 1: If an independent director resigns before the end of the year, the date of resignation should be noted in the remark column. The Attendance Rate (%) is calculated based on the number of Audit Committee meetings and actual attendance during his/her office term.

Note 2: If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

Other mentionable items:

1. 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.

Committee meeting date, Session	Agenda items	Opinions of independent directors opposing, reservations or major suggestions	Resolution of the Audit Committee
2023/03/10 The 4th Meeting of the 3rd Session	Proposal for the 2022 financial statements of the Company.	-	The proposal was approved by all the attending members.
	Proposal for the Company's Statement of Internal Control System for 2022.	-	
	Proposal for the Company's 2022 profit distributio.	-	
	Proposal for the 2022 business report of the Company.	-	
	Amendments to some provisions of the "Rules of Shareholders' Meeting" of the Company.	-	
	Proposal of Release the Prohibition on Directors and managerial officers from Participation in Competitive Business	-	
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	-	
	Evaluation of the accountant independence and competency of the company.	-	
	Discussion on Appointment and Remuneration of CPA of the Company.	-	
	Proposal for increasing capital in the subsidiary company, XYZprinting, Inc.	-	
	Proposal for the endorsement and guarantee for its subsidiaries.	-	
	Proposal for the Company's loan of funds to subsidiaries.	-	
	Amendments to "Procedures for Lending Funds to Other Parties".	-	
2023/05/11 The 5th Meeting of the 3rd Session	The company's consolidated financial statements for the first quarter of 2022.	-	The proposal was approved by all the attending members.
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	-	
	Proposal for the Company's Treasury stock transfer to employees.	-	
	Proposal for the endorsement guarantee to its subsidiaries.	-	
	Proposal for the Company's loan of funds to subsidiaries.	-	
	Proposal for the Company issued the letter of support to financial institutions for its subsidiaries.	-	

Committee meeting date, Session	Agenda items	Opinions of independent directors opposing, reservations or major suggestions	Resolution of the Audit Committee
2023/06/19 The 6th Meeting of the 3rd Session	The Company's participation in the cash capital increase subscription case of AcBel Polytech Inc.	-	The proposal was approved by all the attending members.
2023/08/09 The 7th Meeting of the 3rd Session	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	-	The proposal was approved by all the attending members.
	2023Q2 Consolidated Financial Statements of the Company.	-	
	Proposal for the Company applies for the syndicated loan to Mega International Commercial Bank and other syndicated banks.	-	
	Proposal for the Company's endorsement guarantee to its subsidiaries.	-	
	Proposal for the Company's loan of funds to subsidiaries.	-	
	Proposal for the Company issued the letter of support to financial institutions for its subsidiaries.	-	
2023/09/07 The 8th Meeting of the 3rd Session	Subscription for Cal-Comp Electronics (Thailand) Public Company Limited's cash capital increase.	-	The proposal was approved by all the attending members.
2023/11/09 The 9th Meeting of the 3rd Session	The Company's 2024 Annual audit plan.	-	The proposal was approved by all the attending members.
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	-	
	2023Q3 Consolidated Financial Statements of the Company.	-	
	Proposal for the Company's endorsement guarantee to its subsidiaries.	-	
	Proposal for the Company's loan of funds to subsidiaries.	-	
	Proposal for the Company issued the letter of support to financial institutions for its subsidiaries.	-	
2023/12/29 The 10th Meeting of the 3rd Session	Proposal for the endorsement guarantee to its subsidiaries.	-	The proposal was approved by all the attending members.
	Proposal for the Company's loan of funds to subsidiaries and between subsidiaries.	-	
	Discussion on Appointment and Remuneration of CPA of the Company.	-	
The company's handling of the opinions of the Audit Committee: All of the above proposals were approved as proposed by all attending members and submitted to the Board of Directors for discussion.			

(2) Other matters adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee: None

2. Implementation of recusals 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 recusal, and whether and how the independent director voted: None.

3. The communication between Independent Directors, Chief Internal Auditor and accountants (This shall include the communication on important matters with respect to the company's financial status and operational status, the communication method, result, etc.)

(1) After audit reports and follow-up reports are approved by the Chairman, the reports are submitted to each Independent Director for review. If Independent Directors need further information or have instructions, they can contact Chief Internal Auditor anytime.

(2) The Company periodically (quarterly) convenes the Audit Committee meeting and Board meeting, Chief Internal Auditor attend and report quarterly audit summary in the meeting.

(3) The Company periodically convenes alone meeting for independent directors and chief internal auditor and public accountants separately. Chief Internal Auditor report audit plan and audit result in the meeting. Public accounts report audit result and other matters prescribed in pertinent laws and regulations in the meeting.

(4) Summary of the communication between Independent Directors and Chief internal audit officer:

Communication date	Communication summary	Actions taken
2023/03/10	1. Report the follow-up status of audit findings between Aug. 2022 and Oct. 2022. 2. Report the implementation status of audit project between Nov. 2022 and Feb. 2023 3. Submit the 2022 Statement of Internal Control System for discussion and approval.	1. Report to the audit committee and get their approval to submit and report to the board meeting. 2. The 2022 Statement of Internal Control System was delivered to the Audit Committee for approval, and once approved, was submitted to the Board of Directors for discussion and approval.
2023/05/11	1. Report the follow-up status of audit findings between Nov. 2022 and Feb. 2023. 2. Report the implementation status of audit project between Mar. 2023 and Apr. 2023 3. Report the status of disclosure based on the regulation..	Report to the audit committee and get their approval to submit and report to the board meeting.
2023/08/09	1. Report the follow-up status of audit findings between Mar. 2023 and Apr. 2023. 2. Report the implementation status of audit project between May. 2023 and Jul. 2023.	Report to the audit committee and get their approval to submit and report to the board meeting.
2023/11/09	1. Report the follow-up status of audit findings between May. 2023 and Jul. 2023. 2. Report the implementation status of audit project between Aug. 2023 and Oct. 2023 3. Report and discuss the 2024 audit plan.	1. Report to the audit committee and get their approval to submit and report to the board meeting. 2. Deliver 2024 annual audit plan to the Audit Committee for approval, once approved, submits to the Board of Directors for discussion and approval.

(5) Summary of the communication between independent directors and accountants:

Communication date	Communication summary	Actions taken
2023/03/10	1. Communication matters with the Corporate Governance unit and management level (1) Accountant independence (2) Contents of Customer Statement. (3) Scope of audit of the group (4) Execution and discovery of internal control testing (5) Significant Accounting Judgments and Estimates by the Management (6) Other Communication Matters (7) Key check items (8) Accountant's estimated audit opinion for 2022 2. Securities Regulations Update	Consultation and exchange of opinions
2023/05/11	1. Communication of financial statement review results (1) Audit Subject and Audit Procedures (2) Scope of audit of the Group (3) Significant Accounting Judgments and Estimates by the Management (4) Other Communication Matters (5) Contents of Customer Statement. (6) The review report to be issued by the accountant 2. Securities Regulations Update	Consultation and exchange of opinions
2023/08/09	1. Communication of financial statement review results (1) Contents of Customer Statement. (2) Audit Subject and Audit Procedures (3) Scope of audit of the Group (4) Significant Accounting Judgments and Estimates by the Management (5) Other Communication Matters (6) The review report to be issued by the accountant 2. Securities Regulations Update	Consultation and exchange of opinions
2023/11/09	1. Communication of financial statement review results (1) Audit Subject and Audit Procedures (2) Scope of audit of the Group (3) Significant Accounting Judgments and Estimates by the Management (4) Other Communication Matters (5) The review report to be issued by the accountant 2. Securities Regulations Update	Consultation and exchange of opinions

3.4.3. Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status (note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. I. Has the Company established and disclosed the Corporate Governance Best-Practice Principles based on Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	v		The Company's "Corporate Governance Best-Practice Principles" was approved by the Board of Directors and is disclosed on the company website (www.kinpo.com.tw, in both English and Chinese versions) and on MOPS.	-
2. Shareholding Structure and Shareholder's Rights				-
2.1 Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	v		The Company's "Corporate Governance Best-Practice Principles" has been approved by the Board of Directors. The Company has also established a spokesperson, an acting spokesperson, and Investor Relation. Also, the "Investor Section" is set up on the company website disclosing our "Investor Contact Window" to facilitate the management of shareholder suggestions, doubts, disputes, and litigations, and to implement according to the procedure.	
2.2 Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	v		The Company has established a shareholder services department and appointed a professional shareholder services agency, enabling real-time understanding of the shareholding situations of directors, managers, and major shareholders who own more than 10% of the shares.	-
2.3 Does the company establish and execute the risk management and firewall system within its conglomerate structure?	v		The Company, as resolved by the shareholders' meeting, has established "Procedures for Acquisition or Disposal of Assets", "Operating Procedures for Lending to Others", and "Endorsement and Guarantee Operating Procedures". Through the implementation of legal compliance and internal control systems and the establishment of the "Standard for Financial Operations between Affiliated Corporations", the Company has set up relevant risk governance and supervision mechanisms.	-
2.4 Does the company establish internal rules against insiders trading with undisclosed information?	v		The Company has established "Prevention of Insider Trading Regulations", "Principles and Guidelines for Integrity Business Ethics and Behavior of the Company", and "Group Code of Conduct" to govern all the employees, managers and directors of the Company, as well as anyone who knows the company's news based on their profession or control relationships. Any behavior that might involve insider trading is strictly forbidden, and regular internal education training and advocacy is conducted.	-
3. Composition and Responsibilities of the Board of Directors	v		In accordance with the Corporate Governance Code, the composition of the Board of Directors shall be diversified. Board members shall have different professional backgrounds, genders, and areas of work to bolster the board structure of the Company. For information on the diversity policy, specific management goals, and actions taken by the Company's Board of Directors, please refer to 'Director Information' and 'Board Diversity and Independence' (pages 14-17) in this annual report.	-
3.1 Does the Board develop and implement a diversified policy for the composition of its members?				

Evaluation Item	Implementation Status (note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3.2 Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	v		The Company has legally established the Remuneration Committee in 2011 and the Audit Committee in 2016, which are composed of Independent Directors. Other voluntarily established committees include: 1. Sustainable Development Committee (Established in 2023): Composed of Independent Directors, for functions in charge, please refer to this annual report's section "Fulfillment of sustainable development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ". 2. Risk Management Committee (established in 2022): The Risk Management Committee, composed of the business execution team, reports the execution results and future work plans to the Board of Directors every year. The Company will establish a Risk Management Committee at the directorial guidance level in 2024.	-
3.3 Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annua lbasis, 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?	v		The Company has drafted the "Performance Evaluation Method for the Board of Directors and Functional Committees" approved by the Board of Directors. Every year, performance evaluations are conducted for the board, individual directors, Audit Committee, and Remuneration Committee. The evaluation process employs a self-assessment questionnaire, and at least once every 3 years an external independent organization or team of external experts perform an evaluation of the board's performance. The Company has completed the external Board performance evaluation for 2022, and the results were submitted to the Board of Directors on December 29, 2022. Please refer to page 31 of this annual report. The Company has completed the self-assessment of the performance of the Board of Directors in 2023 and submitted the evaluation results to the Board of Directors in the first quarter of 2024. These results will serve as a reference for improvement and be used when determining the remuneration and nominations for re-election of individual Directors. The self-evaluation score for the Performance of the Board members averages 4.79 out of 5, and the performance self-evaluation average score for individual directors is 4.71 out of 5. This demonstrates that the Board is functioning well. The Audit Committee self-evaluation resulted in 4.62 out of 5, and the Remuneration Committee self-evaluation resulted in 4.68 out of 5, demonstrating that the functional committees are performing well. Please refer to page 32 of this annual report.	-
3.4 Does the Company regularly evaluate the independence of CPAs?	v		1. The Audit Committee of the Company annually assesses the independence of the certified public accountants and reports the evaluation results to the Board of Directors. 2. The Audit Committee of the Company evaluates the independence and competency of its appointed CPAs. In addition to reviewing the Assessment of Accountant's Audit Independence and Eligibility and the Letter of Uncompromising Independence, the evaluation is based on the "Public Announcement No. 10 of Professional Ethics Norms" and the Audit Quality Indicator (AQIs) regulations, serving as objective reference markers for the company and Audit Committee when selecting CPAs.	-

Evaluation Item	Implementation Status (note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			3. The results of the assessment for the most recent year, according to the auditing quality indices (AQIs) referred by our accounting department in 2024, evaluating the competency and independence of the appointed accountants, all meet the competency and independence assessment standards of the Company. They are qualified to serve as the certifying accountants of the Company and have obtained the independence declaration issued by the certifying accountants. The assessment results were deliberated and approved by the Audit Committee and Board of Directors in the first quarter of 2024. Please refer to the "Assessment of Accountant's Audit Independence and Competency " in this annual report (Note 1, page 45).	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	v		The Company, upon the resolution of the Board of Directors, appointed Lin, Cheng-Hsien, head of the General Affairs Office as the Head of Corporate Governance. He is responsible for corporate governance matters, including but not limited to handling legal matters related to the Board of Directors, Audit Committee, Risk Management Committee, and shareholders' meetings; assisting the Director with his appointment and continuous education; providing the Director with necessary materials for executing his duties; and assisting the Director in complying with laws and regulations. The Head of Corporate Governance of the Company commenced his term in 2023, executed related tasks, and completed 18 hours of further education during 2023. Please refer to note 2 (Page 47) for details on the continued education.	-
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	v		The Company has always attached great importance to the balance of rights and obligations between stakeholders, including shareholders, employees, customers, large and small manufacturers, banks, creditors, etc., and maintained strong communication with all stakeholders. The Company has a "Stakeholders Section" on its website. The section explains to stakeholders in full the relationship of various stakeholders and a contact person and email is appointed for various interests. Competent authorities are responsible for handling and responding to stakeholder concerns regarding CSR issues. The Company's website also has a "Social Responsibility" section to disclose the status of CSR and corporate social responsibility reports for stakeholders' reference.	-
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	v		The Company has appointed the agency of CTBC Bank Co., Ltd. to handle shareholder affairs.	-
7. Information Disclosure				
7.1 Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	v		The Company has set up a bilingual (Chinese and English) website (URL: www.kinpo.com.tw), where it regularly discloses information on financial affairs, corporate governance and other relevant matters.	-
7.2 Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system,	v		The Company has built an English website (URL: www.kinpo.com.tw). Information in the investor section is collected and disclosed by the Securities Office and the Financial /Accounting Management Center in accordance with regulations. The Company has designated a spokesperson and an acting spokesperson, and has implemented a spokesperson system. Starting from 2024,	-

Evaluation Item	Implementation Status (note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
webcasting investor conferences)?			it plans to hold Corporate Briefings each quarter and disclose information according to regulations. The entire process of the Investor Conferences is live-streamed and placed on the Company's website.	
7.3 Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		v	Our company has not announced and filed the annual financial report within two months after the end of the accounting year. However, the annual financial report, as well as the financial reports for the first, second, and third quarters and the monthly operating conditions, have all been announced and filed within the statutory deadlines.	It is necessary to consider and coordinate with the financial report disclosure schedule of the overseas listed subsidiaries.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	v		The Company discloses the Implementation of Corporate Governance on the Company website (URL: www.kinpo.com.tw, both in Chinese and English), annual report, and sustainability report. Starting from 2024, the Company also plans to host Corporate Briefings every quarter, with important company information being disclosed in accordance with the regulations. **Employee Rights** The Company cares about employees' rights and interests and strives for good relations between Labors and Employers, providing multiple and accessible channels for reporting and complaints to prevent illegal, unethical, and other violations of government laws and company regulations. The Company has established an employee mailbox (both physical and online) as a channel for employees to report problems and provide suggestions. In addition, employees can also submit complaints and reports to their supervisors, local audit supervisors, HR supervisors, legal affairs supervisors, the local mailbox, or suggestion boxes. The relevant recipient staff will respond and handle them properly. The Company has also established various policies, taking into account Employee Rights, to ensure that the rights and interests of employees are fully protected. **Employee Care** To care for the physical and mental health of employees, the Company sets an annual budget and selects qualified hospitals to conduct health examinations for employees. In addition to the examination items stipulated by laws, the Company proactively adds hepatitis B, hepatitis C, and cancer screening items for employee examinations. At the same time, professional doctors are hired for on-site consultation to help employees understand their own health conditions. The Company also has a dedicated department to set up a health check database for tracking employee health status. In terms of food and beverage, the Company adheres to relevant hygiene and health standards for food and beverage sources, inspection and storage, water safety, cafeteria staff and kitchen hygiene, food and tableware sanitation and inspection in order to ensure food safety for employees. In addition to this, in order to enhance employee benefits, promote health, and alleviate stress, the Company's welfare committee has established a variety of health clubs, such as yoga, badminton and physical fitness. The Company also regularly organizes various welfare measures and activities in the hope of creating a balance between work and life for colleagues through various activities.	-

Evaluation Item	Implementation Status (note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Investor Relations The Company has designated personnel to announce relevant information such as finance, business, and changes in internal shareholding on MOPS in accordance with the law. The investor relations unit also explains related topics to investors through email, phone calls, or face-to-face meetings; At the same time, relevant information is disclosed on the company's website to achieve information disclosure, transparency, and properly handle issues of concern to investors, establish long-term mutual trust relationships, operate effective two-way communication, and protect investor rights. **Rights of interested parties** The Company listens to the suggestions and expectations of different stakeholders during the daily operation process, simultaneously aligns with the international sustainability standard GRI to identify significant topics, and incorporates the spirit of risk management (ERM) to evaluate the risk and impact of significant ESG topics. Through the three management stages of identification, sorting, and verification, we understand and grasp the attention and expectations of various stakeholders on the company's sustainability issues. **Continuing Education of Directors:** For the further education situation of the Company's Directors, please refer to Note 3. **The situation of the Company purchasing liability insurance for directors** The Company's board of directors passed a resolution on November 14, 2022, to purchase liability insurance for the directors and management. **Implementation of Risk Management Policies and Risk Measurement Standards** In 2022, Kinpo Electronics issued a risk management policy approved by the Board of Directors, declaring that the Company is committed to adopting a balanced principle of risk management strategies. While creating operation growth, the Company still carefully considers the overall impact of adverse risk factors on corporate sustainability, and formulates risk-based considerations for prediction. Monitor and improve procedures in advance, so that colleagues in various global locations can carry out risk management within their Business Scope in a timely manner and improve corporate governance. The Actions Taken can be referred to the Chapter 7 "Risk Management in the Recent Year as of the Publication Date of the Annual Report" of this Year report. **Implementation of Information Security Policy / Customer Policy** Our company has established an Information Security Management System (ISMS) in compliance with international standards to ensure that our operational information systems meet global information security management standards. This system protects the confidentiality, integrity, availability, and continuity of our information assets, reasonably reducing operational risks. We have announced our information security	

Evaluation Item	Implementation Status (note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			management policy and regulations. In 2024, we passed the ISO 27001 re-certification audit by the British Standards Institution (BSI). We regularly assess and execute information security risk management operations and improvements, continually passing annual information security audits conducted by major international clients to achieve our goal of continuous operation of the company's information systems. Implementation Status: 1. Implement security awareness campaigns and employee information security education and training programs. Conduct social engineering drills via group email, with the Information Security Promotion Team responsible for tracking and enhancing information security operations across departments. 2. Conduct an annual inventory of information asset values and perform risk assessments, compiling the results into an Operational Impact Analysis Report. Continuously develop and drill operational risk plans for high-risk items. 3. Network security detection, establishing a dual endpoint security detection mechanism, effectively achieving the detection of potential security threats and reducing the security risk of core equipment. 4. Promote the endpoint access management system, strengthen device compliance monitoring and real-time control, automatically take corresponding measures, effectively ensure the overall safety and compliance of the network environment. 5. Implement penetration testing drills for external websites, effectively identify potential vulnerability risks through third-party actual testing drills, and timely strengthen and patch to reduce the risk of network attack. 6. Promote the information security management system of KINPO GROUP ISMS overseas bases and continuously track the implementation status, expanding the application of KINPO GROUP ISMS ISO 27001 Information Security Management System. 7. Information safety notification and incident response, actively participate in the " Taiwan Computer Emergency Response Team/Coordination Center ", " National Institute for Cyber Security " for joint defense with the Company, and strengthen the Company's internal early warning and defense capabilities. 8. The operational continuity risk assessment of the core information system, risk handling capability drill, and internal audit were completed in December 2023. The ISO 27001 external audit certification was completed in January 2024. 9. The Company reported the actions taken concerning information safety in 2023 to the board of Directors on March 11, 2024.	

9. Explanation of the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.

The Company was ranked in the third tier (21%~35%) for the "Corporate Governance Evaluation" of the 10th session (year 2022). The explanations for enhancement measures are as follows:

- In pursuit of better corporate governance, the Company will consider setting up a Risk Management Committee at the board of directors level to enhance the functionality of the board of directors.
- ESG Quarterly Report: Regularly report to the Board of Directors every quarter.
- Will continue to evaluate prioritized improvement plans for the unscored items.

Note 1: Assessment of Accountant's Audit Independence and Eligibility

Assessment of Accountant's Audit Independence and Eligibility

On the basis of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies: Article 29, the Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. The Company shall submit its conclusion to the board of directors.

Date of assessment: 2024.03.05

Reason for assessment: □ Initial appointment ■ Regular

1. Personal Data

Accountant:	Fuh, Wen-Fun	Accounting Firm:	Ernst & Young
Background:	**Education:** ● Master Degree in Accounting, National Taiwan University ● Bachelor Degree in Accounting, Fu Jen Catholic University **Professional experiences:** ● Accountant of the Republic of China ● Chairman of Taipei Accountants Association ● Municipal Advisor of Taipei City Government ● Director of Chinese Accounting Education Society ● Executive Director of Accounting Research and Development Foundation ● Director of China Independent Directors Association **Professional experiences:** ● Director of Ernst & Young ● Has rich auditing experience, including Manufacturing industry, Biotech industry, Electronics industry, Green energy industry, Construction industry, Hotel industry and Retail industry, etc. ● The main services include well-known domestic TWSE/TPEx listed companies and SMEs, and at the same time, it is one of Ernst & Young's multinational business accountants in Taiwan. Customers include well-known multinational biotech, technology, and retail enterprises. ● Specializes in audit and consulting services for industries related to finance and insurance. ● Participated and led multiple merger and acquisition cases in the Taiwan insurance industry.		

2. Assessment Contents

Contents formulated on the basis of certified Public Accountant Act: clause 47 and Code of the Professional Ethics: clause 10.

Items	Evaluation content		Independence
(1) Up to the latest certification practice, there's no such circumstance with working for the Company for seven years in a row.	■Yes	□No	■Yes
(2) No major financial interested relationship with the company or its subsidiaries.	■Yes	□No	■Yes
(3) Avoiding any improper relationship with the company or its subsidiaries.	■Yes	□No	■Yes
(4) The accountant should supervise their assistants to strictly comply with honesty, justice and independence.	■Yes	□No	■Yes
(5) The accountant is prohibited from auditing certification for the company's financial report where he/she has served in within the previous two years.	■Yes	□No	■Yes
(6) The accountant's identification is forbidden to be infringed by another individual.	■Yes	□No	■Yes
(7) The accountant does not hold any shares in the company or in its subsidiaries.	■Yes	□No	■Yes
(8) The accountant does not owe any debt to the company or its subsidiaries.	■Yes	□No	■Yes
(9) The accountant is not in any joint investment or benefit-sharing relationship with the company or its subsidiaries.	■Yes	□No	■Yes
(10) The accountant is not employed and paid regularly by the company or its	■Yes	□No	■Yes

Items	Evaluation content		Independence
subsidiaries.			
(11) The accountant does not interfere with any management function towards decision-making in the company or its subsidiaries.	■Yes	□No	■Yes
(12) The accountant does not run any business which will probably deprive him/her of audit independence.	■Yes	□No	■Yes
(13) The accountant is not related to any of the company's management personnel in the following relations: Spouse, blood-related relatives, direct relatives by affinity, second-degree of blood-related relatives, collateral blood-related relatives.	■Yes	□No	■Yes
(14) The accountant does not receive any commission which is occupational-related.	■Yes	□No	■Yes
(15) Up to now, the accountant hasn't been punished for violating any audit independence principle.	■Yes	□No	■Yes

Assessment of Accountant's Audit Independence and Eligibility

On the basis of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies: Article 29, the Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. The Company shall submit its conclusion to the board of directors.

Date of assessment: 2024.03.05

Reason for assessment: □ Initial appointment ■ Regular

1. Personal Data

Accountant:	Chen, Chih-Chung	Accounting Firm:	Ernst & Young
Background:	Education: ● Master Degree in Accounting, National Chengchi University ● Bachelor Degree in Finance and Taxation, National Taipei University Professional experiences: ● Accountant of the Republic of China ● Internal Auditor of the Republic of China and International Internal Auditor Professional experiences: ● Extensive assurance experience working with Electronics industry, IC design, foundry, packaging and testing, solar photovoltaic and smart automated machine tools, etc.. ● Rich experience in SOX internal control verification visa, PCAOB verification, IFRS conversion and consulting, IFRS/US GAAP financial report editing and adjustment, consolidation system and statement preparation process improvement and consulting, and analysis and introduction of newly issued financial reporting standards. ● Rich experience on IPO in Taiwan and has participated in and planned the design, construction and diagnosis of internal control and process of domestic listed companies for many times. ● Counseling companies to issue overseas convertible corporate bonds (ECB) and issue global depositary receipts (GDR) Taiwan depositary receipts (TDR).. II.		

2. Assessment Contents

Contents formulated on the basis of certified Public Accountant Act: clause 47 and Code of the Professional Ethics: clause 10.

Items	Evaluation content		Independence
(1) Up to the latest certification practice, there's no such circumstance with working for the company for seven years in a row.	■Yes	□No	■Yes
(2) No major financial interested relationship with the company or its subsidiaries.	■Yes	□No	■Yes
(3) Avoiding any improper relationship with the company or its subsidiaries.	■Yes	□No	■Yes
(4) The accountant should supervise their assistants to strictly comply with honesty, justice and independence.	■Yes	□No	■Yes
(5) The accountant is prohibited from auditing certification for the company's financial report where he/she has served in within the previous two years.	■Yes	□No	■Yes
(6) The accountant's identification is forbidden to be infringed by another individual.	■Yes	□No	■Yes
(7) The accountant does not hold any shares in the company or in its subsidiaries.	■Yes	□No	■Yes
(8) The accountant does not owe any debt to the company or its subsidiaries.	■Yes	□No	■Yes
(9) The accountant is not in any joint investment or benefit-sharing relationship with the company or its subsidiaries.	■Yes	□No	■Yes
(10) The accountant is not employed and paid regularly by the company or its subsidiaries.	■Yes	□No	■Yes
(11) The accountant does not interfere with any management function towards decision-making in the company or its subsidiaries.	■Yes	□No	■Yes
(12) The accountant does not run any business which will probably deprive him/her of audit independence.	■Yes	□No	■Yes
(13) The accountant is not related to any of the company's management personnel in the following relations: Spouse, blood-related relatives, direct relatives by affinity, second-degree of blood-related relatives, collateral blood-related relatives.	■Yes	□No	■Yes
(14) The accountant does not receive any commission which is occupational-related.	■Yes	□No	■Yes
(15) Up to now, the accountant hasn't been punished for violating any audit independence principle.	■Yes	□No	■Yes

Note 2: Further Education of the Head of Corporate Governance

Title	Name	Date	Course title	Organizer	Training hours
Head of Corporate Governance	Lin, Cheng-Hsien	2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
		2023/11/22	Advanced Seminar on the Practices of Directors and Supervisors (including Independent) and Head of Corporate Governance - Analysis of Common Violations of the Securities Exchange Act	Securities and Futures Institute	3.0
		2023/12/08	Advanced seminar on the practices of Directors and Supervisors (including independent) and Head of Corporate Governance - Challenges and responsibilities of the board of directors under the governance evaluation indicators and sustainable action plan.	Securities and Futures Institute	3.0
		113/01/30 ~ 113/01/31	Directors and Supervisors (including independent) and Head of Corporate Governance Practical Workshop - Taipei Class ■ Legal Issues that Directors and Supervisors of Publicly Listed Companies Should Pay Attention to ■ Skills of Directors and Supervisors in Interpreting Financial Information ■ How do the directors and supervisors of TWSE/TPEx listed companies perform their duties ■ Implementation of Corporate Governance and the Operation of Board of Directors	Securities and Futures Institute	12.0

Note 3: The Company's directors' pursuit of further education in 2023 Year

Title	Name	Date	Course title	Organizer	Training hours
Chairman	Hsu, Sheng-Hsiung	2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/11/10	2023 Global Trends and Business Opportunities in Low Carbon Economy and Corporate Low Carbon Innovation	Taiwan Corporate Governance Association	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
Director	Ko, Charng-Chyi	2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/05/26	Challenges and Responses of Taiwanese Enterprises under Global Risks in 2023	Kinpo Group Management Consultant Company	2.0
		2023/11/10	2023 Global Trends and Business Opportunities in Low Carbon Economy and Corporate Low Carbon Innovation	Taiwan Corporate Governance Association	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
Director	Ho, Mei-Yueh	2023/04/13	A Brief Discussion on Corporate Governance and Public-Private Partnership	Taiwan Corporate Governance Association	3.0
		2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/08/03	Practical Implementations of Corporate ESG Sustainability Trends and New Knowledge in Securities Regulations	Taiwan Corporate Governance Association	1.5
		2023/08/25	Analysis of Current and Future Global Economy and Finance	Taiwan Corporate Governance Association	3.0
		2023/10/12	The Development Trend of Semiconductors Under Global Changes	Taiwan Corporate Governance Association	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
Director	Chen, Wei-Chang	2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
Director	Hung, Yung-Chen	2023/02/07	Information Safety Governance Practice: Analysis of Key Management Topics	Taiwan Corporate Governance Association	3.0
		2023/02/14	The New Look of Corporate Governance under the ESG Trend	Taiwan Corporate Governance Association	3.0
		2023/04/14	Legal Risks and Responses in Corporate Investment and Financing - Starting from the Perspective of Corporate Director Responsibilities	Taiwan Corporate Governance Association	3.0
		2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0

Title	Name	Date	Course title	Organizer	Training hours
Director	Chiu, Ping-Ho	2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/05/26	Challenges and Responses of Taiwanese Enterprises under Global Risks in 2023	Kinpo Group Management Consultant Company	2.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
Director	Chen, Hsin-Tso	2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/11/10	2023 Global Trends and Business Opportunities in Low Carbon Economy and Corporate Low Carbon Innovation	Taiwan Corporate Governance Association	3.0
Director	Hsu, Chieh-Cheng	2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
Independent Director	Hsieh, Fa-Dah	2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
Independent Director	Huang, Chih-Peng	2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
Independent Director	Wu, Chung-Fern	2023/04/26	Merger and Acquisition Strategy Thinking and Evaluation Practice	Securities and Futures Institute	3.0
		2023/05/15	Competitiveness VS Survival, ESG Trends and Strategies	Securities and Futures Institute	3.0
		2023/07/27	How does the Director supervise the company in enterprise risk management and crisis handling	Securities and Futures Institute	3.0
		2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0

3.4.4. Composition, Duties and Implementation Status of the Remuneration Committee

1. Duties of Compensation Committee:
   The committee shall, with the attention of good managers, faithfully perform the following functions and powers, and submit the recommendations to the Board of Directors for discussion. However, the proposal on the remuneration of independent directors shall be submitted to the Board of Directors for discussion, and the remuneration of independent directors shall be limited to those specified in the Company's articles of association or authorized by the Board of Directors through resolutions of the shareholders' meeting.
   (1) Periodically review the Group's procedures and recommend amendments.
   (2) Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors (including Independent Directors) and management of the Company.
   (3) Regularly evaluate the salaries of the Company's directors (including independent directors) and managers.

2. Information of Members of the Remuneration Committee

Criteria / Name		Professional Qualifications with experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as remuneration committee member
Convener Independent Director	Hsieh, Fa-Dah	Having Economics Knowledge, Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer the director's information on pages 9-12 (1) for major experience & education; None against Article 30 of the Company Act.	Please refer to pages 14-15 (II) Professional qualifications and independence analysis of directors.	0
Independent Director	Huang, Chih-Peng	Having Finance & Taxation Knowledge, Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer to Director Information (1) on pages 9-12, and there are no items in Article 30 of the Company Act.		1
Independent Director	Wu, Chung-Fern	Having Accounting Knowledge, Work Experience in the Areas of Commerce or Otherwise Necessary for the Business of the Company; Please refer to Director Information (1) on pages 9-12, and there are no items in Article 30 of the Company Act.		2

3. Operation of the Remuneration Committee

(1) The Company's Compensation Committee had 3 members.

(2) The term of this committee member is from June 2, 2022 to June 2, 2025. A total of 3 times meeting of the Remuneration Committee was held in 2023. The attendance by the members was as follows:

Title	Name	No. of meetings Attended in person (B)	No. of meetings Attended by proxy	In-person attendance rate (%)(B / A)	Remark
Convener	Hsieh, Fa-Dah	3	0	100%	
Member	Huang, Chih-Peng	2	1	67%	
Member	Wu, Chung-Fern	3	0	100%	

Other matters required to be recorded:

A. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, the session, the nature of motion, the resolution made by the board of directors, and the Company's response to the remuneration committee's opinion (eg., if the amount of remuneration passed by the Board of Directors exceeds the remuneration committee's recommended amount, the circumstances and cause for the difference shall be specified): None.

B. If resolutions of the remuneration committee are objected by members or become subject to a qualified opinion, which have been recorded or declared in writing, then the date of the meeting, the session, the nature of the motion, all members' opinions and the response to members' opinion should be specified: None.

(3) The meeting date, session, resolution content, resolution result and the company's handling of the salary and compensation committee's opinion in the most recent year:

Meeting Date, Session	Agenda items	Resolution	The Company's Handling
2023/03/10 The 3rd Meeting of the 5th Session	■ 2022 Remuneration of employees and directors of the Company. ■ 2023 Proposal for annual salary adjustment for managerial officers. ■ 2023 Dragon Boat Festival and Mid-Autumn Festival bonu. ■ The 2023 remuneration case for the Company's directors, managerial officers, who are also serving as directors, managerial officers and hold other titles in the subsidiary companies.	Resolved	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.
2023/05/11 The 4th Meeting of the 5th Session	■ Promotion and salary adjustment plan for the management (Head of Corporate Governance). ■ Proposal for treasury stock transfer to employee.	Resolved	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.
2023/11/09 The 5th Meeting of the 5th Session	■ Proposal for the 2023 year-end bonuses for managerial officers (including those serving subsidiary positions) of the Company. ■ Remuneration plan for changes in company management and newly hired managers ■ The meeting date of the Salary and Remuneration Committee for 2024.	Resolved	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.

3.4.5. The Composition, Responsibilities, and Implementation Status of the Sustainable Development Committee

1. Establishment Information:
   To promote the related work of sustainable development, he Company's board of directors passed the resolution on September 7, 2022 to establish the Sustainable Development Committee, and according to the organization regulations of the Sustainable Development Committee, 4 members were set up.
2. Responsibilities of the Sustainable Development Committee:
   (1) Formulation of sustainable development policy.
   (2) Formulation of annual sustainable development plans and strategic direction.
   (3) The tracking and review of the implementation status and results of sustainable development are reported to the Board of Directors at least once a year.
   (4) Decisions on Other Important Matters for Sustainable Development.
3. Implementation Status of the Sustainable Development Committee
   (1) The term of this committee member is from September 7, 2023 to June 26, 2025.
   (2) A total of 2 times meeting of Sustainable Development Committee was held in 2023. The attendance of members was as follows:

Title	Name	No. of meetings attended in person (B)	By Proxy	In-person attendance rate (%)(B / A)	Remark
Convener	Chen, Wei-Chang	2	0	100%	
Member	Hsieh, Fa-Dah	2	0	100%	-
Member	Huang, Chih-Peng	2	0	100%	-
Member	Wu, Chung-Fern	2	0	100%	-

4. The Meeting Date, Session, Resolution content, Resolution result and the company's handling of the Sustainable Development Committee's opinion in the Year 2023:

Meeting Date, Session	Agenda items	Resolution	The Company's Handling of the Opinions of the Sustainable Development Committee
2023/09/07 The 1st Meeting of the 1st Session	1. Elected the convener of the first Sustainable Development Committee of the Company.	Approved as proposed	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.
2023/11/09 The 2nd Meeting of the 1st Session	1. Proposal for Discussion of Sustainable Development Policies and Strategies of the Kinpo Group. 2. Proposal for Discussion of Sustainable Development Work Plan for 2024.	Approved as proposed	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.

3.4.6. Fulfillment of sustainable development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies "

Item	Actions taken			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
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?	v		1. In order to review ESG topics related to the Company's operations, implement corporate governance and establish the "Sustainable Development Practice Rules", the Company has set up a cross-unit, operational level Sustainable Development Committee in August 2021, whose members are senior executives of the Company. It is divided into three functional groups, responsible for promoting ESG policies. 2. The Company promoted the operational level Sustainable Development Committee to the Board level in 2023 to enhance sustainable development governance. At least one meeting shall be held annually, with additional meetings convened as needed. The Sustainability Development Committee at the operational level has been renamed the Sustainability Development Executive Committee, which reports the status of greenhouse gas inventory to the Board of Directors quarterly. 3. The Board of Directors' supervision over the Sustainable Development Committee in implementation: A total of 5 proposals were reported to the Board of Directors in 2023, including: (1) Disclosure content of greenhouse gas inventory and verification; (2) Planning for the completion of GHG verification by parent and subsidiary companies before 2030; (3) Establishment of relevant rules and methods for the Sustainable Development Committee at the Board meeting level; (4) Policies and strategies for sustainable development; (5) Work plan for sustainable development. 4. The results of the sustainable development in 2023 have been reported to the Board of Directors on November 14, 2023.	-
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	v		1. Kinpo Electronics identifies key stakeholders through the AA1000 SES Stakeholder Engagement Standard. By conducting surveys on sustainability topics and impact analysis questionnaires, it identifies sustainability topics that interest the stakeholders. Unlike past practices where the focus was on the level of stakeholder concern and on the significant impact on economic, environmental, and social aspects, this approach analyzes the actual and potential, positive and negative impacts of each major topic, as well as the possibility of their occurrence. 2. The Company collects and benchmarks sustainable themes related to company operations, takes into account the degree of interest from stakeholders, the impact on the environment, economy, and society, and conducts risk assessments for major issues based on the principle of materiality. Related risk management policies, strategies, and measures are then formulated. Please refer to Table 1.	-
3. Environmental issues 3.1 Does the company establish proper environmental management systems based on the characteristics of its industries?	v		1. In order to enforce the green product policy and environmental protection, the hazardous substance process management system has established and been certified by the IECQ QC-080000 to ensure that products meet environmental regulations and customer requirements. To better the environment, factories have also established an environmental management system which received ISO14001 certification. (http://www.kinpo.com.tw/ChineseT/social_8.html) 2. Compliant 3.2 Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	-

Item	Actions taken			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3.2 Is the company committed to improving energy efficiency and using renewable materials that have a lower impact on the environment?	v		1. The Company continuously promotes energy management and renewable energy in its factories. Starting from 2023, the ISO50001 energy management system has been gradually introduced in the headquarters and global factories, and currently 67% of the factories have passed the certification. 2. Taking the headquarters as an example, the promoted measures include the replacement of chilled water mainframe and peripheral facilities, updates of the proportion valve of air conditioning box, etc. The electricity usage in 2023 decreased compared to 2022. Decreased by 19.2%. 3. The Company substituted some parts with recycled resin instead of raw materials, reducing the volume of raw materials used by 14,983 tons in 2023. **Energy Policy** Our company is committed to managing and improving energy efficiency to achieve the goal of sustainable development. To this end, we pledge to provide the necessary resources to implement this energy policy. 1. Regulatory Compliance Comply with government energy regulations and other relevant requirements, and honor voluntary commitments related to energy. 2. Reduce Energy Consumption We are committed to energy conservation and improving energy efficiency, supporting the procurement of energy-saving products and services, and using renewable energy. 3. Continuous Improvement Regularly review and improve energy efficiency, ensuring the achievement of goals through the setting and tracking of metrics. 4. Strengthen Communication Promote energy-saving education and training to enhance employees' awareness of energy conservation, establish effective communication channels, and continuously convey the Group's energy policy to stakeholders. Kinpo Group should regularly review and update the energy policy to ensure its continued effectiveness and alignment with the Group's sustainability goals.	-
3.3 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?	v		1. The Company follows the framework proposed by the TCFD (Task Force on Climate-related Financial Disclosures) under the G20's Financial Stability Board to evaluate the risk and opportunity associated with the change of climate to the company, which is reviewed and updated annually. 2. The Company signed up as a TCFD Supporter in 2022 and introduced the TCFD framework to identify change of climate risk and opportunity in the same year. We compiled experiences from various BUs and management units, analyzed significant climate risks from multiple Change of Climate Risk Items, and inventoried the paths, impacts, and possibilities of influence. 3. To reduce the impact of climate risk factors, the Company simultaneously identified the first three major issues of risk and opportunities, as well as the response strategies and management methods. Key results are summarized in Chapter 5, Environmental Sustainability, Section 5.1, Climate Change Risks and Management, of the Kinpo Electronics Sustainability Report.	-
3.4 Does the company take inventory of its greenhouse gas emissions, water	v		1. The statistics of the company's GHG emission, water consumption, and total waste weight from 2022 to 2023 are as follows:	-

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Actions taken</th><th rowspan="2">Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?</td><td></td><td></td><td><table><tr><th>Year / Items</th><th>2022</th><th>2023</th></tr><tr><td>GHG emission (tons CO2e)</td><td>240,301</td><td>Note 1</td></tr><tr><td>Per Capita Water Usage (Megaliters/Person/Day) (Note 2)</td><td>0.11</td><td>0.09</td></tr><tr><td>Waste (Tonnes)</td><td>19,075.04</td><td>11,800.81</td></tr></table>Note 1: The ISO 14064 greenhouse gas inventory for 2023 is expected to be completed by the end of April 2024, with third-party inspections that can be completed by the end of May 2024.
Note 2: Per Capita Water Usage (Megaliters/person/day) = (Total Annual Water Usage) ÷ (Total number of people within the unit for the entire year) ÷ Year days * 1,000 / 1,000,000
2. To fulfill its commitment to carbon reduction, The Company has formulated four carbon reduction strategies: Established trusted data benchmarks; adopted science-based target management; developed transparent carbon reduction initiatives; and promoted sustainable supply chains. By participating in the "Carbon Disclosure Project" (CDP) survey every year, we continuously review our carbon reduction strategies and action plans. The Company has committed to the Science-Based Targets initiative (SBTi) in 2022, and according to the guidelines of the Greenhouse Gas Inventory Protocol, if the Company's Scope 3 emissions exceed 40% of the total emissions, a Scope 3 emission reduction target must be set. Since Scope 3 emissions are not items directly controlled by the Company, the collection of data, the determination of the scope and the calculation method increase the difficulty of data quantification and disclosure. We will submit our reduction targets to SBTi in March 2024. Using 2022 as the base year and aiming to meet the SBT 1.5°C target by 2033, we estimate a 55% reduction in emission intensity by 2033 compared to 2022.
3. The verification status has been disclosed on the official website, please refer to the link below: https://www.kinpo.com.tw/kpo_file/Related_Certification_Information.pdf</td><td></td></tr>
<tr><td>4. Social issues
4.1 Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>v</td><td></td><td>The Company strictly adheres to the labor-related laws and regulations of the locations where it operates globally, supports the human rights protection spirit and basic principles disclosed by international human rights conventions such as the "United Nations Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "United Nations Global Compact" and the "International Labour Convention", and implements the "Responsible Business Alliance Code of Conduct" (RBA Code of Conduct), formulates employee policies and related management measures, and implements equal employment systems to protect the human rights of all personnel, including full-time employees, contract and temporary personnel, and interns. It also promises to protect labor rights and not force labor; regardless of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation or marital status, etc. Everyone is treated without discrimination, and no child labor is employed.</td><td>-</td></tr>
<tr><td>4.2 Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance</td><td>v</td><td></td><td>1. The Company places great emphasis on talent cultivation and development. To strengthen the competitiveness of Taiwanese talent, Kinpo Electronics announced its join in the "2023 TALENT in Taiwan: Taiwan Talent Sustainability Action Alliance".
2. The Company conducts regular annual competitive salary analyses by referring to benchmark companies and overall</td><td>-</td></tr>
</table>

Item	Actions taken			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
or results reflect on employee salaries?			industry market salary surveys. It retains talents through a competitive salary structure, and pays particular attention to the correlation and rationality between the company's operating performance and employee salaries. In 2023, it continues to be a constituent of Taiwan's High Salary 100 Index. 3. The Company values diversity and equality in the workplace, implements equal pay for men and female, provides equal promotion opportunities, and successfully maintains exceed 30% of management positions held by female, in order to promote sustainable and inclusive economic growth. The overall proportion of female employees in 2023 was 42.5%, and the proportion of female executives was 32.8%. 4. In response to the issues of low birth rate and aging population that society in Taiwan is facing, the Company has implemented a childbirth subsidy policy since 2011 to alleviate the pressure on working parents. A childbirth award of NTD 66,000 is provided for each newborn of the Employees and their children. By the end of 2023, a total of 829 golden babies have benefited from it. 5. To help employees balance their physical and mental health, our company provides thoughtful benefits. (1) Lactation Room: Available for employees who need to breastfeed, express milk, or care for their infants. (2) Comprehensive Health Management Services: Establish a medical clinic that provides services from specialist doctors, health check-up tracking, and timely medical consultation services. (3) Convenient Service Facilities: Dining and lifestyle services such as an employee cafeteria and a coffee bar. (4) Employee Recreation Center: In addition to amenities like air hockey tables, foosball, and dart machines, it also offers trendy massage chairs with unique palm massage services to relieve the stress from prolonged sitting or standing, providing a place for employees to relax and socialize. (5) Employee Health Massage Room: Provides on-site massage services by visually impaired massage therapists, helping employees relieve muscle tension, alleviate pain, and reduce stress through their skilled hands. (6) Diverse Employee Benefits: Regularly hold health seminars, green lectures, and soft skill courses (such as aromatherapy classes) to help alleviate employee stress.	

Item	Actions taken			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
4.3 Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	v		The Company values the safety and health of its employees and is committed to creating a healthy and safe work environment. The Company has professionals to provide employees with medical consutations and assistant and annually: 1. Employs the services of renown domestic hospitals to conduct health examinations for all employees. (Employ a "specialist" to provide in-house medical service for employees once a year.) (six times a year) 2. To strengthen Employee's knowledge of fire prevention, the Company conducts fire drills hosted by the fire department every year, with no incidence of fire reported this Year. 3. appoints qualified suppliers to cater food to employees 4. conducts regular maintenance four times a year for drinking water fountains and arrange for inspections. 5. Firefighting training: Held twice a year on 6/16 and 12/14. Each session is 4 hours long. The target audiences are the firefighting team members and new employees. A total of 54 people participated in the training throughout the year. 6. Occupational safety and health training for new employees: A total of 4 sessions were conducted, with each session lasting 3 hours. Throughout the year, a total of 57 participants were trained. 7. Emergency escape drill for shuttle bus: The drill targets employees who take the shuttle bus, with a duration of 30 minutes. A total of 271 participants were trained. 8. Emergency evacuation drill: The participants for the drill are all employees in the Shenkeng office building. The drill was 30 minutes long and a total of 1,067 participants were trained. 9. In 2023, the total number of occupational injury cases in Taiwan headquarters was 6, mainly consisting of 4 traffic accidents and 2 general accidents, accounting for 0.44% of the total Number of Employees. To prevent occupational disasters, the Company has implemented the following improvement measures: (1) Commuting Traffic Accidents: Strengthen traffic safety publicity, remind colleagues to pay attention to the situation ahead of the car, do not overspeed, and should slow down when passing through intersections. (2) General Incident: ■ Conduct safety and health education and training to enhance staff's safety awareness and avoid unsafe work practices. ■ The company should pay attention to the volatilization of organic solvents during construction, and ventilation needs to be considered. Also, try to arrange construction on non-working days to avoid discomfort caused by the smell of organic solvents among colleagues.	-
4.4 Does the company provide its employees with career development and training sessions?	v		We believe that employees are the company's greatest assets and as such, we've established a comprehensive training system to help our employees continue furthering themselves. To improve our employee training programs and make them more relevant to job requirements, we design annual training needs questionnaires, which are used as a reference for the training direction in the following year. We also invest in multifaceted, concurrent internal training programs that cover a range of areas (including but not limited to: new employee orientation, group quality training, fire drills, legal and information security training, etc.), onsite training for different functions (such as core competencies, management skills, tool training, language training, etc.), overseas training, on-the-job training (OJT) and more. Moreover, we include compulsory courses and credit requirements in the promotion criteria for each job level, which helps to strengthen the employee's	-

Item	Actions taken			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			professional knowledge, skills, and motivation for learning, ultimately boosting their job performance and facilitating their continuous growth. Please refer to the Company's website for details of the Company's education and training features, training types, and training methods:	
4.5 Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	v		As an ODM and EMS manufacturer, the Company shall, in accordance with relevant laws and regulations and international standards, label the product or its designated logo and name for the customer, but shall not label the product or name of the Company.	-
4.6 Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results			1. To ensure that employees within the supply chain are treated with respect and dignity, the work environment of suppliers is safe, business operations promote environmental protection, and observe ethical conduct, the Company has established the "Supplier Code of Conduct". The content includes labor, health and safety, environment, ethical standards, and management system. It is approved by the President and serves as the basic requirements for suppliers to comply with sustainability standards. We incorporate the "Supplier Code of Conduct" into the purchase contract. If suppliers wish to become qualified suppliers of the Company, one of the requirements is that they must sign the purchase contract. 2. In order to manage suppliers effectively and allocate resources appropriately, The Company selects those who account for the top 75% of their annual procurement amount as key suppliers. These suppliers are then evaluated for potential risk through a supply chain sustainability assessment questionnaire. The questionnaire covers labor rights, health and safety, environmental protection, ethics, management systems, and corporate sustainability performance. 3. Based on the survey results, the main sustainability risk factors for suppliers in 2023 are environmental protection, including lack of certified greenhouse gas inventories, and absence of energy management and carbon reduction mechanisms. The Company has defined suppliers with a score of less than 60 as high-risk suppliers. In 2023, a total of seven high-risk suppliers were identified. According to the audit results, there were a total of 48 non-compliance items from high-risk key suppliers. Corrective action forms have been issued for all non-compliant Items and follow-up improvements have been implemented.	-
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports?	v		The Company website has a Sustainable Development Section to disclose relevant information. In addition, the Company complies with international compilation standards and guidelines such as GRI, SASB, UN Sustainable Development Goals, TCFD, and UN Global Compact to formulate the Sustainability Report. The report comprehensively discloses the Company's ESG performance and is disclosed on the Company website and in the Market Observation Post System. The report has been commissioned to the third-party verification unit, Ernst & Young, to conduct a limited assurance in accordance with ISAE 3000 and has obtained an independent	-

Item	Actions taken			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
Do the reports above obtain assurance from a third party verification unit?			assurance report.	

6. Describe the difference, if any, between actual practice and the Sustainable Development Best Practice Principles , if the company has formulated such principles itself based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies :

The Company's daily operations promote and implement sustainable development in terms of corporate governance, sustainability, philanthropy, and disclosure of corporate sustainability information. Therefore, the "Sustainable Development Practice Guidelines" are established to be followed.

7. Other useful information for explaining the status of corporate social responsibility practices:

Hualien Disaster Relief Operation

On April 3, 2023, a strong earthquake of magnitude 7.2 occurred off the coast of Hualien, causing massive rock collapses, roadbed failures, and house damages in some areas. There were also people trapped and casualties, affecting the lives of many people. The Kinpo Group continues to show concern for the disaster situation and announced on the 5th that its subsidiaries, such as Golden Bell Electronics, Compal Computer, and AcBel Polytech Inc., have jointly donated NT$20 million to assist in disaster relief.

Charitable Activities

Community Service & Philanthropy: Hsu Chao-Ing Charity Foundation, based on the three main axes of "caring for vulnerable children", "multiple education" and "promotion of volunteer activities", continues to gather relevant resources inside and outside Kinpo Group and volunteer partners to invest in caring for vulnerable lives The diverse activities of disadvantaged education, injecting relevant resources for the disadvantaged, and delivering the power of beauty and goodness.

This year, a total of 28,423 underprivileged children were cared for. In the future, we will still uphold the concept of practicing for the common good, with sustainable education as our goal, to achieve for every child. We will also actively create a "spontaneous, interactive, and mutually beneficial" goal between rural schools.

The service scope for 2022 includes Taoyuan, Hsinchu, Pingtung, New Taipei, Yunlin, Changhua, Chiayi, Tainan, Kaohsiung and other regions. The total social welfare expenditure was NT$ 13,479,153, and the administrative expenditure was NT$161,624.

1. Rural Education: Providing stable educational resources to rural schools to minimize the disparity between urban and rural educational resources and assist disadvantaged students in enjoying the right to quality education. Implemented projects such as "Hsu Chao-ying Disadvantaged Children Art Class", "Rural Makers Bilingual Education", and "English Reading". Weekly benefits reach up to 3,873 students, with an investment of NT$6,033,030.
2. The Company hold "News reading class" in Pingtung area, with a total of 328 classes established, benefiting 5,386 children. The funds invested into this program amounted to NT$1,424,778.
3. The Dream Soaring Project: This is an adoption project by the Kinpo Group, which raised NT$4,762,514. The special funding is dedicated for charity purpose, providing monthly sponsorship funds, taking care of 458 underprivileged children, benefiting a total of 3,261 students, with a total amount invested of NT$5,040,277.
4. Emergency Assistance: This is to provide livelihood assistance for individuals in distress and students, benefiting a total of 5 people and 60 person-times, with a total investment of NT$464,775.
5. Assistance for the Underprivileged: Regularly improve the living conditions of vulnerable families, provide life assistance and materials, and organize projects such as "Food Collection for Charity", "Dream Fulfillment", and "Tribal Care". The total number of beneficiaries is 18,701, with an investment of NT$516,293.
6. In the Year 2023, the "Xu Chao-ying Charity Foundation" was awarded the Wenxin Award [Talent Cultivation Award] by the Ministry of Culture, and the recognition of the [Dream Hero] by the New Taipei City Government Love Platform.

Sustainable Development Policy

Kinpo Group, with its business philosophy of "innovation, harmony, and transcendence", upholds the core values of the environment, economy, and society. It implements five major aspects: corporate governance, employee care, society engagement, supply chain management, and sustainable production. Kinpo Group is committed to pursuing sustainable operation.

Human Rights Policy:

Goldilocks strictly abides by the labor-related regulations in the locations where it operates globally, referencing the spirit and basic principles of human rights protection disclosed in the International Human Rights Conventions such as the "United Nations Universal Declaration of Human Rights", the "United Nations Guiding Principles on Business and Human Rights", the "United Nations Global Compact", and "International Labor Conventions". It also implements the "Responsible Business Alliance Code of Conduct" to safeguard the rights of all personnel including full-time employees, contract and temporary staff, and interns.

The human rights policy of the Company applies to the Company itself and its domestic and international subsidiaries, as well as other group-related businesses with substantial control capabilities. The implementation of the policy is as follows:

1. Prohibition of Discrimination: Eliminate unlawful discrimination based on race, nationality, color, age, pregnancy, gender, sexual orientation, religion, disability, union membership, or political inclination. Ensure equal opportunities, including equal protection for equal work and equal value pay.

Item	Actions taken			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

2. Child Labor Prohibition: Prohibits the employment or use of people under the age of 15, or the age of compulsory education is not completed, or the lowest employment age in the country/region, and does not accept any suppliers or contractors using child labor.
3. Prohibition of Human Trafficking: The use of labor through coercion, collateralization (including debt mortgages) or contractual bindings, involuntary or exploitative prison labor, slavery, or trafficked individuals is prohibited.
4. Prohibition of Forced Labor: Respect for employee freedom, workers have the right to leave or terminate the employment relationship at any time.
5. Reasonable salary and benefits: The Company provides employees with salaries and benefits that meet or exceed the basic requirements of local laws, including safeguards for the Lowest wage, overtime, and statutory benefits.
6. Safeguarding the Freedom of Association and Collective Bargaining for Employees: Employees are free to associate under the local laws of the country where the business is located, and they are free to choose whether or not to join unions or employee organizations they are part of. Respect the collective bargaining rights of employees, ensuring that they can communicate with employers or management about working conditions without fear, retaliation, threats, or harassment.
7. Diverse and Inclusive Work Environment: Protecting the labor rights of vulnerable groups such as indigenous people, women, migrant workers, contract staff, and people with disabilities.
8. Healthy, Safe, and Friendly Workplace: Provide a safe, healthy, and harassment-free work environment.
9. Maintaining Employee Health: Support and assist employees in maintaining physical and mental health, as well as work-life balance.
10. Maintaining an open communication channel: Establishing an open management model and communication environment, encouraging the honest expression of opinions.
11. Respect for Privacy: Ensure that the collection and use of individuals' data comply with regulatory requirements.
12. Continual Improvement: Regularly review and assess relevant risks and performance, optimizing management measures.

Commitment to Quality Policy

Superior quality and customer satisfaction is at the core of our management, our quality policies ensure that our quality management system conforms to customer and regulatory requirements:

1. Provide customers with satisfactory products and services
2. Do things right at the first time
3. Continue to pursue excellence in quality

Hazardous Substance Reduction Policy

We are committed to becoming one of the best Companies in regards of environmental protection and we continue to work towards gaining the recognition of employees, customers, shareholders, suppliers, and the general public through our product development, manufacturing, and service.

To achieve our mission, we have listed the following requirements:

1. Compliant with international regulations
2. Meet customer demands
3. Use designs that make the products recyclable
4. Continue to better the green management system

By meeting the above requirements, the New Kinpo Group can ensure that the products in circulation are not harmful to people or the environment.

Commitment to Responsible Mining

As a member of the "Responsible Business Alliance (RBA), formerly the Electronics Industry Citizenship Coalition", we commit to adhere to the five type of the RBA Code of Conduct, including labor, health and safety, Environment, ethics and management systems, and are dedicated to promoting the Code of Conduct throughout the supply chain. We also commit to disclosing the conflict minerals included in products and components in accordance with the Organisation for Economic Co-operation and Development (OECD) directives openly and transparently, asking suppliers to use the conflict mineral reporting template to disclose information about the smelters of minerals such as gold, tungsten, tin, tantalum, etc. utilized in the supply chain, to fulfill our corporate citizenship and social responsibilities.

Due Diligence of Responsible Minerals

In order to enforce responsible mineral procurement, "Responsible Mineral Policy Statement" is required to be signed by newly cooperated suppliers. Through the continuous investigation of the supply chain for responsible minerals every year, management tools announced by RMI - Responsible minerals report templates, including Conflict Minerals Reporting Template (CMRT), Extended Minerals Reporting Template (EMRT), are adopted to investigate whether the product materials used are tin, tantalum, tungsten, gold, cobalt, mica minerals, disclose mineral source information, and identify whether smelters come from conflict-affected and high-risk areas (Conflict- Affected and High-Risk Areas, CAHRAs) mining areas to ensure that their minerals and metal supplies are from legal sources. In order to fulfill our commitment and comply with the code of conduct of the Responsible Business Alliance (RBA), we fulfill our corporate citizen responsibility. The completion rate of due diligence conducted in the Year 2022 reached 100%, and all complied with the requirements of not using conflict minerals.

Table 1:

Major Issue	Items of Risks Evaluation	Risk Management Policy/Strategy/Response Method/Opportunity
Environmental Aspect	Impact to the Environment	The Company aims at environmental sustainability and has introduced the ISO14001 environmental management system to ensure that the production process of the product does not cause environmental pollution and meets regulatory requirements. At the same time, the ISO 50001 energy management system has been established to improve the efficiency of energy resource use and reduce greenhouse gas emissions. Through the PDCA systematic management measures, the impact of operational processes on the environment is effectively reduced.
	Change of Climate	■ The Company prudently faces the impact brought by the topic of climate change and incorporates it into the scope of corporate risk identification. In 2022, it became a TCFD Supporter and implemented the TCFD framework in the same year, identifying the risks and opportunities brought about by climate change, and formulating response strategies to mitigate and adapt to the potential impact of climate change. ■ Through the greenhouse gas inventory of ISO 14064, a credible data benchmark is established as the basis for submitting the SBTi reduction target. In 2023, 100% of the global factories obtained the ISO 14064 certificate. Submit the SBTi commitment letter in September 2022, and the reduction target is expected to be submitted in 2024.
	Green Products	Implement the IECQ QC 080000 Hazardous Substance Process Management System and comply with EU RoHS regulations, ensuring that products are free of hazardous substances. This guarantees that all operations, from design to production, meet quality and hazardous substance regulatory requirements. According to IECQ QC 080000 standards, we regularly collect and disseminate updates on international green regulations and customer requirements for hazardous substance management. During the design and development stages, we adopt green product design (designs that do not use hazardous substances) and establish green product process management to reduce the use of hazardous substances, thereby implementing our green product policy and contributing to environmental and social protection.
Society aspect	Occupational Safety	■ Proactively strengthen injury prevention measures and improve poor health through ISO45001 occupational health and safety management verification. ■ Regular fire drills and industrial safety education and training are held every year to cultivate employees' ability to respond to emergencies and self-safety management.
	Human Right Risks	■ As for regulations, ensure that labor policies comply with domestic and foreign human rights conventions and local government regulations. For relations between employees and employers, regular meetings are held. ■ The two parties communicate and reach consensus on issues related to the implementation of human rights policies, labor environment and conditions, policies, remuneration and benefits to ensure transparency and smooth communication between labor and management.
	Conflict-Free Minerals	To ensure that the raw materials we procure are not sourced from mines in conflict-affected and high-risk areas, we have established a Responsible Minerals Investigation (RMI) system. We utilize RMI's announced management tools—the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT)—to conduct annual or customer-requested responsible minerals investigations. This fulfills our commitment and complies with the RBA Code of Conduct, upholding our corporate social responsibility.
Governance Aspect	Operational Interruption Risk	Evaluate potential emergencies (such as pandemic threats, fires, or wind disasters) that may affect employees, equipment, and the environment, and develop preventive measures in advance to reduce their frequency of occurrence.
	Risk of Interest Change	For the interest rate risk items on the end of the financial reporting period, including floating interest rate investments, assuming holding for one accounting year, when the interest rate increases/decreases by ten basis points, analyze the impact on Kinpo's profit and loss.
	Change of Exchange Rate	Regularly review the differences between assets and liabilities denominated in non-functional currencies, and manage exchange rate risks with forward foreign exchange contracts.
	Information Safety	■ Build an Information Security Management System (ISMS) that complies with international standards and has received ISO/IEC 27001 accreditation. ■ Strengthen employee cyber security awareness training, to cope with the constantly evolving cyber threats, ensuring that our employees can identify and respond to Virus threat. ■ Continuously conduct security vulnerability scans and weakness assessments, and timely repair to reduce cyber security risks.

Table 2:

Items	Category	Topic	Response Strategy
Risk	Physical Risk - Immediate Risk	Increase in intensity of extreme Weather events	1. Set up a Business Continuity Management (BCM) mechanism and define a Business Continuity Plan (BCP) for each type of extreme weather. 2. Regularly conduct emergency response plan drills and assess the potential impact of extreme weather on the plant to adjust preventive measures. 3. The assessment for constructing new factories will incorporate factors of climate change to avoid the impact of risks.
	Transformation Risk - Emerging Regulatory Risk	Emission caps, carbon rights and energy transactions	1. Continue to monitor GHG management strategies in various countries (such as emission caps on greenhouse gases, carbon trading, carbon offsets, carbon taxes, carbon fees, and so on). 2. Set up Science Based Targets (SBT), plan a reduction path for greenhouse gases to keep global warming well below 1.5°C. 3. Actively promote low-carbon technologies such as process optimizations or equipment upgrades and increase the proportion of renewable energy in order to reduce the volume of greenhouse gas emissions from energy. 4. The new factory introduces low-carbon building evaluation to reduce the increase in greenhouse gas emissions. 5. Implement internal carbon pricing, combine carbon reduction achievements with operational performance indicators, and accelerate the transition period of low-carbon transformation.
		Renewable energy	1. Continue to monitor trends in renewable energy legislation and changes in the renewable energy trading market worldwide. 2. Actively promote energy-saving projects, implement ISO 50001, and set up an internal energy conservation reward mechanism (e.g. innovative proposal challenge) to reward units for effective energy conservation or development of energy-saving technologies, in order to reduce energy demand. 3. Evaluate various options for obtaining renewable energy, such as constructing in-house renewable energy supplies at production facilities, signing long-term power purchase agreements, and renewable energy certificates.
Opportunity	Resource Efficiency/Resilience	Improve defenses against natural disasters	1. Implement water and energy conservation measures, introduce ISO 50001 energy management system, and continue to optimize energy-saving improvements. 2. For factories located in areas with high flood risk or susceptible to typhoon damage, measures are taken to raise the foundations or to place main production equipment on higher floors. 3. Set up a Business Continuity Management (BCM) mechanism and define a Business Continuity Plan (BCP) for each type of extreme weather.
	Product and services	Enhance business reputation	1. Accelerate the implementation of the following measures to strengthen the adaptation and mitigation capabilities to the change of climate: (1) Actively invest in green product design, energy conservation management (ISO 50001), and increase the use of renewable energy. (2) Strengthen the infrastructure construction of the factory area and introduce the Business Continuity Plan (BCP). 2. Actively participate in external sustainability organizations such as RBA, CDP, and through the Kinpo Electronics Sustainability Website, Sustainability Reports, etc., to help stakeholders better understand the related actions.
	Resilience	Participate in renewable energy programs and carbon trading markets	1. Enforce the energy management system and reduce electricity consumption by production processes. 2. Expand the use of renewable energy types, such as assessing the feasibility of constructing in-house renewable energy in factories and negotiating power purchase agreements with renewable energy providers. 3. Evaluate the carbon trading mechanisms of different countries, as well as the channels for purchasing carbon rights.

3.4.7. Climate-related Information of TWSE/TPEx Listed Companies

1. Actions taken on climate-related information

Items	Actions taken
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	■ Board of Directors: The highest decision-making unit for managing the risk of change of climate, responsible for supervising and ratifying risk management policies and significant risk management systems, tracking the actions taken in risk management and performance goal achievements. ■ Sustainable Development Committee: Formulates the vision, goals, policies and strategies for sustainable development, supervises capital expenditures required for sustainable development, and supervises and guides the implementation of sustainable development. ■ Sustainable Development Execution Committee: As the highest decision-making and execution committee for the company's sustainability, it consists of the President as the chairperson and senior executives of the Company as members. The committee also communicates with the Board of Directors in a bidirectional manner to enhance execution efficiency.
2. Clarify how the identified climate risks and opportunities affect the company's business, strategy, and finance (short-term, medium-term, long-term).	Through the TCFD framework, the Company has identified the risks and opportunities related to climate change, analyzed the possible impact on the Company's operations and finance, grasped the transition opportunity, and the financial impact type. This has led to the formulation of response strategies aimed at reaching carbon neutrality, implementing energy management, strengthening green product design, promoting supply chain sustainability, and extending these efforts to our global operations. Subsequent assessments will continue to define short, medium, and long-term timelines, as well as evaluate their impact on the Company's finances.
3. State the impact of extreme climate events and transition actions on finance.	The risk of operational interruption due to extreme weather conditions such as tornadoes, hurricanes, typhoons, and heavy rainfall in the surrounding area of the factory could lead to increased operating costs, reduced revenues, property damage, and other financial impacts. Due to the tightening of environmental regulations, technological innovation, changes in market demand, and related transformation actions, it will lead to financial effects such as increased operating costs, increased capital expenditures, and reduced revenue.
4. State how the identification, assessment, and management process of climate risk is integrated into the overall risk management system.	The climate risk identification process includes three steps: inventory of risk items, ranking of risk materiality, and the setting of response strategies and disclosures. By collecting and analyzing relevant reports and information domestically and internationally, we take inventory of risk items. This inventory is then used for matrix analysis to rank the materiality based on occurrence frequency and impact level, and corresponding response management strategies are proposed. We have currently completed climate risk identification and disclosure in accordance with the TCFD framework. Subsequently, it will be integrated into the overall risk management system with the establishment of the company's risk management system.
5. If scenario analysis is used to assess resilience to the change of climate risk, the e=xplanation should include the scenarios used, parameters, assumptions, analysis factors, and main financial impacts.	The Company uses the information from the "National Disaster Prevention and Rescue Technology Center - Climate Change Disaster Risk Adaptation Platform" to consider the hazards, vulnerabilities, and exposure of flooding, and conducts a physical risk analysis of flooding disaster in the Shenkeng factory area. If a flood disaster occurs in the future, the repair cost for the damage to the equipment of Shenkeng factory is estimated to be about NT$1,900,000.

Items	Actions taken
6. If there is a transition plan for addressing management climate-related risks, provide an explanation of the plan content, as well as the indicators and targets used to identify and manage physical risks and transition risks.	The Company has completed the greenhouse gas inventory for all factories in 2022, established credible emission data, and submitted the SBTi commitment letter in the same year in September. The SBTi reduction target is expected to be submitted in March 2024. At the same time, the ISO 50001 energy management system was also introduced in 2023, and currently 67% of the factory area has passed third-party verification (the completion rate is also possible), serving as a transformation plan for climate-related risk with practical energy-saving and carbon reduction commitments.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price of stock option should be explained.	The Company, since 2022, has consulted The Microsoft carbon fee: Drawing on literature such as Theory & Practice, How to guide to internal carbon pricing published by CDP, and Carbon pricing options for Taiwan from London School of Economics, we began to plan internal carbon pricing practices. This involved collaboration among the Sustainability Development Office, Management Office, Financial Accounting Center, and other departments to jointly draft the method of implementing internal carbon pricing. Based on the Group's total greenhouse gas emissions and various departmental financial data such as revenue and net profit, our Sustainability Development Office has set the internal carbon price at US$ 10 per t CO2e. It will be announced in 2023 and implemented in 2024.
8. 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.	The Company has submitted a commitment letter to SBTi in September 2022 and expects to submit a SBTi emission reduction target in March 2024. We will use 2022 as a base year and aim to comply with SBT 1.5℃ by 2033. We estimate that the emission intensity in 2033 will reduce by 55% compared to 2022. In 2023, a total of 12,928 thousand kilowatt-hours of renewable energy certificates were purchased, accounting for 4.1% of the total energy consumption. Please refer to Chapter 5 of the 2023 sustainability report for the progress of each indicator.
9. The inventory and verification of greenhouse gas emissions, as well as reduction targets, strategies, and specific action plans (also filled in 1-1 and 1-2).	In addition to referring to Tables 1-1 and 1-2, detailed greenhouse gas inventory data can be found in Chapter 5 of the 2023 Sustainability Report.

1-1 Greenhouse Gas Inventory and Assurance Status of the Company in the Recent Two Years

1-1-1 Greenhouse Gas Verification Information

■ Describe the emission volume (tons CO2e) and intensity (tons CO2e/million NTD) of greenhouse gases over the past two Years, and the scope of the data.

The statistics of greenhouse gas emissions and emissions intensity in the last two years are as follows:

	2021	2022	2023
GHG emission (tons CO2e)	234,767	204,301	◎
Intensity (tonne CO2e/ million dollars)	1.68	1.32	◎

◎ The ISO 14064 greenhouse gas inventory is expected to be completed by the end of April 2024, with third-party inspections that can be completed by the end of May 2024.

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

Note 2: The scope of direct and energy indirect emissions data should be handled according to the schedule stipulated in the second provision of Article 10 of this standard. The information on other indirect emissions can be voluntarily disclosed.

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

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

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.

As of the date of the annual report printing, all factories of the Company have completed the 2022 ISO 14064 greenhouse gas categories 1, 2, and 3 inventory and third-party verification. The schedule for verifying the ISO 14064 greenhouse gases for2023 in 2024 is as follows:

Factory	Estimated Verification Time	Anticipated Verification Year	Factory	Estimated Verification Time	Anticipated Verification Year
Taiwan Headquarters	Verification is scheduled for March to April 2024.	Certification is expected to be obtained in May 2024.	KPPH/CCPH(Philippines)	Verification is scheduled for March to April 2024.	Certification is expected to be obtained in May 2024.
MAH/PET/CTI(Thailand)			CPPH(Philippines)		
CPMA/CPPE/CPTH(Thailand)			CPMY(Malaysia)		
Changan (China)			CCSD(United States)		
Dongguan (China)			CCMX(Mexico)		
Wujiang (China)			CCBR(Brazil)		
Yueyang (China)			CCBS(Brazil)		

Note 1: In accordance with the provisions of Article 10, Paragraph 2 of these Guidelines, the schedule shall be processed accordingly. If the Company was unable to obtain a complete greenhouse gas assurance opinion by the date of the annual report publication, it should state "Complete assurance information will be disclosed in the sustainability report." If the Company does not compile a sustainability report, it should state, "The complete assurance information will be disclosed in MOPS," and disclose the complete assurance information in the following year's annual report.

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 GHG reduction goals, strategies, and specific action plans.

- Describe the base year and its data for greenhouse gas reduction, reduction targets, strategies and specific action plans, and the achievement of reduction targets.

  To fulfill its carbon reduction commitment, Kinpo Electronics has formulated four carbon reduction strategies: establishing credible data benchmarks, introducing science-based target management, developing transparent carbon reduction actions, and promoting a sustainable supply chain.

  The Company has completed the ISO 14064 greenhouse gas inventory for all factories in the group in 2022, and all group locations have passed third-party verification, establishing credible greenhouse gas emission data. After mastering its own greenhouse gas emission volume, the commitment letter was signed by the group's President in September 2022 and submitted to SBT. The SBT reduction target is expected to be submitted in June 2024. We use 2022 as the base year and aim to meet the SBT 1.5℃ target by 2033. It is estimated that the emission intensity in 2033 will decrease by 55% compared to 2022. Furthermore, we started to implement ISO 50001 energy management system in 2024, analyzed the main sources of carbon emissions, reviewed the use of purchased energy, such as electricity and fuel; identified major energy consumption units, and formulated emission reduction strategies, such as increasing the proportion of renewable energy usage, upgrading or phasing out high-energy consumption manufacturing equipment, etc., set improvement goals, implemented improvement plans according to emission reduction strategies, planned timely schedules, continued to manage greenhouse gas reduction targets, and continuously reviewed carbon reduction strategies and action plans through participating in the Carbon Disclosure Project (CDP) survey every year.

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.

3.4.8. Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				-
1.1 Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	v		The Company upholds the management philosophy of "Innovation, Harmony, and Excellence", and has established a Board-approved "Ethical Management Guidelines" based on the foundation of "Observance of Laws and Honesty". This guideline outlines clearly the policy and methods of practicing ethical corporate management. Furthermore, all members of the Board of Directors and management level are required to sign the declaration of ethical corporate management, and execute consistent standards when conducting internal management and business activities, actively fulfilling the commitment to enforce management policies, and establishing a corporate culture of ethical management.	-
1.2 Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	v		The Company's Board of Directors has approved the "Ethical Behavior Guidelines" and "Company Integrity Operation Procedures and Behavior Guidelines", strictly requiring each employee to adhere to the policy of integrity, sign the Employee Integrity Pledge, and shoulder the important responsibilities of upholding high ethical standards, maintaining corporate reputation, and complying with legal regulations. To ensure that our staff is constantly aware of ethical conduct, in addition to posting the relevant documents on the Procedures and Guidelines for Ethical Operations and Conduct on the company's internal website for staff to refer to at any time, we also promote our core corporate values and legal compliance through a variety of methods, including educational courses, posters, and emails. The Company takes a serious approach towards any potential violation of its ethical behavior guidelines. For all confirmed cases, wrongdoers will face severe disciplinary measures such as termination of employment or business relationships, and legal actions will be taken as necessary.	-
1.3 Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	v		Under the framework of " Kinpo Group Code of Conduct", the Company has established relevant regulations or guidelines in compliance with various laws, including: Corporate Governance, Securities Trading Act, Anti-Corruption/Anti-Bribery, Anti-Harassment, Anti-Discrimination, Labor Laws, Anti-Trust (Fair Competition), Environment Protection, Occupational Safety and Health, Financial Statement Preparation, Prevention of Insider Trading, Intellectual Property Rights Protection, Confidential Information Protection, Personal Data Protection, Document Record Retention and Destruction, and Conflict-Free	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Raw Material Procurement (Conflict-Free Minerals) etc., to implement the ethical code of conduct for the company's integrity management. The Internal Auditor Office of the Company plays a crucial role in assuring ethical operation and compliance with regulations. In accordance with the annual audit plan approved by the Board of Directors, auditing tasks are conducted to ensure the accuracy and timeliness of financial, administrative, and operational information, and to supervise whether employees' behaviors comply to rules. Audit results and improvements are regularly reported to the Board of Directors.	
2. Corporate Conduct and Ethics Compliance Practice				
2.1 Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	v		The Company uses the Kinpo Group Behavioral Code and the Kinpo Group Supplier Behavioral Standards as critical guides, actively evaluates the integrity records of business partners, and implements Corporate Conduct and Ethics Compliance Practice in supplier management.	-
2.2 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?	v		To fulfill the supervisory responsibility of ethical business operations, the Board of Directors has established various functional committees and channels (such as the Audit Committee and the Compensation Committee) to review the integrity management policy and assess its implementation results. The Integrity Management Affairs Execution Unit is responsible for planning, managing, and executing matters related to integrity management. As of 2023, the Business Management Office serves as the dedicated unit, and starting from February 2024, the Legal and Intellectual Property Offcie will take over this role. The 2023 integrity management implementation status will be reported to the Board of Directors by the Business Management Office on March 11, 2024. The implementation of The Company's ethical corporate management policy in 2023: A total of 357 staff participated in ethical business management training, totaling 266 hours. Overall, the Company has done a generally good job in implementing measures to ensure integrity management. The Company's management, especially its spokespersons, deputy spokespersons, finance/ accounting directors, and legal directors, under the supervision of the Board of Directors, must ensure that the financial accounting information reported to the securities authorities or disclosed to the public is comprehensive, fair, accurate, timely, and easy to understand.	-
2.3 Does the company establish policies to prevent conflicts of interest and provide appropriate	v		The Company has clearly stipulated regulations related to the avoidance of conflicts of interest in the Kinpo Group Code of Conduct, Corporate Governance	-

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
communication channels, and implement it?			Principles, and Rules of Procedure for Board of Directors Meetings. There are also reporting channels. If any violations are discovered, colleagues can report through dedicated lines, e-mail, or by written submission.	
2.4 Does the company establish an effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	v		1. The Company's financial reports are prepared in accordance with the rules for the preparation of financial reports by securities issuers and are handled in accordance with generally accepted accounting principles, that is, the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations Bulletin (IFRSs), which are approved by the Financial Supervisory Commission. 2. The Company has always attached great importance to the accuracy and completeness of the finance reporting flow and internal control operations. It has designed relevant internal control systems for operating procedures with potential higher unethical conduct risks. Internal audits are also conducted based on the risk assessment results and the annual audit plan. The audit results and follow-up improvement plans are regularly reported to the Board of Directors. 3. Through the annual self-assessment of internal control, all departments and subsidiaries of The Company must self-inspect the effectiveness of the design and execution of the internal control system.	-
2.5 Does the company regularly hold internal and external educational trainings on ethical corporate management?	v		Compliance with laws and regulations training is one of the core items of the Company's legal advocacy plan. Through irregularly holding training courses on ethical corporate management, it helps Employee understand the latest or closely related laws and regulations, and further strengthens Employee's commitment to comply with ethical business practices.	-
3. Operation of the integrity system				
3.1 Does the company establish both a reward/punishment system and an integrity hotline?Can the accused be reached by an appropriate person for follow-up?	v		The Company highly values integrity and fairness. Accordingly, the Company has established a series of regulations including the "Anti-Corruption and Anti-Bribery Policy", "Code of Ethical Business Operation", "Code of Ethical Conduct", and "Procedures and Guidelines for Ethical Operations and Conduct". If employees and external individuals discover any improper behaviors, Opinions can be expressed through channels such as the company's official website or internal website via the published whistleblowing email address. The company accepts whistleblowing from internal employees and external parties, either named or anonymously, and prohibits any retaliatory actions against whistleblowers. The dedicated unit independently and confidentially investigates reported	-

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			matters and reports relevant issues to the Audit Committee as required. Complaint Appeal Mailbox: response@kinpo.com.tw	
3.2 Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	v		The Company strictly and confidentially handles any received reports and subsequent investigations. The staff responsible for handling complaint cases are obligated to maintain confidentiality to prevent informers from being treated unfairly, retaliated against or threatened, which has been clearly stipulated in the internal rules.	-
3.3 Does the company provide proper whistleblower protection?	v		The Company strictly prohibits any form of retaliation against those who report in good faith or assist in investigations, and this has been clearly stipulated in the internal rules.	-
4. Strengthening information Disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	v		"The Conduct and Ethics Codes," "Kinpo Group Behavioral Guideline," "Ethics Rules," and "Company Operations and Behavior Guidebook for Ethical Corporate" are all revealed on the Company website (URL: www.kinpo.com.tw, available in both Chinese and English) in the "Investor Section" under the "Corporate Governance" area. They are also disclosed on MOPS under the section for the Company's governance structures and their relevant regulations. Furthermore, the implementation results are disclosed in the annual reports and the sustainability reports.	-
5. If the Company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: In compliance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies".				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review and revision of the Company's corporate conduct and ethics policy). None.				

3.4.9. The Company should disclose how to search for its Corporate Governance and regulations (if any)

The Company's website (URL:) has set up an "Investor Zone" for investors to download the corporate governance code and related regulations, or to inquire at the Public Information Observation Station.

3.4.10. Other Important Information Regarding Corporate Governance :

1. The Company's website has a special section explaining the situation of corporate governance, and discloses relevant regulations of corporate governance for internal and external personnel to download and refer to.
2. The Company discloses significant information to investors and the general public in accordance with the law and holds Investor Conferences regularly.
3. The Company arranges periodical corporate governance training for high-level managers in 2023. Course curriculum and the involvement of high-level managers in corporate governance training are listed in the table below.

Title	Name	Date	Course title	Organizer	Training hours
Chief of Finance / Accounting	Yu, Chien-Hui	2023/11/28	Tax Strategies and Practices of Overseas Holding Company and Transnational Investment	Accounting Research and Development Foundation	3.0
		2023/11/28	The Legal Responsibilities of Corporate Financial Reporting Fraud and the Actual Cases of Investigation, Evidence Collection, and Litigation by Judicial Units	Accounting Research and Development Foundation	3.0
		2023/11/29	The new trends and thinking in ESG sustainability and corporate governance	Accounting Research and Development Foundation	3.0
Internal audit Manager	Ku, Hsin-Yu	2023/12/26	The latest developments in "ESG Sustainability" and "Self-Compiled Financial Report" related policies, and practical applications in internal control management.	Accounting Research and Development Foundation	6.0
		2024/01/24	Essential understanding of the key consideration and impact of IFRS S1/S2 on internal control and internal audits.	Internal Audit Association of the Republic of China	6.0

Note: For further information on the continued education of the Head of Corporate Governance, please refer to page 47.

3.4.11. Execution status of internal control system

1. Statement of Internal Control

Kinpo Electronics, Inc.
Statement of Internal Control System

Date: March 11, 2024

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

1. Kinpo board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system, and such system has been established. Our internal control system is designed to provide reasonable assurance of accomplishing the following objectives: the effectiveness and efficiency of our operations (including profitability, performance, and asset safeguard), reliability, timeliness, transparency, and legal compliance of our reporting, and compliance with applicable rulings, laws, and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may change due to changes in the environment or other circumstances. Nevertheless, our internal control system contains self-monitoring mechanisms, allowing Kinpo to take immediate remedial action in response to any identified deficiencies.
3. Kinpo evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter "Regulations"). The criteria adopted by the Regulations identify five key components based on managerial control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items. Please refer to the provisions outlined in the "Handling Guidelines" for the aforementioned items.
4. Kinpo has evaluated the design and operating effectiveness of its internal control system according to the Regulations.
5. Based on the findings of our self-assessment, The Company believes that, as of December 31, 2023, The Company has maintained, in all material respects, an effective internal control system (including the supervision and management of our subsidiaries), and can reasonably assure accomplishment of the following objectives: the level of achievement of our operational effectiveness and efficiency objectives is understood, our reporting is reliable, timely, transparent, and complies with applicable laws, and we are in compliance with applicable rulings, laws, and regulations.
6. This Statement will be an integral part of Kinpo's annual report and prospectus, and will be made public. Any falsehood, concealment, and/or other illegality in the content will result in legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was passed by the board of directors in their meeting held on March 11, 2024. 11 of the 11 directors in attendance (personally or by proxy), none objected to the content of this Statement. It is hereby declared.

Kinpo Electronics, Inc.

Chairman: Hsu, Sheng-Hsiung,

President Chen, Wei-Chang, 

2. Companies which commissions accountants to audit the internal control system shall reveal the audit report: None.

3.4.12. During the most recent fiscal year and up to the date of the publication of the annual report, any penalties received by the company and its staff in accordance with the law, or any penalties imposed by the company on its staff for violating the internal control system, that may have a significant impact on shareholders' equity or the price of securities, should be clearly stated, including the content of the penalty, main shortcomings, and improvements.

There was no such situation in 2023 and as of April 8, 2024.

3.4.13. Important resolutions passed by shareholders meetings and board meetings during the most recent fiscal year up to the date of publication of the annual report.

1. Important resolutions and implementation status of the 112 Annual Shareholders' Meeting

Shareholder Meeting Date	Important resolutions of the shareholders' meeting
2023/05/30 Shareholders' Meeting	■ Acknowledgment of 2022 annual business report and financial statement Implementation status: Resolution passed. ■ Acknowledgment of the distribution of profit in 2022 Implementation status: Resolution passed. On March 10, 2023, the Board of Directors of our company passed a special resolution to distribute cash dividends of NT$0.3 per share, with a total cash dividend distribution amounting to NT$440,245,264. ■ Discuss amendments to some provisions of the "Rules of Shareholders' Meeting" of he Company. Implementation status: Resolution passed. ■ Discuss amendments to some provisions of the Company's "Procedures for Lending Funds to Others". Implementation status: Resolution passed. Announced at the Market Observation Post System on May 30, 2023. ■ Discussion to remove the non-compete restrictions on the Company's directors Implementation status: Resolution passed. Announced at the Market Observation Post System on May 30, 2023.

2. Important resolutions of the board of directors for the fiscal year 2023 and up to the date of publication of the annual report in 2024.

Board meeting date, Session	Agenda items
2023/03/10 The 4th Meeting of the 19th Session	1. Passed the Company's Statement of Internal Control System for 2022 2. Passed the 2023 Operations Plan of the Company 3. Passed the 2022 financial statements of the Company 4. Passed the Company's 2022 profit distribution 5. Passed the 2022 business report of the Company. 6. Passed the 2022 remuneration distribution of employees and directors of the Company. 7. Passed the Company's 2023 annual salary adjustment. 8. Passed the 2023 annual Dragon Boat Festival and Mid-Autumn Festival bonuses of the Employees. 9. Passed the remuneration for the directors, managerial officers of the Company and those holding other titles in the subsidiaries who also serve as directors and managerial officers of the subsidiaries in the Year 2023 10. Passed the amendments to some provisions of the "Rules of Shareholders' Meeting" of the Company. 11. Passed the amendments to some provisions of "internal major information processing procedures" of the Company 12. Passed the amendments to some provisions of the "Corporate Governance

Board meeting date, Session	Agenda items
	Practice Code" of the Company 13. Passed the amendments to some provisions of "Performance Evaluation Measures for the Board of Directors and Functional Committees" of the Company. 14. Passed the Proposal of Release the Prohibition on Directors and managerial officers from Participation in Competitive Business 15. Passed the Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date. 16. Passed the resolution on the relevant matters of the 2023 shareholders meeting convened by the Company 17. Passed the Company's Accountant Independence and Competency Assessment. 18. Passed the Discussion on Appointment and Remuneration of CPA of the Company 19. Passed the Proposal for capital increase in subsidiary XYZprinting, Inc. 20. Passed the Proposal for the endorsement and guarantee for its subsidiaries 21. Passed the Proposal for the Company's loan of funds to subsidiaries 22. Passed the Company's change of bank loan amount and extension. 23. Passed the amendment to the "Procedures for Lending Funds to Other Parties".
2023/05/15 The 5th Meeting of the 19th Session	1. Passed the promotion and salary adjustment of the Company's Management. 2. Passed the Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date. 3. Passed the Proposal for the Company's Treasury stock transfer to employees. 4. Passed the Change of Custodian for the Dedicated Seal for Endorsement Guarantees 5. Passed the Company's consolidated financial statements for the first quarter of 2022. 6. Passed the Proposal for the endorsement and guarantee for its subsidiaries 7. Passed the Proposal for the Company's loan of funds to subsidiaries 8. Passed the Proposal for the Company issued the letter of support to financial institutions for its subsidiaries. 9. Passed the Company's change of bank loan amount and extension.
2023/06/19 The 6th Meeting of the 19th Session	1. Passed the Company participated in the cash capital increase and share subscription case of AcBel Polytech Inc.
2023/08/14 The 7th Meeting of the 19th Session	1. Passed the Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date. 2. Passed the 2023Q2 Consolidated Financial Statements of the Company. 3. Passed the Proposal for the Company applies for the syndicated loan to Mega International Commercial Bank and other syndicated banks. 4. Passed the adjustment to the short-to-mid-term borrowing limit of the Company. 5. Passed the Proposal for the endorsement and guarantee for its subsidiaries 6. Passed the Proposal for the Company's loan of funds to subsidiaries 7. Passed the Proposal for the Company issued the letter of support to financial institutions for its subsidiaries. 8. Passed the Company's change of bank loan amount and extension.

Board meeting date, Session	Agenda items
2023/09/07 The 8th Meeting of the 19th Session	1. Passed the subscription for cash capital increase of Cal-Comp Electronics (Thailand) Public Company Limited 2. Passed the resolution to establish the Sustainable Development Committee
2023/11/14 The 9th Meeting of the 19th Session	1. Passed the Company's 2024 Annual audit plan. 2. Passed Kinpo Group's sustainable development policies and strategies. 3. Passed the 2024 Annual Sustainable Development Work Plan 4. Passed the SAP Promotion Project of Kingbao Group 5. Passed the 2023 year-end bonus for managerial officers of the Company (including those concurrently serving in subsidiaries). 6. Passed the change of the Company's managerial officers and the formulation of the salary and remuneration plan for newly appointed managerial officers. 7. Passed the authorization of a senior executive to supervise management and sign off on derivative financial product transaction assessment reports. 8. Passed the Change of Custodian for the Dedicated Seal for Endorsement Guarantees 9. Passed the Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date. 10. Passed the 2023Q3 Consolidated Financial Statements of the Company. 11. Passed the Proposal for the endorsement and guarantee for its subsidiaries 12. Passed the Proposal for the Company's loan of funds to subsidiaries 13. Passed the Proposal for the Company issued the letter of support to financial institutions for its subsidiaries. 14. Passed the change of bank loan amount and extension for the Company and its subsidiaries
2023/12/29 The 10th meeting of the 19th Session	1. Passed the 2024 Operations Plan of the Company 2. Passed the Proposal for the endorsement and guarantee for its subsidiaries 3. Passed the Proposal for the Company's loan of funds to subsidiaries and between subsidiaries. 4. Passed the Company's change of bank loan amount and extension. 5. Passed the discussion on appointment and remuneration of CPA of the Company
2024/03/11 The 11th Meeting of the 19th Session	1. Passed the Company's Statement of Internal Control System for 2023 2. Passed the 2022 remuneration distribution of employees and directors of the Company. 3. Passed the Company's 2024 annual salary adjustment. 4. Passed the Company's 2024 annual Dragon Boat Festival and Mid-Autumn Festival bonuses of the Employees. 5. Passed the donation to the related parties by the Company. 6. Passed the Company's Accountant Independence and Competency Assessment. 7. Passed the 2023 financial statements of the Company. 8. Passed the Proposal for the endorsement and guarantee for its subsidiaries 9. Passed the Proposal for the Company issued the letter of support to financial institutions for its subsidiaries. 10. Passed the change in bank loan amount and extension for the Company and its subsidiaries. 11. Passed the Company's 2023 profit distribution 12. Passed the 2023 annual business report of the Company. 13. Passed the Proposal of Release the Prohibition on Directors and managerial officers from Participation in Competitive Business

Board meeting date, Session	Agenda items
	14. Passed the relevant matters of the 2024 shareholders meeting convened by The Company. 15. Passed the Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date. 16. Passed the amendments to some provisions of the "Standards of Procedures of the Board of Directors" of the Company. 17. Passed the amendments to some provisions of the "Audit Committee Organization Regulations" of the Company.

3.4.14. Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the latest year or as of the date of publication of the annual report.

On 19 June, 2023, at the Board of Directors meeting, Director Hung, Yung-Chen voiced opposition to participating in the cash capital increase of AcBel Polytech Inc.

3.4.15. Summary of Resignation or Dismissal of the Company's Key Individuals, including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D in the latest year or as of the date of publication of the annual report

April 8, 2024

Title	Name	Date of Appointment	Date of Dismissal	Reason for Resignation or Dismissal
Head of Corporate Governance	Hsiao, Chin-Hua	2022/06/27	2023/10/26	Resignation

3.5. Information Regarding the Company's Audit Fee and Independence

Unit: NT$ thousands

Name of accounting firm	Auditors	Period Covered by the CPA's Audit	Audit Fee	Non-audit Fee	Total	Remark
Ernst & Young	Chen, Chih-Chung Fuh, Wen-Fun	2023.01.01 ~ 2023.12.31	3,950	800	4,750	Non-audit fees:550 Assurance Services for Corporate Sustainability Report: 250

Note : If the company has changed accountants or accounting firms this year, please list the audit period respectively, explain the reasons for the change in the remarks column, and disclose the audit and non-audit public fees paid in sequence. Non-audit public expense and should be annotated to explain its service content: not applicable

3.5.1. Companies that have replaced their accounting firm and has a lower audit fee than the year before replacement shall disclose the amounts before and after the replacement and reasons.

not applicable

3.5.2. If audit fees are lower than audit fees of the previous year by 10% or greater, the decreased amount, percentage, and reason shall be disclosed: not applicable.

3.6. Replacement of CPA: not applicable.

3.7. Company Directors, General Managers, Managers of Finance or Accounting that Were Employed by the CPA's Accounting Firm or Its Affiliated Corporation in the Most Recent Year: none.

3.8. Transfers or Pledge the shares by Directors, Managers or Shareholders with Shareholdings of over 10% in the Recent Year or as of the Date of Publication of the Annual Report

3.8.1. Changes in Shareholding of Directors, Managers, or Major Shareholders

Unit: Shares

Title	Name	2023		As of April 8, 2024	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Ho Bao Investment Co., Ltd. Representative: Hsu, Sheng-Hsiung	0	0	0	0
Director	Ko, Charng-Chyi	0	0	0	0
Director	Ho, Mei-Yueh	0	0	0	0
Director	Panpal Technology Corp. Representative: Chen, Wei-Chang	0	0	0	0
Director	Tai-Yen Industrial Co., Ltd. Representative: Hung, Yung-Chen	(20,000)	0	0	0
Director	Chiu, Ping-Ho	0	0	0	0
Director	Ruey Shinn Co., Ltd. Representative: Chen, Hsin-Tso	0	0	0	0
Director	Hsu, Chieh-Cheng	0	0	0	0
Independent Director	Hsieh, Fa-Dah	0	0	0	0
Independent Director	Huang, Chih-Peng	0	0	0	0
Independent Director	Wu, Chung-Fern	0	0	0	0

Title	Name	2023		As of April 8, 2024	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Group CEO	Hsu, Sheng-Hsiung	0	0	0	0
President	Chen, Wei-Chang	1,064,000	0	0	0
Director & Senior Vice President	Huang, Yu-Hui	135,000	0	0	0
Vice President	Wong, Yee Lok Kirby	(91,000)	0	0	0
Vice President	Lo, Guo-Lun	95,000	0	(10,000)	0
Vice President	Yu, Shih-Tung	50,000	0	0	0
Vice President	Chen, Pei-Yuan	50,000	0	0	0
Vice President	Lin, Dah-Jiun	80,000	0	0	0
Head of Corporate Governance	Hsiao, Chin-Hua (note)	95,000	0	0	0
Head of Corporate Governance	Lin, Cheng-Hsien (note)	0	0	0	0
Chief of Accounting Chief of Finance	Yu, Chien-Hui	95,000	0	0	0

Note: Mr. Hsiao, Chin-Hua resigned on October 26, 2023. On November 14, 2023, the board of directors appointed Lin, Cheng-Hsien, Director of the General Affairs Office, as the Head of Corporate Governance.

3.8.2. Shares Trading or Shares Pledge with Related Parties:

none.

3.9. Information on Relationship Among the Top Ten Shareholders (Spouse, Relatives Within Two Degrees, etc.)

April 8, 2024

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relation	
Compal Electronics, Inc. Representative: Hsu, Sheng-Hsiung	124,043,763 13,683,942	8.26% 0.91%	0 21,678,723	0.00% 1.44%	0 0	0.00% 0.00%	Panpal Technology Corp.	Wholly-owned Subsidiary	
							Tsai, Li-Chu	Spouse of the Company Chairman	
							GEBO Limited	Chairman of this company is a first degree relative of the Company Chairman	
							Ho Bao Investment Co., Ltd.	Chairman of this company is a first degree relative in-law of the Company Chariman Hsu, Chun-Chi First degree relative of the Company Chairman	
Panpal Technology Corp. Representive: Hsu, Sheng-Hsiung	69,369,644 13,683,942	4.62% 0.91%	0 21,678,723	0.00% 1.44%	0 0	0.00% 0.00%	Compal Electronics, Inc.	Parent company to this company	
							Tsai, Li-Chu	Spouse of the Company Chairman	
							Ho Bao Investment Co., Ltd.	Chairman of this company is a first degree relative in-law of the Company Chariman Hsu, Chun-Chi First degree relative of the Company Chairman	
							GEBO Limited	Chairman of this company is a first degree relative of the Company Chairman	
GEBO Limited Representive: Hsu, Chun-Chi	45,122,000 9,609,453	3.00% 0.64%	0 533,000	0.00% 0.04%	0 0	0.00% 0.00%	Compal Electronics, Inc.	Chairman of this company is a first degree relative of the Company Chairman	
							Panpal Technology Corp.		
							Ho Bao Investment Co., Ltd.	Chairman of this company is the spouse of the Company Chairman	
							Tsai, Li-Chu	Parent	

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relation	
Ho Bao Investment Co., Ltd. Representative: Yeh, Pei-Chuan	30,000,000 533,000	2.00% 0.04%	0 9,609,453	0.00% 0.64%	0 0	0.00% 0.00%	Compal Electronics, Inc.	Direct relative in-law of the Company Chairman	
							Panpal Technology Corp.		
							GEBO Limited	Chairman of this company is the spouse of the Company Chairman	
							Hsu, Chun-Chi	Chairman of this company is the spouse of the Company Chairman	
							Tsai, Li-Chu	Direct relative in-law of the Company Chairman	
Ruey Shinn Co., Ltd. Representative :Chen, Hsin-Chung	28,029,000 62,025	1.87% 0.00%	0 0	0.00% 0.00%	0 0	0.00% 0.00%	-	-	
Tsai, Li-Chu	21,678,723	1.44%	13,683,942	0.91%	0	0.00%	Compal Electronics, Inc.	Spouse of the Chairman of this company	
							Panpal Technology Corp.		
							Ho Bao Investment Co., Ltd.	Direct relative in-law of the Chairman of this company	
							GEBO Limited	Immediate relative of the Chairman of this company	
							Hsu, Chun-Chi	Parent	
UBS Taipei Branch, trust property account of Tsai, Li-Chu	20,000,000	1.33%	0	0.00%	0	0.00%	-	-	
Shen, Tsai Lai-Shun	19,221,429	1.28%	2,504,582	0.17%	0	0.00%	-	-	
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	18,605,670	1.24%	0	0.00%	0	0.00%	-	-	

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relation	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund · a series of Vanguard Star Funds	18,232,193	1.21%	0	0.00%	0	0.00%	-	-	

3.10. Information on the Company Directors, Managers, or Businesses Directly or Indirectly Controlled by the Company

December 31, 2023; Unit: Shares; %

Reinvestments	Investments by the Company		Investments by Directors, Managers, or Directly or Indirectly Controlled Businesses		Total Investments	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Cal-Comp Electronics (Thailand) Public Co., Ltd.	5,223,956,415	49.99%	69,354,226	0.66%	5,293,310,641	50.65%
Kinpo International (Singapore) Pte. Ltd.	247,955,881	100.00%	0	0.00%	247,955,881	100.00%
Kinpo International Ltd.	154,223,270	100.00%	0	0.00%	154,223,270	100.00%
Lipo Holding Co., Ltd.	102,000	51.00%	0	0.00%	102,000	51.00%
Crownpo Technology Inc.	5,805,765	51.61%	330,753	2.94%	6,136,518	54.55%
XYZprinting, Inc.	115,151,760	48.59%	115,341,760	48.67%	230,493,520	97.26%
CastleNet Technology Inc.	129,958,907	68.08%	0	0.00%	129,958,907	68.08%
Cal-Comp Asset Management, Inc.	5,000,000	100.00%	0	0.00%	5,000,000	100.00%
AcBel Polytech Inc.	162,203,363	18.82%	15,590,934	1.81%	177,794,297	20.63%
Kinpo Group Management Service Company	300,000	37.50%	100,000	12.50%	400,000	50.00%
Teleport Access Services, Inc.	10,145,800	23.70%	276,570	0.65%	10,422,370	24.35%
Ascendant Private Equity Investment Ltd. Preferred Shares	31,250,000	34.72%	0	0.00%	31,250,000	34.72%
Ascendant Private Equity Investment Ltd. Common Shares	3,125	34.72%	0	0.00%	3,125	34.72%
iHelper Inc.	1,584,000	44.00%	0	0.00%	1,584,000	44.00%
NTNU Innovation Investment Holding Company	1,990,129	19.92%	0	0.00%	1,990,129	19.92%
McTEC Taiwan Ltd.	1,500,000	26.04%	0	0.00%	1,500,000	26.04%

Note: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

IV. Capital Overview

4.1. Capitals and Shares

4.1.1. Sources of Capital

1. Formation of Capital:

Year month	Par Value (NT$)	Authorized capital		Paid-in capital		Remark	
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Date of Approval and Document Number
2008.08	10	2,000,000,000	20,000,000,000	1,458,233,211	14,582,332,110	Capitalization of retained earnings $285,338,390 Capitalization of Employee-Bonus $30,074,170	Financial Supervisory Commission (1) Document No. 0970032497, Approved by June 30, 2008
2014.12	10	2,000,000,000	20,000,000,000	1,458,113,211	14,581,132,110	capital reduction $1,200,000	Administration of Commerce, MOEA Document No. 10301241090, Approved by December 3, 2014
2016.07	10	2,000,000,000	20,000,000,000	1,455,657,211	14,556,572,110	capital reduction $24,560,000	Administration of Commerce, MOEA Document No. 10501114920, Approved by May 30, 2016
2018.11	10	2,000,000,000	20,000,000,000	1,453,304,211	14,533,042,110	capital reduction $23,530,000	Administration of Commerce, MOEA Document No. 10701150830, Approved by November 29, 2018
2019.03	10	2,000,000,000	20,000,000,000	1,452,081,211	14,520,812,110	capital reduction $12,230,000	Administration of Commerce, MOEA Document No. 10801032780, Approved by March 27, 2019
2020.04	10	2,000,000,000	20,000,000,000	1,459,125,211	14,591,252,110	Warrants to convert shares $70,440,000	Administration of Commerce, MOEA Document No. 10901062960, Approved by April 15, 2020
2020.06	10	2,000,000,000	20,000,000,000	1,465,941,211	14,659,412,110	Warrants to convert shares $68,160,000	Administration of Commerce, MOEA Document No. 10901099200, Approved by June 15, 2020
2020.09	10	2,000,000,000	20,000,000,000	1,466,504,211	14,665,042,110	Warrants to convert shares $5,630,000	Administration of Commerce, MOEA Document No.

Year month	Par Value (NT$)	Authorized capital		Paid-in capital		Remark	
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Date of Approval and Document Number
							10901176470, Approved by September 18, 2020
2020.12	10	2,000,000,000	20,000,000,000	1,466,631,211	14,666,312,110	Warrants to convert shares $1,270,000	Administration of Commerce, MOEA Document No. 10901233460, Approved by December 8, 2020
2021.04	10	2,000,000,000	20,000,000,000	1,467,005,211	14,670,052,110	Warrants to convert shares $3,740,000	Administration of Commerce, MOEA Document No. 11001061120, Approved by April 9, 2021
2021.06	10	2,000,000,000	20,000,000,000	1,468,518,211	14,685,182,110	Warrants to convert shares $15,130,000	Administration of Commerce, MOEA Document No. 11001099760, Approved by June 16, 2021
2021.09	10	2,000,000,000	20,000,000,000	1,469,129,211	14,691,292,110	Warrants to convert shares $6,110,000	Administration of Commerce, MOEA Document No. 11001163490, Approved by September 17, 2021
2021.12	10	2,000,000,000	20,000,000,000	1,470,439,211	14,704,392,110	Warrants to convert shares $13,100,000	Administration of Commerce, MOEA Document No. 11001227040, Approved by November 13, 2021
2022.04	10	2,000,000,000	20,000,000,000	1,479,668,211	14,796,682,110	Warrants to convert shares $92,290,000	Administration of Commerce, MOEA Document No. 11101175160, Approved by September 14, 2021
2022.06	10	2,000,000,000	20,000,000,000	1,490,880,211	14,908,802,110	Warrants to convert shares $112,120,000	Administration of Commerce, MOEA Document No. 11101096720, Approved by June 14, 2022
2022.09	10	2,000,000,000	20,000,000,000	1,493,046,211	14,930,462,110	Warrants to convert shares $21,660,000	Administration of Commerce, MOEA Document No. 11101175160, Approved by September 14, 2022
2022.12	10	2,000,000,000	20,000,000,000	1,493,055,211	14,930,552,110	Warrants to convert shares $90,000	Administration of Commerce, MOEA Document No. 11101235490, Approved by December 13, 2022

Year month	Par Value (NT$)	Authorized capital		Paid-in capital		Remark	
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Date of Approval and Document Number
2023.03	10	2,000,000,000	20,000,000,000	1,494,416,211	14,944,162,110	Warrants to convert shares $13,610,000	Administration of Commerce, MOEA Document No. 10901176470, Approved by April 18, 2023
2023.06	10	2,000,000,000	20,000,000,000	1,496,277,211	14,962,772,110	Warrants to convert shares $18,610,000	Administration of Commerce, MOEA Document No. 11230135990, Approved by July 10, 2023
2023.08	10	2,000,000,000	20,000,000,000	1,496,854,211	14,968,542,110	Warrants to convert shares $5,770,000	Administration of Commerce, MOEA Document No. 11230174040, Approved by September 7, 2023
2024.01	10	2,000,000,000	20,000,000,000	1,498,515,211	14,985,152,110	Warrants to convert shares $16,610,000	Administration of Commerce, MOEA Document No. 11230237600, Approved by January 2, 2024

Note: There is no property other than cash paid by subscribers.

2. Sources of Capital

Type of Shares	Authorized capital			Remarks
	Outstanding Shares (Note 2)	Unissued Shares	Total (Note 1)	
Registered Ordinary Shares	1,482,277,211	517,722,789	2,000,000,000	

Note 1: According to the articles of incorporation ,the company's authorized capital is 2,000,000,000 shares, whereby, 150,000,000 shares reserved for issuing warrants.

Note 2:

(1) As of April 8, 2023, due to employee stock options increased, the total number of issued ordinary shares has increased to 1,502,027,211 shares, with a par value of NT$10 per share. Among them, the employee stock options were issued as 3,512,000 shares with pending change of registration during October 1, 2023 to April 8, 2024.

(2) The company has gradually transferred treasury shares to employees with 19,750,000 treasury shares remaining in 2023. The shares in the table have been deducted.

3. Information on Return Filing System: None.

4.1.2. Status of Shareholders

April 8th, 2024

Status of Shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Individuals	Individuals	Treasury Stock	Total
Number of Shareholders	5	5	255	262	126,499	1	127,027
Number of Shares Held	74	41,006,664	346,412,474	151,538,469	943,319,530	19,750,000	1,502,027,211
Shareholding %	0.00%	2.73%	23.06%	10.09%	62.81%	1.31%	100.00%

4.1.3. Distribution profile of share ownership

Type: Common

April 8th, 2024

Class of Shareholding	Number of Shareholders	Number of Shares Held	Shareholding %
1-999	50,100	5,148,362	0.34%
1,000-5,000	54,028	123,444,118	8.23%
5,001-10,000	11,646	95,832,944	6.38%
10,001-15,000	3,243	41,334,552	2.75%
15,001-20,000	2,562	48,513,945	3.23%
20,001-30,000	1,995	51,816,102	3.45%
30,001-40,000	822	29,771,572	1.98%
40,001-50,000	672	31,776,704	2.12%
50,001-100,000	1,020	75,135,620	5.00%
100,001-200,000	456	64,627,684	4.30%
200,001-400,000	230	66,438,257	4.42%
400,001-600,000	76	37,552,965	2.50%
600,001-800,000	36	24,997,628	1.66%
800,001-1,000,000	23	20,773,257	1.38%
Classified based on actual circumstances for amounts exceeding 1,000,001 or over	118	784,863,501	52.26%
Total	127,027	1,502,027,211	100.00%

4.1.4. List of Major Shareholder (Top-10 Shareholders)

April 8th, 2024

Shares / Major Shareholders	Number of Shares Held	Shareholding %
Compal Electronics, Inc.	124,043,763	8.26%
Panpal Technology Corp.	69,369,644	4.62%
GEBO Limited	45,122,000	3.00%
Ho Bao Investment Co., Ltd.	30,000,000	2.00%
Ruey Shinn Co., Ltd.	28,029,000	1.87%
Tsai, Li Chu	21,678,723	1.44%
Asset Management account for Tsai, Li Chu under UBS AG Taipei Branch	20,000,000	1.33%
Shen, Tsai Lai-Shun	19,221,429	1.28%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	18,605,670	1.24%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	18,232,193	1.21%

4.1.5. The market price, net worth, earnings, dividends per share, and related data for the past two fiscal years

Item \ Year			2022	2023	Current year as of March 31st, 2024 (Note 8)
Market price per share (Note 1)	Highest		17.90	19.15	16.60
	Lowest		11.60	12.65	14.70
	Average		14.63	15.93	15.57
Net value per share (Note 2)	Before Distribution		12.11	14.49	-
	After Distribution		11.81	14.19 (註 9)	-
Earnings per share	Weighted average shares		1,461,390,365	1,472,988,252	-
	Earnings per share (Note 3)	Before retrospective	0.69	0.51	-
		After retrospective	0.69	0.51	-
Dividend per share	Cash dividends		0.30	0.30	
	Free-Gratis Dividends	Stock Dividends Appropriated from Retained Earnings	0.00	0.00	
		Stock Dividends Appropriated from Capital Surplus	0.00	0.00	
	Accumulated Undistributed Dividends (Note 4)		0.00	0.00	
Return on Investment Analysis	Price to Earning Ratio (Note 5)		20.39	28.78	
	Price to Dividend Ratio(Note 6)		46.90	48.93	
	Cash Dividend Yield (Note 7)		2.13%	2.04%	

■ If the market price per share and cash dividends after retrospective adjustments according to the number of issued shares by stock dividends should be listed.

Note 1: The highest and lowest market prices of ordinary shares for each year are provided, along with the average market price calculated based on transaction value and volume.

Note 2: Please fill in the information according to the number of shares issued at the end of the year and the distribution situation resolved by the Board of Directors or Shareholders Meeting in the following year.

Note 3: If retrospective adjustments are required due to situations such as free-gratis dividends, the adjustments of earnings per share before and after should be presented. The company doesn't have free-gratis dividends for the past two fiscal years.

Note 4: If the conditions for issuing equity securities stipulate that undistributed dividends for the current year can be accumulated and distributed in profitable years, the accumulated unpaid dividends up to the current year should be disclosed separately as of the end of the current year.

Note 5: Price to Earning Ratio = Average per share closing price for the year/ earnings per share.

Note 6: Price to Dividend Ratio = Average per share closing price for the year/ cash dividend per share.

Note 7: Cash Dividend Yield = Cash dividend per share/ average per share closing price for the year.

Note 8: The net value and earnings per share should reflect on the latest quarter that has been audited (reviewed) by the accountant as of the annual report's printing date. Other columns should include data for the current year up to the annual report's printing date.

Note 9: The dividend distribution for the fiscal year 2023 has approved by a special resolution of the Board of Directors on March 11, 2024.

4.1.6. Dividend Policy and Implementation Status

1. Dividend Policy in Articles of Incorporation

   Article 26-1 of corporate charter:
   If the company's annual financial statements show earnings, it shall first allocate funds for tax payment and offsetting of accumulated deficit. Next, 10% shall be reserved as legal reserves. Additionally, in compliance with relevant laws or regulatory requirements, a certain amount shall be allocated or reversed as special reserves. If there is still earnings left, the remaining amount shall be combined with the unappropriated retained earnings from the beginning of the fiscal year and adjustment of its amount for the current year. The Board shall propose an earning distribution plan according to the circumstances. It must be approved by the shareholders' meeting before distribution, if earning distribution issuing as new shares.
   Where part or all of dividends and bonuses, capital reserve or legal reserve are distributed in cash, a Board meeting is convened. Two-thirds of the Board shall attend the meeting and one-half of the attending Directors shall vote for the proposal and then report to the shareholders' meeting before the cash issuing. The aforementioned distribution of dividends shall be executed in accordance with considerations of financial, operational, and managerial factors, among others, thereby allocating the entire distributable earnings of the fiscal year. The cash dividends shall not be less than ten percent of the total amount of cash and stock dividends distributed in the current fiscal year.

2. Status of Dividend Distributions:

   To uphold a consistent dividend policy decision, the Board of Directors approved by a special resolution the distribution of a cash dividend of NT$0.3 per share, totaling NT$444,602,464 in cash dividends for the fiscal year 2023 on March 11, 2024. After the shareholders' meeting, the Chairman was authorized to establish the ex-dividend date and address other related matters. The distribution shall based on the number of shares held by shareholders recorded in the shareholder registry as of that date.

4.1.7. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

Not applicable

4.1.8. Compensation of Employees and Directors

1. The percentage or range of compensation for employees and directors as stipulated in the corporate charter

   Article 26 of corporate charter:
   According to article 26 of AOI, if the company has been profitable during the year, shall set aside no less than 2% of the profit as compensation for the employees and no higher than 2% as remuneration for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first.
   The afore-mentioned profit of the year refers to the earnings before tax excluding the deduction of compensations for the employees and remunerations for the directors.
   The proposals with respect to the distribution percentages of the employees' compensation and the directors' remunerations and the employees' compensation to be paid in cash or by stock shall be consented by a majority of the attending directors with the attendance of over two thirds of the seats in a meeting of the Board of Directors. The resolutions made by the Board shall then be reported to the shareholders' meeting.
   Employees' compensation in the form of cash or stock shall only be paid to employees controlling or subordinate companies meeting certain specific requirements.

2. The accounting treatment should be outlined in cases where discrepancies arise between the actual distribution amount and the basis estimated number of shares used for stock distribution of employee compensation.

   The Company estimates employee compensation based on the current year's profit (i.e. earnings before tax excluding the deduction of compensations for employees and directors) with a fixed percentage. Compensation for directors is distributed in the estimated figure, and listed as operating cost or operating expense. Where employee compensation is distributed in shares, the number of shares is calculated based

on the closing price of ordinary shares of the day before the board of directors made the resolution. If any changes occur in the year that follows after the financial report is announced, the change shall be handled as a change in accounting estimates, and effects of the change shall be listed in the loss and profit of the year that follows.

3. Board of directors' resolution on compensation distribution
   (1) The amount of employee and director's remuneration distributed in cash or stock:
   The resolution to distribute employee and director remuneration for the fiscal year 2023 in cash approved by the Board of Directors on March 11, 2024. The employee compensation of NT$130,231,425, with director remuneration of NT$11,407,132.
   (2) If there is a variance between the estimated amount recognized as expenses for the fiscal year and the actual amount, the difference, reasons, and resolution should be disclosed: No Difference.
   (3) The amount of employee compensation distributed in stocks, its proportion to the net profit after tax in the current individual or separate financial statements, and the total employee compensation: Not applicable.
4. The actual distribution of remuneration for employees and directors in the previous year (including the number of shares distributed, the amount, and the stock price). Any differences from the recognized remuneration for employees, and directors should be explained, including the variance, reasons, and how the situation was addressed.
   (1) Employee compensation of NT$129,843,958 and director compensation of NT$17,312,527 are to be distributed in cash in 2022.
   (2) If there is any variance between the recognized expenses for employee and director remuneration and the actual amounts, the differences, reasons, and resolution should be disclosed: No Significant Difference.

4.1.9. Buy-back of Treasury Stock 1.

1. Executed

April 8th, 2024

Repurchase sequence	Ninth repurchase
Purpose of repurchase	Transfer shares to employees
Repurchase period	April 1, 2020 to May 20, 2020
Price range of repurchase	$6.90 to $18.00
Types and quantity of shares repurchased	Common stock/ 28,443,000 shares
Value of shares repurchased	331,781,818 dollars
The ratio of the quantity repurchase to the quantity expected repurchase (%)	63.21%
Number of shares retired or resold	8,693,000 shares
Quantity of total treasury stock holdings	19,750,000 shares
Total treasury stock holdings as a percentage of total shares issued (%)	1.32% (note)

Note: The total issued shares refer to the number of shares listed in the registered records. The company has a total of 1,498,515,211 shares issued after alteration of the registered.

2. Still in progress: None.

4.2. Issuance of corporate bonds: None.

4.3. Preferred shares: None.

4.4. Issuance of Global Depositary Receipts: None.

4.5. Employee Stock Options

4.5.1. Unexpired employee subscription warrants issued by the company in existence as of the date of publication of the annual report

April 8th, 2024

Type of employee stock warrant	First employee stock option certificate issued in 2019
Effective date of registration	November 28th, 2019 Number of units issued
Date of issuance (exercise)	May 18th, 2015
Units issued	45,000 units
Remaining units for issuance	0 units
Ratio of subscribable shares to total issued shares	3.0030% (Note)
Subscription period	7 years (12/16/2019 ~ 12/15/2026)
Exercise method	Issue new shares
Period and ratio in which subscription is restricted (%)	After two full years since the issuance of employee stock warrants, 50% of the total employee stock options may be exercised. After three full years since the issuance of employee stock warrants, 75% of the total employee stock options may be exercised. After four full years, employees may fully exercise stock options.
Amount of the shares subscribed	21,248,000 shares
Number of shares that have been obtained through exercise of subscription rights	NT$250,701,480
Number of shares that have not been subscribed	23,752,000 shares
Subscription price per share of the unsubscribed shares	11.5 dollars
Ratio of the number of unsubscribed shares to total issued shares (%)	1.5850%
Effect on shareholders' equity	After two full years since the Company's issuance of employee stock warrants, the execution plan will be carried out over the course of seven years. It will dilute original shareholder equity year by year (however, the dilution effect is still limited), encourage employees to invest long-term effort into the job and enhance internal coherence, which will create benefits for the Company and shareholders. It will be beneficial to shareholder equity as well.

Note: The total issued shares refer to the number of shares listed in the registered records. The company has a total of 1,498,515,211 shares issued after alteration of the registered.

4.5.2. List of top-level company executives holding employee share subscription warrants and the cumulative number of such warrants exercised by said executives as of the date of publication of the annual report

April 8th, 2024

	Title	Name	Number of share subscription warrants acquired (Thousand shares)	Percentage of acquired share subscription warrants of total number of issued shares	Executed				Not yet executed			
					Number of share subscription warrants (Thousand shares)	Price of stock option ($)	Amount of stock option (Thousand shares)	Percentage of acquired share subscription warrants of total number of issued shares	Number of share subscription warrants (Thousand shares)	Price of stock option ($)	Amount of stock option (Thousand shares)	Percentage of acquired share subscription warrants of total number of issued shares
Management	Senior Vice President	Huang, Yu-Hui	2,690	0.18%	502	11.50~11.94	5,900	0.03%	2,188	11.50	25,162	0.15%
	Vice President	Lo, Guo-Lun										
	Vice President	Wang, Er-Le										
	Vice President	Yu, Shih-Tung										
	Head of Corporate Governance	Lin, Cheng-Hsien										
	Accounting and Finance Manager	Yu, Chien-Hui										
Employee	Senior Director	Hsu, Hua-Mei	6,941	0.46%	5,458	11.50~11.94	64,144	0.36%	1,483	11.50	17,055	0.10%
	Vice President	Chiang, Tai-Chang										
	COO	Khongsit Choukitcharoen										
	Director	Xuan, Zhi-Yun										
	Senior Director	Chien, Chih-Chi										
	Senior Director	Tsai, Chia-Jung										
	Vice President	Yu, Nai-Pu										
	Senior Director	Chien, I-I										
	Vice President	Tung, Hsiao-Ning										
	Director	Zhou, Ye-Di										

4.6. Status of employee restricted stock: None.

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

4.8. Financing Plans and Implementation: None.

V. Operational Highlights

5.1. Business Activities

5.1.1. Business Scope

1. Primary Business Activities:
   (1) Manufacture, assembly, and sale of electronic calculators.
   (2) Manufacture, assembly, and sale of various communication equipments and devices.
   (3) Manufacture, assembly, and sale of various computers and peripheral devices.
   (4) Manufacture, assembly, and sale of printers, plotters, MFP, and CIS production.
   (5) Manufacture, assembly, and sale of general electronic equipments.
   (6) Storage products.
   (7) Household Appliances
   (8) Manufacturing and Processing of Smart IoT and Wearable Devices
   (9) Manufacturing and Processing of Wireless Communication Modules
   (10) Manufacturing and Trading of Point-of-Sale systems
   (11) Research, production, and sales of charging pile products.
   (12) Manufacture, assembly, and sale of network communication equipments and Set-top Boxes.
   (13) Manufacturing and processing of Plastic Injection Molding parts, as well as design, development, manufacturing services for Plastic Injection Molding molds.
2. Operational Proportion

Unit: NT$ thousands

Item / Product	2023	
	Amount	Percentage (%)
Consumer Electronics	158,001,132	98.90%
Other	1,756,082	1.10%
Tota	159,757,214	100.00%

3. Current Products (Services)
   (1) Consumer Electronics
   (2) Wireless and Broadband, Optical Fiber, Mobile Communication Products
   (3) Set-top Boxes
   (4) Storage Products and Electronic Components
   (5) Printers, Plotters, MFP and components
   (6) CIS Production
   (7) Broadband Communication Products
   (8) Plastic Injection Molding Parts, Plastic Injection Molding Molds (Household Appliances and 3D Printers)
   (9) Household Appliances
   (10) Related contract manufacturing or research and development design for Notebooks.
   (11) Related to Automotive Electronics
   (12) Smart Wearable Devices
   (13) Wireless communication module
   (14) Credit Card Payment Terminal Equipment
   (15) Charging Pile
   (16) Printed Circuit Board Assembly (PCBA)
   (17) Other

4. New Products in Development

(1) Network Switch
(2) Equipment for the Telecom Bureau
(3) Digital Dashboard for Automobiles
(4) Millimeter Wave Radar related applications
(5) Application of Internet of Things (IoT)
(6) High-End Professional Wearable Device/Smart Tablet OEM Manufacturing
(7) Energy modules, electronic control boards, communication control boards, and charging gun modules.

5.1.2. Industry Overview

1. The Industry Now and its Development

(1) Electronic Calculator
The electronic calculator is already a mature and saturated market. The existing customers are affected by China manufacturers because of cheap copy and counterfeit. And the printing calculator and electronic note calculator were replaced by new products with communication and internet function. All calculator market is still shrinking.

(2) Broadband CPE and Set-top Box (BB CPE and STB)
Home Broadband access technology is categorized into fixed-line and wireless, the former includes Digital Subscriber Line (DSL), Cable Modem (Cable), Optical Fiber (Fiber), while the latter includes Fixed Wireless Access (FWA), Satellite and others. For fixed-line broadband, optical fiber is being spurred on by governments funding because of its fast speed, maturity of technology development, and cost-effectiveness in densely populated areas. For wireless broadband, although the penetration rate of 5G FWA in European and American markets is still low and the network speed is not as fast as optical fiber, FWA has cost advantages for deployment and operation comparing to fixed-line network, and therefore become a proper alternative and turned into a key project that major operators put emphasis on, which the future growth is expected.

For Set-Top Box (STB), in the cable TV market, the cumulative loss of subscribers in the United States as a major market has intensified in recent years, which has continued to affect the overall shipment quantity; IPTV is still growing steadily in Europe and South America markets, but the increase is not much. OTT STB is the main source of growth among the three types of STB products; however, the leading players like Roku and Amazon are facing challenges from the APP services providers including Netflix and Disney+ that allow users to watch video on mobile phones, tablets, and TVs; on the other hand, more and more branded smart TV players have formed alliances with OTT operators, which is also a reason to decrease the demand of STB purchase.

(3) Printing and Peripheral Equipment
The unending war between Ukraine and Russia in 2023, combined with the conflict between Israel and Palestine in the second half of the year, led to a shortage in the supply of energy and food, higher prices of goods, and other uncertainties including global inflation, rising interest rates, and economic recession. The demand in the printer market remained sluggish. It is necessary to keep a close watch on changes in inventory and market demand. In the Chinese market, the sluggish economic growth led to a conservative market. The sales of all brands fell short of expectations. As in the global market, instead of releasing a large number of products, each brand reduced their product lines and increased the life span and added value of a single product.

(4) Household Vacuum and Beauty Appliances
According to research conducted by research agencies, the market size of household vacuum cleaners is predicted to grow at a compound annual growth rate (CAGR) 6.5% to 8% annually between 2020 and 2026. The global market value has already been beyond US$20 billion in 2020. The main driving forces for market growth include contributions from several factors: increasing disposable income in some developing countries, and the integration and development of various technologies, such as improved battery life, dust sensors, robotic space sensing technology, improved filter filtration capabilities, and the development and improvement of wet/dry vacuum performance, etc. There is also

expectation that the demand growth will be further driven by the impact of the Covid-19 such as higher portion of people's daily life spent at home and higher awareness of hygiene. On the other hand, the market of hair care appliances is also experiencing long-term steady growth stimulated by people's mentality change driven by the Covid-19 towards reduction of visit to salons and beauty services.

(5) Plastic Injection Molding and Molds

The primary factors driving the demand for injection molding are the increasing use in automotive applications and the growing demand in the packaging industry. The transition to the manufacturing of lightweight motorcycles and electric vehicles, along with new applications in the healthcare sector, could provide profitable opportunities for the growth of the Plastic Injection Molding market. In addition, due to the increased demand for consumer goods and electronic products, this demand is expected to be further intensified. The global injection molding market is expected to grow significantly, reaching US$98.73 billion in 2023 and US$145.98 billion in 2030, with a CAGR of 5.67%. The mold market is projected to increase from US$14.12 billion in 2022 to US$26.49 billion in 2030, with a CAGR of 8.17% during the forecast period.

(6) Storage product

A. HDD：

The slump in HDD shipments, which started in mid-2022 continued through 2023. This was part of a broader slump in all storage and memory technology during 2023 (only in the last quarter of 2023 are there signs that some storage and memory prices are increasing). Part of this slump was due to the continuing decline in legacy HDD shipments (down about 28% from 81M units by Q3 2022 to 58M units by Q3 2023). Especially with the end of Covid-19 shutdowns. SSDs are displacing HDDs in most of these applications.

The other part of the slump is due to a decline in high-capacity HDDs for enterprise and data center applications. These drive units were down about 41% for Q1 to Q3 2023 compared to Q1 to Q3 2022 (35.3M units vs 60.1M units). This decline hit the part of the HDD industry that had experienced growth in past years and should experience growth again once inventory levels at customers reach reasonable levels again (which should be soon).

Total HDD shipments in Q3 2023 were down 8.2% compared with Q2 2023 (26.8 M units vs 31.1M units). This continued the downward trend since Q1 2022. Total Exabytes (EB) shipped in Q3 2023 were only down about 0.61% from Q2 2023 (perhaps indicating that capacity shipment declines are near an end). Overall capacity shipped in 2023 is estimated at 875EB, down about 29% from the prior year. Q4 is expected to show a much smaller decline in HDD shipments and perhaps a modest increase in shipped capacity.

Even though prices have dropped relative to the peak in 2021, we expect that prices will rise with more demand and less manufacturing capacity in 2024. This will continue the general trend for HDD ASP growth since 2011 as legacy applications (e.g. storage for PCs and high-performance enterprise HDDs) have lost ground to SSDs. We expect that HDD ASPs will continue to increase in coming years as nearline HDD shipments grow to over 85% of total HDD shipments by 2028.

Furthermore, the rise of generative AI is expected to further accelerate the growth of data. IDC estimates that by 2027, the data volume generated could reach as high as 291 ZB, significantly increasing the demand for storage devices. The global pandemic has also expedited the demand for cloud service solutions, especially in the Infrastructure as a Service (IaaS) and Software as a Service (SaaS) domains, driven by the increasing number of remote workers and enterprises. IDC predicts that this data storage trend will reshape the market with a focus on hybrid cloud platforms.

According to the "Semiconductor Manufacturing Monitor" report, the global semiconductor industry is poised to emerge from the current downturn cycle, with recovery expected to begin in 2024. The overall sales volume of electronic products is anticipated to surpass the peak of 2022.

B. SSD：

TrendForce research shows that despite the downward trend in demand during the traditional off-season, in order to avoid shortages, buyers continue to expand NAND Flash product purchases to establish safety stock levels. In order to reduce losses, suppliers are also forced to push up prices. It is estimated that the NAND Flash contract price in the first quarter of 2024 will increase by approximately 15% to 20% quarter-on-quarter.

In terms of consumer-grade SSDs, the momentum of PC OEM shipments reached its peak in the first quarter. As the penetration rate of PCIe 4.0 SSDs continues to rise, some suppliers have initiated process upgrades. In order to avoid supply shortages, buyers are willing to place large-demand bit orders. At the same time, suppliers are aggressively raising the prices of PCIe 4.0 products in order to speed up the process of reaching break even. As a result, laptop customers are more likely to be forced to accept suppliers' quotations. Therefore, the contract price of PCs increased by approximately 15% to 20% in the first quarter.

In terms of enterprise-level SSDs, North American CSP procurement demand has not yet grown. However, with the support of orders from Chinese CSPs and server brands, market demand in the first quarter of 2024 will remain stable during the slow season. Overall, in order to establish safety stock levels, buyers continued to expand orders, and suppliers became more aggressive in bargaining in the first quarter, driving contract quarterly increases of approximately 18% to 23%.

(7) Smart Wearable Devices

Research and Markets predicts that from 2023 to 2027, the global market for smart wearable devices is expected to grow at a CAGR of 10.2%, reaching a global market size of US$34.3 billion in 2027.

Traditional wearable devices refer to devices worn on the body, such as fitness trackers, headphones, and smartwatches. However, with the increasing demand in the non-consumer electronics industry, the definition of "wearable devices" has expanded to include all portable devices we interact with. In the current and future Internet of Things (IoT) world, various types of wearable devices will emerge to support and enhance daily work and life, allowing end-users to access and manage information about health, location and tasks.

The applications of wearable devices are diverse and continually expanding. The applications of wearable devices are diverse and continually expanding. From retail to health monitoring and into the industrial sector, non-traditional wearable device developers are entering this market. These developers see wearable devices and personal devices as an opportunity to provide value as close to end-users as possible. Smart wearable devices show significant growth potential in popular markets such as headphones, watches, and healthcare.

(8) Wireless communication module

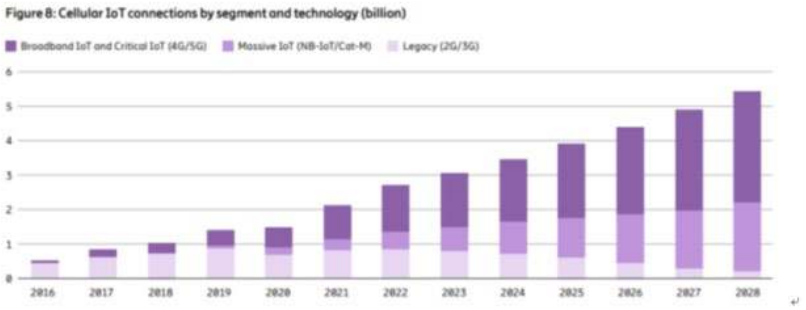
A. Internet of Things (IoT)

According to the latest data from IoT Analytics, the global IoT market is expected to grow to US$483 billion by 2027. In 2022, the global active IoT device connections reached 14.4 billion units, and it is expected to grow by 16% to 16.7 billion units in 2023. According to “Ericsson Mobility Report” by Ericsson released in June 2023, the global cellular IoT connections reached 2.7 billion in 2022, and it is anticipated to surpass 5.4 billion by 2028. The application of Internet of Things (IoT) technology in various industries is also expanding. IoT technology continues to develop and improve, and the in-depth combination of AI, 5G, edge computing and AIoT will provide new perspectives for the digital transformation of the industries. According to Statista Market Insights, the urban population in Brazil is expected to grow rapidly, with a focus on sustainable development, leading to a significant increase in the adoption of IoT technology in smart city projects. The estimated annual growth rate of the IoT market demand revenue in Brazil is projected to be 13.19% from 2023 to 2028, reaching a market size of US$30.94 billion by 2028.

B. Cellular network module

As one of the core components of IoT terminals, modules play a pivotal role by connecting with chip suppliers, leveraging their product performance advantages, enhancing product integration, and promoting industry applications and development. They interface with a myriad of industries to meet the demand for intelligent scenarios. In a market environment where multiple Internet of Things (IoT) communication protocols coexist, module products follow communication standards and protocols, undergoing updates and iterative processes. They continue to evolve towards greater intelligence, navigating the complexity of the IoT landscape.

圖表蜂巢式物聯網連接量統計及預測 2016-2028



資料來源：Ericsson Mobility Report

C. Fifth-generation mobile communication technology (5G)

Based on IoT terminals, 5G capabilities are permeating various industries. According to "Ericsson Mobility Report" by Ericsson released in June 2023, the global number of 5G mobile users is expected to reach 1.5 billion by the end of 2023. In recent years, 5G Fixed Wireless Access (FWA) has shown remarkable growth. According to Ericsson's predictions, by 2028, the number of 5G FWA connections is expected to grow to approximately 236 million, constituting nearly 80% of the total FWA connections. FWA is a connection technology that provides primary broadband access through Customer-premises equipment (CPE) that supports mobile networks. For consumers and factories that do not have access to fixed-line broadband, as well as users in remote areas, 5G FWA can provide higher speeds and bandwidth.

D. AI and edge computing

AI increment is expected to overlay the recovery of traditional application scenarios, driving the development of both upstream and downstream industries. A current trend in the development of AI technology is the shift of AI processing focus on the edge. The core of edge AI lies in introducing AI capabilities to the edge, further enhancing edge-side computational power and connectivity. With the deployment of scalable computational power, edge computing in various industries provides digitized, networked, and intelligent services. This satisfies the differentiated requirements of industry digital transformation, offering low latency, high bandwidth, intelligent analytics, massive data processing, security, trustworthiness, and efficient computation.

(9) Credit Card Payment Terminal Equipment

With the widespread adoption of digital payment mechanisms, the importance of POS machine security is increasing. Network attacks have had a significant impact on the retail industry, as hackers target large volumes of credit card information and personally identifiable customer data. As a result, there is a growing demand within the retail sector for enhanced POS machine security to protect the data of both merchants and consumers. The rising consumer demand for digital payment methods, coupled with the increasing popularity of mobile and online payments in developing countries, is driving market expansion. Additionally, regulatory compliance requirements and the escalation of fraudulent activities on e-commerce platforms are contributing to the market's growth. As of 2022, the global Point of Sale (POS) security market is valued at approximately US$4.41 billion, and it is expected to continue growing at a rate exceeding 10.2% annually throughout the forecast period from 2023 to 2030. The overall POS terminal market size is projected to increase from US$92.23 billion in 2023 to US$139.83 billion in 2028, with a CAGR of 8.68% during the forecast period from 2023 to 2028.

2. Relevance Across the Supply Chain

(1) Electronic Calculator

Calculator is a mature product with a complete supply chain system. In recent years, the main components such as IC, LCD tubes, and hot-pressed conductive films have shifted from Japanese products to Chinese products to cope with the low-price competitive market. In the past 40 years of product experience, Kinpo has been able to provide satisfactory services to major international customers in all aspects of design and manufacturing, price, production and marketing operations.

Therefore, even if the overall market growth is sluggish, there is still a competitive advantage to help customers maximize market share.

(2) BB CPE and STB

Kinpo Group in the home terminal equipment industry is that of a product designer and manufacturer. We purchase chipsets and components from upstream suppliers, design and manufacture products and then deliver to downstream customers for sale. The primary business model is ODM/OEM/EMS that provides services of product design and manufacturing to customers in the broadband CPE industry. The complete process includes proposal suggestions, design execution, testing and verification, acceptance approval, pilot production, and mass production and shipment. Leveraging Kinpo 's strong research and development design and manufacturing capabilities, we help customers to shorten time to market and reduce product cost.

(3) Printing and Peripheral Equipment

The technological threshold for ink jet and laser printers is very high. The global printer market has been an oligopoly dominated by U.S. and Japanese brands in the past. However, in recent years, the Chinese government has actively encouraged the development of local brands, like Lenovo, Huawei, Xiaomi, Pantum, Deli and other major Chinese brands, and many second and third-tier brands have successively entered the market. Although their quality is still not on par with established market brands, they still possess the ability to grab a share of the Chinese market. Due to immature platform development and software/firmware R&D capabilities, the development schedule is lengthy, or compromises on quality are made. Therefore, seeking assistance from solution providers like Kinpo Group is the only option to seize the market. For existing ODM/EMS suppliers, if they can integrate market demands and sustain the development and production of main product lines for key clients, they can still maintain continuous growth of the overall scale. By providing platform solutions, they can stabilize the expansion of profits.

(4) Household Vacuum and Beauty Appliances

From the perspective of the component composition of the home appliance industry, other than the general electrical and electronic parts, plastics has been a key element that help contribute to the high level of product diversity to stimulate consumer desire for purchase. Being able to manage the supply chain of all the raw materials for the plastics and reinforce the capability of fabricating tools is the cornerstone of fulfillment of the market demand. Meanwhile, the capability of in-house development and the manufacture of chief technologies remains the differentiating competitive edge for customer satisfaction.

(5) Plastic Injection Molding and Molds

Molds are the mother of industry. In the modern era of rapid industrialization, the integration of product development and molds is closely related in order to quickly, economically, and volume produces various products. The new position, capable of handling the entire product from design, mechanism, mold, to mold processing, mold production, and product assembly, has become the core of the manufacturing industry. This further realizes high-quality production and sustainable development in enterprises, becoming one of the topics that the public is more concerned about.

(6) Storage

A. HDD：

The upstream, midstream, and downstream relationships in the Hard Disk Drive (HDD) industry mainly involve the mutual influence of different stages in the supply chain. Here is the correlation of the upstream, midstream, and downstream in the HDD industry:

■ Upstream:

Raw Material Suppliers: The production of HDD requires a significant amount of raw materials, including metals, plastics, electronic components, etc. Upstream raw material suppliers directly impact the production capacity and costs of HDD manufacturers.

■ Midstream:

Hard Disk Manufacturers: The midstream includes hard disk manufacturers such as Seagate, Western Digital, and Toshiba. These companies are responsible for transforming raw materials into finished hard drives and bringing them to the market. The supply capacity and technological innovation in the midstream affect the quality, capacity, and price of hard drives.

■ Downstream:

Assemblers and End Users: The downstream encompasses assemblers integrating hard drives into end products and end users, including individual consumers, businesses, and data centers. The performance, capacity, and price of hard drives directly impact the performance and costs of end products.

■ Related Industries:

Computer Manufacturers, Server Suppliers, etc.: HDDs are essential components of devices like computers and servers. The demand and technological advancements in these related industries influence the market demand for HDDs.

■ Technology Suppliers:

Hard Disk Technology Providers, Research Institutions: Innovations from various technology providers and research institutions affect the performance, storage density, and durability of HDDs. Hard disk manufacturers may collaborate with these entities to ensure their technology remains at the forefront of the industry. Overall, the upstream, midstream, and downstream relationships in the HDD industry manifest at various stages of the supply chain, from the provision of raw materials to the demands of end users. The performance at each stage directly or indirectly influences the operation and development of the entire hard drive market.

B. SSD：

The PC industry ended two consecutive years of declining shipments and grew 0.3% in the fourth quarter of 2023. Research agent Gartner believes that as the cost of components rises this year, the cost of notebooks and desktops will also rise.

According to data provided by Gartner analysts, PC shipments during the three months were approximately 63.37 million units. The PC market has hit rock bottom after a substantial adjustment. Inventories that have plagued the industry for two years began to normalize in the fourth quarter of 2023. This means that supply and demand are finally balanced, but the rise in components and geopolitical uncertainty in 2024 may lead to changes.

The three major international original manufacturers continue to raise the price of NAND Flash, and even the price of their own brand solid-state drives (SSD) may soar by 50%. According to previous estimates by TrendForce, the contract price of Mobile DRAM in the first quarter increased by approximately 18 to 23% quarter-on-quarter, and the contract price of NAND Flash increased by approximately 15 to 20% quarter-on-quarter.

However, the shipment performance of the six major PC brand manufacturers was mixed. Lenovo increased by 3.2% to 16.2 million units, HP increased by 5.6% to 13.95 million units, Dell decreased by 8.3% to 9.98 million units, Apple increased by 7.2% to 6.35 million units, Asus shrank by 9.4% to 4.4 million units, while Acer grew 11.1% to 3.98 million units. In terms of regions, the U.S. market grew by 1.8%, the Europe, Middle East and Africa region grew by 8.7%, the first growth since the fourth quarter of 2021, and the Asia-Pacific region declined due to the downturn in the Chinese market.

(7) Smart Wearable Devices

The technology worn on the human body is referred to as wearable materials or devices. The technology worn on the human body is referred to as wearable materials or devices. In the digital domain, wearable devices equipped with advanced sensor technology have been developed and popularized. These devices can collect and transmit information about the surrounding environment. They are made from bio-compatible materials, offering characteristics such as long lifetime, strong adaptability, high rigidity, lightweight, good flexibility, deformation resistance, color stability, chemical corrosion resistance, UV resistance, and fracture resistance.

In terms of the industry's upstream, midstream, and downstream relationships, the upstream industry includes the semiconductor industry (IC design, wafer fabrication, packaging and testing), electronic components industry (passive components, etc.), opto-electronics industry (light-emitting displays, etc.), and others (printed circuit boards, connectors, etc.). The midstream industry involves plastic processing (straps, watch cases, etc.), metal stamping (watch panel, buckles, etc.), and electronic OEM, etc. The downstream sector includes various channels, distributors and agents, etc.

(8) Wireless communication module

A. Major global manufacturers of cellular IoT module main chipsets include Qualcomm, Unisoc, ASR, HiSilicon, MediaTek, Intel, Eigencomm, Sequans, etc. As the trade friction between China and the United States continues, customers' purchases of American chips may be affected to a certain extent. However, since China is an important market for the export of U.S. chip products, the possibility of U.S. chip supply to the company being cut off is extremely low.

B. In the downstream part, the current OEM market in Brazil is mainly used for POS card machines (90%). Market demand revenue is expected to grow from US$6.08M in 2023 to US$11.06M in 2028. The compound annual growth rate will reach 82%.



資料來源：Mordor Intelligence Research & Advisory. (2023, November)

(9) Credit Card Payment Terminal Equipment

The upstream components of the point-of-sale (POS) system are similar to general PCs, including key components such as encryption IC, MCU (Microcontroller Unit), PCB (Printed Circuit Board), DRAM (Dynamic Random Access Memory), logic IC, passive components and connectors, etc. The midstream sector includes input/output devices such as display devices, camera modules, keyboards, magnetic/smart card readers, RFID sensors, thermal printers, etc. Differentiating itself from PCs, the downstream sales targets of POS are unique due to its non-standardized nature. POS systems exhibit high functional integration and find widespread application across various industries. Potential customers can be found in diverse sectors. Therefore, POS systems are typically sold through distributors with financial backgrounds or system integrators to end merchants. This is why domestic manufacturers of payment terminal equipment seldom directly engage with customers.

3. Various Development Trends of Products

(1) Electronic Calculator

Electronic calculators are already very mature products, and consumer market demand is slowing down. In addition to the general-purpose calculators that make changes with the times, the functionality will focus on special functions such as finance, engineering drawing, waterproof and anti-fouling, as well as meeting the needs of the education market.

(2) Broadband CPE and Set-top Box (BB CPE and STB)

The western countries have been fully investing in network infrastructure construction, multi-year high-value subsidy funds have been launched for broadband service providers to apply for, Telecom and cable TV operators in these countries are actively seeking subsidies using optical fiber, it is expected to continue to expand the scope of households that can be served. As a result, the shipment of Passive Optical Network (PON) devices will be significantly increased and maintained for several years, but it also means DSL will be replaced simultaneously, and even cable modem could be also affected. In addition, the wireless network supported by broadband CPE will be based on Wi-Fi 6 standard as mainstream and start developing towards the higher-speed Wi-Fi 7 technology.

The STB product is getting more intelligent, high-definition, integrated services, and wireless connections to meet the needs of operators' product demand. The STB product is getting more intelligent, high-definition, integrated services, and wireless connections to meet the needs of operators' product demand. Suppliers are accelerating the launch of high-end STB products that integrate

advanced functions such as wireless network, digital video, conditional access, cloud services, voice control and AI applications, etc. The entry level of STB will be urged to gradually move towards middle and high-end by the popularization of 4K/8K TV and high-resolution video content.

(3) Printing and Peripheral Equipment

It must be more convenient and compatible with mobile printing solutions. The pursuit only requires the connection of mobile terminals such as smartphones and tablets via wireless networks. When WiFi is connected to the printer, mobile phones and tablets can remotely control the printer. Whether you are at home or in the office, or even on the road, you can quickly and easily print what you need. The significance of this function is that it can improve work efficiency, enhance flexibility of the working environment. The significance of this feature is that it can improve work efficiency and enhance the flexibility of the work environment. Printers are gradually transitioning from the previous "isolated islands" into centers for information transmission and turnover. If the smarter printer is equipped with dual network cards, NFC components, wireless direct connection, and Bluetooth connection that connect the internal and external networks at the same time, etc. to provide users with "always-on" connections. As a result, printers and PCs, smart phones, and other electronic devices are about to develop closer ties, and printers will become an important support for enterprise smart office in the future, promoting high-performance collaboration, improving work efficiency and productivity, and saving costs for enterprises. Students and the SOHO group still remain the main user base for low-end printers and MFPs, which has led manufacturers to strive to make the operation of MFPs simpler and more intuitive. For example, a proven approach to optimizing the print infrastructure - reducing financial and environmental costs, enhancing security and improving productivity - MPS also enables businesses to implement workflow solutions to better integrate paper and digital processes. Incorporating the printer with our work more thoroughly and conveniently.

The high-speed copier machine's focus has shifted from continuous hardware updates and upgrades to slowing down hardware updates and transforming the machine through software enhancements. It is no longer merely for printing and scanning, but is becoming more like a terminal, simultaneously providing security, data collection, integration, and storage services. For each brand, this approach can reduce the frequent investment in updating products, but it also leads to a decline in growth momentum. For manufacturers, even though the extended product life cycle can continue to contribute stable revenues, under the premise of expected annual decline in product profits, how to continuously ensure profit margins, integrate customer demands, and even introduce new customers and new products, are urgent issues for downstream manufacturers.

(4) Household Vacuum Cleaners

In the vacuum cleaner market, the well-acknowledged motor-boosted suction performance used to grant some specific vendor a leading market position. While more and more brands are adopting similar technology, the next phase of market strategy must attract consumer attention through other differentiating features. The market is showing preference for lighter-weight, longer battery life, exchangeable battery pack, versatility of accessories, and convertibility into portable devices, which all help drive the growth of the cordless stick category over other categories.

(5) Plastic Injection Molding and Molds

Due to the changing aesthetics required by electronic products, not only are different plastic materials used, but the required molding technologies also vary. It requires different tooling technology or knowhow such as silicon molding and resin molding, the tooling knowhow is totally different. The diverse changes in raw materials present a significant challenge for the future development of molds. Mastery of mold technology for new materials and enhancing design and development capabilities are key to gaining first-mover advantages and absolute superiority.

(6) Storage

A. HDD：

It's believed that demand for high capacity nearline drives will continue to drive HDD capacity demand higher in the coming years with projected storage capacity shipped in 2028 at 4,457 EB.

Increasing storage capacity per drive results in lower prices per bit of data (US$/TB). For high-capacity enterprise and data center HDDs, helium sealed drives with more disks allows higher capacities. Currently these drives are available with up to 10 disks. While increasing the number of disks to as many as 12 is possible, it requires transferring the drives onto thinner glass substrates

that are stiffer than aluminum substrates. Additionally, adjustments to the magnetic head height and suspension are necessary.

HDD capacities can also be increased by shingling the tracks (writing new tracks partially over existing tracks), although as the drive gets full writing new data requires moving good data to another location and then writing the new and good data again, similar to the erase and write process in SSDs. This type of drive is most effective for write-once archiving applications.

HDD capacities can also be increased by increasing the track density or the linear density of the information recorded on the concentric tracks. Track density increases have slowed down after the introduction of multi-actuator HDDs where the additional actuators are located near the recording head. However, applying energy to a very stable magnetic recording medium to enable writing, known as energy-assisted magnetic recording, is the most effective method for increasing magnetic recording line density.

HDD unit shipments are expected to be down about 26% in 2023 vs 2022 and shipping capacity will be down about 29%, mostly due to slower demand for all storage in data center throughout 2023. However, data growth will require capacity shipment growth in 2024 and later years. The LTO magnetic tape roadmaps projects up to 576TB tape cartridges sometime in the 2030s.

In 2023, the pace of breakthroughs in Artificial Intelligence (AI) technology has been rapid. The amount of data generated by AI within a single day now far exceeds what humans can produce. As all training of AI machine learning models must learn from data, this not only increases the demand for storage device capacity but also places a higher emphasis on high-speed data transfer. NVMe SSDs with ultra-high IO throughput emerge as the optimal solution for AI-related products. Furthermore, Samsung plans to unveil 300-layer 3D VNAND in 2024, while SK Hynix aims to achieve 4D 321-layer NAND Flash by 2025.

In 2023, 85% of enterprise organizations experienced ransomware attacks, with 84% being forced to pay ransoms. Major storage suppliers are intensifying their efforts to provide advanced ransomware detection and recovery solutions.

B. SSD：

Today, huge computing power comes from large back-end systems, using supercomputing engines to train large language models to produce AI answers to prompts and questions. However, powering these computers requires a significant amount of energy and is costly.

High-end processors from Nvidia, AMD, Intel, and others are used in supercomputing backends to power generative AI engines like ChatGPT, Google's Bard, Microsoft's Copilot, and other similar AI applications and services. The demand for high-performance processors has prompted the personal computer industry to develop new processors so that the personal computers themselves can perform AI training and processing.

As chip processing power increases, personal computers will become even more important in the future. It also supports the PC industry's belief that demand for PCs will increase over the next two to four years. Companies, businesses, educators, and consumers will eventually want to use AI-powered computers in every aspect of business, learning, and personal activities.

Although PC demand will be negative in 2022 and 2023, PC industry forecasts show that demand will rebound slightly in 2024. Additionally, demand is likely to accelerate significantly after 2025 as the new PC refresh cycle officially begins.

(7) Smart Wearable Devices

The development trends of smart wearable devices include enhancements in health features such as heart rate monitoring, sleep analysis, and exercise tracking. Ecosystem integration allows seamless connectivity with other smart devices, such as smartphones and tablets. Fashion and design focus on creating aesthetically appealing designs that complement everyday wear. Improvements in battery life extend the endurance of smart wearable devices. The addition of standalone functionalities makes them not just accessories to smartphones but capable of independently performing common tasks such as calls and messaging. The application of advanced display technologies enables clearer and more efficient screens, including the use of technologies such as OLED and AMOLED. Smart life integration enables control over smart home devices, receiving notifications, checking calendars, and enhancing overall convenience. Additionally, there is a focus on enhancing payment and security features to ensure

the privacy and safety of user data. These trends collectively drive smart wearable devices towards a more intelligent, convenient, and user-friendly direction.

(8) Wireless communication module

A. According to topological research, when observing the primary deployment areas of Mobile Internet of Things (IoT), smart cities and smart utility meters remain the main applications. This leads to LPWAN technology still being the mainstream choice in current technological selections. Beyond low-speed modules, some manufacturers are also targeting the development of high-speed modules in areas with higher research and profit thresholds, such as industrial applications, autonomous vehicles, and in-vehicle communications, with 5G being the primary development foundation.

B. Communication modules are critical components in the future of communication technology, facilitating data exchange and communication functions among various devices. 4G/5G communication modules, GPS modules, Internet of Things (IoT) modules, and automotive communication modules play crucial roles in high-speed data transmission, location positioning, IoT applications, and automotive communication, respectively. The continuous innovation and development of these modules will bring more applications and possibilities to future technology, further advancing smartness and connectivity, making our lives more convenient and intelligent.

(9) Credit Card Payment Terminal Equipment

Due to the COVID-19 pandemic, global consumers have increased the use of various sales methods, such as virtual consultations and curbside pickup. This trend has impacted the global demand for POS terminals. The COVID-19 social distancing has spurred the development of contactless payments with dedicated identity verification features. The addition of cameras and fingerprint sensors has driven larger form factors. Despite this, it is offset by industry developments that allow manufacturers to scale down when seeking microelectronics solutions. For example, VisionLabs announced the launch of the LUNA POS terminal, certified by Visa PayWave and Mastercard Contactless. It is designed to facilitate traditional credit card transactions and contactless facial biometric transactions. NFC, RFID, chip, and magnetic stripe card transactions are also supported as alternatives for facial identity verification. Moreover, with the rise of digital payments, an increasing number of consumers are seeking convenient and secure transaction methods. POS terminals can accept various payment methods, including credit and debit cards, mobile payments, and electronic wallets. Consequently, more POS systems are transitioning from fixed desktop formats to processing transactions via smartphones, tablets, and even self-checkout POS, reducing cash usage and enhancing transparency. Moreover, with the widespread adoption of the Android operating system and the diverse development trends of related applications, POS terminals are being extensively adopted in various sectors, including retail, department stores, banking, restaurants, hospitals, healthcare, movie ticket sales, transportation, and parking ticket processing.

4. Product Competition

(1) Electronic Calculators

The calculator market is shrinking as a result of expanded functions in smart phones and developments in online software for computers. Another challenge is that the technology for producing calculators has matured and the bar for market entry is low, therefore generic calculators are threatened by low-cost calculators produced by Chinese businesses. In response to market challenges, Kinpo is adjusting its product strategy to target scientific and graphing calculators used primarily in the education sector. We are also attempting to overcome technological limitations and develop an ultra-slim calculator with sleek designs, breaking down stereotypes of the product to showcase a new vibe.

(2) BB CPE and STB

The Chinese CPE suppliers such as Huawei, ZTE and FiberHome used to seize the global market with a low-price strategy by selling CPE devices with head-end equipment as a bundle and taking advantages of industrial vertical integration, vast domestic market and government sponsorship, however, the thread is being gradually reduced because most western countries will remain the policy of non-China supply chain in the coming years, in addition, the new generation of 8K smart STB, 10G PON, 5G CPE and Wi-Fi 7 routers have been launched, which will also bring Taiwanese suppliers a new wave of business opportunities. On the other hand, some Taiwanese suppliers adopted the strategy of direct approach of telecom operators and eventually worked successfully, revenue increased significantly

benefited from the implementation of network construction policy in many countries and the expanded proportion of manufacturing and shipment out of China. Facing the pressure of price competition from these Taiwanese suppliers, the global tier 1 branding customers are being forced to reduce R&D expenses, and thereby releasing more ODM opportunities. Kinpo have been continuously improving its ODM capability, the result is quite positive and has been recognized by customers, it can provide one-stop services from design to manufacturing to reduce customers' operation and product cost, and thereby enhance customer satisfaction and deepen partnership.

(3) Printing and Peripheral Equipment

Global HCP volume statistics for the first half of 2023 are as follows:

Worldwide Hardcopy Peripherals Market, Unit Shipments, Company Share, and Year-Over-Year Growth, 1H'2023 (based on unit shipments)

Companies	1H'23 Unit Shipments	1H'23 Market Share	1H'22 Unit Shipments	1H'22 Market Share	1H'23/1H'22 Growth
1. HP Inc.	15,009,087	35.51%	16,843,136	37.65%	-10.89%
2. Canon Group	9,174,155	21.71%	9,370,301	20.95%	-2.09%
3. Epson	7,843,621	18.56%	8,963,933	20.04%	-12.50%
4. Brother	3,960,062	9.37%	3,469,715	7.76%	14.13%
5. Pantum	1,174,275	2.78%	862,401	1.93%	36.16%
Others	5,100,435	12.07%	5,223,806	11.68%	-2.36%
Total	**42,261,635**	**100.00%**	**44,733,292**	**100.00%**	**-5.53%**

Source: IDC Worldwide Quarterly Hardcopy Peripherals Tracker, May 31, 2023

In the overall printer market, the first half of 2023 continued to show a decline, with a 5.53% decrease compared to the same period in 2022. HP maintained its leading position although its shipment quantity declined by 10.89% compared to the same period in 2022. Canon takes the second place, with a decline of 2.09% compared to the same period in 2022. Epson ranks third, with a decline of 12.5% compared to the same period in 2022. Brother bucked the trend and grew by 14.13% compared to the same period in 2022. In China market, Pantum becomes top 5 in the world and remains the good growth. From the perspective of our group, how to reduce the investment in new models, quickly grow the Chinese market, and work with other brands that offer OEM and ODM, in order to utilize the core value of group development and manufacturing to help end-users gain market share and succeed, is the main issue for the next few years.

(4) Household Vacuum and Beauty Appliances

The Household Vacuum Cleaners market has been growing rapidly thanks to the integration of the said technologies and is subsequently encouraging the participation of more vendors/brands in the cordless stick category, while all the technologies are becoming more commonly available to all the vendors. High performance from integration of features and reliable quality will drive the key differentiation and uphold the price range for target audience. Customization for Asian market is also a major part of the strategy. For some vendors, the go-to-market strategy is to divide Hair-care product market into "home sector" and "professional sector". In the "home sector", where a successful move is to invoke the purchase of traditionally-professionally-used devices such as stylers, and "professional sector", where the highly famous commercial brand is introduced to replace the niche brands.

(5) Plastic Injection Molding and Molds

The plastic injection molding market size is expected to be 5.9 million tons in 2024 and is projected to reach 7.24 million tons by 2029, growing at a CAGR of 4.18% during the forecast period (2024-2029). The plastic injection molding market is fragmented, with major companies owning a smaller market share, providing future development opportunities for competitors.

CAD/CAE/CAM technology is maturing and becoming more precise with the development and progress of computer software. In the near future, mold manufacturers will branch out from the engineering industry as a crucial backbone industry. At the same time, it will propel mold manufacturing

technologies to develop towards a direction that is more integrated, smart, beneficial for humans, and highly efficient.

(6) Storage

A. HDD：

In 2023, the top three manufacturers in the HDD industry were led by Seagate with a 44% market share, followed by Western Digital (WDC) at 37%, and Toshiba at 19%. Currently, the hard disk drive market is dominated by three companies: Seagate, Western Digital, and Toshiba. The first two are American companies, while the latter is a Japanese company. The control of the hard disk drive market is presently held by U.S. companies, accounting for 80% of the market. It is anticipated that by 2025, the value of the hard disk drive market will reach US$25 billion.

In recent years, the hard disk drive industry has undergone a crucial transformation, driven by a significant increase in demand for high-capacity hard drives from super-sized data centers and corporate clients.

B. SSD：

TrendForce reports that with the ongoing reduction of inventories by CSPs, there has been an uptick in enterprise SSD purchases by server OEMs in 2023 Q4. Despite the annual decline in NAND Flash purchase memory procurement volume, there are indications of a quarterly recovery. Overall, while enterprise SSD contract prices continued their downward trajectory in Q3, a surge in global purchasing demand by 10% has elevated its revenue to US$1.56 billion, marking a 4.2% increase from the previous quarter.

Samsung's enterprise SSD revenue grew to US$590 million in 2023 Q3, a 10.8% increase from the previous quarter. This growth marked a return to positive territory after four consecutive quarters of decline, primarily due to a decrease in generic server shipments.

SK Group (SK hynix & Solidigm) benefited from increased shipments to key clients, achieving US$389 million in enterprise SSD revenue for 2023 Q3, representing a 4% increase from the previous quarter. However, QLC enterprise SSD shipments did not show significant growth this quarter, while TLC PCIe products saw an uptick as client inventory adjustments concluded.

Micron also benefited from an uptick in server OEM orders in 2H23, leading to a 9.3% increase in enterprise SSD revenue to US$230 million in Q3. Meanwhile, shipments of PCIe 4.0 products are expected to increase in tandem with client validations.

Stable demand for PCIe 4.0 products and an increased need for SAS products due to server brand orders have helped push Kioxia's enterprise SSD revenue to US$210 million in Q3 2023, representing a 2% increase from the previous quarter. Kioxia is expected to further expand its market share as the PCIe penetration rate gradually climbs in 2024.

Western Digital's (WDC) enterprise SSD sales were primarily focused on North American CSP clients, who generally maintained conservative purchasing strategies, leading to a continued decline in overall purchases in Q3. In a market where both prices and quantities are dropping, WDC's enterprise SSD revenue fell to US$150 million in Q3, an 18.3% decrease from the previous quarter. As WDC undergoes corporate restructuring, facing limitations in R&D resources, it is anticipated that the production timeline for PCIe 5.0 enterprise SSDs will be shortened. This constraint could result in WDC's enterprise SSD revenue growth falling behind that of other suppliers in subsequent periods.

(7) Smart Wearable Devices

Looking ahead, IMARC Group anticipates the market size to reach $11.39 billion by 2028, with a CAGR) of 20.29% from 2022 to 2028. Smartwatch is a digital device worn on the wrist, connected to smartphones to provide features such as email, messages, and call notifications. It includes multiple applications offering additional functionalities, such as displaying weather information, maps, and listing stock prices. Moreover, it can be used for making calls and sending/receiving messages. Due to features like step counters and heart rate monitors assisting users in tracking their health, the demand for smartwatches continues to grow globally. The smart wearable device market is experiencing continuous and robust development, intensifying brand competition. Brands differentiate themselves through technological innovation, optimized feature upgrades, design aesthetics, ecosystem integration, price competitiveness, brand visibility, and user experience, meeting the diverse needs and expectations

of various consumer groups.

(8) Wireless communication module
According to IoT Analytics, the top five cellular IoT module manufacturers in the world in Q1 2023 are Quectel, Fibocom, Telit Cinterion, Sierra Wireless and LG Innotek. The five companies together account for 66% of the global market share. Among them, Quectel, Sierra Wireless and LG Innotek all experienced significant declines in quarterly sales revenue, while Fibocom and Telit Cinterion saw significant increases in revenue due to mergers and acquisitions. However, compared with expectations that the number of global cellular IoT connections will reach 6 billion by 2027, the weakness in the Q1 market may only be a temporary phenomenon. With the explosion of 5G (including RedCap) technology applications, the impact of new LPWA cellular modules, and the rise of satellite communications based on 3GPP standards, the cellular IoT module market is expected to maintain rapid growth.

(9) Credit Card Payment Terminal Equipment
While China is gradually dominating the global POS market, driven by the retail digitization transformation and consumer preference for online transactions, India is poised to become a rapidly growing market. With the increasing use of Android smart devices and self-checkout POS terminals in areas such as transportation, government, education, banking, and online taxi reservations, new application areas are expected to be opened up. However, data security issues, high maintenance costs, and new retail models such as unmanned smart stores will pose significant challenges for the POS market.

5.1.3. Technological and R&D Overview

1. R&D Expenses

Unit: NT$ thousands

Name	2023
R&D Expenses	2,116,367
Operating	159,757,214
The ratio of R&D expenses to operating income	1.32%

2. Technologies or Products that have been successfully developed
   (1) Credit Card Payment Terminal Equipment - POS Card Swiper
   (2) Wireless communication module - Wi-Fi / Bluetooth module
   (3) Automatic image correction technology (can be used in business machines, label printers, and scanners)
   (4) Energy-saving and automatic detection of network packets.
   (5) Automotive Digital Dashboard
   (6) Turn-by-Turn Navigation
   (7) Uphill Detection and Tipping Detection
   (8) Semiconductor Equipment PCBA
   (9) OEM and ODM design of charging pile products
   (10) Contract manufacturing and design of home security systems (IP camera, Doorbell)
   (11) Dual-Layer Optical Fiber Communication Products
   (12) Thunderbolt 4 expansion port with dual-slot NVMe SSD disk array
   (13) USB4 expansion port includes card reader port (CFast2.0/CFexpress-TypeB/SD7.0) and M.2 SSD solid state drive.
   (14) 3-in-1 Card Reader (CFast2.0/CFexpress-TypeB/SD7.0)
   (15) USB3.2 Gen2x2 Dual Slot NVMe SSD Disk Array
   (16) USB-C Flash Drive with HDMI Adapter

5.1.4. Short-term and Long-term Business Development Plans

1. Consumer Electronics

   Short-term: Kinpo will develop an innovative appearance and considerable quality, and strive for more orders with competitive price in major customer in Low-End calculator market.

   Develop good cooperative relationships with our clients. Win OEM orders of other consumer electronics products from existing clients, so as to expand our R&D capabilities and production technology and develop new products that calculator production technology can be widely applied to.

2. Broadband CPE and Set-top Box (BB CPE and STB)

   Short-term: to continuously strengthen R&D team and enhance ODM capabilities of hardware and software so as to provide customers with high value-added technical support in terms of product development, design and manufacturing.

   Long-term: to expand business cooperation with existing and new customers based on global presence of manufacturing capability, supply chain management and ODM capability of hardware and software integration, invest in new technologies/platforms to differentiate products and gain market access before commercialization, cooperate with chipset vendors to obtain market information and product demand from target customers.

3. Household Vacuum and Beauty Appliances

   Short-term: Meet clients' mass production goals for various models, and be flexible enough to produce what different regional markets need, so as to maximize the orders in accordance with the market demand.

   Long-term: Plan the production capacity of the future production bases to accommodate the long-term demand estimated by our clients. Consolidate the long-term partnership with our clients with the competitive advantage of such investment in order to obtain orders for new product lines.

4. Plastic Injection Molding and Molds

   Short-term: Strive for new molds and new models from clients, develop new clients, and maximize equipment operation rate.

   Long term: Focus on the expansion of AI server production layout in various locations, providing one-stop institutional solutions.

5. Electronic components for storage products

   Short term: In response to the gradual introduction of the new PC products, the demand for Client SSD has increased. At this stage, the cost of failure caused by production management is analyzed and effectively improved in collaborative customers to reduce production cost and support customers in the market to seize a larger amount and achieve the transfer of scale production to new factories and certificated by end customers.

   Mid-Long term: With the continuous introduction of AI applications, the construction of the data center will increase rapidly. Therefore, the continuous expansion of the production ratio of customer's enterprise -level SSDs will be an important strategy to achieve high revenue and high gross profit.

6. Printing and Peripheral Equipment

   Short-term: Complete the ODM development and design of the whole machine. Currently, we have acquired the JDM/ODM cooperation opportunity from Japanese clients for the black and white whole machine, and with this as a niche, it extends to ODM of products of the same Level.

   Long-term:

   (1) With the successful cases of current ODM projects being launched into the market, we are trying to attract more clients to adopt the Kinpo Group's platform solutions, and expand our opportunities to the module, the ODM/EMS cooperation of the whole machines, and the application of high-end models. We are currently in discussions for cooperation on the high-end ODM/JDM.

   (2) In addition to stabilizing the production base in Thailand, in response to the existing layout of our Japanese clients in Asia, models for the Chinese market are concentrated in Yueyang, while models for the other market are produced in the Thai factory.

   (3) Continue to introduce localized manufacturers, new materials and technologies to reduce material costs, packaging and transportation costs, as well as the risk of the supply chain.

(4) Introduce automated production and testing to improve productivity and product quality, reduce the costs of direct labor and factories, and potential costs of defects.

7. Smart Wearable Devices

Short-term: Optimize production processes to increase efficiency and reduce production costs, responding quickly to the fiercely competitive market environment. Strengthen quality management to enhance the yield of finished products, winning customer trust and solidifying current product business. Introduce new Alpha Care global repair services to meet diverse customer needs, thereby enhancing overall competitiveness.

Long-term: Strengthen internal team training and capability strive for opportunities to become a JDM/ODM supplier, gradually elevating the position within the customer supply chain. Actively pursue other product project opportunities, such as smart tablets, stylus pens, etc., to expand the product line and enhance capabilities for diversified development.

8. Wireless communication module

Short term: Introduce automated production to reduce manufacturing costs and improve profits and market competitiveness. Stable shipments of cellular modules and smart modules.

Long-term: Actively expand and introduce new foundry product lines, including 5G NR modules, vehicle modules, GNSS modules, Wi-Fi/Bluetooth and other products.

9. Credit Card Payment Terminal Equipment

Short-term: Continue strengthening the R&D team, building a comprehensive POS product line, and developing hardware design capabilities as well as production and testing capabilities for JDM/ODM.

Long-term: Leveraging the foundation of past successful EMS, combined with the global manufacturing layout advantages of the company, expand cooperation with existing customers. Dive into deeper JDM/ODM collaborations; allocate resources initially to the development of new technologies and solutions to gain product differentiation and seize opportunities for market commercialization. Collaborate strategically with chip manufacturers, target specific customers, and proactively understand customer needs to secure opportunities for new product projects.

5.2. Market, Production, and Sales Overview

5.2.1. Market Analysis

1. Consumer Electronics

The electronic calculator is the flagship consumer electronic product of our company. Through nearly 50 years of dedication, it has become one of the world's major suppliers. The main clients include CASIO, TI, HP, etc., which have good long-term cooperation relationships with the supply chain and have established mutually dependent production and marketing systems. In response to the competition from mainland China, The Company continually proactively seeks lower-cost component sources and introduces COB production technology. More than 99% of the Company's products are for export. The global regional distribution in 2023 is as follows:

USA and Canada	Europe	Asia	Other regions and domestic sales
53%	14 %	32 %	1%

At present, the R&D center is able to independently design and develop basic calculators and reduce the cost. Our efforts to expand overseas production and the R/D strategy have been effective. in 2014 a new production factory was built in the Philippines, a country with sufficient labor. It has allowed us to maintain our competitiveness in pricing and customer service.

2. BB CPE and STB

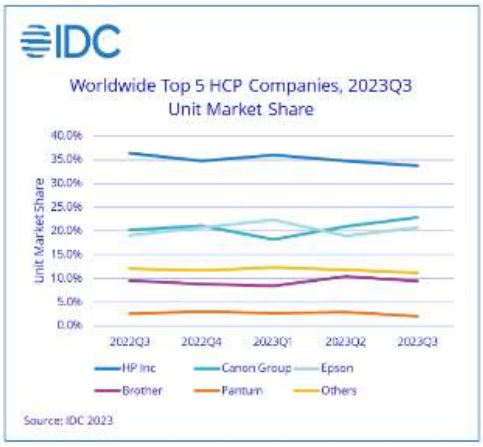
During the COVID-19 outbreak, the remote services such as online shopping, learning, communication and entertainment have developed rapidly, and therefore grown the amount of data transmission and accelerated

the development of high-speed broadband networks; after the pandemic slowed down, consumers turned to outdoor activities, coupled with global financial constraints, end users have less urgent demand for Internet access than before, however, the development of broadband network has not stopped, encouraged by the various broadband network policies of governments in Europe, the United States, South Asia, and Southeast Asia, the upgrading trends of 5G FWA, optical fiber network, and Wi-Fi 6 will continue to drive the growth. The optical fiber network is still the focus of fixed-line network deployment in many countries. Research institutions estimate that the CAGR of fiber network users will reach 5.76% from 2022 to 2025. Besides, the mobile broadband access technology is able to quickly achieve governments' goal of broadband deployment with its higher Internet speed, flexible deployment and low cost, it is expected that the number of 5G FWA subscribers will increase from 3 million in 2021 to 80 million in 2026 at a CAGR of 92.8%.

In terms of STB, the global market is expected to continuously grow in the next few years at a CAGR of 5.5% from 2021 to 2026, mainly driven by high-speed Internet, OTT services, and the increasing popularity of 4K TV and high-definition video content. With the acceleration of global digitalization and increasing demand of streaming media. APAC is the largest market that occupies 45% global share, and other regions take the remaining market including 25% for Europe, 20% for Americas, and 10% for Middle East and Africa.

3. Printing and Peripheral Equipment

According to the IDC Worldwide Hardcopy Peripherals Tracker, global hardcopy peripheral shipments in Q3 2023 were 19.5 million units, a decrease of 7.9% from Q3 2022. According to the latest data, the decline is due to subdued consumer demand and a pessimistic economic outlook. Moreover, the laser sub-market has been encroached by the ink tank sub-market, which is underscored due to its cost-effectiveness.



The significant changes for this quarter include:

(1) The U.S. is the largest regional market, with an annual shipment growth of 7.5%. Meanwhile, the shipment volumes of the second largest geographical regions, China and Western Europe, decreased by 20.5% and 11.6% respectively.

(2) Canon and Epson are the main drivers of annual growth in the U.S. market. The expansion of Epson is due to the change in user preferences for ink cartridge models in the business and SOHO sectors, while the growth of Canon comes from the recovery of the A4 color laser niche market, which was the most severely hit during the supply chain crisis starting from Q2 2021.

(3) Canon, ranked second overall, performs better than all other companies in the top five. The supplier's global shipment volume increased by 4.2% year-on-year, reaching nearly 4.5 million units. Active pricing strategy and product model expansion are the reasons for its vigorous growth.

4. Household Vacuum and Beauty Appliances

Besides all the key distinguishing factors highlighted previously, another prevailing advantage of some vendors of the home appliance industry is the marketing strategy: manage the brand image online and launch promotions on the e-commerce platforms. The sales growth online counteracts the sales decline in the brick-and-mortar stores due to the pandemic.

5. Electronic components for storage products

The penetration rate of SSD in PC NB has reached over 95%. According to data from the American research company IDC, global PC shipments from July to September 2023 were 68.2 million units, a decrease of 7.6% from the same period last year. Computer sales have been declining sharply since early 2022 after two years of growth due to stay-at-home demands during the coronavirus pandemic. However, the decline in the July-September period improved compared to the double-digit declines in the previous five quarters. IDC predicted in a research report that the PC market will recover moderately in the future. This situation can be seen from the performance of AMD and Intel, which produce personal computer semiconductors, from July to September 2023.

AMD's personal computer semiconductor sales from July to September 2023 were US$1.5 billion, a 42%

increase from the same period last year. The company's business units include semiconductors for data centers and semiconductors for gaming, but their respective sales were flat, down 8% year-on-year, with only PC sales growing.

Intel's PC semiconductor sales from July to September 2023 were US$7.9 billion, a decrease of 3% from the same period last year. However, the decline was less than the 10% expected by analysts, according to the Wall Street Journal.

6. Smart Wearable Devices

Taking a comprehensive look at the CAGR in the global market, research from Research and Markets indicates that, due to the impact of the Ukraine-Russia war, the CAGR for smart wearables from 2022 to 2023 is only 13%. Besides the war, the decline in global market sales may be related to the significant inflation experienced in 2022. The impact of the economic recession has temporarily made value-added commodities like smart wearable devices, which tend to "improve life," a secondary option. Looking ahead, various research institutions predict slightly different CAGR figures. However, according to survey research institutions, the estimated CAGR for smart wearables in the coming years is around 10% to 20%, and the market size continues to expand. Most analysts and institutions remain optimistic about the future of smart wearables.

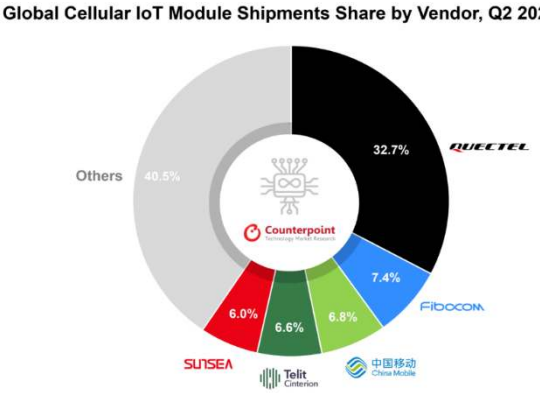
The development trend of smartwatches this year is influenced by two conflicting forces. On one hand, it absorbs the shift in demand from the smart wristband market, becoming an outlet for brands to generate market momentum. However, it is also impacted by the global economic downturn, affecting consumers' disposable income and resulting in a downward revision of market demand. The estimated global shipment of smartwatches in 2023 is 130 million units. Brand manufacturers' market share has seen little change in the overall landscape, and products continue to evolve and innovate.

7. Wireless communication module

According to data released by IoT Analytics, global cellular IoT module market revenue fell by 6% annually in Q1 2023, and shipments fell by 16% compared with the same period last year. However, this points to weakness in the overall Internet of Things (IoT) market in Q1 2023. This is mainly due to three factors:

(1) End-user spending cautious due to economic uncertainty
(2) Equipment manufacturers are reducing inventories
(3) A few companies still face shortage of semiconductor chips.

The market is expected to expand from US$16.88 billion in 2023 to US$20.83 billion in 2033, according to FMI. The cellular Internet of Things (IoT) module market is expected to grow at a CAGR of 23.4% by 2033. As the barriers to entry in the Internet of Things industry are increasing day by day, market competition in the industry is gradually intensifying and moving toward mergers. At the same time, market competition is developing in the direction of branding and customized services. In mid-December 2023, the Federal Reserve recently maintained interest rates at the July 2023 level and hinted that interest rates may begin to be cut in 2024, indicating that inflation may cool down. Currently, OEM brand customers are the market leaders and are actively investing in research and development. In addition, mobile credit card terminals (mPOS) are expected to grow rapidly in the market. The growing demand for functional mobile POS terminals in vertical industries such as retail, tourism and e-commerce will drive the development of the mobile credit card terminal market. With Taijinbao's mature production and automated production technology, shipments in the Brazilian market are stable. Growth is expected.

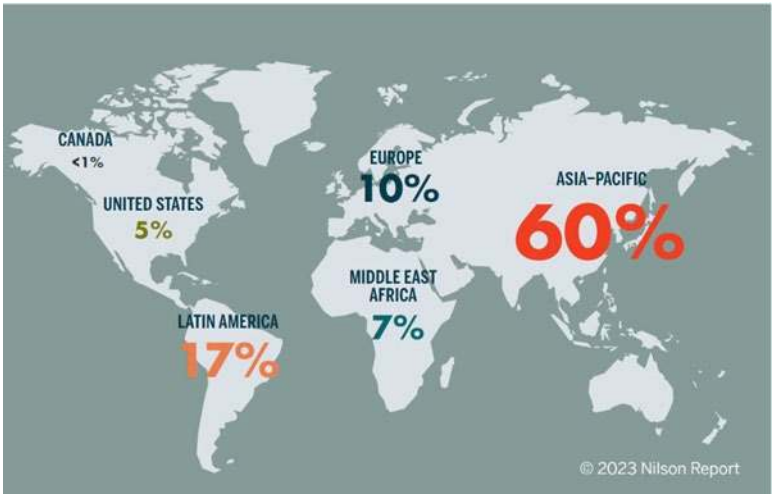


Source: Counterpoint Research Global Cellular IoT Module and Chipset Tracker by Application, Q2 2023

8. Credit Card Payment Terminal Equipment

The main regions of the global POS terminal security market include Asia-Pacific, North America, Europe, Latin America, Middle East and Africa. North America occupied the largest market share in 2022 due to the region's plentiful suppliers in the POS security market. The regional market is expanding, driven by the increasing use of electronic payment methods. The trend is gradually transforming POS from "Point of Sale" into "Point of Service". There is also a growing demand for KIOSKs (self-service terminals) in the market. KIOSK refers to a self-service information station that integrates a screen, printer, and card reader. It serves the general consumer audience and can be customized in its interactive design based on the needs of different end scenes. It can be used as an ordering machine, ticket vending machine, or airport self-check-in machine to meet various self-service needs. KIOSK has gradually occupied a small part of the POS machine market.

The self-service terminal display has two functions, guiding user operations and explaining transaction completion. This self-service terminal display can provide consumers with a novel shopping experience and improve efficiency in shopping malls, stores, quick-service restaurants (QSR), supermarkets, hospitals, etc. Taking McDonald's as an example, as the world's leading global food retailer, it has nearly 40,000 stores in more than 100 countries/regions. McDonald's has expanded its digital functions worldwide through KIOSK self-service machines, digital self-ordering machines, mobile ordering and payment, and "McDelivery" delivery services, etc. By utilizing POS visual recognition technology, we're setting the stage for the upcoming wave of AI checkout system upgrades in fast-food restaurants.



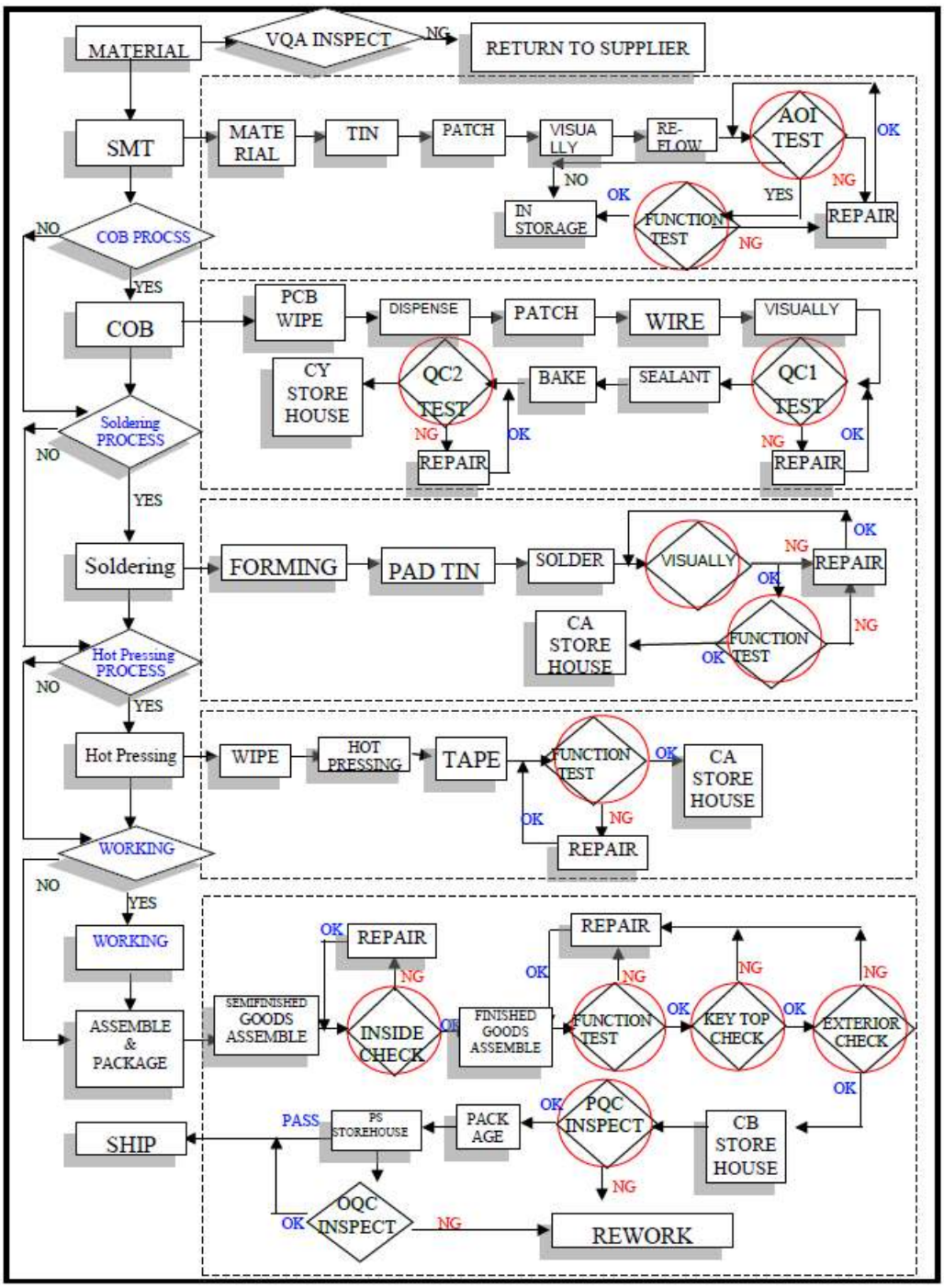
5.2.2. Production Procedures of Main Products

1. Important Uses of Main Products

Main Products	Use
Electronic Calculator	By computing functions, it quickly calculates various types of data, and display answers, saving time and improving work efficiency.
BB CPE and STB	(1) Provide high-speed data, voice, and video signal transmission. (2) Provide unidirectional or bidirectional audiovisual interactive services. (3) Provide internet services including information query, online shopping, and gaming.
Storage	(1) External hard disk drive (HDD) (2) External solid-state drive (SSD) (3) Notebooks (4) Desktop computers (5) Servers (6) Smart phones or tablets (7) Consumer and enterprise SSD storage products
Inkjet and Laser Printers/Multifunction printer (MFP)	(1) The primary function is to print out documents or images (2) The MFP integrates functions such as photocopying, faxing, scanning, and printing, serving multiple uses
Smart Wearable Devices	(1) Incoming call notifications, answering calls, and receiving text messages (2) Checking emails and receiving messages from third-party apps (3) Using electronic payments, tapping cards, storing tickets, displaying store membership cards (4) Tracking health conditions – monitoring calorie consumption, heart rate, fall alerts, and sending SOS. (5) Featuring functions such as map navigation, calculator, remote control for smartphone photography, and more.
Wireless communication module	A wireless communication module is an integrated hardware or electronic device that mainly connects and coordinates different devices, systems or networks to effectively transmit data. A wireless communication module is an integrated hardware or electronic device that mainly connects and coordinates different devices, systems or networks to effectively transmit data. These modules are widely used in various fields, including mobile communications, Internet of Things, military applications, medical equipment, automotive communications, wireless payments, and smart cities. Communication modules usually have multiple built-in communication protocols, such as Bluetooth, Wi-Fi, 4G/5G communication, GPS/GNSS, NB-IoT/LTE-M, CDMA/HSPA, etc., to meet the needs of different applications.
Credit Card Payment Terminal Equipment	A terminal with communication and card-reading capabilities utilizes its communication feature to transmit transaction records to the bank. Various methods can be employed for data transmission to the issuing bank. Once the bank confirms, the processed information is sent back to the terminal, which, upon receiving the confirmation, proceeds to print the receipt. Card-reading devices are categorized based on card types: Barcode cards, Magnetic stripe cards, IC cards. Chip cards further classify into the following: Contact, Contactless.

2. Manufacturing Processes for Main Products

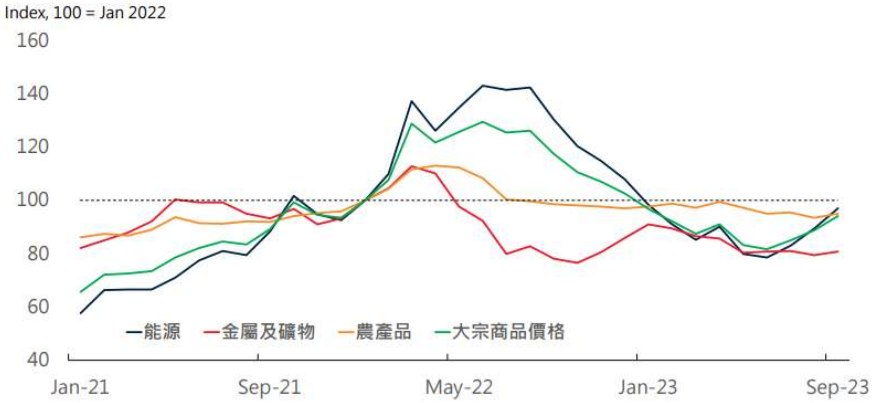
Primary production processes for various products are as follows:



5.2.3. Supply of Primary Raw Materials 1.

1. Overall international price trend of raw materials

   The prices of commodities in 2023 are driven up by energy, and the recent escalation of the Palestinian conflict poses an upward risk to commodity price forecasts. The specifics still depend on the duration and scale of the conflict. So far, the response of commodity markets to the outbreak of conflicts has been generally mild. The price of commodities is expected to gradually decline in 2024 and stabilize in 2025.



2. Electronic Calculator

   (1) IC (integrated circuit)
   Due to mature in calculator industry, the major suppliers have switched from TOSHIBA and other Japanese companies to Taiwan& China-made ICs in past five years. And the company is based on price competitiveness in Low-End calculator market, 90% IC was made in China.

   (2) H.M.F.
   Currently our main supplier is from Japan, and we are seeking alternative suppliers.

   (3) LCD
   Taiwan& China's suppliers or their oversea suppliers have better quality than Japan supplier. It's price more competitive and delivery time is also shorter than Japan supplier. Now Taiwan& China supplier are major suppliers. China suppliers help to maintain the price competitiveness in the Low-End calculator market. This year, a Taiwan LCD manufacturer exited market, and it will be as a replacement by China supplier.

3. BB CPE and STB

   The key parts of broadband CPE products include SoC, Ethernet chip, RF chip, memory, active/passive components, PCB, heat sink, antenna, plastic/metal casing and Ethernet cable, except for the main chips, most of the parts are replaceable because of maturely developed industry and complete supply chain, which ensures the stability of parts supply. Broadcom and Maxlinear are the leading providers of DSL chipset, while we have Airoha, Metanoia and Realtek as local suppliers in Taiwan; Broadcom and Maxlinear are also the only two solution providers of cable modem chipset in the world; the FTTH chipset suppliers include Airoha, Broadcom, Cortina, Maxlinear and Realtek. For STB chipset, Broadcom dominates the middle and high-end products, while ALi, Amlogic, HiSilicon and Realtek take the remaining shares of entry level market.

4. Printing and Peripheral Equipment

   The year 2023 was characterized by weak demand for electronic terminals, inventory adjustments failing to meet expectations, and economic downturn in various countries worldwide. These factors caused the capacity utilization rate for components including circuit boards, passive components, display panels, sensors, energy components, and LED elements to remain low throughout 2023. Inventories remained persistently high, and the production value experienced a decline for the second consecutive year. Looking ahead to 2024, the inventory of various industries is gradually returning to normal levels. The main markets such as mobile phones, computers, and semiconductors will enter the recovery phase. It is expected that the capacity utilization rate of component manufacturers in the third quarter of 2024 will gradually rise to over 90%, which is expected to drive the U-shaped reversal of the industry.

5. Plastic Injection Molding

   The raw material suppliers are mainly well-known large factories at home and abroad, and the quality of their supplied goods is stable. We have established a good relationship with suppliers and have set up long-term strategic cooperation, and there is no shortage of materials. The company also continues to monitor market fluctuations and material trends, focusing on maintaining quality while committing to reducing cost ratio.

6. Electronic components for storage products

   According to IDC estimates, global semiconductor revenue will grow by 20% this year. The storage market has the strongest growth, with an increase of 52.5%; the data center is second, with an increase of 45.4%.

   At present, the prosperity of mature processes and advanced processes of components is showing both positive and negative news. In the short term, mature processes still need to be digested by demand. Facing the pressure of a large volume of capacity from China, due to factors such as geopolitical conflicts, climate change, and route obstructions, supply chain challenges and disruptions will not diminish in 2024.

   We work closely with the major brands of world-class storage and work with our customers on strategic sourcing to avoid outages or shortages. We continue to maintain close technical relationships with major IC suppliers, so we are not worried about the lack of IC materials. However, we still need to carefully manage and operate the supply chain to cope with the rapidly changing market.

7. Smart Wearable Devices

   Key components such as display touch panels, processors, sensors, batteries, etc., have a comprehensive and robust supply chain system to ensure an ample and reliable supply.

8. Wireless communication module

   The key component of the communication module, the processor, is mostly controlled by major domestic and foreign manufacturers. The other components have various substitutability to ensure supply.

9. Credit Card Payment Terminal Equipment

   The POS product industry has reached maturity, with most components being standardized. Apart from processors and LCD panels, there are diverse alternatives for major components to ensure an adequate supply.

   Processor: Mainly controlled by global companies such as TI, NXP, and STMicroelectronics.

   LCD Panel: Selecting multiple mainland Chinese manufacturers to maintain competitive pricing.

5.2.4. Suppliers and Clients that has Accounted for over 10% of Total Sales in Any of the Past Two Years 1.

1. Major Suppliers in the Last Two Calendar Years

Unit: NT$ thousands

	2022				2023			
Item	Name	Amount	Percentage of Net Purchases for the year (%)	Relationship to the issuer	Name	Amount	Percentage of Net Purchases for the year (%)	Relationship to the issuer
1	Other	151,037,239	100.00	N/A	Other	128,744,848	100.00	N/A
	Net purchase	151,037,239	100.00		Net purchase	128,744,848	100.00	

Note 1: List the names, purchase amount and percentage of the suppliers from which accounted for over 10% of total purchase in the last two years; if the name of supplier cannot be disclosed due to contractual agreement, or the counterpart is a non-related individual, codes may be used.

Note 2: As of the publication date of the annual report, the TWSE listed or OTC traded companies shall disclose the certified or reviewed financial information by the CPAs, if any.

2. Major Clients in the Last Two Calendar Years

	2022				2023			
Item	Name	Amount	Percentage of Net Purchases for the year (%)	Relationship to the issuer	Name	Amount	Percentage of Net Purchases for the year (%)	Relationship to the issuer
1	Client A	31,265,000	17.31	Substantive related	Client A	45,596,827	28.63	Substantive related
2	Client B	30,731,748	17.02	No investment relationship	Client B	22,519,784	14.14	No investment relationship
3	Client C	25,521,900	14.13	No investment relationship	Client C	18,870,334	11.85	No investment relationship
4	Client D	22,117,656	12.25	No investment relationship	Client D	16,360,822	10.27	No investment relationship
5	Other	70,938,529	39.29		Other	55,915,322	35.11	
	Net purchase	180,574,833	100.00		Net purchase	159,263,089	100.00	

Note 1: List the names, purchase amount and percentage of the suppliers from which accounted for over 10% of total purchase in the last two years; if the name of supplier cannot be disclosed due to contractual agreement, or the counterpart is a non-related individual, codes may be used.

Note 2: As of the publication date of the annual report, the TWSE listed or OTC traded companies shall disclose the certified or reviewed financial information by the CPAs, if any.

5.2.5. Production Volume and Value in the Last Two Years

Unit: NT$ thousands

Year Production volume and value Main product	2022			2023		
	Capacity	Production volume	Production value	Capacity	Production volume	Production value
Consumer Electronics	284,720	226,137	161,645,605	238,062	154,560	158,173,657
Other	(note)	(note)	2,246,365	(note)	(note)	2,837,059
April 29th, 2022	284,720	226,137	163,891,970	238,062	154,560	161,010,716

Note: "Others" includes many types of products. They vary greatly and their production volume and value are not comparable; hence, they are not disclosed.

5.2.6. Sales Volume and Value in the Last Two Years

Unit: NT$ thousands

Year Sales volume and value Main product	2022				2023			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Consumer Electronics	51	96,441	216,357	178,786,491	4	15,639	148,724	157,494,409
Other	0	0	(note)	1,691,901	0	0	(note)	1,753,041
April 29th, 2022	51	96,441	216,357	180,478,392	4	15,639	148,724	159,247,450

Note: "Others" includes many types of products. They vary greatly and their production volume and value are not comparable; hence, they are not disclosed.

5.3. Information on Employees in the Last Two Calendar Years

Year		2022	2023	Current Year as of April 8th, 2024 (note)
Number of employees	Managers	3,683	3,175	3,114
	R&D technicians	5,115	4,112	3,492
	Direct operator	47,012	35,509	34,812
	April 29th, 2022	55,810	42,794	41,418
Average age		29.07	30.04	29.65
Average years of service		2.08	2.75	2.76
Educational background	Doctor's degree	0.03%	0.02%	0.02%
	Master's degree	1.04%	0.89%	0.91%
	Associate/Bachelor's degree	18.53%	13.82%	14.74%
	Senior high diploma	32.51%	24.91%	27.29%
	Below senior high	47.89%	60.36%	57.04%

Note: The data provided should cover the current year up to the date of the annual report printing.

5.4. Information on Environmental Protection Expenditure

5.4.1. Loss suffered from pollution of the Environment in the latest Year and of the date of the annual report printing: (including compensation and results of Environment protection inspection that violate the environmental protection regulations, the date of punishment, order number, regulation violated, content of the violation, and content of the punishment should be clarified).

R&D operations stay domestic, HQ and production bases have all been transferred overseas. The Philippines plant in 2023 was fined by the local government for illegal wastewater discharge, with a total of 556,667 Pesos (approximately NTD 345,412). As of the date of the annual report printing, there were no significant fines (over NTD 1 million) incurred.

5.4.2. Measures for Environment Protection

1. The company first conducts biological treatment before discharging and is compliant with environmental protection regulations.
2. All factories actively comply with local environmental protection laws and regulations. For those factories that have been penalized, they also enhance the maintenance of processing facilities and monitoring equipment as well as abnormal management.
3. Compliance with RoHS: Kinpo is in compliance with RoHS.

5.4.3. Estimated amount for the present and possible future occurrences

The total expenditure on environment management in 2023, including pollution prevention R&D, investment in pollution prevention equipment, pollution control, waste treatment, and ISO audits etc., amounts to approximately NTD 349,897thousand in all plants.

5.5. Relations between Labors and Employers

5.5.1. The company implements and monitors various employee welfare measures, further education, training, and retirement systems. We also sign labor agreements and have various measures to protect employee rights and interests.

1. We've attached great importance to labor relations since the establishment of our company, which is why relations between laborers and employers have always been harmonious. In addition to promoting the concept of "harmony" in our business philosophy, we also use various communication channels to understand our employees' thoughts in our day-to-day work.
2. We believe that employees are the company's greatest assets and as such, we've established a comprehensive training system to help our employees continue furthering themselves. We hope our employees can gain more professional skills and added value, improve their performance, and help promote growth in our company.
3. We offer management, professional skills, quality, language, etc. Training through our internal training programs (including new employee training, group quality training, quality control training, fire drills, etc.), overseas training, on-the-job training, and e-learning. We also have an online library that provides books, journals, magazines, and other resources for self-study and further education.
4. Employees can communicate, via the employee suggestion box or E-mail, any questions or issues to their superiors, reducing miscommunication and any barriers. Our employee grievance system has been implemented for many years, which further enhances our communication channels.
5. We've organized a robust welfare committee for employees with representatives elected internally. The committee convenes meetings regularly for any welfare measures or events.
6. In order to boost employee morale and retain excellent talent, the Company, based on the regulations of the Company Act, Securities Exchange Act, and Financial Holding Company Act, issues employee stock

warrants or buys back treasury stock to transfer to employees at appropriate times. The goal is to align the interests of the employees with the Company, thereby strengthening employee motivation and enhancing the operational efficiency of the Company.

7. Retirement procedures shall be handled in accordance with related laws and regulations established by the government and the company.

5.5.2. Loss suffered from labor disputes in the latest Year and up to the date of the annual report printing: Labor relations are stable in the Kinpo group because we expect our employees to adhere to a corporate culture of Innovation, Harmony, and Transcend. This includes results of labor inspection that violate labor standards law items, with the Office Term, case number, violated laws and regulations, content, and measures. And reveal the present and possible future estimated Amount and measures, if it is impossible to estimate reasonably, an Explanation of the fact that it cannot be estimated reasonably should be provided.

1. Losses incurred due to labor disputes in the most recent year and as of the date of the annual report printing: In the latest year and up to the date of the annual report's publication, the company has not experienced any significant labor disputes.
2. Estimated Amount of Possible Future Losses from Labor Disputes and Measures:

   The Company always attaches importance to the welfare of our colleagues, and the Relations between Labors and Employers are harmonious. There have been no major labor disputes in the past two years or as of the date of the annual report printing, so there is no risk of related losses.

5.6. Information Security Management

5.6.1. State the information security risk management framework, the information security policy, the specific management plan, and the resources invested in the information security management, etc.

The Company, in order to ensure that its operational information system complies with international Information Safety management standards, has established an Information Safety management system (ISMS) that meets international standards and protects the confidentiality, integrity, availability, and continuity of information assets. It has reasonably reduced operational Risk, timely self-assessed and implemented Information Safety management Risk management operations and continuous improvements and passed through the routine annual Information Safety management audit operations of major international customers in order to achieve the goal of the continuous operation of the Company's information system.

The operation and continuous risk assessment of the operation information system was completed in December 2023, as well as the risk handling capability drill and the completion of internal audit tasks. In January 2024, the ISO 27001 BSI external audit review and verification was passed, and Information Safety related matters are regularly reported to the Board meeting annually. The actions taken in 2023 were reported at the Board meeting on March 11th, 2024.

Details of management measure are as follows:

Types of information security risk	Risk content	Measures
Insufficient awareness of employee information security	The data, information and systems handled by internal employees are directly related to the company's operations. Therefore, a little carelessness may affect the company's internal information security due to downloading or infection of malicious programs.	1. In 2023, the email social engineering drills were implemented throughout the group, with a pass rate of 95.6%. 2. Continuously strengthen Information Safety promotion and education training. 3. Publish the latest attack methods and defensive response strategies.

Types of information security risk	Risk content	Measures
Network attack	Network hacking attacks have the most direct impact on enterprise operations. Therefore, information hardware protection measures are established, including important network segment segmentation and access authorization control, firewalls, intrusion detection and attack blocking mechanisms.	1. Regular/irregular vulnerability detection and penetration testing of websites that provide connection services to external parties. 2. The external service website regularly conducts vulnerability detection and immediate updates and repairs. 3. Off-site host backup and data backup mechanisms, ensuring uninterrupted operations. 4. Optimize the email APT defense policy to reduce the information security risk in the email channel. 5. Third-party website penetration testing exercises have detected potential risks and vulnerabilities and timely repairs have been made to ensure effective protection of information assets.
Virus threat	The source of computer viruses may be the websites you browse, emails containing malicious programs (E-mail), removable storage media (USB), downloads of malicious programs, etc., which lead to attacks on the company's servers or computers.	1. Establish multi-level defense and detection, and fully install anti-virus system on the terminal. 2. The central control method is adopted for establishing a dual MDR mechanism, enhancing the identification of network anomalies and reaction speed. 3. Regularly update the core engine of the NDR network detection system and the real-time handling of abnormal alarms.

5.6.2. List the losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the date of the annual report printing. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained.

The Company had no significant information security incidents in 2023.

5.7. Major Contracts

The company's standing agreements and expired at the latest year contracts as of the date of the annual report printing are as follows:

Contract Type	Counterparty	Contract Period	Primary Content	Restrictions
Bank Credit	E.SUN Commercial Bank and other bank groups	2021/11/08~2024/11/08	Joint Lending Agreement	Pursuant to contract
Bank Credit	Mega International Commercial Bank and other bank groups	2023/10/27~2028/10/27	Joint Lending Agreement	Pursuant to contract
Bank Credit	Hua Nan Bank	2023/08/18~2026/08/18	Replenish working capital	N/A
Bank Credit	Taiwan Bank	2022/03/10~2025/03/10	Replenish working capital	N/A
Bank Credit	KGI Bank	2023/05/15~2025/05/14	Replenish working capital	N/A
Bank Credit	E.SUN Commercial Bank	2023/08/14~2026/08/14	Replenish working capital	N/A
Bank Credit	E.SUN Commercial Bank	2023/08/14~2026/08/14	Replenish working capital	N/A
Bank Credit	Taiwan Cooperative Bank	2021/04/27~2025/11/14	Replenish working capital	Pursuant to contract
Bank Credit	O-Bank	2020/11/13~2024/04/13	Replenish working capital	N/A
Bank Credit	Chang Hwa Bank	2021/12/02~2024/12/02	Replenish working capital	N/A
Bank Credit	Bank SinoPac	2023/08/14~2025/08/14	Replenish working capital	Pursuant to contract
Bank Credit	Cathay United Bank	2023/05/15~2025/04/30	Replenish working capital	N/A
Bank Credit	Mega International Commercial Bank	2023/12/15~2026/12/15	Replenish working capital	N/A
Bank Credit	Far Eastern Int'l Bank	2023/12/18~2026/12/18	Replenish working capital	Pursuant to contract
Bank Credit	Cathay United Bank	2023/08/14~2025/08/14	Replenish working capital	N/A
Bank Credit	Financial Statements	2023/03/10~2025/03/09	Replenish working capital	N/A
Bank Credit	DBS Bank (Taiwan) Limited	2022/05/27~2024/05/27	Replenish working capital	Pursuant to contract

VI. Financial Information

6.1. Five-year Condensed Balance Sheet and Statement of Comprehensive Income

6.1.1. Condensed Balance Sheet (Consolidated) - IFRS

Unit: NT$ thousands

Item \ Year		Five-year Financial Summary (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		56,287,775	60,857,602	69,945,655	84,932,812	74,316,497
Property, Plant and Equipment		26,781,228	24,911,914	24,317,231	27,419,152	26,163,232
Intangible Assets		644,486	959,472	796,587	204,866	208,795
Other Assets		12,865,206	12,546,169	13,192,060	12,907,689	16,006,831
Total Assets		96,578,695	99,275,157	108,251,533	125,464,519	116,695,355
Current Liabilities	Before Distribution	54,554,823	58,508,343	66,607,257	72,804,298	55,678,847
	After Distribution	54,982,503	58,927,954	66,897,808	73,244,543	56,123,449
Noncurrent Liabilities		16,255,029	15,778,816	15,782,676	24,448,288	26,461,832
Total Liabilities	Before Distribution	70,809,852	74,287,159	82,389,933	97,252,586	82,140,679
	After Distribution	71,237,532	74,706,770	82,680,484	97,692,831	82,585,281
Equity Attributable to Shareholders of the Parent	Before Distribution	15,311,632	14,908,707	15,933,717	17,757,750	21,461,329
	After Distribution	14,883,952	14,489,096	15,643,166	17,317,505	21,016,727
Capital Stock		14,591,252	14,670,052	14,796,682	14,944,162	15,007,312
Capital Surplus		701,047	704,818	662,371	791,110	1,571,647
Retained Earnings	Before Distribution	2,402,743	2,025,998	947,825	1,657,292	1,349,401
	After Distribution	1,975,063	1,606,387	657,274	1,217,047	904,799
Others		(890,759)	(965,808)	(141,379)	696,968	3,763,349
Treasury Stock		(1,492,651)	(1,526,353)	(331,782)	(331,782)	(230,380)
Non-controlling Equity		10,457,211	10,079,291	9,927,883	10,454,183	13,093,347
Total Equity	Before Distribution	25,768,843	24,987,998	25,861,600	28,211,933	34,554,676
	After Distribution	25,341,163	24,568,387	25,571,049	27,771,688	34,110,074

- Companies which have prepared individual financial statements should also prepare five-year individual consolidated balance sheet and comprehensive income statement.
- Companies adopting IFRS for financial statement preparation for less than five years should also prepare financial statements under ROC GAAP: Not applicable.

Note 1: The financial statements for each year have been reviewed by CPAs.

Note 2: Figures for After Distribution columns are from the special resolutions of the BOD meeting. Earnings distribution for 2023 is approved by the board of directors' meeting on March 11th, 2024.

6.1.2. Individual Condensed Balance Sheet - IFRS

Unit: NT$ thousands

Item \ Year		Five-year Financial Summary (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		1,899,886	1,597,305	3,301,705	14,102,414	15,233,995
Property, Plant and Equipment		1,186,453	1,160,469	1,138,466	1,123,069	1,152,392
Intangible Assets		62,097	63,518	4,542	25,589	20,849
Other Assets		29,352,597	29,241,760	29,423,464	30,810,037	39,006,580
Total Assets		32,501,033	32,063,052	33,868,177	46,061,109	55,413,816
Current Liabilities	Before Distribution	7,732,453	5,344,134	8,231,258	17,945,750	21,598,030
	After Distribution	8,160,133	5,763,745	8,521,809	18,385,995	22,042,632
Noncurrent Liabilities		9,456,948	11,810,211	9,703,202	10,357,609	12,354,457
Total Liabilities	Before Distribution	17,189,401	17,154,345	17,934,460	28,303,359	33,952,487
	After Distribution	17,617,081	17,573,956	18,225,011	28,743,604	34,397,089
Capital Stock		14,591,252	14,670,052	14,796,682	14,944,162	15,007,312
Capital Surplus		701,047	704,818	662,371	791,110	1,571,647
Retained Earnings	Before Distribution	2,402,743	2,025,998	947,825	1,657,292	1,349,401
	After Distribution	1,975,063	1,606,387	657,274	1,217,047	904,799
Others		(890,759)	(965,808)	(141,379)	696,968	3,763,349
Treasury Stock		(1,492,651)	(1,526,353)	(331,782)	(331,782)	(230,380)
Total Equity	Before Distribution	15,311,632	14,908,707	15,933,717	17,757,750	21,461,329
	After Distribution	14,883,952	14,489,096	15,643,166	17,317,505	21,016,727

Note 1: The financial statements for each year have been reviewed by CPAs.

Note 2: Figures for After Distribution columns are from the special resolutions of the BOD meeting. Earnings distribution for 2023 is approved by the board of directors' meeting on March 11th, 2024.

6.1.3. Condensed Statement of Comprehensive Income (Consolidated) - IFRS

Unit: NT$ thousands

Item \ Year	Five-year Financial Summary (Note)				
	2019	2020	2021	2022	2023
Operating Revenue	137,549,891	128,219,874	139,778,507	181,414,449	159,757,214
Gross Profit	8,726,219	7,964,210	8,953,065	10,709,614	9,820,798
Operating Income (Loss)	1,261,713	731,809	1,233,345	2,827,626	3,000,122
Non-operating Income and Expenses	(467,054)	(44,050)	(323,798)	(1,193,452)	(1,836,355)
Income (Loss) before Income Tax	794,659	687,759	909,547	1,634,174	1,163,767
Income (Loss) from Continuing Operations Before Income Tax	458,352	240,132	220,994	952,492	828,615
Loss from Discontinued Division	0	0	0	0	0
Net Income (Loss)	458,352	240,132	220,994	952,492	828,615
Other Comprehensive Income (Net of Income Tax)	(716,926)	(545,922)	(262,080)	1,488,756	2,483,618
Total Comprehensive Income (Loss)	(258,574)	(305,790)	(41,086)	2,441,248	3,312,233
Net Income (Loss) Attributable to Shareholders of the Parent	453,735	142,183	14,270	1,012,463	751,037
Net Income (Loss) Attributable to Noncontrolling Interests	4,617	97,949	206,724	(59,971)	77,578
Total Comprehensive Income (Loss) Attributable to Shareholders of the Parent	111,770	(24,114)	165,867	1,906,176	3,157,952
Total Comprehensive Income (Loss) Attributable to Noncontrolling Interests	(370,344)	(281,676)	(206,953)	535,072	154,281
Earnings Per Share (NT$)	0.34	0.11	0.01	0.69	0.51

Note: The financial statements for each year have been reviewed by CPAs.

6.1.4. Individual Condensed Statement of Comprehensive Income - IFRS

Unit: NT$ thousands

Item \ Year	Five-year Financial Summary (Note)				
	2019	2020	2021	2022	2023
Operating Revenue	5,401,808	4,147,220	5,145,159	9,659,713	8,246,519
Gross Profit	94,535	353,558	524,413	1,296,031	1,424,386
Operating Income (Loss)	4,686	43,166	11,313	189,500	496,356
Non-operating Income and Expenses	598,226	250,060	86,241	1,106,054	312,600
Income (Loss) before Income Tax	602,912	293,226	97,554	1,295,554	808,956
Income (Loss) from Continuing Operations Before Income Tax	453,735	142,183	14,270	1,012,463	751,037
Loss from Discontinued Division	0	0	0	0	0
Net Income (Loss)	453,735	142,183	14,270	1,012,463	751,037
Other Comprehensive Income (Net of Income Tax)	(341,965)	(166,297)	151,597	893,713	2,406,915
Total Comprehensive Income (Loss)	111,770	(24,114)	165,867	1,906,176	3,157,952
Earnings Per Share (NT$)	0.34	0.11	0.01	0.69	0.51

Note: The financial statements for each year have been reviewed by CPAs.

6.1.5. Auditors and Audit Opinions over the Past Five Years

Year	Auditor Firm	Auditors	Audit Opinion
2019	EY Taiwan	Hsiao, Tsui-Hui and Lin, Su-Wen	An Unqualified Opinion (Note)
2020	EY Taiwan	Lin, Su-Wen and Chen, Chih-Chung	An Unqualified Opinion (Note)
2021	EY Taiwan	Lin, Su-Wen and Chen, Chih-Chung	An Unqualified Opinion (Note)
2022	EY Taiwan	Chen, Chih-Chung and Fuh, Wen-Fun	An Unqualified Opinion (Note)
2023	EY Taiwan	Chen, Chih-Chung and Fuh, Wen-Fun	An Unqualified Opinion (Note)

Note 1: With reference made to another auditor and division of responsibility.

6.2. Five-Year Financial Analysis

6.2.1. Consolidated Financial Analysis - IFRS Year

Item \ Year		Five-Year Financial Analysis				
		2019	2020	2021	2022	2023
Capital Structure Analysis (%)	Debt Ratio	73.35	74.83	76.11	77.51	70.39
	Long-term Fund to Property, Plant and Equipment Ratio	156.92	163.64	171.25	192.06	233.21
Liquidity Analysis (%)	Current Ratio	103.17	104.02	105.01	116.66	133.47
	Quick Ratio	64.61	67.64	59.15	78.34	97.46
	Times Interest Earned	1.67	1.76	2.22	2.05	1.46
Operating Performance Analysis	Accounts Receivable Turnover (times)	5.17	5.04	5.23	5.30	4.36
	Average Collection Days	70.59	72.42	69.78	68.86	83.71
	Inventory Turnover (times)	5.73	5.55	4.94	5.72	6.16
	Accounts Payable Turnover (times)	5.14	4.90	5.05	6.37	6.00
	Average Inventory Turnover Days	63.69	65.76	73.88	63.81	59.25
	Properties, Plants and Equipment Turnover (times)	5.39	4.96	5.68	7.01	5.96
	Total Assets Turnover (times)	1.40	1.31	1.35	1.55	1.32
Profitability Analysis	Return on Assets (%)	1.44	0.99	0.79	1.88	2.35
	Return on Equity (%)	1.75	0.95	0.87	3.52	2.64
	Pre-tax Net Income to Paid-in Capital Ratio (%)	5.45	4.69	6.15	10.94	7.75
	Net Income Ratio (%)	0.33	0.19	0.16	0.53	0.52
	Earnings Per Share (NT$)	0.34	0.11	0.01	0.69	0.51
Cash Flow	Cash Flow Ratio (%)	12.82	5.61	(Note 1)	(Note 1)	28.92
	Cash Flow Adequacy Ratio (%)	45.24	37.04	6.26	2.91	46.16
	Cash Reinvestment Ratio (%)	10.39	4.59	(Note 1)	(Note 1)	18.23
Leverage	Operating Leverage	3.81	5.63	3.47	2.14	2.07
	Financial Leverage	17.44	-4.17	2.53	2.22	6.21

Cause of financial ratio change in the most recent two years. (Analysis is not required for changes in increase or decrease less than 20%.)

1. Long-term Fund to Property, Plant and Equipment Ratio: mainly due to the increase in total equity.
2. Quick Ratio: mainly due to the decrease in current liabilities.
3. Times Interest Earned, Return on Assets and Financial Leverage: mainly due to the increase in interest expenses in the current period.
4. Average Collection Days: mainly due to the decrease in operating revenue in the current period.
5. Return on Equity and Earnings Per Share: mainly due to the decrease in net income after tax in the current period.
6. Pre-tax Net Income to Paid-in Capital Ratio: mainly due to the decrease in income before income tax in the current period.
7. Cash Flow Ratio, Cash Flow Adequacy Ratio and Cash Reinvestment Ratio: mainly due to the increase in net cash provided by operating activities in the current period.

- Companies which have prepared individual financial statements should also prepare individual financial analyses.
- Companies adopting IFRS for financial statement preparation for less than five years should also prepare financial statements under ROC GAAP: Not applicable.

Note 1: The ratio is negative.

Note 2: IFRS-based formulas used for the Financial Analysis:

1. Capital Structure Analysis

(1) Debt Ratio = Total Liabilities / Total Assets

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

2. Liquidity Analysis

(1) Current Ratio = Current Assets / Current Liabilities

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

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

3. Operating Performance Analysis

(1) Accounts Receivable (including Accounts Receivable and Notes Receivable from Operations) Turnover = Net Sales / Average Balance of Accounts Receivable (including Accounts Receivable and Notes Receivable from Operations)

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

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

(4) Accounts Payable (including Accounts Payable and Notes Payable from Operations) Turnover = Cost of Sales / Average Balance of Accounts Payable (including Accounts Payable and Notes Payable from Operations)

(5) Average Inventory Turnover Days = 365 / Average Inventory Turnover

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

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

4. Profitability Analysis

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

(2) Return on Equity = Net Income / Average Total Equity

(3) Net Margin = Net Income / Net Sales

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

5. Cash Flow

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

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

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

6. Leverage:

(1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations

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

6.2.2. Individual Financial Analysis - IFRS

Item \ Year		Five-Year Financial Analysis				
		2019	2020	2021	2022	2023
Capital Structure Analysis (%)	Debt Ratio	52.89	53.50	52.95	61.45	61.27
	Long-term Fund to Property, Plant and Equipment Ratio	2,087.62	2,302.42	2,251.88	2,503.44	2,934.40
Liquidity Analysis (%)	Current Ratio	24.57	29.89	40.11	78.58	70.53
	Quick Ratio	24.42	29.73	39.32	78.35	70.33
	Times Interest Earned	6.30	2.93	1.72	8.61	3.61
Operating Performance Analysis	Accounts Receivable Turnover (times)	5.02	3.90	4.31	5.77	1.37
	Average Collection Days	72.70	93.58	84.68	63.25	266.42
	Inventory Turnover (times)	8,156.46	5,426.21	159.67	194.95	253.92
	Accounts Payable Turnover (times)	14.39	16.64	8.72	6.84	1.22
	Average Inventory Turnover Days	0.04	0.06	2.28	1.87	1.43
	Properties, Plants and Equipment Turnover (times)	4.58	3.53	4.48	8.54	7.25
	Total Assets Turnover (times)	0.18	0.13	0.16	0.24	0.16
Profitability Analysis	Return on Assets (%)	1.79	0.82	0.37	2.87	1.97
	Return on Equity (%)	2.93	0.94	0.09	6.01	3.83
	Pre-tax Net Income to Paid-in Capital Ratio (%)	4.13	2.00	0.66	8.67	5.39
	Net Income Ratio (%)	8.40	3.43	0.28	10.48	9.11
	Earnings Per Share (NT$)	0.34	0.11	0.01	0.69	0.51
Cash Flow	Cash Flow Ratio (%)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	3.39
	Cash Flow Adequacy Ratio (%)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
	Cash Reinvestment Ratio (%)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	0.85
Leverage	Operating Leverage	10.80	2.12	4.46	1.69	1.05
	Financial Leverage	-0.04	-0.40	-0.09	9.90	2.66

Cause of financial ratio change in the most recent two years. (Analysis is not required for changes in increase or decrease less than 20%.)

1. Times Interest Earned: mainly due to the increase in interest expenses in the current period.
2. Accounts Receivable Turnover, Average Collection Days and Total Assets Turnover: mainly due to the decrease in operating revenue in the current period.
3. Inventory Turnover: mainly due to the decrease in inventory.
4. Accounts Payable Turnover and Average Inventory Turnover Days: mainly due to the decrease in payables.
5. Return on Assets, Return on Equity, Pre-tax Net Income to Paid-in Capital Ratio and Earnings Per Share: mainly due to the decrease in net income after tax in the current period.
6. Cash Flow Ratio and Cash Reinvestment Ratio: mainly due to the increase in net cash provided by operating activities in the current period.
7. Operating Leverage and Financial Leverage: mainly due to the increase in income from operations in the current period.

Note 1: The ratio is negative.

Note 2: IFRS-based formulas used for the Financial Analysis:

1. Capital Structure Analysis
   (1) Debt Ratio = Total Liabilities / Total Assets
   (2) Long-term Fund to Property, Plant and Equipment Ratio = (Total Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment
2. Liquidity Analysis
   (1) Current Ratio = Current Assets / Current Liabilities

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

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

3. Operating Performance Analysis

(1) Accounts Receivable (including Accounts Receivable and Notes Receivable from Operations) Turnover = Net Sales / Average Balance of Accounts Receivable (including Accounts Receivable and Notes Receivable from Operations)

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

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

(4) Accounts Payable (including Accounts Payable and Notes Payable from Operations) Turnover = Cost of Sales / Average Balance of Accounts Payable (including Accounts Payable and Notes Payable from Operations)

(5) Average Inventory Turnover Days = 365 / Average Inventory Turnover

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

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

4. Profitability Analysis

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

(2) Return on Equity = Net Income / Average Total Equity

(3) Net Margin = Net Income / Net Sales

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

5. Cash Flow

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

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

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

6. Leverage

(1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations

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

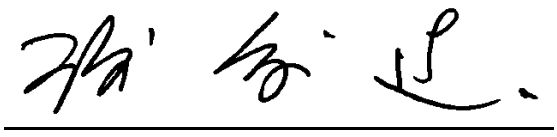
6.3. Audit Committee's Review Report on the Latest Financial Statements

Kinpo Electronics, Inc.
Audit Committee's Review Report

The Board of Directors has prepared Kinpo Electronics' 2023 Individual and Consolidated Financial Statements. The CPA firm of EY was retained to audit and certify the Company's Financial Statements and has issued an audit report. The Business Report, Financial Statements, and Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Kinpo Electronics. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Kinpo Electronics 2024 Annual General Meeting of Shareholders

Chairman of the Audit Committee:
Hsieh, Fa-Dah



March 12th, 2024

6.4 Latest Consolidated Financial Statements

REPRESENTATION LETTER

English Translation of the Representation Letter Originally Issued in Chinese

The companies that are required to be included in the combined financial statements of Kinpo Electronics, Inc. as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports 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 Standards No. 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, Kinpo Electronics, Inc. and Subsidiaries do not prepared a separate set of combined financial statements.

Very truly yours,

Kinpo Electronics, Inc.

By

HSU, SHENG-HSIUNG
Chairman
March 12, 2024

English Translation of Auditors' Report Originally Issued in Chinese

Report of Independent Auditors

To Kinpo Electronics, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Kinpo Electronics, Inc. and its subsidiaries (the "Company" and its subsidiaries) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements including the summary of significant accounting policies (collectively referred to "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years ended 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 by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Timing of Revenue Recognition

The Company and its subsidiaries recognized operating revenue in the amount of NTD 159,757,214 thousand in 2023. The main source of revenue was from the production and sales of a variety of consumer electronic products, which were not manufactured until orders were received. As the Company and its subsidiaries had a large number of customers and products were sold to domestic and international markets involving a various commercial terms, the correctness of revenue recognition timing by transferring commodity control on merchandise to customers was material to the consolidated financial statements, we therefore considered this key audit matter.

For the revenue recognition, we have conducted audit procedures including but not limited to evaluating and testing the design and operating effectiveness of internal controls with respect to the revenue cycle; selecting representative samples to conduct test of details by inspecting transaction record and verifying the key conditions of the orders or agreements to confirm the timing when a performance obligation is satisfied, and conducting cutoff test on transactions recognized within a certain period of time before and after the balance sheet date by selecting samples to review the conditions of transactions and vouch relevant transaction documents as evidence to confirm that a performance obligation is satisfied. We also considered the appropriateness of operating revenue disclosure in Note 6 of consolidated financial statements.

Business Combination

According to IFRS 10, regardless of the nature of the investment, it is necessary for the investor to re-assess whether or not it controls an investee when deciding whether the investor is the parent company. Since the Company and its subsidiaries holds less than 50% of the shares of some consolidated entities, whether the Company has control over the consolidated entities would directly affect the consolidated financial statements. Therefore, we considered this a key audit matter.

We have conducted audit procedures including but not limited to obtaining the Company and its subsidiaries' latest organizational chart of the affiliates and reviewing relevant changes. In addition, we reviewed the overall shareholding percentage of each consolidated entity and analyzed the composition of the board of directors and management, the holding percentages of the top ten shareholders, the level of ownership dispersion, attendance rate in shareholders' meetings, and the power of the shareholders to direct the relevant activities to confirm the Company's evaluation of the control over its consolidated entities. We also considered the appropriateness of the disclosure in respect of business combination in Notes 4 and 5 of the consolidated financial statement.

Other Matter - Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NTD 7,335,021 thousand and NTD 8,077,636 thousand, constituting 6% and 6% of consolidated total assets as of December 31, 2023 and 2022, respectively, and total operating revenues of NTD 2,364,932 thousand and NTD 2,907,669 thousand, constituting 1% and 2% of consolidated operating revenue for the years ended December 31, 2023 and 2022, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. We did not audit the financial statements of certain investments accounted for using equity method whose statements are based solely on the reports of other auditors. These investments accounted for using equity method to NTD 6,119,749 thousand and NTD 4,051,172 thousand, constituting 5% and 3% of consolidated total assets as of December 31, 2023 and 2022, respectively. The related shares of profit (loss) of associates and joint ventures accounted for using equity method amounted to NTD 16,906 thousand and NTD 142,486 thousand, constituting 1% and 9% of the consolidated net profit before tax for the years ended December 31, 2023 and 2022, respectively, and the related shares of other comprehensive income of associates and joint ventures accounted for using equity method amounted to NTD 121,742 thousand and NTD 85,839 thousand, constituting 5% and 6% of the consolidated other comprehensive income for the years ended December 31, 2023 and 2022, respectively.

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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misrepresentation may result from fraud or error. 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 2023 consolidated financial statements 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.

Others

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022.

Chen, Chih-Chung

Fuh, Wen-Fun

Ernst & Young, Taiwan
March 12, 2024

Taipei, Taiwan
Republic of China

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of consolidated financial statements originally issued in Chinese

KINPO ELECTRONICS, INC. CO., LTD, AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2023	%	December 31, 2022	%
Current assets					
Cash and cash equivalents	4, 6	$16,866,858	15	$9,915,366	8
Current financial assets at fair value through profit or loss	4, 6	1,608,410	1	69,221	-
Current financial assets at fair value through other comprehensive income	4, 6	38,019	-	34,094	-
Current financial assets at amortised cost	4, 6, 8	25,914	-	11,959	-
Current contract assets	4, 6	-	-	5,626	-
Notes receivable, net	4, 6	16,102	-	44,359	-
Accounts receivable, net	4, 6	22,300,064	19	32,757,638	26
Accounts receivable due from related parties, net	4, 6, 7	2,516,766	8	8,557,035	7
Other receivables	4, 6, 12	2,842,108	3	3,367,870	3
Other receivables due from related parties	4, 7	47,644	-	20,339	-
Current tax assets		100,112	-	65,431	-
Current inventories	4, 6	18,861,146	16	26,460,597	21
Prepayments	6	1,189,597	1	1,435,936	1
Non-current assets classified as held for sale, net	4, 6	-	-	506,342	1
Other current assets		929,286	1	1,680,999	1
Total current assets		74,316,497	64	84,932,812	68
Non-current assets					
Non-current financial assets at fair value through profit and loss	4, 6	-	-	1,468,178	1
Non-current financial assets at fair value through other comprehensive income	4, 6	6,472,088	6	3,989,978	3
Non-current financial assets at amortised cost	4, 6, 8	13,784	-	22,770	-
Investments accounted for using equity method	4, 6	6,220,327	5	4,152,127	3
Property, plant and equipment	4, 6, 8	24,688,187	21	25,748,605	21
Right-of-use assets	4, 6, 8	1,342,777	1	1,532,641	1
Investment property, net	4, 6	132,268	-	137,906	-
Intangible assets	4, 6	208,795	-	204,866	-
Deferred tax assets	4, 6	2,152,681	2	2,065,832	2
Other non-current assets	6	1,147,951	1	1,208,804	1
Total non-current assets		42,378,858	36	40,531,707	32
Total assets		$116,695,355	100	$125,464,519	100

The accompanying notes are an integral part of the consolidated financial statements.

KINPO ELECTRONICS, INC. CO., LTD, AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		As of December 31, 2023		As of December 31, 2022	
Accounts	Note	Amount	%	Amount	%
Current liabilities					
Short-term borrowings	4, 6	$18,567,124	16	$30,279,151	24
Short-term notes and bills payable	4, 6	1,697,643	1	1,722,578	1
Financial liabilities at fair value through profit or loss, current	4, 6	43,318	-	60,885	-
Contract liabilities, current	4, 6	1,297,451	1	323,525	-
Notes payable		1,644	-	2,853	-
Accounts payable		15,666,404	14	23,172,004	18
Trade payables to related parties	7	6,487,375	6	4,539,857	4
Other payables	6, 12	6,364,723	5	6,609,350	6
Other payables to related parties	7	1,416	-	1,553	-
Current tax liabilities		374,916	-	452,537	-
Non-current assets classified as held Liabilities	4, 6	-	-	689,653	1
Leases liabilities, current	4, 6	113,394	-	146,152	-
Long-term liabilities, including current portion	4, 6	3,101,121	3	1,858,002	1
Other current liabilities - Others		1,962,318	2	2,946,198	2
Total current liabilities		55,678,847	48	72,804,298	57
Non-current liabilities					
Long-term borrowings	4, 6	23,463,616	20	21,121,199	17
Deferred tax liabilities	4, 6	2,081,058	2	2,161,709	2
Leases liabilities, non-current	4, 6	118,558	-	252,683	-
Net defined benefit liabilities, non-current	4, 6	725,432	1	831,576	1
Other Non current liabilities - Others		73,168	-	81,121	-
Total non-current liabilities		26,461,832	23	24,448,288	20
Total liabilities		82,140,679	71	97,252,586	77
Equity attributable to owners of the parent					
Share capital	6				
Ordinary share		15,007,312	13	14,944,162	12
Capital surplus	6	1,571,647	1	791,110	1
Retained earnings	6				
Legal reserve		495,321	-	395,320	-
Special reserve		255,058	-	255,058	-
Unappropriated retained earnings		599,022	1	1,006,914	1
Total retained earnings		1,349,401	1	1,657,292	1
Other equity		3,763,349	3	696,968	1
Treasury shares	4, 6	(230,380)	-	(331,782)	-
Total equity attributable to owners of the parent		21,461,329	18	17,757,750	15
Comprehensive income, attributable to non-controlling interests	6	13,093,347	11	10,454,183	8
Total equity		34,554,676	29	28,211,933	23
Total liabilities and equity		$116,695,355	100	$125,464,519	100

The accompanying notes are an integral part of the consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

KINPO ELECTRONICS, INC. CO., LTD, AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

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

Item	Note	For the year ended			
		December 31, 2023	%	December 31, 2022	%
Operating revenue	4, 6, 7	$159,757,214	100	$181,414,449	100
Operating costs	6, 7	(149,936,416)	(94)	(170,704,835)	(94)
Gross profit from operations		9,820,798	6	10,709,614	6
Operating expenses	6, 7				
Selling expenses		(1,508,652)	(1)	(1,840,404)	(1)
Administrative expenses		(3,093,487)	(2)	(3,184,222)	(2)
Research and development expenses		(2,116,367)	(1)	(2,845,050)	(2)
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9		(102,170)	-	(12,312)	-
Total operating expenses		(6,820,676)	(4)	(7,881,988)	(5)
Net operating income		3,000,122	2	2,827,626	1
Non-operating income and expenses	4, 6				
Interest income		705,906	-	157,083	-
Other income		457,831	-	466,573	-
Other gains and losses, net		(495,157)	-	(347,172)	-
Finance costs, net		(2,536,742)	(2)	(1,602,267)	(1)
Share of profit (loss) of associates and joint ventures accounted for using equity method, net		31,807	-	132,331	-
Total non-operating income and expenses		(1,836,355)	(2)	(1,193,452)	(1)
Profit before tax		1,163,767	-	1,634,174	-
Total tax expense	4, 6	(335,152)	-	(681,682)	-
Profit		828,615	-	952,492	-
Other comprehensive income	6				
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans		103,067	-	53,876	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		2,422,108	2	(227,027)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		111,857	-	(82,946)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(28,762)	-	6,449	-
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation		(170,142)	-	1,859,814	1
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		8,011	-	161,814	-
Other components of other comprehensive income that will be reclassified to profit or loss		(17)	-	(2,001)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		37,496	-	(281,223)	-
Total other comprehensive income		2,483,618	2	1,488,756	1
Total comprehensive income for the year ended December 31, 2021		$3,312,233	2	$2,441,248	1
Net income (loss) attributable to:					
Profit, attributable to owners of parent		$751,037	-	$1,012,463	-
Comprehensive income, attributable to non-controlling interests		77,578	-	(59,971)	-
Total		$828,615	-	$952,492	-
Comprehensive income attributable to:					
Profit, attributable to owners of parent		$3,157,952	2	$1,906,176	1
Comprehensive income, attributable to non-controlling interests		154,281	-	535,072	-
Total		$3,312,233	2	$2,441,248	1
Earnings per share (in dollars)	6				
Basic earnings per share		$0.51		$0.69	
Diluted earnings per share		$0.51		$0.69	

The accompanying notes are an integral part of the consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

KINPO ELECTRONICS, INC. CO., LTD, AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Items	Equity attributable to owners of the parent										controlling inte	Total equity
			Retained earnings			Other equity						
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriae d retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Treasury shares	Total equity attributable to owners of parent		
Balance on January 1, 2022	$14,796,682	$662,371	$395,320	$965,808	$(413,303)	$(2,244,055)	$2,102,177	$499	$(331,782)	$15,933,717	$9,927,883	$25,861,600
Appropriation and distribution of retained earnings:												
Cash divdends of ordinary share	-	-	-	-	(290,551)	-	-	-	-	(290,551)	-	(290,551)
Reversal of special reserve	-	-	-	(710,750)	710,750	-	-	-	-	-	-	-
Other changes in capital surplus:												
Changes in equity of associates and joint ventures accounted for using equity method	-	84,713	-	-	(1,136)	-	-	(66,675)	-	16,902	-	16,902
Profit for the year ended December 31, 2022	-	-	-	-	1,012,463	-	-	-	-	1,012,463	(59,971)	952,492
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	17,052	1,149,069	(271,679)	(729)	-	893,713	595,043	1,488,756
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,029,515	1,149,069	(271,679)	(729)	-	1,906,176	535,072	2,441,248
Changes in ownership interests in subsidiaries	-	9,891	-	-	-	-	-	-	-	9,891	56,750	66,641
Share-based payments	147,480	32,259	-	-	-	-	-	-	-	179,739	4,874	184,613
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(28,361)	-	28,361	-	-	-	-	-
Others	-	1,876	-	-	-	-	-	-	-	1,876	(70,396)	(68,520)
Balance on December 31, 2022	$14,944,162	$791,110	$395,320	$255,058	$1,006,914	$(1,094,986)	$1,858,859	$(66,905)	$(331,782)	$17,757,750	$10,454,183	$28,211,933
Balance as of January 1, 2023	$14,944,162	$791,110	$395,320	$255,058	$1,006,914	$(1,094,986)	$1,858,859	$(66,905)	$(331,782)	$17,757,750	$10,454,183	$28,211,933
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	100,001	-	(100,001)	-	-	-	-	-	-	-
Cash divdends of ordinary share	-	-	-	-	(440,245)	-	-	-	-	(440,245)	-	(440,245)
Other changes in capital surplus:												
Changes in equity of associates and joint ventures accounted for using equity method	-	467,142	-	-	343	-	-	40,440	-	507,925	-	507,925
Net income for the period from January 1, 2023 to December 31, 2023	-	-	-	-	751,037	-	-	-	-	751,037	77,578	828,615
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	45,163	(136,557)	2,498,861	(552)	-	2,406,915	76,703	2,483,618
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	796,200	(136,557)	2,498,861	(552)	-	3,157,952	154,281	3,312,233
Changes in ownership interests in subsidiaries	-	302,055	-	-	-	-	-	-	-	302,055	2,615,937	2,917,992
Share-based payments	63,150	10,369	-	-	-	-	-	-	101,402	174,921	6,771	181,692
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(664,189)	-	664,189	-	-	-	-	-
Others	-	971	-	-	-	-	-	-	-	971	(137,825)	(136,854)
Balance as of December 31, 2023	$15,007,312	$1,571,647	$495,321	$255,058	$599,022	$(1,231,543)	$5,021,909	$(27,017)	$(230,380)	$21,461,329	$13,093,347	$34,554,676

The accompanying notes are an integral part of the after consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese
KINPO ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended	
	December 31, 2023	December 31, 2022
Cash flows from (used in) operating activities:		
Profit before tax	$1,163,767	$1,634,174
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	3,068,630	3,117,558
Amortization expense	128,987	117,841
Expected credit loss (gain)	102,170	12,312
Net gain on financial assets or liabilities at fair value through profit or loss	1,101	(48,116)
Interest expense	2,516,766	1,555,272
Interest income	(705,906)	(157,083)
Dividend income	(182,786)	(303,977)
Share-based payments	24,931	35,467
Share of loss (profit) of associates and joint ventures accounted for using equity method	(31,807)	(132,331)
Loss (gain) on disposal of property, plant and equipment	(30,689)	11,156
Loss (gain) on disposal of intangible assets	117	-
Loss (gain) on disposal of non-current assets classified as held for sale	(62,827)	(73,351)
Loss (gain) on disposal of investments	3,258	416,716
Impairment loss (gain) on non-financial assets	4,108	(7,061)
Other adjustments to reconcile profit (loss)	83,104	(10,975)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	(125,999)	543,982
Decrease (increase) in contract assets	5,626	-
Decrease (increase) in notes receivable	28,245	58,604
Decrease (increase) in accounts receivable	10,357,767	(6,637,422)
Decrease (increase) in accounts receivable due from related parties	(934,202)	(7,888,624)
Decrease (increase) in other receivable	38,756	(409,562)
Decrease (increase) in other receivable due from related parties	(27,305)	58,799
Decrease (increase) in inventories	7,599,451	2,836,140
Decrease (increase) in prepayments	253,645	(258,556)
Decrease (increase) in other current assets	749,693	(1,220,975)
Increase (decrease) in contract liabilities	973,926	234,326
Increase (decrease) in notes payable	(1,209)	(1,066)
Increase (decrease) in accounts payable	(7,505,600)	(572,271)
Increase (decrease) in accounts payable to related parties	1,947,518	2,562,756
Increase (decrease) in other payable	(95,345)	1,540,312
Increase (decrease) in other payable to related parties	(137)	1,115
Increase (decrease) in other current liabilities	(983,880)	901,576
Increase (decrease) in net defined benefit liability	(3,077)	120,623
Cash inflow (outflow) generated from operations:	18,360,797	(1,962,641)
Interest received	885,402	89,189
Interest paid	(2,539,677)	(1,372,402)
Income taxes paid	(606,220)	(481,072)
Net cash flows from (used in) operating activities	16,100,302	(3,726,926)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(53,900)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	34,289	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	381	-
Acquisition of financial assets at amortised cost	(14,109)	(3,002)
Proceeds from repayments of financial assets at amortised cost	5,825	5,006
Proceeds from disposal of financial assets at fair value through other comprehensive income	10,225	33,375
Acquisition of investments acounted for using equity method	(1,451,681)	-
Disposal of non-current assets classified as held for sale	-	185,329
Acquisition of property, plant and equipment	(2,655,245)	(5,197,690)
Proceeds from disposal of property, plant and equipment	673,468	237,456
Acquisition of intangible assets	(133,678)	(191,656)
Disposals of intangible assets	417	-
Decrease in other financial assets	-	13,603
Increase in other non-current assets	98,668	(151,628)
Increase in prepayments for business facilities	(139,798)	(413,168)
Interest received	26,095	26,297
Dividends received	212,464	433,839
Other investing activities	(87,217)	122,946
Net cash flows from (used in) investing activities	(3,473,796)	(4,899,293)
Cash flows from (used in) financing activities:		
Increase in short-term loans	786,117	4,251,652
Decrease in short-term loans	(14,126,573)	(3,362,178)
Increase in short-term notes	50,000	25,000
Decrease in short-term notes	(74,939)	(1,070,000)
Proceeds from long-term debt	6,954,633	10,232,142
Repayments of long-term debt	(2,649,381)	(2,431,447)
Repayments of lease liabilities	(153,758)	(205,139)
Decrease in other non-current liabilities	(7,953)	(39,299)
Cash dividends paid	(440,245)	(290,551)
Employee execute stock options	73,232	165,762
Treasury shares sold to employees	101,490	-
Change in non-controlling interests	2,762,206	(20,370)
Net cash flows from (used in) financing activities	(6,725,171)	7,255,572
Effect of exchange rate changes on cash and cash equivalents	1,050,157	3,235,765
Net increase (decrease) in cash and cash equivalents	6,951,492	1,865,118
Cash and cash equivalents at the beginning of period	9,915,366	8,067,899
Cash and cash equivalents at the end of period	$16,866,858	$9,933,017
Cash and cash equivalents reported in the statement of financial position	$16,866,858	$9,915,366
Cash and cash equivalents classified to as held for sale (or disposal groups)	-	17,651
Cash and cash equivalents at the end of period	$16,866,858	$9,933,017

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

KINPO ELECTRONICS, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and organization

Kinpo Electronics, Inc. (the "Company"), was established on April 24, 1973 under the Company Act of the Republic of China ("ROC"). On November 7, 1989, the Company's shares were listed on the Taiwan Stock Exchange. The Company primarily engages in trading consumer electronic products, computer and peripheral computer equipment, network communication equipment and image products. The Company's registered address and main operating site are located at 10F., No.99, Nanjing E. Rd., Sec. 5, Songshan Dist., Taipei City and No.147, Beishen Rd., Sec. 3, Shenkeng Dist., New Taipei City, respectively.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of Kinpo Electronics, Inc. and its subsidiaries (the Group) for the years period ended December 31, 2023 and 2022 were recommended and authorized for issue by the Board of Directors on March 11, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB endorsed by FSC at the date when the Group's financial statements were authorized for issue, and the local effective dates are determined to be 1 January, 2024 by FSC. The Group determine the remaining standards and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(a) IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the new or amended standards and interpretations listed under B. have no material impact on the Group, the Group is still currently determining the potential impact of the remaining standards and interpretations. The impact will be disclosed after evaluation completed.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") , IFRSs, IASSs, IFRIC and SIC which are endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NTD") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. exposure, or rights, to variable returns from its involvement with the investee, and
C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee
B. rights arising from other contractual arrangements
C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. recognizes any surplus or deficit in profit or loss; and
F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)	
Investor	Subsidiary	Main businesses	December 31, 2023	December 31, 2022
The Company	Kinpo International (Singapore) Pte. Ltd.	Reinvestment on domestic and overseas business	100.00%	100.00%
The Company	Kinpo International Ltd.	Holding Company	100.00%	100.00%
The Company	Lipo Holding Co., Ltd.	Holding Company	51.00%	51.00%
The Company	Crownpo Technology Inc.	Manufacturing and sales of chip diodes, etc.	51.61%	51.61%
The Company	XYZprinting, Inc. (Note 1)	Trading 3D printer	48.59%	46.40%
The Company	Cal-Comp Electronics (Thailand) Public Company Limited (Note 2)	Manufacturing of computers and peripheral devices, telecommunication products and automatic equipment	49.99%	46.63%
The Company	CastleNet Technology Inc.	Development, manufacturing and sales of products including cable modem, powerline communication and digital home applications	68.08%	68.90%
The Company	Cal-Comp Big Data, Inc.(Note 8)	Medical equipment, data processing and provision service	-	50.00%
The Company	New Era AI Robotic Inc. (Note 11)	Trading robot and applications development	-	50.00%
The Company	Cal-Comp Asset Management, Inc.	Asset Management	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2023	Percentage of ownership (%) December 31, 2022
Kinpo International (Singapore) Pte. Ltd.	Cal-Comp Technology (Philippines), Inc..	Manufacturing	80.81%	80.81%
Cal-Comp Technology (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Manufacturing and sales products of other companies' products	100.00%	100.00%
Kinpo International Ltd.	Kinpo Electronics (China) Co., Ltd.	Manufacturing and sales products of other companies' electronic products	100.00%	100.00%
Kinpo Electronics (China) Co., Ltd.	Dongguan Kaipo Electronics Co., Ltd. (Note 6)	Manufacturing and sales products of other companies' products	-	100.00%
Kinpo Electronics (China) Co., Ltd.	XYZprinting (Suzhou) Co., Ltd.	Trading 3D printer	41.78%	41.78%
Lipo Holding Co., Ltd.	LIZ Electronics (Kunshan) Co., Ltd.	Production and marketing chip resistor & chip diodes	88.13%	88.13%
Lipo Holding Co., Ltd.	LIZ Electronics (Nantong) Co., Ltd.	R&D, manufacturing chip components; sales of products and provide after-sales service; wholesaling, importing and exporting electronic components, semiconductors special materials and spare parts	31.33%	31.33%
LIZ Electronics (Kunshan) Co., Ltd.	LIZ Electronics (Nantong) Co., Ltd.	R&D, manufacturing chip components; sales of products and provide after-sales service; wholesaling, importing and exporting electronic components, semiconductors special materials and spare parts	66.02%	66.02%
Crownpo Technology Inc.	Ranashe International Ltd.	Holding Company	100.00%	100.00%
Crownpo Technology Inc.	Li-Cheng Materials Co., Ltd.(Note 13)	Manufacture of various chemical materials	-	54.69%
Ranashe International Ltd.	LIZ Electronics (Kunshan) Co., Ltd.	Production and marketing chip resistor & chip diodes	11.87%	11.87%
Ranashe International Ltd.	LIZ Electronics (Nantong) Co., Ltd.	R&D, manufacturing chip components; sales of products and provide after-sales service; wholesaling, importing and exporting electronic components, semiconductors special materials and spare parts	2.65%	2.65%
XYZprinting, Inc.	XYZprinting, Inc. (USA)	Trading 3D printer	100.00%	100.00%
XYZprinting, Inc.	XYZprinting Japan, Inc.	Trading 3D printer	100.00%	100.00%
XYZprinting, Inc.	XYZprinting Netherlands, B.V.	Trading 3D printer	100.00%	100.00%
XYZprinting, Inc.	XYZprinting (Thailand) Co., Ltd.	Trading 3D printer	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2023	Percentage of ownership (%) December 31, 2022
XYZprinting, Inc.	XYZlife (Philippines) Inc. (Note 3)	Sales of medical beauty goods	100.00%	100.00%
XYZprinting, Inc.	XYZprinting (Suzhou) Co., Ltd	Trading 3D printer	16.44%	16.44%
XYZprinting, Inc.	XYZprinting (Shanghai) Cloud Technology Co., Ltd.(Note 5)	Internet technology development	-	100.00%
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc. (Note 1)	Trading 3D printer	48.59%	46.40%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Manufacturing	100.00%	100.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Technology (Suzhou) Co., Ltd.(Note 9)	Manufacturing	-	100.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Logistar International Holding Co., Ltd. (Note 14)	Dealer	9.14%	12.92%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal Comp (Malaysia) SDN. BHD.	Manufacturing	100.00%	100.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics & Communications Co., Ltd.	Purchase of raw material, research and development	100.00%	100.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics (USA) Co., Ltd.	Manufacturing	100.00%	100.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Technology (Philippines), Inc.	Manufacturing	19.19%	19.19%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Manufacturing	100.00%	100.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda.	Manufacturing	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2023	Percentage of ownership (%) December 31, 2022
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Big Data, Inc.	Medical equipment, data processing and provision service	-	50.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Semiconductor, Ltd.(Note 12)	Holding Company	99.95%	91.60%
Cal-Comp Electronics (Thailand) Public Company Limited	New Era AI Robotic Inc. (Note 5)	Trading robot and applications development	-	50.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Auto-manage producing system development	100.00%	100.00%
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria de Semicondutores S.A. (Note10)	Manufacturing	58.03%	-
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Precision Holding Co., Ltd.	Holding Company	99.92%	99.92%
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	ICKP (Beijing) Technology Development Co., Ltd.	Developing 3D printers and AI equipments	80.00%	80.00%
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Manufacturing and sales of new printing device, electronic components and their components	100.00%	100.00%
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	NKG Advanced Intelligence & Technology Development (Yueyang) Co., Ltd.	Manufacturing and sales of advanced intelligence electronical equipments and related parts	100.00%	100.00%
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	XYZprinting (Suzhou) Co., Ltd.	Trading 3D printer	41.78%	41.78%
Cal-Comp Precision Holding Co., Ltd.	Cal-Comp Precision (Singapore) Limited	Holding and distribution	100.00%	100.00%
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Thailand) Limited	Injecting precision plastical parts	100.00%	100.00%
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Malaysia) SDN. BHD.	Injecting precision plastical parts	100.00%	100.00%
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Dongguan) Limited	Injecting precision plastical parts; designing and manufacturing of molding for plastic	100.00%	100.00%
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Yueyang) Co., Ltd.	Injecting precision plastical parts	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2023	Percentage of ownership (%) December 31, 2022
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Philippines), Inc.	Injecting precision plastical parts	100.00%	100.00%
Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	Cal-Comp Industria de Semicondutores S.A. (Note 10)	Manufacturing	-	58.03%
Cal-Comp Electronics (USA) Co., Ltd.	Cal-Comp USA (San Diego), Inc.	Manufacturing	100.00%	100.00%
QBit Semiconductor Holding Ltd.	QBit Semiconductor Ltd. (Note 7)	Design semiconductors	19.00%	100.00%
CastleNet Technology Inc.	CastleNet Technology (BVI) Inc.	Holding Company	100.00%	100.00%
CastleNet Technology (BVI) Inc.	CastleNet Technology Inc. (Kunshan)	Design and manufacture of modem, sale of self-production	100.00%	100.00%
Cal-Comp Asset Management, Inc.	Confiar Land Corp. (Note 4)	Sales and lease of land and building	40.00%	40.00%
Cal-Comp Electronics & Communications Co., Ltd.	Logistar International Holding Co., Ltd (Note 7)	Dealer	90.86%	87.08%

Note 1: The Company determined that it has control over XYZprinting, Inc. due to the Company and its subsidiary Cal-Comp Electronics (Thailand) Public Company Limited have obtained over 50% of ownership interests. The Company included it in the consolidated financial statements.

Note 2: To work in line with the Group's long-term development plan, Cal-Comp Electronics (Thailand) Public Company Limited increased its share capital in cash in the fourth quarter of 2023, Kinpo Electronics, Inc. subscribed the shares. Although the ownership interests in Cal-Comp Electronics (Thailand) Public Company Limited is less than 50%, the Company determined that it has control over Cal-Comp Electronics (Thailand) Public Company Limited. This is due to the fact that the Company has obtained control over half of the board of Cal-Comp Electronics (Thailand) Public Company Limited and the remaining ownership is dispersed. The Company is able to appoint or approve the key management personnel of Cal-Comp Electronics (Thailand) Public Company Limited who are capable of directing the related activities. The Company therefore incorporated Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries into the consolidated financial statements.

Note 3: XYZlife Inc. (Philippines) was dissolved in the fourth quarter of 2021. Till the financial report date, the closing procedures had not been completed.

Note 4: The ownership percentage is calculated based on the proportion of Confiar Land Corp.'s issued share capital (including ordinary and preferred shares) held by Cal-Comp Asset Management, Inc. However, all the voting ordinary shares issued by Confiar Land Corp. are 100% held by Cal-Comp Asset Management, Inc.; in accordance with IFRS 10.7, they are consolidated into the consolidated financial statements and the relevant gains and losses are recognized according to the investment contract.

Note 5: XYZprinting (Shanghai) Cloud Technology Co., Ltd. completed cancellation of local registration in the second quarter of 2023 and had completed liquidation procedure with the local tax authority.

Note 6: To work in line with the Group's adjustment of the investment structure for long-term development plan, the equity owner of Dongguan Kaipo Electronics Co., Ltd. was adjusted from 100% directly held by Kinpo International Ltd to its subsidiary, Kinpo Electronics (China) Co., Ltd. in the fourth quarter of 2022. In addition, Dongguan Kaipo Electronics Co., Ltd. completed cancellation of local registration in the third quarter of 2023 and had completed liquidation procedure with the local tax authority at the same time.

Note 7: In the fourth quarter of 2022, to improve the business structure and improve business performance, the board of directors of subsidiary Cal-Comp Electronics (Thailand) Public Company Limited agreed to sign an investment cooperation agreement to sell its subsidiary, QBit Semiconductor Ltd. According to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Group reclassified the relevant assets and liabilities of QBit Semiconductor Ltd. to non-current assets held for sale, net and liabilities related to non-current assets classified as held for sale. Please refer to Note 6(10) for details.The aforementioned transaction was completed on June 28, 2023, and reclassified to financial assets at fair value through profit or loss.

Note 8: Cal-Comp Big Data, Inc Co., Ltd. was merged by XYZprinting, Inc. in the first quarter of 2023.

Note 9: Cal-Comp Technology (Suzhou) Co., Ltd. completed cancellation of foreign investment registration in the first quarter of 2023.

Note 10: To work in line with the Group's adjustment of the investment structure for long-term development plan, Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda., a 100% subsidiary of Cal-Comp Industria de Semiconductores S.A., is directly invested by Cal-Comp Electronics (Thailand) Public Company Limited in the first quarter of 2023.

Note 11: New Era AI Robotic Inc. had completed liquidation procedure in the second quarter of 2023.

Note 12: QBit Semiconductor Holding, Ltd. was renamed its name into Cal-Comp Semiconductor, Ltd. in the third quarter of 2023.

Note 13: Li-Cheng Materials Co., Ltd. was dissolved in the fourth quarter of 2023. Till the financial report date, the closing procedures had not been completed.

Note 14: Logistar International Holding Co., Ltd. increased its share capital in cash by an investment from Cal-Comp Electronics & Communications Co., Ltd. in the third quarter of 2023. The new shares issued by this alteration were all subscribed by Cal-Comp Electronics & Communications Co., Ltd.

(4) Foreign currencies

The Group's consolidated financial statements are presented in NTD, which is also the Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of *IFRS 9 Financial Instruments* are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
B. The Group holds the asset primarily for the purpose of trading.
C. The Group expects to realize the asset within twelve months after the reporting period.
D. The asset is cash or 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.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle.
B. The Group holds the liability primarily for the purpose of trading.
C. The liability is due to be settled within twelve months after the reporting period.
D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of *IFRS 9 Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial assets: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) The Group's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial asset.

Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets at amortized cost and other receivables etc., on balance sheet as of the reporting date:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as follows:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial assets at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit loss on debt instrument investments measured at fair value through other comprehensive income and financial assets at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit loss of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit loss: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit loss in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit loss: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit loss.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument

in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of *IFRS 9 Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative financial instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (not held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a weighted average basis
Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(13) Investments accounted for using the equity method

The Group's investment in its associate or joint venture is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with *IAS 28 Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with *IAS 36 Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in *IAS 36 Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(14) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of *IAS 16 Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and structures	1~60 years
Machinery and equipment	1~20 years
Other equipment	1~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(15) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of *IAS 16 Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	11～41 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(16) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and

B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies *IAS 36 "Impairment of Assets"* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment. The Group have applied the practical expedient to all rent concessions that meet the conditions for it.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(17) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

A. The technical feasibility of completing the intangible asset so that it will be available for use or sale
B. Its intention to complete and its ability to use or sell the asset
C. How the asset will generate future economic benefits
D. The availability of resources to complete the asset
E. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

A summary of the policies applied to the Group's intangible assets is as follow:

	Intangible assets under development	Patents	Know-how	Licenses	Computer software
Useful lives	Finite	Finite(5~8 years)	Finite(3~10 years)	Finite(10 years)	Finite(1~10 years)
Amortization method used	Amortized on a straight-line basis over the period of expected future sales from the related project	Amortized on a straight-line basis over the shorter of the period of the patent or estimated useful life	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the shorter of legal life period or estimated useful life	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Internally generated and acquired	Acquired	Acquired	Acquired	Acquired

(18) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of *IAS 36 Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(19) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgment and other known factors.

(20) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(21) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers based on the consideration stated in the contract. Therefore, revenue from these sales is recognized based on the price specified in the contract. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts. However, for some of the contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 180 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit loss.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

Rendering of services

Revenue from engineering service is recognized by reference to the actual service costs. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered. However, for some of the contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

(22) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(23) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deduction of the book value of the related asset and recognized as gain through deducting the depreciation expense over the period of depreciable asset's lifetime. When the grant relates to an expense item, it is recognized as income over the period when the related costs are incurred.

(24) Post-employment benefits

All regular employees of the Group and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Group and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Group and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(25) Share-based payment transactions

The cost of equity-settled transactions between the Group and related to employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(26) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed

(27) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with *IFRS 9 Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 10% of the total property.

B. Operating lease commitment－Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

C. De facto control without a majority of the voting rights in subsidiaries

The Group does not have majority of the voting rights in certain subsidiaries. However, after taking into consideration factors such as absolute size of the Group's holding, relative size of the other shareholdings, how widely spread is the remaining shareholding, contractual arrangements between shareholders, potential voting rights, etc., the Group reached the conclusion that it has de facto control over these subsidiaries. Please refer to Note 4 for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of accounts receivable

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

C. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is

not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

D. Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgment and estimate to determine the net realizable value of inventory at the end of each reporting period. Due to the rapid technological changes, the Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumption of future demand within a specific time horizon and therefore could result in significant changes.

E. Post-employment benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Please refer to Note 6 for more details.

F. Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

G. Revenue recognition – sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

H. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for disclosure on unrecognized deferred tax asset of the Group as of December 31, 2023.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of	
	December 31, 2023	December 31, 2022
Petty cash / revolving funds	$75,922	$43,317
Cash in banks	10,359,401	7,699,170
Time deposit	6,329,023	2,120,861
Cash equivalents	102,512	52,018
Total	$16,866,858	$9,915,366

Please refer to Note 12 for more details on credit risk.

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

	As of	
	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss:		
Convertible corporate bond	$1,550,470	$1,478,358
Derivatives not designated as hedging instruments	57,940	59,041
Total	$1,608,410	$1,537,399
Current	$1,608,410	$69,221
Non-current	-	1,468,178
Total	$1,608,410	$1,537,399
Financial liabilities mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments	$43,318	$60,885
Current	$43,318	$60,885
Non-current	-	-
Total	$43,318	$60,885

A. In December 2019, the Group obtained convertible corporate bonds issued by SPI. for KRW 54,990,000 thousand. On the basis of the contract, the Group may convert the bonds into ordinary shares of SPI. at KRW 1,000 for one share at any time after January 1, 2023 and expire on December 26, 2024. The Group recognized aforementioned shares as financial assets at fair value through profit or loss, mandatorily measured at fair value.

B. Financial assets at fair value through profit or loss were not pledged.

C. Please refer to Note 12 for more details on derivative investments held by the Group.

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

	As of	
	December 31, 2023	December 31, 2022
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies stocks	$6,398,293	$3,529,135
Unlisted companies stocks	111,814	494,937
Total	$6,510,107	$4,024,072

Current	$38,019	$34,094
Non-current	6,472,088	3,989,978
Total	$6,510,107	$4,024,072

A. For equity instrument investments measured at fair value through other comprehensive income, the Group recognized dividend income in the amount of $182,786 thousand and $303,977 thousand for the years period ended December 31, 2023 and 2022, respectively. The aforementioned dividend income was related to investments held at the end of the reporting period.

B. Financial assets at fair value through other comprehensive income were not pledged.

(4) Financial assets at amortized cost

	As of	
	December 31, 2023	December 31, 2022
Time deposit and cash in banks	$39,698	$34,729
Less: loss allowance	-	-
Total	$39,698	$34,729
Current	$25,914	$11,959
Non-current	13,784	22,770
Total	$39,698	$34,729

A. Please refer to Note 12 for more details on credit risk.

B. Please refer to Note 8 for more details on financial assets at amortized cost under pledge for bank loan and court litigation.

(5) Notes receivable

	As of	
	December 31, 2023	December 31, 2022
Notes receivable arising from operating activities	$16,114	$44,378
Less: loss allowance	(12)	(19)
Total	$16,102	$44,359

A. Notes receivable were not pledged.

B. The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(23) for more details on loss allowance and Note 12 for more details on credit risk.

(6) Accounts receivable and accounts receivable due from related parties

	As of	
	December 31, 2023	December 31, 2022
Accounts receivable	$22,371,493	$32,798,995
Less: loss allowance	(71,429)	(41,357)
Subtotal	22,300,064	32,757,638
Accounts receivable due from related parties	$9,491,237	$8,557,035
Less: loss allowance	-	-
Subtotal	9,491,237	8,557,035
Total	$31,791,301	$41,314,673

A. Accounts receivable were not pledged.

B. Accounts receivable credit terms are generally on 30 to 180 day terms. The total carrying amount (including notes receivable) as of December 31, 2023 and December 31, 2022 was $31,878,844 thousand and $41,400,408 thousand, respectively. Please refer to Note 6(23) for more details on loss allowance of account receivables for the years period ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk.

C. Transferred financial assets that were derecognized in their entirety

The Group entered into accounts receivable factoring agreements (without recourse) with a financial institute. Under the agreements, the Group has transferred the contractual rights to receive the cash flows of the financial asset. Pursuant to the factoring agreements, the Group does not bear the credit risk that the accounts receivables are not paid when due. Therefore the related financial assets were derecognized in their entirety as they met the requirement of derecognition. The transferred assets fully derecognized were as follows:

As of December 31, 2023:

(In thousands)

The Factor (Transferee)	Accounts receivable transferred	Accounts receivable derecognized	Interest rate	Credit Line
Citibank	USD 138,905	(USD 138,905)	5.28%~6.38%	(Note)
HSBC	USD 28,769	(USD 28,769)	6.48%~6.90%	(Note)
MUFG	USD 24,180	(USD 24,180)	6.61%~6.65%	(Note)

As of December 31, 2022:

(In thousands)

The Factor (Transferee)	Accounts receivable transferred	Accounts receivable derecognized	Interest rate	Credit Line
Citibank	USD 199,116	(USD 199,116)	1.95%~5.50%	(Note)
HSBC	USD 43,391	(USD 43,391)	5.46%~5.61%	(Note)
MUFG	USD 22,831	(USD 22,831)	5.14%~5.49%	(Note)

Note : Under the factoring agreement entered into by the Group, customers and financial institutions, the financial institutions will buy the accounts receivable of the Group within the line of credit negotiated by the customers and the financial institutions.

D. To appropriately classify the account receivable, the Group follows IFRS 9 to assess the business model the account receivables were held within. Accounts receivable in the amount of USD 107,460 thousand, and USD 109,646 thousand as of December 31, 2023 and December 31, 2022, respectively, were sold to the aforementioned financial institutions in the subsequent period (the financial assets classified as financial assets at fair value through profit or loss).

E. The financial costs incurred from the aforementioned accounts receivable factoring transactions that were derecognized before due date were $211,773 thousand and $147,784 thousand for the years ended December 31, 2023 and 2022, respectively.

(7) Other receivables

	As of	
	December 31, 2023	December 31, 2022
Receivable due from settlement of forward contract	$205,384	$41,378
Molds receivable	1,109,137	1,276,176
Grants receivable－government	969,407	1,226,269
Others (Note)	558,180	824,047
Total	$2,842,108	$3,367,870

Note:Individual amount not exceeded $100,000 thousand were aggregated as others.

Please refer to Note 6(23) for more details on the Group’s assessment of loss allowance for other receivables.

(8) Inventories

	As of	
	December 31, 2023	December 31, 2022
Raw materials	$14,728,062	$19,797,924
Work in process	469,881	875,404
Finished goods	2,804,113	4,831,495
Merchandise inventory	343,423	37,405
Goods in transit	515,667	918,369
Total	$18,861,146	$26,460,597

A. Expense and loss incurred on inventories were as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Cost of inventories sold	$150,028,131	$169,906,340
Expense recognized from inventory write-down to net realizable value	(456,326)	505,737
Total	$149,571,805	$170,412,077

The Group recognized the gain from reversal of inventory valuation losses amounting to be $456,326 during 2023 primarily because the inventory that was recognized as loss allowance in the prior years was disposed in the current year.

B. Inventories were not pledged.

(9) Prepayments

	As of	
	December 31, 2023	December 31, 2022
Business tax paid (or Input VAT)	$686,468	$851,822
Prepayments to suppliers	222,147	283,193
Others (Note)	280,982	300,921
Total	$1,189,597	$1,435,936

Note:Individual amount not exceeded $100,000 thousand were aggregated as others.

(10) Non-current assets held for sale, net and liabilities related to non-current assets classified as held for sale

	As of	
	December 31, 2023	December 31, 2022
Non-current assets held for sale		
Cash and cash equivalents	$-	$17,651
Accounts receivable	-	98,780
Other receivables	-	1,713
Inventories	-	75,176
Other current assets	-	1,220
Property, plant and equipment	-	3,385
Intangible assets	-	242,315
Right-of-use assets	-	23,984
Deferred tax assets	-	42,036
Refundable deposits	-	82
Total	$-	$506,342
Assets classified as non-current liabilities held for sale		
Short-term debt	-	539,840
Accounts payable	-	24,150
Accounts payable-related parties	-	9,655
Other payable	-	92,355
Lease liabilities－current	-	9,084
Other current liabilities	-	5,311
Lease liabilities－non-current	-	9,258
Subtotal	$-	$689,653
Net carrying amount for non-current group held for sale	$-	$(183,311)

To improve the business structure and enhance business performance, the Group's subsidiary, Cal-Comp Electronics (Thailand) Public Company Limited, resolve to approve the investment cooperation agreement with AB Value Bridge VII, L.P. (hereinafter AB Value), at the board meeting held on December 26, 2022. According to the content of the cooperation, the equity of its subsidiary, QBit Semiconductor Ltd., is gradually transfer to AB group. The aforementioned agreement was executed on February 3, 2023. In accordance with the IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Group transferred the relevant assets and liabilities of QBit Semiconductor Ltd. to non-current assets classified as held for sale, net and liabilities related to non-current assets classified as held for sale respectively, in 2022. The aforementioned transaction was completed on June 28, 2023. After the completion of the transaction, the Group's ownership in the company was 19%, and the Group reclassified the financial assets at fair value through other comprehensive income in accordance with IFRS 9, "Financial Instruments".

(11) Investments accounted for using equity method

A. Investments accounted for using equity method consisted were as follows:

Investee companies	As of December 31, 2023 Carrying amount	% of ownership	As of December 31, 2022 Carrying amount	% of ownership
Associates				
AcBel Polytech Inc.	$4,358,476	18.81%	$2,402,989	23.71%
Ascendant Private Equity Investment Ltd.	1,522,985	34.72%	1,405,408	34.72%
Teleport Access Services, Inc.	224,407	23.70%	228,362	23.70%
Others (Note)	114,459		115,368	
Total	$6,220,327		$4,152,127	

Note: Individual investment amount not exceeded $100,000 thousand were aggregated as others.

B. Investments in associates

Information on the material associate of the Group:

(a) Company name: AcBel Polytech Inc.

Nature of the relationship with the associate: AcBel Polytech Inc. is in the business of manufacturing and selling related products in the Group's industry chain. The Group invested in AcBel Polytech Inc. for the purpose of upstream/downstream integration.

Principal place of business (country of incorporation): Taiwan

Fair value of the investment in the associate when there is a quoted market price for the investment: AcBel Polytech Inc. is a listed entity on the Taiwan Stock Exchange (TWSE). The fair value of the investment in AcBel Polytech Inc. was $6,666,558 thousand and $3,724,949 thousand as of December 31, 2023 and December 31, 2022, respectively.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

	As of	
	December 31, 2023	December 31, 2022
Current assets	$24,076,814	$21,389,975
Non-current assets	24,107,262	12,474,261
Current liabilities	(14,287,052)	(11,015,897)
Non-current liabilities	(10,379,642)	(12,115,959)
Equity	23,517,382	10,732,380
Non-controlling interest	(361,740)	(597,461)
Shareholders of the parent	23,155,642	10,134,919
Proportion of the Group's ownership	18.81%	23.71%
Subtotal	4,355,576	2,402,989
Other adjustment	2,900	-
Carrying amount of the investment	$4,358,476	$2,402,989

	For the years ended	
	December 31, 2023	December 31, 2022
Operating revenue	$27,845,108	$24,789,577
Profit from continuing operations	39,045	557,523
Net profit from discontinued operations	24,093	117,489
Other comprehensive income, net	(20,091)	(122,360)
Total comprehensive income	43,047	552,652

(b) The Group's investments in other companies were not individually material. The aggregate carrying amount of the Group's interests in other companies was $1,861,851 thousand and $1,749,138 thousand as of December 31, 2023 and 2022, respectively. The aggregate financial information based on Group's share of other companies was as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Profit (Loss) from continuing operations	$27,916	$(20,523)
Other comprehensive income, net	103,169	109,057
Total comprehensive income	$131,085	$88,534

C. As of December 31, 2023 and 2022, the difference (Goodwill) between the costs of investment and net equity was all $115,377 thousand.

D. The aforementioned investments in associate had no contingent liabilities or capital commitments as of December 31, 2023 and 2022.

E. Although the Group is the first major shareholder of some associates; after comprehensive assessment, the Group does not own the major voting rights as the remaining voting rights holders are able to align and prevent the Group from ruling the relevant operation. Therefore, the Group has no control but has significant influence over the aforementioned associates.

(12) Property, plant and equipment

A. Movements of property, plant and equipment of the Group for the years ended December 31, 2023 and 2022 were as follows:

	Land	Buildings and structures	Machinery and molding equipment	Miscellaneous Equipment	Construction in progress and equipment awaiting examination	Total
Cost:						
As of January 1, 2023	$2,097,580	$17,701,229	$22,470,395	$4,490,214	$3,314,115	$50,073,533
Additions	-	154,250	731,082	224,902	1,384,206	2,494,440
Disposals	(50,771)	(139,561)	(2,757,656)	(385,972)	-	(3,333,960)
Reclassification, effect of exchange rate changes and other changes	1,801	607,562	616,978	18,614	(1,631,112)	(386,157)
As of December 31, 2023	$2,048,610	$18,323,480	$21,060,799	$4,347,758	$3,067,209	$48,847,856
As of January 1, 2022	$1,786,487	$15,399,495	$19,454,291	$3,690,075	$3,071,774	$43,402,122
Additions	36,941	478,078	1,585,037	459,921	2,100,650	4,660,627
Disposals	-	(21,203)	(975,074)	(254,973)	(408)	(1,251,658)
Transfer to non-current assets held for sale	-	-	(33,707)	(154)	-	(33,861)
Reclassification, effect of exchange rate changes and other changes	274,152	1,844,859	2,439,848	595,345	(1,857,901)	3,296,303
As of December 31, 2022	$2,097,580	$17,701,229	$22,470,395	$4,490,214	$3,314,115	$50,073,533
Accumulated depreciation and impairment:						
As of January 1, 2023	$-	$6,558,262	14,824,814	$2,941,852	$-	$24,324,928
Depreciation	-	691,551	1,749,678	431,813	-	2,873,042
Loss (Reversal) of impairment	-	-	986	621	-	1,607
Disposals	-	(109,900)	(2,246,502)	(334,779)	-	(2,691,181)
Reclassification, effect of exchange rate changes and other changes	-	(198,432)	(91,685)	(58,610)	-	(348,727)
As of December 31, 2023	$-	$6,941,481	$14,237,291	$2,980,897	$-	$24,159,669

	Land	Buildings and structures	Machinery and molding equipment	Miscellaneous Equipment	Construction in progress and equipment awaiting examination	Total
As of January 1, 2022	$-	$5,527,292	$12,743,406	$2,530,461	$-	$20,801,159
Depreciation	-	666,502	1,795,791	460,034	-	2,922,327
Impairment	-	-	(823)	(865)	-	(1,688)
Disposals	-	(16,452)	(763,332)	(223,475)	-	(1,003,259)
Transfer to non-current assets held for sale		-	(30,322)	(154)	-	(30,476)
Reclassification, effect of exchange rate changes and other changes	-	380,920	1,080,094	175,851	-	1,636,865
As of December 31, 2022	$-	$6,558,262	14,824,814	$2,941,852	$-	$24,324,928
Net carrying amount as of:						
December 31, 2023	$2,048,610	$11,381,999	$6,823,508	$1,366,861	$3,067,209	$24,688,187
December 31, 2022	$2,097,580	$11,142,967	$7,645,581	$1,548,362	$3,314,115	$25,748,605

B. The significant part and useful life of the Group's buildings included the following:

Primary buildings	25~60 years
Construction and renovation	2~48 years
Water & electric, air conditioning and fire extinguisher engineering	3~31 years

C. Please refer to Note 8 for more details on property, plant and equipment under pledge.

D. During the year of 2019, some subsidiaries of the Group joined grant agreements with local government to subsidize the purchase of equipment. The aforementioned cooperation agreement is a NDA (Non-disclosed agreement), thus the Group does not disclosure content of the agreement. As of December 31, 2023 and December 31, 2022, the Group received $4,904,610 thousand and $4,747,009 thousand, respectively of grants provided by the local government. As stated in Note 4, the accounting policies of government grants, the Group elected to deduct the book value of the related assets as they relate to assets. In addition, as of December 31, 2023 and 2022, the Group had prepaid for equipment approximately $468,958 thousand and $530,218 thousand accounted for other receivables, respectively.

The production equipment procurement by using aforementioned local government grants which had been accepted for $5,128,096 thousand and $5,177,696 thousand as of December 31, 2023 and 2022, respectively. These production equipment should recognize depreciation expense for $879,354 thousand and $1,017,180 thousand based on the useful life for the years ended December 31, 2023 and 2022. As stated in the accounting policy for the government subsidy of the Group, recognizing grant in income and also deducting depreciation expenses on the basis of related assets useful life. Thus, these aforementioned production equipment resulted in no impact from net depreciation in income and the Group did not recognize related depreciation expense for the years ended December 31, 2023 and 2022.

(13) Investment property

A. The Group's investment properties were owned investment properties. The Group has entered into commercial property leases on its owned investment properties with remaining terms of 2.58 years. Movements of investment property of the Group for the years ended December 31, 2023 and 2022 were as follows:

	Buildings and Structures
Cost:	
As of January 1, 2023	$244,846
Reclassification, effect of exchange rate changes and other changes	200
As of December 31, 2023	$245,046
As of January 1, 2022	$223,338
Reclassification, effect of exchange rate changes and other changes	21,508
As of December 31, 2022	$244,846
Accumulated depreciation and impairment:	
As of January 1, 2023	$106,940
Depreciation	5,829
Reclassification, effect of exchange rate changes and other changes	9
As of December 31, 2023	$112,778
As of January 1, 2022	$91,504
Depreciation	5,258
Reclassification, effect of exchange rate changes and other changes	10,178
As of December 31, 2022	$106,940

	Buildings and Structures
Net carrying amount as of:	
December 31, 2023	$132,268
December 31, 2022	$137,906

B. The rental income and direct operating expenses of the investment property were stated as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Rental income from investment property	$34,664	$23,266
Deduct: direct operating expenses derived from investment property with rental revenue in current period	(10,716)	(7,010)
Total	$23,948	$16,256

C. Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties were categorized within Level 3. The fair value of investment properties held by the Group amounted to $190,491 thousand and $190,336 thousand as of December 31, 2023 and 2022, respectively. The aforementioned fair value was determined based on the fair value which were appraised by independent appraiser in 2018 and changes in the local real estate market plus the cost incurred afterward years.

D. Investment properties were not pledged.

(14) Intangible assets

A. Movements of the intangible assets of the Group for the years ended December 31, 2023 and 2022 were as follows:

	Patents	Computer software	Know-how and others	Total
Cost:				
As of January 1, 2023	$15,367	$360,384	$54,829	$430,580
Additions	118	133,560	-	133,678
Disposals	(384)	(77,885)	-	(78,269)
Reclassification, effect of exchange rate changes and other changes	(15)	164	-	149
As of December 31, 2023	$15,086	$416,223	$54,829	$486,138

	Patents	Computer software	Know-how and others	Total
As of January 1, 2022	$673,911	$331,352	$317,755	$1,323,018
Additions	88,206	103,450	-	191,656
Disposals	(156,440)	(78,021)	(269,620)	(504,081)
Transfer to non-current assets held for sale	(587,239)	(2,146)	-	(589,385)
Reclassification, effect of exchange rate changes and other changes	(3,071)	5,749	6,694	9,372
As of December 31, 2022	$15,367	$360,384	$54,829	$430,580
Amortization and impairments:				
As of January 1, 2023	$13,868	$201,984	$9,862	$225,714
Amortization	1,111	127,143	733	128,987
Disposals	(384)	(77,884)	533	(77,735)
Impairment loss	117	364	-	481
Reclassification, effect of exchange rate changes and other changes	(10)	(94)	-	(104)
As of December 31, 2023	$14,702	$251,513	$11,128	$277,343
As of January 1, 2022	$54,267	$200,175	$271,989	$526,431
Amortization	39,976	77,065	800	117,841
Disposals	(156,424)	(78,021)	(269,620)	(504,065)
Impairment loss	414,829	-	-	414,829
Transfer to non-current assets held for sale	(345,286)	(1,784)	-	(347,070)
Reclassification, effect of exchange rate changes and other changes	6,506	4,549	6,693	17,748
As of December 31, 2022	$13,868	$201,984	$9,862	$225,714
Net carrying amount as of:				
December 31, 2023	$384	$164,710	$43,701	$208,795
December 31, 2022	$1,499	$158,400	$44,967	$204,866

B. Amortization expense of intangible assets were stated as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Operating cost	$11,840	$33,343
Operating expenses	117,147	84,498
Total	$128,987	$117,841

(15) Current borrowings

	As of	
	December 31, 2023	December 31, 2022
Unsecured bank loans	$18,472,611	$30,220,964
Secured bank loans	94,513	58,187
Total	$18,567,124	$30,279,151
Unused amount	$41,754,742	$45,763,356
Interest rate	1.24%~6.70%	1.10%~6.25%

Please refer to Note 8 for more details on assets pledged as security for current borrowings.

(16) Short-term notes and bills payable

	As of	
	December 31, 2023	December 31, 2022
Short-term notes	$1,700,000	$1,725,000
Discount of short-term notes	(2,357)	(2,422)
Total	$1,697,643	$1,722,578
Interest rate	1.92%~2.14%	1.36%~1.63%

(17) Other payables

	As of	
	December 31, 2023	December 31, 2022
Payable due to settlement of forward contract	$176,462	$33,887
Wages, salaries and bonus payable	1,580,106	1,656,977
Compensation due to employee	146,902	139,965
Real estate and equipment payable	50,531	169,653
Commissions payable	618,213	345,723
Business tax payable	10,469	266,700
Others (Note)	3,782,040	3,996,445
Total	$6,364,723	$6,609,350

Note: Individual amount not exceeded $100,000 thousand were aggregated as others.

(18) Non-current borrowings

A. Details of non-current borrowings as of December 31, 2023 and 2022 were as follows:

Creditor	As of December 31, 2023	Payment of principal
E.Sun Bank – Syndication unsecured loan	$12,893,931 (USD419,519)	The tenure of the loan is from November 8, 2021 to November 8, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term or an extension of additional two years to November 8, 2026 shall be applied prior to the expiration date. The extended facilities shall be repaid in five installments starting from November 8, 2024; every 6 months as one installment. The principal shall be repaid equally in 4 installments and the total loan shall be repaid in 5 installments, with the final payment due no later than on November 8, 2026.
Mega Bank – Syndication unsecured loan	3,470,000	The period of the loan is from October 27, 2023 to October 27, 2028. After receiving the loan 3 years later, the repayment of principal shall be repaid equally in 5 installments; every 6 months as one installment. Interest is payable monthly.
KGI Bank – Unsecured loan	500,000	The period of the loan is from August 2, 2023 to August 1, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
KGI Bank – Unsecured loan	500,000	The period of the loan is from August 2, 2023 to August 1, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
KGI Bank – Unsecured loan	700,000	The period of the loan is from August 2, 2023 to August 1, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.

Creditor	As of December 31, 2023	Payment of principal
Bank SinoPac – Unsecured loan	$200,000	The period of the loan is from July 17, 2023 to July 17, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Bank SinoPac – Unsecured loan	400,000	The period of the loan is from July 24, 2023 to July 24, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Hua Nan Commercial Bank, Ltd. – Unsecured loan	1,000,000	The period of the loan is from December 13, 2021 to December 13, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Bank of Taiwan – Unsecured loan	1,000,000	The period of the loan is from April 8, 2022 to April 8, 2025. Starting from July 8, 2024, the repayment of principal shall be repaid equally in 4 installments; every 3 months as one installment. Interest is payable monthly.
O-Bank – Unsecured loan	400,000	The period of the loan is from December 14, 2020 to April 13, 2024. After receiving the loan 1 and 2 years later, the principal should be each repaid $50,000 thousand. The rest of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
E.Sun Bank – Unsecured loan	600,000	The period of the loan is from September 6, 2023 to September 4, 2026. After receiving the loan 2 years later, the principal should be repaid quarterly in 5 installments. Interest is payable quarterly.
E.Sun Bank – Unsecured loan	500,000	The period of the loan is from September 6, 2023 to September 4, 2026. After receiving the loan 2 years later, the principal should be repaid quarterly in 5 installments. Interest is payable quarterly.

Creditor	As of December 31, 2023	Payment of principal
JihSun International Commercial Bank – Unsecured loan	$600,000	The period of the loan is from February 10, 2022 to February 8, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Far Eastern International Bank – Unsecured loan	500,000	The period of the loan is from December 23, 2023 to December 21, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Taiwan Cooperative Bank – Unsecured loan	500,000	The period of the loan is from March 7, 2022 to July 17, 2026. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Mega Bank – Unsecured loan	700,000	The period of the loan is from December 15, 2023 to December 15, 2026. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
EnTie Commercial Bank – Unsecured loan	800,000	The period of the loan is from November 6, 2023 to September 22,2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
EnTie Commercial Bank – Unsecured loan	200,000	The period of the loan is from November 17, 2023 to September 22,2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	15,622 (CNY3,600)	The period of the loan is from September 18, 2020 to September 18, 2025. 18 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	12,150 (CNY2,800)	The period of the loan is from October 16, 2020 to September 18, 2025. 17 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.

Creditor	As of December 31, 2023	Payment of principal
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	$43,394 (CNY10,000)	The period of the loan is from January 26, 2021 to September 18, 2025. 13 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	7,811 (CNY1,800)	The period of the loan is from April 21, 2021 to September 18, 2025. 10 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	20,829 (CNY4,800)	The period of the loan is from July 29, 2021 to September 18, 2025. The principal should be repaid semi-annually in 8 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	10,092 (CNY2,326)	The period of the loan is from October 29, 2021 to October 28, 2024. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	3,364 (CNY775)	The period of the loan is from November 29, 2021 to November 29, 2024. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	6,290 (CNY1,450)	The period of the loan is from December 29, 2021 to December 27, 2024. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	8,800 (CNY2,028)	The period of the loan is from March 28, 2022 to March 28, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	6,491 (CNY1,496)	The period of the loan is from April 27, 2022 to April 25, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	5,455 (CNY1,257)	The period of the loan is from May 27, 2022 to May 27, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.

Creditor	As of December 31, 2023	Payment of principal
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	$3,355 (CNY773)	The period of the loan is from June 27, 2022 to June 25, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	3,812 (CNY879)	The period of the loan is from July 22, 2022 to July 21, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	4,899 (CNY1,129)	The period of the loan is from September 22, 2022 to September 21, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
The Shanghai Commercial and Savings Bank, Ltd. Off – Shore Banking Unit – Unsecured loan	137,127 (CNY31,600)	The period of the loan is from November 18, 2021 to November 18, 2024. The principal should be repaid every 36 months in 1 installments and interest is payable quarterly.
Sunny Finance Lease (China) Ltd.－Secured loan	10,415 (CNY2,400)	The period of the loan is from November 8, 2021 to November 8, 2024. The principal should be repaid annually in 3 installments and interest is payable monthly.
Sunny Finance Lease (China) Ltd.－Secured loan	12,150 (CNY2,800)	The period of the loan is from November 8, 2021 to November 8, 2024. The principal should be repaid annually in 3 installments and interest is payable monthly.
Sunny Finance Lease (China) Ltd.－Secured loan	12,150 (CNY2,800)	The period of the loan is from July 2, 2021 to July 2, 2024. The principal should be repaid annually in 3 installments and interest is payable monthly.
Robina Finance & Leasing Corp.(Suzhou) －Secured loan	$10,166 (CNY2,343)	The period of the loan is from April 15, 2022 to April 15, 2025. The principal should be repaid quarterly in 36 installments and interest is payable monthly.
FEIB Financial Leasing Co., Ltd －Secured loan	13,018 (CNY3,000)	The period of the loan is from May 23, 2022 to May 23, 2025. The principal should be repaid semi-annually in 6 installments and interest is payable monthly.
Bank of Nanjing Co., Ltd. Nantong Branch – Unsecured loan	208,293 (CNY48,000)	The period of the loan is from June 9, 2022 to May 30, 2027. The principal should be repaid semi-annually in 8 installments and interest is payable monthly.

Creditor	As of December 31, 2023	Payment of principal
SCSB Leasing (China) Co., Ltd. – Secured loan	$57,888 (CNY13,340)	The period of the loan is from September 28, 2022 to September 28, 2025. The principal should be repaid semi-annually in 6 installments and interest is payable monthly.
Bank Of Panshin – Unsecured loan	108,486 (CNY25,000)	The period of the loan is from August 15, 2022 to August 15, 2024. The principal should be repaid every 24 months in 1 installments and interest is payable semi-annually.
Taiwan Business Bank －Secured loan	32,546 (CNY7,500)	The period of the loan is from Feburary 23, 2023 to Feburary 23, 2026. The principal should be repaid quarterly in 12 installments and interest is payable monthly.
Taiwan Business Bank －Secured loan	59,667 (CNY13,750)	The period of the loan is from September 20, 2023 to September 20, 2026. The principal should be repaid quarterly in 12 installments and interest is payable monthly.
Taiwan Business Bank －Secured loan	86,789 (CNY20,000)	The period of the loan is from December 18, 2023 to December 18, 2026. The principal should be repaid quarterly in 12 installments and interest is payable monthly.
Hua Nan International Leasing Co., Ltd. － Secured loan	58,619 (CNY13,508)	The period of the loan is from October 21, 2021 to October 21, 2025. The principal should be repaid monthly in 28 installments and interest is payable monthly.
Hua Nan International Leasing Co., Ltd. － Secured loan	121,125 (CNY27,913)	The period of the loan is from May 25, 2023 to May 25, 2027. The principal should be repaid monthly in 48 installments and interest is payable monthly.
Mega Bank – Unsecured loan	20,000	The period of the loan is from November 26, 2023 to November 26, 2026. The principal should be repaid monthly in 24 installments and interest is payable monthly.
Subtotal	26,564,737	
Less: current portion	(3,101,121)	
Total	$23,463,616	
Interest rate	1.86%~6.58%	

Creditor	As of December 31, 2022	Payment of principal
E.Sun Bank – Syndication unsecured loan	$12,878,234 (US419,350)	The tenure of the loan is from November 8, 2021 to November 8, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term or an extension of additional two years to November 8, 2026 shall be applied prior to the expiration date. The extended facilities shall be repaid in five installments starting from November 8, 2024; every 6 months as one installment. The principal shall be repaid equally in 4 installments and the total loan shall be repaid in 5 installments, with the final payment due no later than on November 8, 2026.
KGI Bank – Unsecured loan	1,400,000	The period of the loan is from October 14, 2022 to October 13, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Yuanta Commercial Bank – Unsecured loan	700,000	The period of the loan is from December 28, 2021 to December 28, 2023. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Yuanta Commercial Bank – Unsecured loan	20,000	The period of the loan is from October 6, 2022 to December 28, 2023. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Chang Hwa Commercial Bank – Unsecured loan	300,000	The period of the loan is from December 2, 2021 to December 2, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Hua Nan Commercial Bank – Unsecured loan	800,000	The period of the loan is from December 13, 2021 to December 13, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Bank of Taiwan – Unsecured loan	1,000,000	The period of the loan is from April 8, 2022 to April 8, 2025. Starting from July 8, 2024, the repayment of principal shall be repaid equally in 4 installments; every 3 months as one installment. Interest is payable monthly.

Creditor	As of December 31, 2022	Payment of principal
O-Bank – Unsecured loan	$575,000	The period of the loan is from December 14, 2020 to December 13, 2023. After receiving the loan 1 and 2 years later, the principal should be each repaid $50,000 thousand. The rest of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
E.Sun Bank – Unsecured loan	500,000	The period of the loan is from October 12, 2021 to October 9, 2024. After receiving the loan 2 years later, the principal should be repaid quarterly in 5 installments. Interest is payable quarterly.
E.Sun Bank – Unsecured loan	600,000	The period of the loan is from October 12, 2021 to October 9, 2024. After receiving the loan 2 years later, the principal should be repaid quarterly in 5 installments. Interest is payable quarterly.
Jih Sun International Commercial Bank – Unsecured loan	600,000	The period of the loan is from February 10, 2022 to February 8, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Far Eastern International Bank – Unsecured loan	500,000	The period of the loan is from December 23, 2023 to December 21, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Taiwan Cooperative Bank – Unsecured loan	250,000	The period of the loan is from March 7, 2022 to March 7, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Mega Bank – Unsecured loan	700,000	The period of the loan is from November 22, 2021 to November 22, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Entie Commercial Bank, Ltd. – Unsecured loan	300,000	The period of the loan is from August 29, 2022 to May 26, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Entie Commercial Bank, Ltd. – Unsecured loan	300,000	The period of the loan is from August 30, 2022 to May 26, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.

Creditor	As of December 31, 2022	Payment of principal
Entie Commercial Bank, Ltd. – Unsecured loan	$100,000	The period of the loan is from September 29, 2022 to May 26, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
DBS Bank, Ltd. – Unsecured loan	270,000	The period of the loan is from September 29, 2022 to September 28, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
SCSB Leasing (China) Co., Ltd. – Secured loan	13,228 (CNY 3,000)	The period of the loan is from December 27, 2018 to December 27, 2023. The principal should be repaid annually in 5 installments and interest is payable monthly.
Taiwan Business Bank －Secured loan	5,301 (CNY 1,202)	The period of the loan is from January 21, 2020 to January 21, 2023. The principal should be repaid quarterly in 12 installments and interest is payable monthly.
Hua Nan International Leasing Co., Ltd.－Secured loan	87,879 (CNY 19,930)	The period of the loan is from July 27, 2021 to July 27, 2024. The principal should be repaid monthly in 36 installments and interest is payable monthly.
Hua Nan International Leasing Co., Ltd.－Secured loan	88,138 (CNY 19,988)	The period of the loan is from October 21, 2022 to October 21, 2025. The principal should be repaid monthly in 36 installments and interest is payable monthly.
Taiwan Cooperative International Leasing Co., Ltd. – Secured loan	17,638 (CNY 4,000)	The period of the loan is from August 4, 2020 to August 4, 2023. The principal should be repaid semi-annually in 6 installments and interest is payable monthly.
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	22,047 (CNY 5,000)	The period of the loan is from September 18, 2020 to September 18, 2025. 18 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	17,638 (CNY 4,000)	The period of the loan is from October 16, 2020 to September 18, 2025. 17 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.

Creditor	As of December 31, 2022	Payment of principal
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	$61,732 (CNY 14,000)	The period of the loan is from January 26, 2021 to September 18, 2025. 13 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	11,024 (CNY 2,500)	The period of the loan is from April 21, 2021 to September 18, 2025. 10 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.
Shanghai Pudong Development Bank Co., Ltd. – Secured loan	29,984 (CNY 6,800)	The period of the loan is from July 29, 2021 to September 18, 2025. 7 months after the start of the period, the principal should be repaid semi-annually in 8 installments and interest is payable monthly.
Sunny Finance Lease (China) Ltd. – Secured loan	21,606 (CNY 4,900)	The period of the loan is from July 2, 2021 to July 2, 2024. The principal should be repaid annually in 3 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	23,711 (CNY 5,377)	The period of the loan is from October 29, 2021 to October 28, 2024. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	7,904 (CNY 1,792)	The period of the loan is from November 29, 2021 to November 29, 2024. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	12,707 (CNY 2,882)	The period of the loan is from December 29, 2021 to December 27, 2024. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
E.SUN Bank (China), Ltd. Dongguan branch – Unsecured loan	$3,770 (CNY 855)	The period of the loan is from November 22, 2021 to May 22, 2023. The principal should be repaid monthly in 18 installments and interest is payable monthly.
E.SUN Bank (China), Ltd. Dongguan branch – Unsecured loan	4,515 (CNY 1,024)	The period of the loan is from December 20, 2021 to June 20, 2023. The principal should be repaid monthly in 18 installments and interest is payable monthly.

Creditor	As of December 31, 2022	Payment of principal
The Shanghai Commercial and Savings Bank, Ltd. Off – Shore Banking Unit – Unsecured loan	$139,338 (CNY 31,600)	The period of the loan is from November 18, 2021 to November 18, 2024. The principal should be repaid every 36 months in 1 installments and interest is payable quarterly.
Sunny Finance Lease (China) Ltd.－Secured loan	21,606 (CNY 4,900)	The period of the loan is from November 8, 2021 to November 8, 2024. The principal should be repaid annually in 3 installments and interest is payable monthly.
Sunny Finance Lease (China) Ltd.－Secured loan	18,520 (CNY 4,200)	The period of the loan is from November 8, 2021 to November 8, 2024. The principal should be repaid annually in 3 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	16,028 (CNY 3,635)	The period of the loan is from March 28, 2022 to March 28, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	11,822 (CNY 2,681)	The period of the loan is from April 27, 2022 to April 25, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	9,934 (CNY 2,253)	The period of the loan is from May 27, 2022 to May 27, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	5,663 (CNY 1,284)	The period of the loan is from June 27, 2022 to June 25, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	6,436 (CNY 1,460)	The period of the loan is from July 22, 2022 to July 21, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Bank SinoPac (China) Ltd. Shanghai branch – Unsecured loan	7,804 (CNY 1,770)	The period of the loan is from September 22, 2022 to September 21, 2025. The principal should be repaid quarterly in 13 installments and interest is payable monthly.
Robina Finance & Leasing Corp.(Suzhou) －Secured loan	17,512 (CNY 3,971)	The period of the loan is from April 15, 2022 to April 15, 2025. The principal should be repaid quarterly in 36 installments and interest is payable monthly.

Creditor	As of December 31, 2022	Payment of principal
FEIB Financial Leasing Co., Ltd －Secured loan	$22,047 (CNY 5,000)	The period of the loan is from May 23, 2022 to May 23, 2025. The principal should be repaid semi-annually in 6 installments and interest is payable monthly.
Bank of Nanjing Co., Ltd. Nantong Branch – Unsecured loan	273,385 (CNY 62,000)	The period of the loan is from June 9, 2022 to May 30, 2027. The principal should be repaid semi-annually in 8 installments and interest is payable monthly.
SCSB Leasing (China) Co., Ltd. – Secured loan	88,189 (CNY 20,000)	The period of the loan is from September 28, 2022 to September 28, 2025. The principal should be repaid semi-annually in 6 installments and interest is payable monthly.
Bank Of Panshin – Unsecured loan	110,236 (CNY 25,000)	The period of the loan is from August 15, 2022 to August 15, 2024. The principal should be repaid every 24 months in 1 installments and interest is payable semi-annually.
Mega Bank－Unsecured loan	2,875	The period of the loan is from October 4, 2021 to October 4, 2026. Starting from November 2022, the repayment of principal shall be repaid monthly in 48 installments. Interest is payable monthly.
Mega Bank－Unsecured loan	5,750	The period of the loan is from February 10, 2022 to October 4, 2026. Starting from November 2022, the repayment of principal shall be repaid monthly in 48 installments. Interest is payable monthly.
Subtotal	22,979,201	
Less: current portion	(1,858,002)	
Total	$21,121,199	
Interest rate	1.50%~8.53%	

B. Please refer to Note 8 for more details on assets pledged as security for non-current borrowings.

(19) Post-employment benefits

A. Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of other overseas subsidiaries are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were $457,747 thousand and $587,430 thousand, respectively.

B. Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contributes an amount equivalent to 2% ~ 15% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandating, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by

local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute $54,681 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The local pension system applicable to some foreign subsidiaries of the Group is a defined benefit plan, which is calculated based on years of service and salary before the approved retirement date.

The duration of the defined benefits plan obligation as of December 31, 2023 and 2022 were 2032 to 2045 respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Current service cost	$87,669	$61,155
Net interest on the net defined benefit liabilities (assets)	22,197	12,541
Past service cost and gains and losses arising from settlements	10,394	2,780
Total	$120,260	$76,476

Changes in the defined benefit obligation and fair value of plan assets were as follows:

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Defined benefit obligation	$970,448	$1,212,252	$1,179,447
Plan assets at fair value	(387,965)	(498,051)	(477,506)
Net defined benefit liabilities (assets) recognized on the balance sheets	$582,483	$714,201	$701,941

	As of	
	December 31, 2023	December 31, 2022
Net defined benefit assets – non-current (Note)	$(142,949)	$(117,375)
Net defined benefit liabilities – non-current	725,432	831,576
Total	$582,483	$714,201

Note: Included in other non-current assets.

Reconciliations of liabilities (assets) of the defined benefit plan was as follows:

	Defined benefit obligation	Plan assets at fair value	Benefit liabilities (assets)
As of January 1, 2022	$1,179,447	$(477,506)	$701,941
Current period service cost	61,155	-	61,155
Interest expense (income)	13,986	(1,445)	12,541
Past service cost and gains and losses arising from settlements	2,780	-	2,780
Subtotal	77,921	(1,445)	76,476
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	$(2,501)	$-	$(2,501)
Actuarial gains and losses arising from changes in financial assumptions	(68,242)	(24,048)	(92,290)
Experience adjustments	45,971	-	45,971
Remeasurements of the defined benefit assets	4,420	(9,476)	(5,056)
Subtotal	(20,352)	(33,524)	(53,876)
Payments from the plan	(57,185)	57,185	-
Contribution by employer	-	(37,869)	(37,869)
Exchange differences	32,421	(4,892)	27,529
As of December 31, 2022	$1,212,252	$(498,051)	$714,201
As of January 1, 2023	$1,212,252	$(498,051)	$714,201
Current period service cost	87,669	-	87,669
Interest expense (income)	23,940	(1,743)	22,197
Past service cost and gains and losses arising from settlements	10,394		10,394
Subtotal	122,003	(1,743)	120,260

	Defined benefit obligation	Plan assets at fair value	Benefit liabilities (assets)
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(52,160)	-	(52,160)
Actuarial gains and losses arising from changes in financial assumptions	14,384	(1,854)	12,530
Experience adjustments	(72,467)	-	(72,467)
Remeasurements of the defined benefit assets	11,469	(2,439)	9,030
Subtotal	(98,774)	(4,293)	(103,067)
Payments from the plan	(169,143)	169,143	-
Contribution by employer	-	(57,338)	(57,338)
Exchange differences	(95,890)	4,317	(91,573)
As of December 31, 2023	$970,448	$(387,965)	$582,483

The following significant actuarial assumptions were used to determine the present value of the defined benefit obligation:

	As of	
	December 31, 2023	December 31, 2022
Discount rate	1.30%~10.00%	1.40%~8.30%
Expected rate of salary increases	3.00%~8.50%	3.00%~6.00%

A sensitivity analysis for significant assumption was shown below:

	For the years ended			
	December 31, 2023		December 31, 2022	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.25%	$-	14,395	$-	$26,913
Discount rate decrease by 0.25%	15,607	-	12,063	-
Future salary increase by 0.25%	12,232	-	12,780	-
Future salary decrease by 0.25%	-	11,459	-	15,588

The sensitivity analysis above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(20) Equity

A. Ordinary share

As of January 1, 2022, the Company's authorized capital was $20,000,000 thousand and the paid-in capital was $14,796,682 thousand; the outstanding shares was 1,479,668 thousand shares, each at a par value of $10.

Share options which was issued by the Company in May 2015 had 6,944 thousand shares been executed and converted for the years ended December 31, 2023 and 2022, respectively.

Share options which was issued by the Company in December 2019 had 6,315 thousand and 7,804 thousand shares been executed and converted for the years ended December 31, 2023 and 2022, respectively. The Company had received all capital amount, but the aforementioned conversion of employee share options amounted to 3,877 thousand and 1,361 thousand shares were not completed amendment of registration as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Company's authorized capital were all $20,000,000 thousand and the paid-in capital were $15,007,312 thousand and $14,944,162 thousand, respectively; the outstanding shares were 1,500,731 thousand shares and 1,494,416 thousand shares, respectively, each at a par value of $10. Each share has one voting right and right to receive dividends.

B. Capital surplus

	As of	
	December 31, 2023	December 31, 2022
Additional paid-in capital arising from ordinary share	$259,770	$226,385
Treasury share transactions	385,776	371,990
Changes in equity of subsidiaries, associates and joint ventures and others	861,238	92,042
Employee shares options and others	64,863	100,693
Total	$1,571,647	$791,110

According to the Company Act, the capital surplus shall not be used except for offsetting the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus generated from the excess of the issuance price over the par value of share capital and donations. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

As of December 31, 2023 and December 31, 2022, the treasury shares held by the Group were $230,380 thousand and 331,782 thousand, respectively and the number of treasury shares held by the Group was 19,750 thousand and 28,443 thousand shares, respectively. The shares held by the Company's subsidiaries were as follows:

Please refer to Note 6(21)(C) for more details on treasury shares transferred to Company's employees of the parent entity.

D. Retained earnings and dividend policy

According to the Company Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues;
(b) Offset prior years' operation losses;
(c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
(d) Set aside or reverse special reserve in accordance with law and regulations; and
(e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors, the distribution made in the form of dividend shares should be resolved in the shareholders' meeting; the distribution made in cash could be special resolved by the Board of Directors and reported in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The proportion of stock dividends may be within 0% to 90% of the total dividends, and the cash dividends may be within 10% to 100% of the total dividends.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

Details of the year of 2022 and 2020 earnings distribution and dividends per share which were special resolved and reported by the Board of Directors and shareholders' meeting held on March 11, 2023 and May 30, 2023, respectively were as follows:

	Appropriation of earnings		Dividend per share (NTD$)	
	2023	2022	2023	2022
Legal reserve	$13,235	$100,002		
Cash dividends of ordinary share	444,602	440,245	$0.3	$0.3

Note: The Board of Directors is authorized by the Articles of Incorporation and special resolved the cash distribution.

Please refer to Note 6(26) for further details on employees' compensation and remuneration to directors and supervisors.

E. Non-controlling interests

	For the years ended	
	December 31, 2023	December 31, 2022
Beginning balance	$10,454,183	$9,927,883
Profit, attributable to non-controlling interest	77,578	(59,971)
Other comprehensive income, attributable to non-controlling interest:		
Remeasurements for benefit plans	58,203	34,776
Exchange differences on translation	11,785	591,155
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6,042	(29,798)
Other components of other comprehensive income that will be reclassified to profit or loss	673	(1,090)
Subsidiaries appropriated and distributed retained earnings for cash dividends	(137,825)	(70,396)
Changes in ownership interests in subsidiaries	108,133	56,750
Increase cash capital by subsidiaries	2,507,804	-
Share-based payments	6,771	4,874
Ending balance	$13,093,347	$10,454,183

(21) Share-based payments

Certain employees of the Group are entitled to share-based payments as part of their remunerations. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payments transactions.

A. Share-based payments plan for employees of the parent entity

On December 15, 2014 and November 28, 2019, the Company was authorized by the Securities and Futures Bureau of the FSC to issue employee share options with a total number of 40,000 units and 45,000 units, respectively. Each unit entitles an optioned to subscribe for 1,000 shares of the Company's common shares. The exercise price of the option was set at the closing price of the Company's common share on the grant date. The optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the grant date. Settlement upon the exercise of the options will be made through the issuance of new shares by the Company.

The fair value of the share options is estimated at the grant date using a binomial option pricing-model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted is 7 years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these employee share options.

The relevant details of the aforementioned share-based payments plan were as follows:

Date of grant	Total number of share options granted (in thousands)	Exercise price of share options ($) (Note)
May 18, 2015	40	$10.49
December 16, 2019	45	$11.50

Note: After the share options are granted, if the capital shares changes (issuance of common stock, retained earnings transferred to common stock, capital reserve transferred to common stock, business combination, share split or raising capital by participating in depository receipt, issuance overseas certificates, etc.), decreases for reasons other than decrease in treasury stocks or issues cash dividends per share amounting more than 1.5% of the stock price at that time, it would be adjusted following the Company's order of share-based payment plan for employees.

The following table lists the inputs to the model used for the plan granted during the years of 2015 and 2019:

	Year of 2015	Year of 2019
Dividend yield (%)	-	-
Expected volatility (%)	32.20%	26.94%
Risk-free interest rate (%)	1.2476%	0.6165%
Expected option life (year)	7 years	7 years
Weighted average share price ($)	$12.35	$12.55
Option pricing model	Binomial option pricing model	Binomial option pricing model

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The further details on the aforementioned share-based payments plan were as follows:

	For the years ended			
	December 31, 2023		December 31, 2022	
	Number of share options outstanding	Weighted average exercise price of share options ($)	Number of share options outstanding	Weighted average exercise price of share options ($)
Outstanding at beginning of period	20,369	$11.75	45,606	$11.55
Granted	-	-	-	-
Forfeited	(943)	11.50	(5,076)	11.94
Exercised	(6,315)	11.50	(14,748)	11.26
Expired	-	-	(5,413)	10.49
Outstanding at end of period	13,111	11.50	20,369	11.75
Exercisable at end of period	13,111	11.50	12,500	11.75
For share options granted during the period, weighted average fair value of those options at the measurement date ($)		$-		$-

The information on the outstanding share options was as follows:

	Range of exercise price ($)	Weighted average remaining contractual life (years)
As of December 31, 2023		
Share options outstanding at the end of the period	$11.50	2.96
As of December 31, 2022		
Share options outstanding at the end of the period	$11.75	3.96

B. Share-based payments plan for employees of the subsidiaries

(a) On February 25, 2019, the Company's subsidiary, Cal-Comp Electronics (Thailand) Public Company Limited, issued employee share options with a total number of 225,000 thousand units. Each unit entitles an optionee to subscribe for 1 share of the subsidiary's common shares. Settlement upon the exercise of the options will be made through the issuance of new shares by the subsidiary. The exercise price of the option was set at THB $2.16. The contractual term of each option granted is 4 years. The optionee may exercise the options in accordance with certain schedules as prescribed by the plan upon maturity of 1 year following the grant date.
The fair value of the share options is estimated at the grant date using Black scholes pricing model, taking into account the terms and conditions upon which the share options were granted.

The relevant details of the aforementioned share-based payment plan were as follows:

Date of grant	Total number of share options granted (in thousands)	Exercise price of share options (THB $)
February 25, 2019	225,000	$2.16

On May 11, 2021, the abovementioned employee share options were resolved and approved by the board of directors of the Company's subsidiary, Cal-Comp Electronics (Thailand) Public Company Limited, to adjust the exercise method that each unit entitles an optionee to subscribe for 1.083 shares of the subsidiary's common shares. The exercise price per share of the option was set at THB $1.994. Therefore, the exercise price per unit of the option remained at THB $2.16.

The following table lists the inputs to the model used for the plan granted during the year of 2019:

Dividend yield (%)	-
Expected volatility (%)	25.26%
Risk-free interest rate (%)	1.83%~1.99%
Expected option life (year)	4 years
Weighted average share price (THB $)	$1.805
Option pricing model	Black scholes option pricing model

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The further details on the aforementioned share-based payment plan were as follows:

	For the years ended			
	December 31, 2023		December 31, 2022	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (THB $)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (THB $)
Outstanding at beginning of period	156,621	$2.16	171,755	$2.16
Granted	-	-	-	-
Forfeited	-	-	(3,794)	2.16
Exercised	(11,646)	2.16	(11,340)	2.16
Expired	(144,975)	2.16	-	-
Outstanding at end of period	-	-	156,621	2.16
Exercisable at end of period	-	-	156,621	2.16
For share options granted during the period, weighted average fair value of those options at the measurement date (THB $)		$-		$-

The information on the outstanding share options was as follows:

	Range of exercise price (THB $)	Weighted average remaining contractual life (years)
As of December 31, 2023		
Share options outstanding at the end of the period	$-	-
As of December 31, 2022		
Share options outstanding at the end of the period	$2.16	0.15

(b) On April 30, 2019, the Company's subsidiary, Qbit Semiconductor Holding, Ltd., issued employee share options with a total number of 518 thousand units. Each unit entitles an option to subscribe for 1 share of the subsidiary's common shares. Settlement upon the exercise of the options will be made through the issuance of new shares by the subsidiary. The optionee may exercise the options all at USD $0.1 in accordance with certain schedules as prescribed by the plan upon maturity of 3 to 4 years following the grant date.

The fair value of the share options is estimated at the grant date using Black-Scholes option pricing-model, taking into account the terms and conditions upon which the share options were granted.

The exercise price of the option was set at par value of the subsidiary's common share on the grant date. The contractual term of each option granted is 3 to 4 years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these employee share options.

The relevant details of the aforementioned share-based payment plan were as follows:

Date of grant	Total number of share options granted (in thousands)	Exercise price of share options (USD $)
April 30, 2019	518	$0.1

The following table lists the inputs to the model used for the plan granted during the years of 2019:

Dividend yield (%)	-
Expected volatility (%)	28.93%~30.58%
Risk-free interest rate (%)	0.58%~0.59%
Expected option life (year)	3.5~4 years
Weighted average share price (USD $)	$0.095
Option pricing model	Black-Scholes option pricing model

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The further details on the aforementioned share-based payment plan were as follows:

	For the years ended			
	December 31, 2023		December 31, 2022	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (USD $)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (USD $)
Outstanding at beginning of period	518	$0.1	518	$0.1
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(518)		-	-
Outstanding at end of period	-	-	518	0.1
Exercisable at end of period	-	-	259	0.1
For share options granted during the period, weighted average fair value of those options at the measurement date (USD $)		$-		$-

The information on the outstanding share options was as follows:

	Range of exercise price (USD $)	Weighted average remaining contractual life (years)
As of December 31, 2023		
Share options outstanding at the end of the period	$-	-
As of December 31, 2022		
Share options outstanding at the end of the period	$0.1	0.33

(c) On August 12, 2019, November 12, 2020 and November 11, 2021, the Company's subsidiary, CastleNet Technology Inc., resolved and approved by the Board of Directors to issue employee share options with a total number of 10,000 units, 3,000 units and 3,000 units, respectively. Each unit entitles an optionee to subscribe for 1,000 shares of the subsidiary's common shares. The exercise price of the option was set at the closing price of the subsidiary's common share on the grant date. The optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the grant date. Settlement upon the exercise of the options will be made through the issuance of new shares by the Company.

The fair value of the share options is estimated at the grant date using Black-Scholes option pricing-model, taking into account the terms and conditions upon which the share options were granted.

The relevant details of the aforementioned share-based payment plan were as follows:

Date of grant	Total number of share options granted (in units)	Exercise price of share options ($) (Note)
August 30, 2019	8,508	$12.60
December 25, 2020	1,663	$11.45
November 24 2021	1,337	$10.80

Note: After the share options are granted, except for issuance of various securities with common stock conversion rights or share options to exchange common stock shares or issuance of new shares for employee compensation, when the capital shares change (including private offering), the exercise price of share options would be adjusted according to the company's share-based payment plan for employees.

The following table lists the inputs to the model used for the plan granted during the years of 2019 to 2021:

	Year of 2019	Year of 2020	Year of 2022
Dividend yield (%)	-	-	-
Expected volatility (%)	39.979%~41.061%	43.540%~46.311%	41.680%
Risk-free interest rate (%)	0.522%~0.543%	0.1771%~0.1968%	0.460%
Expected option life (year)	7 years	7 years	7 years
Weighted average share price ($)	$13.60	$11.45	$10.80
Option pricing model	Black-Scholes option pricing model	Black-Scholes option pricing model	Black-Scholes option pricing model

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The further details on the aforementioned share-based payment plan were as follows:

	For the years ended			
	December 31, 2023		December 31, 2022	
	Number of share options outstanding (in units)	Weighted average exercise price of share options ($)	Number of share options outstanding (in units)	Weighted average exercise price of share options ($)
Outstanding at beginning of period	8,615	$12.13	9,075	$12.13
Granted	-	-	-	-
Forfeited	(1,143)	-	(460)	-
Exercised	(3,017)	12.35	-	-
Expired	-	-	-	-
Outstanding at end of period	4,455	12.10	8,615	12.13
Exercisable at end of period	3,720	12.30	5,136	12.43
For share options granted during the period, weighted average fair value of those options at the measurement date ($)		$-		$-

The information on the outstanding share options was as follows:

	Range of exercise price ($)	Weighted average remaining contractual life (years)
As of December 31, 2023		
Share options outstanding at the end of the period	$12.60, $11.45 and $10.80	2.67, 3.99 and 4.90
As of December 31, 2022		
Share options outstanding at the end of the period	$12.60, $11.45 and $10.80	3.67, 4.99 and 5.90

C. Treasury shares transferred to Company's employees of the parent entity

To motivate employees and retain the best talent, a resolution of repurchasing and transferring shares to employees was approved at the board meeting held on March 30, 2020. The number of shares to be repurchased was 45,000 thousand shares. The Company has repurchased 28,443 thousand shares at the cost of $331,782 thousand as of the expiry date of the buyback period. As of December 31, 2023, the Company has transferred 8,693 thousand shares to employees and the details were as follows:

Agreement type	Date of grant	Shares (in thousands)	Contract period	Vested condition	Date of transferring
Treasury shares transferred to employees	June 13, 2023	8,693	-	Vested immediately	July 27, 2023

The fair value of treasury shares transferred to employees was as follow:

Agreement type	Date of grant	Stock price	Exercise price	Fair value (per unit)
Treasury shares transferred to employees	June 13, 2023	$13.95	$11.71	$2.24

D. Expenses incurred on share-based payment transactions were shown as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Equity-settled	$24,931	$35,467

(22) Operating revenue

A. Breakdown of operating revenue was as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Revenue from contracts with customers		
Sale of goods	$159,263,089	$180,574,833
Revenue arising from rendering of services	333,173	621,992
Other revenue	160,952	217,624
Total	$159,757,214	$181,414,449

B. Analysis of revenue from contracts with customers was shown as follows:

(a) Disaggregation of revenue

For the years end ended December 31, 2023:

	Consumer electronic products	Other operating segments	Total
Sale of goods	$157,510,048	$1,753,041	$159,263,089
Rendering of services	330,132	3,041	333,173
Total	$157,840,180	$1,756,082	$159,596,262
Timing of revenue recognition:			
At a point in time	$157,724,661	$1,756,082	$159,480,743
Over time	115,519	-	115,519
Total	$157,840,180	$1,756,082	$159,596,262

For the years end ended December 31, 2022:

	Consumer electronic products	Other operating segments	Total
Sale of goods	$178,882,932	$1,691,901	$180,574,833
Rendering of services	621,992	-	621,992
Total	$179,504,924	$1,691,901	$181,196,825
Timing of revenue recognition:			
At a point in time	$179,391,977	$1,691,901	$181,083,878
Over time	112,947	-	112,947
Total	$179,504,924	$1,691,901	$181,196,825

(b) Contract balances

Current contract liabilities

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Sales of goods	$1,297,451	$323,525	$89,199

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
The opening balance transferred to revenue	$(103,393)	$(62,616)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	1,093,394	295,748
Effect of exchange rate changes and others	(16,075)	1,194

(c) The Group's transaction price allocated to unsatisfied performance obligations as of December 31, 2023 and 2022 were expected to be recognized as revenue within a year.

(d) There were no assets recognized from costs to fulfill a contract during the period.

(23) Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9

A. The impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 recognized as operating expenses was as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Operating expenses –impairment loss (reversal of impairment loss) determined in accordance with IFRS 9		
Notes receivable	$(7)	$(126)
Accounts receivable	101,631	(5,489)
Other receivables	546	17,927
Total	$102,170	$12,312

C. Please refer to Note 12 for more details on credit risk.

D. The credit risk for the Group's financial assets measured at amortized cost as of December 31, 2023 and 2022, was assessed as low (the same as the assessment result in the beginning of the period). Therefore, the expected credit loss which was measured at an amount equal to twelve-month expected credit loss was not significant.

E. The Group measures the loss allowance of its receivables (including notes receivable, accounts receivable and accounts receivable due from related parties) at an amount equal to lifetime expected credit loss. The assessment of the Group's loss allowance as of December 31, 2023 and 2022 was as follow:

(a) The Group considers the grouping of notes receivable and accounts receivable by counterparties' credit rating, by geographical region and by industry sector. Based on the historical credit loss experience, different customer groups do not have significantly different loss patterns. Therefore, the loss allowance is measured by using a provision matrix without distinguishing the sectors. The details as of December 31, 2023 and 2022 are as follows:

	As of December 31, 2023					
	Not yet due	Overdue				
	(Note1)	<=30 days	31-60 days	61-90 days	>=91 days	Total
Gross carrying amount	$31,037,823	$497,538	$243,713	$11,564	$88,206	$31,878,844
Loss ratio	0%~0.625%	0%~0.625%	0%~10%	0%~30%	0%~100%	
Lifetime expected credit loss	(10,824)	(1,322)	(6,136)	(2,391)	(50,768)	(71,441)
Carrying amount of accounts receivable	$31,026,999	$496,216	$237,577	$9,173	$37,438	$31,807,403

	As of December 31, 2022					
	Not yet due	Overdue				
	(Note1)	<=30 days	31-60 days	61-90 days	>=91 days	Total
Gross carrying amount	$40,344,682	$742,210	$238,136	$14,969	$60,411	$41,400,408
Loss ratio	0%~0.625%	0%~0.625%	0%~10%	0%~30%	0%~100%	
Lifetime expected credit loss	(396)	(61)	-	(226)	(40,693)	(41,376)
Carrying amount of accounts receivable	$40,344,286	$742,149	$238,136	$14,743	$19,718	$41,359,032

Note 1: The Group's notes receivable was not overdue.

Note 2: The Group follows the requirement of IFRS 9 to assess the business model the accounts receivable was held within. Certain amount of USD 107,460 thousand and USD 109,646 thousand included in the accounts receivable as of December 31, 2023 and December 31, 2022, respectively, were sold to the aforementioned financial institutions in the subsequent period.

(b) The credit period of the Group's sale of goods is from 30 to 180 days. To manage the credit risk, before accepting a new customer, the Group will evaluate the potential customer's credit quality and set credit line for the customer through the credit rating system. Customers' credit line and rating shall be reviewed according to the type of customer on a periodical basis to ensure that adequate loss allowance has been provided. In addition, most of the counterparties the Group transacts with are large international companies with good credit rating. Moreover, based on the historical default rates and other internal and external resources for the assessment, there's no significant credit loss for the Group.

E. The movements in the provision for impairment of receivables during the years ended December 31, 2023 and 2022 were shown as follows:

	Accounts receivable	Other accounts receivable	Total
Beginning balance as of January 1, 2023	$41,376	$51,777	$93,153
Allowance (reverse) for the current period	101,624	546	102,170
Write off	(69,754)	(40,252)	(110,006)
Reclassification, effect of exchange rate changes and others	(1,805)	2,467	662
Ending balance as of December 31, 2023	$71,441	$14,538	$85,979

	Accounts receivable	Other accounts receivable	Total
Beginning balance as of January 1, 2022	$42,707	$39,942	$82,649
Allowance (reverse) for the current period	(5,615)	17,927	12,312
Write off	-	(10,687)	(10,687)
Reclassification, effect of exchange rate changes and others	4,284	4,595	8,879
Ending balance as of December 31, 2022	$41,376	$51,777	$93,153

(24) Operating costs

	For the years ended	
	December 31, 2023	December 31, 2022
Cost of sales	$149,571,805	$170,412,077
Cost of services	259,360	45,928
Others	105,251	246,830
Total	$149,936,416	$170,704,835

(25) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, and other equipment. The lease terms range from 1 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows were as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of	
	December 31, 2023	December 31, 2022
Land	$1,139,685	$1,163,419
Buildings	198,274	369,001
Other equipment	4,818	221
Total	$1,342,777	$1,532,641

During the years ended December 31, 2023 and 2022, the Group's additions to right-of-use assets amounted to $119,894 thousand and $166,930 thousand.

ii. Lease liabilities

	As of	
	December 31, 2023	December 31, 2022
Lease liabilities	$231,952	$398,835
Current	$113,394	$146,152
Non-current	$118,558	$252,683

Please refer to Note 6(27)(D) for the interest expense on lease liabilities recognized during the years ended December 31, 2023 and 2022; refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2023 and 2022.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended	
	December 31, 2023	December 31, 2022
Land	$31,879	$18,838
Buildings	157,227	168,139
Machinery	339	2,201
Other equipment	315	795
Total	$189,760	$189,973

(c) Income and costs relating to leasing activities

	For the years ended	
	December 31, 2023	December 31, 2022
The expenses relating to short-term leases	$124,355	$91,588
The relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	8,865	8,610
The expenses relating to variable lease payments not included in the measurement of lease liabilities	15,538	15,769
Total	$148,758	$115,967

(d) Cash outflow relating to leasing activities

The Group's total cash outflows for leases amounted to $302,516 thousand and $321,106 thousand for the years end ended December 31, 2023 and 2022, respectively.

(e) Other information relating to leasing activities

i. Variable lease payments

The Group does not have significant variable lease payments.

ii. Extension and termination options

Some of the Group's building and equipment rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

iii. Residual value guarantees

There is no residual value guarantee provided by the Group, and no residual value guarantee was recognized as part of the lease liability.

(26) Additional information of expenses by function

A. Summary statement of employee benefits, depreciation and amortization expenses by function were as follows:

By function / By feature	For the years end ended					
	December 31, 2023			December 31, 2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Wages and salaries	$8,261,573	$3,320,381	$11,581,954	$8,643,452	$3,701,403	$12,344,855
Labor and health insurance	504,540	216,214	720,754	529,460	234,881	764,341
Pension	439,470	138,537	578,007	480,771	183,135	663,906
Other employee benefits expense	256,075	170,019	426,094	330,753	151,675	482,428
Depreciation	2,736,877	331,753	3,068,630	2,729,772	387,786	3,117,558
Amortization	11,840	117,147	128,987	33,343	84,498	117,841

B. According to the Articles of Incorporation of the Company, no lower than 2% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees'

compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the years ended December 31, 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors to be 13.7% and 1.2%, respectively. As such, employees' compensation and remuneration to directors were recognized as employee benefits expense at $130,231 thousand and $11,407 thousand, for the years end ended December 31, 2023, respectively. The aforementioned amount was distributed based on current year profit and recognized in wages and salareis. If the Board of Directors resolves to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. Differences between the estimated amount and the actual distribution of the employee' compensation and remuneration to directors and supervisors will recognized in profit or loss of the subsequent year.

A resolution was approved through the Board of Directors' meeting held on March 10, 2023 to distribute $129,844 thousand and $17,312 thousand in cash as employees' compensation and remuneration to directors for the year of 2022, respectively. There were no significant differences between the approved amount and the estimated amount which recognized in the year of 2022.

There were no significant differences between actual distribution amount in the year of 2022 and the estimated amount which recognized in the year of 2020.

(27) Non-operating income and expenses

A. Interest income

	For the years ended	
	December 31, 2023	December 31, 2022
Bank deposits	$704,265	$155,692
Financial assets measured at amortized cost	74	6
Others	1,567	1,385
Total	$705,906	$157,083

B. Other income

	For the years ended	
	December 31, 2023	December 31, 2022
Dividend income	$182,786	$303,977
Government grants revenue	44,713	8,068
Other revenue – others	230,332	154,528
Total	$457,831	$466,573

C. Other gains and losses

	For the years ended	
	December 31, 2023	December 31, 2022
Gain (loss) on financial assets/liabilities at fair value through profit or loss		
Forward currency contracts (Note)	$(164,530)	$(323,569)
Convertible corporate bond (Note)	108,432	40,503
Structured deposit (Note)	-	7,613
Accounts receivable factoring	(211,773)	(147,784)
Gain (loss) on disposal of property, plant and equipment	30,689	(11,156)
Gain (loss) on disposal of intangible assets	(117)	-
Gain on disposal of non-current assets held for sale	62,827	73,351
Gain (loss) on disposal of investments	(3,258)	7,061
Impairment gain (loss) on non-financial assets	(4,108)	(416,716)
Foreign exchange gain (loss), net	(192,707)	425,503
Other losses	(120,612)	(1,978)
Total	$(495,157)	$(347,172)

Note: Balances were arising from financial assets and liabilities mandatorily measured at fair value through profit or loss.

D. Finance costs

	For the years ended	
	December 31, 2023	December 31, 2022
Interest expenses (Note)	$2,510,008	$1,546,893
Interest due from lease liabilities	6,758	8,379
Others	19,976	46,995
Total	$2,536,742	$1,602,267

Note: Mainly arose from current borrowings, short-term notes and bills payable and non-current borrowings.

(28) Components of other comprehensive income

For the years end ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Will not be reclassified to profit or loss in subsequent periods:					
Remeasurements of the defined plan	$103,067	$-	$103,067	$1,220	$104,287
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,422,108	-	2,422,108	(9,114)	2,412,994
Share of other comprehensive income of associates and joint ventures accounted for using equity method	111,857		111,857	(20,868)	90,989
Will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	(170,142)	-	(170,142)	37,519	(132,623)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	8,011	-	8,011	(162)	7,849
Other components of other comprehensive income that will be reclassified to profit or loss	(17)	-	(17)	139	122
Total of other comprehensive income	$2,474,884	$-	$2,474,884	$8,734	$2,483,618

For the years end ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Will not be reclassified to profit or loss in subsequent periods:					
Remeasurements of the defined plan	$53,876	$-	$53,876	$(3,485)	$50,391
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(227,027)	-	(227,027)	5,151	(221,876)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(82,946)	-	(82,946)	4,783	(78,163)
Will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	1,860,032	(218)	1,859,814	(253,462)	1,606,352
Share of other comprehensive income of associates and joint ventures accounted for using equity method	161,814	-	161,814	(27,943)	133,871
Other components of other comprehensive income that will be reclassified to profit or loss	(2,001)	-	(2,001)	182	(1,819)
Total of other comprehensive income	$1,763,748	$(218)	$1,763,530	$(274,774)	$1,488,756

(29) Tax

A. The major components of tax expense (income) were as follows:

Tax recognized in profit or loss

	For the years ended	
	December 31, 2023	December 31, 2022
Current tax expense (income):		
Current income tax charge	$492,604	$545,390
Adjustments in respect of current income tax of prior periods (including overestimated and underestimated)	8,668	6,389
Others	61	37

	For the years ended	
	December 31, 2023	December 31, 2022
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(177,711)	33,228
Deferred tax expense (income) relating to origination and reversal of tax loss and tax credit	(256,639)	(44,969)
Deferred tax expense arising from write-down of deferred tax assets	324,106	172,966
Tax loss, tax credits or temporary differences not recognised in previous years are recognised in the current period	-	(987)
Deductible temporary difference	(55,937)	(1,093)
Other	-	(29,279)
Total tax expense (income)	$335,152	$681,682

Tax recognized in other comprehensive income

	For the years ended	
	December 31, 2023	December 31, 2022
Deferred tax expense (income):		
Remeasurements of defined benefit	$(1,220)	$3,485
Exchange differences on translation	(37,519)	253,462
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	9,114	(5,151)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	21,030	23,160
Other components of other comprehensive income that will be reclassified to profit or loss	(139)	(182)
Income tax related to components of other comprehensive income	$(8,734)	$274,774

B. A reconciliation of income before income tax and income tax expense recognized in profit or loss were as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Accounting profit before tax from continuing operations	$1,163,767	$1,634,174
Tax at the domestic rates applicable to profits in the country concerned	$232,753	$326,834
Tax effect of revenues exempt from taxation	(82,127)	(183,884)

	For the years ended	
	December 31, 2023	December 31, 2022
Tax effect of expenses not deductible for tax purposes	151	67
Tax effect of deferred tax assets/liabilities	179,819	500,940
5% surtax on undistributed retained earnings	22,989	-
Tax effect of statutory rate difference in foreign jurisdiction	(148,102)	(115,065)
Income tax adjustments on prior years	8,668	9,790
Others	121,001	143,000
Total income tax expense	$335,152	$681,682

C. Significant components of deferred income tax assets and liabilities were as follows:

For the year ended December 31, 2023:

	Beginning balance	Recognized in profit or loss	Recognized in other Comprehensive income	Exchange difference	Ending balance
Temporary differences					
Deferred tax assets					
Investments accounted for using the equity method-investment losses	$500,880	$(325,029)	$-	$-	$175,851
Exchange difference on translation	196,978	-	25,758	(6,838)	215,898
Net defined benefit liability, non-current	102,988	-	219	-	103,207
Others	392,189	76,016	6,483	6,547	481,235
Unused tax losses	872,797	311,331	-	(7,638)	1,176,490
Deferred tax liabilities					
Investments accounted for using the equity method-investment gains	(1,339,402)	153,050	-	-	(1,186,352)
Revaluation on land	(209,505)	-	-	-	(209,505)
Gains recognized in bargain purchase transaction	(335,566)	-	-	-	(335,566)
Others	(277,236)	(49,187)	(23,726)	514	(349,635)
Deferred income tax benefit (expense)		$166,181	$8,734	$(7,415)	
Net offset balance of deferred tax assets(liabilities)	$(95,877)				$71,623
Reported in balance sheets:					
Deferred tax assets	$2,065,832				$2,152,681
Deferred tax liabilities	$(2,161,709)				$(2,081,058)

For the year ended December 31, 2022:

	Beginning balance	Recognized in profit or loss	Recognized in other Comprehensive income	Exchange difference	Ending balance
Temporary differences					
Deferred tax assets					
Investments accounted for using the equity method-investment losses	$551,413	$(50,533)	$-	$-	$500,880
Exchange difference on translation	447,230	-	(268,221)	17,969	196,978
Net defined benefit liability, non-current	101,343	-	1,645	-	102,988
Others	339,781	57,023	12,671	(17,286)	392,189
Unused tax losses	969,982	(104,621)	-	7,436	872,797
Deferred tax liabilities					
Investments accounted for using the equity method-investment gains	(1,301,480)	(37,921)	-	(1)	(1,339,402)
Revaluation on land	(209,505)	-	-	-	(209,505)
Gains recognized in bargain purchase transaction	(335,566)	-	-	-	(335,566)
Others	(268,906)	6,186	(20,869)	6,353	(277,236)
Deferred income tax benefit (expense)		$(129,866)	$(274,774)	$14,471	
Net offset balance of deferred tax assets(liabilities)	$294,292				$(95,877)
Reported in balance sheets:					
Deferred tax assets	$2,409,749				$2,065,832
Deferred tax liabilities	$(2,115,457)				$(2,161,709)

Note: The balances of individual temporary differences less than $100,000 thousand were consolidated in the disclosure.

D. The following table contains information of the unused tax losses of the Group:

		Unused tax losses as of		
Year	Deficit Amount	December 31 2023	December 31 2022	Expiration year
The company (Note 1):				
2013	$2,995,756	$1,205,255	$2,006,727	2023
2014	4,600,104	4,600,104	4,600,104	2024
Subsidiaries:	4,733,901	4,733,901	3,394,362	Note 2
		$10,539,260	$10,001,193	

Note 1:The differences of unused amount as of December 31, 2023 and 2022 were due to filed amount and approved amount and also between estimated filed amount and actual filed amount.

Note2:Subsidiaries' unused tax losses were in accordance with the regulations of the countries where the subsidiaries located and applied to local expiration years.

E. Unrecognized deferred tax assets

As of December 31, 2023 and 2022, the total amount of deductible temporary differences and unused tax losses of the Group that does not recognize deferred income tax assets in the balance sheet were $23,461,723 thousand and $15,844,594 thousand, respectively.

F. The assessment of income tax returns

The assessment of the income tax returns of the Company and its subsidiaries in Taiwan were as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Crownpo Technology Inc.	Assessed and approved up to 2021
Li-Cheng Materials Corporation	Assessed and approved up to 2020
XYZpriting, Inc.	Assessed and approved up to 2020
Cal-Comp Electronics & Communications Co., Ltd.	Assessed and approved up to 2021 (2020 not yet assessed and approved)
CastleNet Technology Inc.	Assessed and approved up to 2021
Cal-Comp Asset Management, Inc.	Assessed and approved up to 2022

(30) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended	
	December 31, 2023	December 31, 2022
Basic earnings per share		
Profit, attributed to owners of parents (in thousands of NTD)	$751,037	$1,012,463
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands of shares)	1,472,988	1,461,390
Basic earnings per share (NTD)	$0.51	$0.69

Considering that the potential ordinary shares, if converted to ordinary shares will not result in a significant dilution effect and the diluted earnings per share would equal to basic earnings per share, the Company only disclosed basic earnings per share for the aforementioned periods.

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial report date and the date the financial statements were authorized for issue.

(31) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests was provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	As of December 31, 2023	As of December 31, 2022
Cal-Comp Electronics (Thailand) Public Company Limited	Thailand	50.01%	53.37%

A. Accumulated balances of material non-controlling interest:

	As of December 31, 2023	As of December 31, 2022
Cal-Comp Electronics (Thailand) Public Company Limited	$12,249,610	$9,363,115

B. Profit (loss) allocated to material non-controlling interest:

	For the years ended	
	December 31, 2023	December 31, 2022
Cal-Comp Electronics (Thailand) Public Company Limited	$528,051	$362,910

C. Dividends paid to material non-controlling interests

	For the years ended	
	December 31, 2023	December 31, 2022
Cal-Comp Electronics (Thailand) Public Company Limited	$137,825	$70,396

D. The summarized financial information of Cal-Comp Electronics (Thailand) Public Company Limited and subsidiaries was provided below. This information was based on amounts before inter-company eliminations.

(a) Summarized information of profit or loss as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Operating revenue	$134,777,972	$144,967,155
Profit from continuing operations	988,536	661,817
Total comprehensive income	1,321,450	142,996

(b) Summarized information of financial position as follows:

	As of	
	December 31, 2023	December 31, 2022
Current assets	$57,753,618	$65,969,732
Non-current assets	19,334,913	19,303,480
Current liabilities	(39,868,961)	(54,975,417)
Non-current liabilities	(13,666,444)	(13,713,326)

(c) Summarized cash flows information as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Operating activities	$12,832,308	$(2,259,555)
Investing activities	(2,478,773)	(4,713,255)
Financing activities	(7,368,399)	7,770,627
Net increase in cash and cash equivalents	2,937,843	979,110

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period was as follows:

Name and Relationship of Related Parties

Name of the related parties	Relationship with the Group
Kinpo Group Management Service Company	Associate
AcBel Polytech Inc. and its subsidiaries	Associate
iHELPER Inc.	Associate
SaveCom International Inc.	Associate
Compal Electronics, Inc. and its subsidiaries	Substantive related party
Instituto Cal-Comp De Pesquisa E Inovacao Tecnologica Da Amazonia	Substantive related party

Significant transactions with the related parties

(1) Sales

	For the years ended	
	December 31, 2023	December 31, 2022
Associates	$61,700	$71,416
Substantive related parties		
Compal Electronics, Inc. and its subsidiaries	45,725,343	31,245,453
Other	52,927	61,742
Subtotal	45,778,270	31,307,195
Total	$45,839,970	$31,378,611

The terms for sales to related parties were not significantly different from those of sales to third parties. The collection period was about 90 to 120 days after sales.

(2) Purchases

	For the years ended	
	December 31, 2023	December 31, 2022
Associates	$338,210	$730,946
Substantive related parties	3,589	-
Total	$341,799	$730,946

The purchase prices from related parties were close to the general trading price and payment term were about 30 to 90 days after purchase.

(3) Accounts receivable

	As of	
	December 31, 2023	December 31, 2022
Associates	$12,674	$23,760
Substantive related parties		
Compal Electronics, Inc. and its subsidiaries	9,460,186	8,516,395
Others	18,377	16,880
Subtotal	9,478,563	8,533,275
Total	$9,491,237	$8,557,035

(4) Other receivables

	As of	
	December 31, 2023	December 31, 2022
Associates	$11,678	$12
Substantive related parties		
Compal Electronics, Inc. and its subsidiaries	35,966	20,327
Total	$47,644	$20,339

(5) Accounts payable

	As of	
	December 31, 2023	December 31, 2022
Associates	$73,754	$168,948
Substantive related parties		
Compal Electronics, Inc. and its subsidiaries	6,413,621	4,370,909
Total	$6,487,375	$4,539,857

The above-mentioned amounts included accounts payable to related parties that purchased materials for the Group.

(6) Other payables

	As of	
	December 31, 2023	December 31, 2022
Associates	$304	$333
Substantive related parties	1,112	1,220
Total	$1,416	$1,553

(7) Operating lease

The details of rental revenues from related parties were as follows:

		For the years ended	
	Nature	December 31, 2023	December 31, 2022
Associates	Office building and network equipment	$993	$993

Rental revenue was based on the market price and was received on a monthly basis.

(8) Others

A. Revenue from rendering of service

	For the years ended	
	December 31, 2023	December 31, 2022
Associates	$240	$240
Substantive related parties	1,367	2,803
Total	$1,607	$3,043

The above-mentioned revenue from rendering of service was generated from providing information service.

B. Other revenue

	For the years ended	
	December 31, 2023	December 31, 2022
Associates		
AcBel Polytech Inc. and its subsidiaries	$47,883	$56,961

Substantive related parties		
Instituto Cal-Comp De Pesquisa E Inovacao Tecnologica Da Amazonia	46,155	18,101
Other	28,228	16,744
Subtotal	74,383	34,845
Total	$122,266	$91,806

The above-mentioned other revenue was generated from projects' service.

C. Compensation of key management personnel

	For the years ended	
	December 31, 2023	December 31, 2022
Short-term employee benefits	$300,928	$293,953
Post-employment benefits	2,384	5,674
Share-based payments	6,740	5,527
Other long-term benefits	472	-
Total	$310,524	$305,154

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

	Carrying amount as of		
Assets pledged for security	December 31, 2023	December 31, 2022	Secured liabilities
Time deposit (presented in current financial assets at amortized cost)	$25,914	$11,959	Current borrowings and building leasing
Time deposit (presented in non current financial assets at amortized cost)	13,784	22,770	Current borrowings and building leasing
Buildings and structures	1,026,402	1,132,472	Current and non-current borrowings
Machinery & other equipment	678,693	652,991	non-current borrowings
Right-of-use assets	17,259	24,095	Current and non-current borrowings
Other current assets	59,866	-	Current
Total	$1,821,918	$1,844,287	

9. Commitments and contingencies

(1) As of December 31, 2023, the Group provided endorsement and guarantee to subsidiaries were amounted to USD 348,000 thousand and NTD 1,260,000 thousand.

(2) As of December 31, 2023, the Company issued declaration statement to the lending bank related to comprehensive loan facilities amounting to USD 5,000 thousand and PHP 500,000 thousand to Kinpo Electronics (Philippines), Inc., the declaration was as follows:

A. The Company commits to hold directly or indirectly no less than 80% of total Kinpo Electronics (Philippines) outstanding shares.
B. The Company commits to maintain management and control over Kinpo Electronics (Philippines), Inc.
C. The Company commits to support Kinpo Electronics (Philippines), Inc. all the necessary resources (including but not limited to finance, personnel and technology), and ensure that Kinpo Electronics (Philippines), Inc. operates normally and complies with its obligations.
D. The Company commits that in case of default, the Company should take a necessary action to promote Kinpo Electronics (Philippines), Inc. to fulfill its repayment obligation.

(3) As of December 31, 2023, the Company issued declaration statement to the lending bank related to comprehensive loan facilities amounting to USD 10,000 thousand to Kinpo International (Singapore) Pte. Ltd., the declaration was as follows:

A. The Company commits to maintain management and control over Kinpo International (Singapore) Pte. Ltd.
B. The Company commits to support Kinpo International (Singapore) Pte. Ltd. all the necessary resources (including but not limited to finance, personnel and technology), and ensure that Kinpo International (Singapore) Pte. Ltd. operates normally and complies with its obligations.
C. The Company commits that in case of default, the Company should take a necessary action to promote Kinpo International (Singapore) Pte. Ltd. to fulfill its repayment obligation.

(4) As of December 31, 2023, the Company issued declaration statement to the lending bank related to comprehensive loan facilities amounting to THB 2,000,000 thousand to Cal-Comp Electronics (Thailand) Public Company Limited, the declaration was as follows:

A. The Company commits to hold directly or indirectly no less than 40% of total Cal-Comp Electronics (Thailand) Public Company Limited's outstanding shares. And continue to hold the equity until Cal-Comp Electronics (Thailand) Public Company Limited has fully settled its debts to the bank guarantee application.
B. The Company commits to support Cal-Comp Electronics (Thailand) Public Company Limited all the necessary resources to assist Cal-Comp Electronics (Thailand) Public Company Limited in fulfilling its obligations to the tax bureau and the agreements, documents and applications submitted to the bank.

(5) As of December 31, 2023, the Company issued declaration statement to the lending bank related to comprehensive loan facilities amounting to USD 12,000 thousand and NTD 190,000 thousand to CastleNet Technology Inc., the declaration was as follows:

A. The Company commits to hold directly or indirectly no less than 60% of total CastleNet Technology Inc.'s outstanding shares.
B. The Company commits to maintain management and control over CastleNet Technology Inc.
C. The Company commits to support CastleNet Technology Inc. all the necessary resources (including but not limited to finance, personnel and technology), and ensure that CastleNet Technology Inc. operates normally and complies with its obligations.
D. The Company commits that in case of default, the Company should take a necessary action to promote CastleNet Technology Inc. to fulfill its repayment obligation.

(6) As of December 31, 2023 and 2022, the Group's subsidiaries had outstanding commitments in respect of purchase of the construction of factory building and acquisition of machinery which were as follows:

(In thousands)

	As of	
	December 31, 2023	December 31, 2022
THB	$120,000	$1,264,000
USD	14,000	11,000
CNY	29,431	134,451

(7) Guarantees

As of December 31, 2023, there were outstanding bank guarantees of approximately THB 1,132,000 thousand, BRL 13,000 thousand and CNY 4,000 thousand issued by the banks on behalf of the Group's subsidiaries in respect of certain performance bonds as required in the normal course of business.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Financial instruments

Financial assets

	As of	
	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss (including non-current)	$1,608,410	$1,537,399
Financial assets at fair value through other comprehensive income (including non-current)	6,510,107	4,024,072
Financial assets at amortised cost:		
Cash and cash equivalents	16,866,858	9,915,366
Financial assets at amortised cost (including non-current)	39,698	34,729
Notes receivable	16,102	44,359
Accounts receivable (including due from related parties)	31,791,301	41,314,673
Other receivables (including due from related parties)	2,889,752	3,388,209
Subtotal	51,603,711	54,697,336
Total	$59,722,228	$60,258,807

Financial liabilities

	As of	
	December 31, 2023	December 31, 2022
Financial liabilities at amortized cost:		
Current borrowings	$18,567,124	$30,279,151
Short-term notes and bills payable	1,697,643	1,722,578
Notes payable	1,644	2,853
Accounts payable (including to related parties)	22,153,779	27,711,861
Other payables (including to related parties)	6,366,139	6,610,903
Non-current borrowings (including current portion)	26,564,737	22,979,201
Lease liabilities (including non-current portion)	231,952	398,835
Subtotal	75,583,018	89,705,382
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	43,318	60,885
Total	$75,626,336	$89,766,267

(2) Financial risk management objectives

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts are to hedge exchange rate fluctuation risk, the gain or loss made on the contracts from the fluctuation in exchange rates are expected to mostly offset gains or losses made on the hedged item. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates. The information of the sensitivity analysis, please refer to Note 12(10).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investment at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments with variable interest rates. At the balance sheet date, an increase or a decrease of 5 basis points of interest rate could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by $23,233 thousand and $27,288 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

An increase/decrease of 1% in the price of the listed companies stocks classified as investments in equity instruments measured at fair value through other comprehensive income could cause the equity for the years ended December 31, 2023 and 2022 to increase/decrease by $63,893 thousand and $35,291 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that counter-party will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit of the Group subject to established policy, procedures and controls relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria, etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment and insurance.

As of December 31, 2023 and 2022, the top three receivables from counter parties represented 53.57% and 48.67% of the total receivables of the Group, respectively. The credit concentration risk of the remaining receivables was insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Group will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
As of December 31, 2023					
Current borrowings (including interest to be paid)	$18,841,159	$-	$-	$-	$18,841,159
Short-term notes and bills payable	1,700,000	-	-	-	1,700,000
Notes payable	1,644	-	-	-	1,644
Accounts payable (including to related parties)	22,153,779	-	-	-	22,153,779
Other payables (including to related parties)	6,366,139	-	-	-	6,366,139
Non-current borrowings (including interest to be paid)	4,241,593	11,161,072	14,003,422	-	29,406,087
Lease liabilities (including non-current portion)	126,061	112,788	17,626	-	256,475

	Less than 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
As of December 31, 2022					
Current borrowings (including interest to be paid)	$30,543,779	$-	$-	$-	$30,543,779
Short-term notes and bills payable	1,725,000	-	-	-	1,725,000
Notes payable	2,853	-	-	-	2,853
Accounts payable (including to related parties)	27,711,861	-	-	-	27,711,861
Other payables (including to related parties)	6,610,903	-	-	-	6,610,903
Non-current borrowings (including interest to be paid)	2,782,278	20,368,064	1,534,654	-	24,684,996
Lease liabilities (including non-current portion)	154,965	316,593	6,105	-	477,663

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the years ended December 31, 2023:

	Current borrowings	Short-term notes and bills payable	Lease liabilities	Non-current borrowings (including current portion)	Total liabilities from financing activities
As of January 1, 2023	$ 30,279,151	$ 1,722,578	$398,835	$ 22,979,201	$55,379,765
Cash flows	(13,340,456)	(24,939)	(153,758)	4,305,252	(9,213,901)
Non-cash changes	-	65	38,284	-	38,349
Foreign exchange movement	1,628,429	(61)	(51,409)	(719,716)	857,243
As of December 31, 2023	$18,567,124	$1,697,643	$231,952	$26,564,737	$47,061,456

Reconciliation of liabilities for the years ended December 31, 2022:

	Current borrowings	Short-term notes and bills payable	Lease liabilities	Non-current borrowings (including current portion)	Total liabilities from financing activities
As of January 1, 2022	$ 28,066,102	$ 2,768,643	$491,258	$14,358,751	$45,684,754
Cash flows	349,634	(1,045,000)	(205,139)	7,800,695	6,900,190
Non-cash charges	-	(1,065)	50,486	-	49,421
Foreign exchange movement	1,863,415	-	62,230	819,755	2,745,400
As of December 31, 2022	$ 30,279,151	$ 1,722,578	$398,835	$ 22,979,201	$55,379,765

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, accounts receivable (including due from related parties), other receivables (including due from related parties), accounts payable (including to related parties), other payables (including to related parties) and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates and bonds etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Among the Group's financial assets and financial liabilities measured at amortized cost, other than cash and cash equivalents, financial assets at amortised cost, accounts receivable (including due from related parties), other receivables (including due from related parties), current borrowings, short-term notes and bills payable, accounts payable (including to related parties), other payables (including to related parties), other current liabilities and non-current borrowings, the carrying amount approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivatives financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of December 31, 2023 and 2022 was as follows:

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts were not designated as hedging instruments. The table below listed the information related to forward currency contracts:

As of December 31, 2023

Items	Contract Amount	Exchange Currency	Contract Period
Forward currency contract	Sell USD 40,000 thousand	CNY	January 31, 2024
Forward currency contract	Sell USD 50,000 thousand	TWD	January 31, 2024
Forward currency contract	Sell USD 5,700 thousand	PHP	January 31, 2024
Forward currency contract	Sell USD 33,936 thousand	THB	March 12, 2024~ March 20, 2024
Forward currency contract	Sell USD 100,000 thousand	TWD	January 31, 2024
Forward currency contract	Sell USD 37,000 thousand	CNY	January 31, 2024
Forward currency contract	Sell USD 9,000 thousand	MXN	January 31, 2024
Forward currency contract	Buy USD 271,867 thousand	THB	January 31, 2024~ May 31, 2024
Forward currency contract	Buy USD 3,000 thousand	PHP	January 31, 2024
Forward currency contract	Buy USD 30,000 thousand	THB	January 31, 2024
Forward currency contract	Buy USD 33,977 thousand	THB	March, 12, 2024 to March, 20, 2024
Forward currency contract	Buy USD 25,000 thousand	BRL	January 11 2024~ January 31, 2024
Forward currency contract	Buy USD 3,000 thousand	BRL	January 18, 2024~January 31, 2024

As of December 31, 2022

Items	Contract Amount	Exchange Currency	Contract Period
Forward currency contract	Sell USD 10,000 thousand	PHP	January 31, 2023
Forward currency contract	Sell USD 21,501 thousand	THB	From March 21, 2023 to April 24, 2023
Forward currency contract	Sell USD 40,000 thousand	THB	From January 13, 2023 to January 26, 2023
Forward currency contract	Sell USD 5,000 thousand	MXN	January 31, 2023
Forward currency contract	Sell USD 68,000 thousand	THB	January 31, 2023
Forward currency contract	Sell USD 13,000 thousand	THB	January 31, 2023
Forward currency contract	Sell USD 4,500 thousand	PHP	January 31, 2023
Forward currency contract	Buy USD 21,517 thousand	THB	From March 21 , 2023 to April 24, 2023
Forward currency contract	Buy USD 53,110 thousand	BRL	From January 12, 2023 to January 31, 2023

The counterparties for the aforementioned derivatives transactions were well known local or overseas banks, as they had sound credit ratings, the credit risk was insignificant.

With regard to the forward foreign exchange contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

As of December 31, 2023 and 2022, the Group had forward currency contract transactions which were settled but not received, recognized as other receivables, amounted to $205,384 thousand and $41,378 thousand, respectively. The forward currency contract transactions which were settled but not paid, recognized as other payables, amounted to $176,462 thousand and $33,887 thousand, respectively.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group did not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group assets and liabilities measured at fair value on a recurring basis was as follows:

As of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Financial assets:				
At fair value through profit or loss				
Convertible corporate bond	$-	$-	$1,550,470	$1,550,470
Forward currency contracts	-	57,940	-	57,940
Assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	6,398,293	-	111,814	6,510,107
Financial liabilities:				
At fair value through profit or loss				
Forward contract	-	43,318	-	43,318

As of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Financial assets:				
At fair value through profit or loss				
Convertible corporate bond	$-	$-	$1,478,358	$1,478,358
Foreign Exchange Forward Contract	-	59,041	-	59,041
At fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	3,529,135	-	494,937	4,024,072
Financial liabilities:				
At fair value through profit or loss				
Forward contract	-	60,885	-	60,885

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

The movements during the period were as follows:

	Assets			
	At fair value through profit and loss		At fair value through other comprehensive income	
	Convertible Corporate Bond	Structured Deposit	Stocks	Total
Beginning balances As of January 1, 2023	$1,478,358	$-	$494,937	$1,973,295
Total gains and losses recognized for the years ended December 31, 2023:				
Amount recognized in profit or loss (presented in “other profit or loss”)	108,432	-	-	108,432
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	-	(164,112)	(164,112)

	Assets			
	At fair value through profit and loss		At fair value through other comprehensive income	
	Convertible Corporate Bond	Structured Deposit	Stocks	Total
Acquisition for the years ended December 31, 2023	-	-	53,900	53,900
Disposal/settlements/reclassification for the years ended December 31, 2023	(36,320)	-	(259,262)	(295,582)
Capital reduction and refund of shares for the year ended December 31, 2023	-		(381)	(381)
Effect of exchange rate changes	-	-	(13,268)	(13,268)
Ending balances As of December 31, 2023	$1,550,470	$-	$111,814	$1,662,284

	Assets			
	At fair value through profit and loss		At fair value through other comprehensive income	
	Convertible Corporate Bonds	Structured Deposit	Stocks	Total
Beginning balances as of January 1, 2022	$1,507,752	$523,043	$545,443	$2,576,238
Total gains and losses recognized for the years ended December 31, 2022:				
Amount recognized in profit or loss (presented in “other profit or loss”)	40,503	7,613	-	48,116
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	-	(61,205)	(61,205)
Acquisition for the years ended December 31, 2022	-	1,898,180	-	1,898,180
Disposal/settlements/reclassification for the years ended December 31, 2022	(69,897)	(2,440,100)	-	(2,509,997)
Effect of exchange rate changes and others	-	11,264	10,699	21,963
Ending balances as of December 31, 2022	$1,478,358	$-	$494,937	$1,973,295

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy was as follows:

As of December 31, 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit and loss					
Convertible corporate bonds	Binomial Model	Long-term net profit before tax weighted average cost of funds	14.71%	The higher the long-term net profit before tax, the higher the fair value of the convertible bonds	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group's profit or loss by $15,505 thousand
		Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the convertible bonds	
Structured deposit	Market approach	Price of the structured deposit	-	-	Structured deposit is a monetary transaction, therefore its value is equal to fair value
At fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group's equity by $528 thousand

As of December 31, 2022:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit and loss					
Convertible corporate bonds	Cox-Ross-Rubinstein	Volatility of the stock price	44.58%	The higher the volatility of the stock price, the higher the fair value of the convertible bonds	1% increase (decrease) in the volatility of the stock price would not have significant effect on the Group's profit or loss
Convertible corporate bonds	Binomial Model	Long-term net profit before tax weighted average cost of funds	15.50%	The higher the long-term net profit before tax, the higher the fair value of the convertible bonds	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group's profit or loss by $14,682 thousand
		Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the convertible bonds	
Structured deposit	Market approach	Price of the structured deposit		-	Structured deposit is a monetary transaction, therefore its value is equal to fair value
At fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group's equity by $6,187 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's finance department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value was disclosed.

As of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Financial assets did not measure at fair value but for which the fair value was disclosed:				
Financial assets measured at amortized cost				
Time deposit and cash in banks	$-	$39,698	$-	$39,698
Investments accounted for using equity method (Note1)	6,666,558	-	-	6,666,558
Investment property (Note2)	-	-	190,491	190,491
Financial liabilities did not measure at fair value but for which the fair value was disclosed:				
Non-current borrowings (including current portion)	-	26,564,737	-	26,564,737

As of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Financial assets did not measure at fair value but for which the fair value was disclosed:				
Financial assets measured at amortized cost				
Time deposit and cash in banks	$-	$34,729	$-	$34,729
Investments accounted for using equity method (Note1)	3,724,949	-	-	3,724,949
Investment property (Note2)	-	-	190,336	190,336
Financial liabilities did not measure at fair value but for which the fair value was disclosed:				
Non-current borrowings (including current portion)	-	22,979,201	-	22,979,201

Note 1: Please refer to Note 6(11) for more detailed information for the investments in associates.

Note 2: Please refer to Note 6(13) for more detailed information for the investment property.

(10) Significant assets and liabilities denominated in foreign currencies

(In thousands)

	As of December 31, 2023				
				Sensitivity analysis	
	Foreign currencies	Exchange rate	Carrying amount (NTD)	Fluctuation	Effect on income
Financial assets					
Monetary items					
USD	$534,023	30.7350	$16,413,193	0.5%	$82,066
CNY	171,614	4.3394	744,703	0.5%	3,724
THB	897,000	0.8981	805,596	0.5%	4,028
PHP	436,869	0.5551	242,506	0.5%	1,213
Financial liabilities					
Monetary items					
USD	37,659	30.7350	1,157,461	0.5%	5,787
CNY	516,484	4.3394	2,241,229	0.5%	11,206
THB	9,794,000	0.8981	8,795,991	0.5%	43,980
PHP	9,461	0.5551	5,252	0.5%	26

(In thousands)

	As of December 31, 2022				
				Sensitivity analysis	
	Foreign currencies	Exchange rate	Carrying amount (NTD)	Fluctuation	Effect on income
Financial assets					
Monetary items					
USD	$503,735	30.7100	$15,469,700	0.5%	$77,349
CNY	187,026	4.4094	824,674	0.5%	4,123
THB	1,455,000	0.8899	1,294,805	0.5%	6,474
PHP	140,582	0.5508	77,432	0.5%	387
Financial liabilities					
Monetary items					
USD	59,754	30.7100	1,835,040	0.5%	9,175
CNY	463,005	4.4094	2,041,573	0.5%	10,208
THB	2,793,000	0.8899	2,485,491	0.5%	12,427
PHP	1,207,119	0.5508	664,881	0.5%	3,234

The Group's foreign currency transactions were denominated in multiple currency; therefore, the information of the foreign exchange gains (losses) of monetary assets and liabilities denominated by each currency was not applicable for disclosure. The Group's significant monetary financial assets and liabilities denominated in foreign currencies incurred foreign exchange gain (loss) (including realized and unrealized) of $(192,707) thousand and $425,503 thousand for the years ended December 31, 2023 and 2022, respectively.

The above information was disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions (portion of transactions were eliminated upon consolidation)

A. Financings provided to others: Please refer to table 1 for more details.

B. Endorsements/guarantees provided to others: Please refer to table 2 for more details.

C. Marketable securities held (not including subsidiaries, associates and joint ventures): Please refer to table 3 for more details.

D. Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20 percent of the capital stock: Please refer to table 4 for more details.

E. Acquisition of individual real estate properties at costs of at least NTD 300 million or 20 percent of the paid-in capital: No such circumstances.

F. Disposal of individual real estate properties at costs of at least NTD 300 million or 20 percent of the paid-in capital: No such circumstances.

G. Total purchases from or sales to related parties of at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 5 for more details.

H. Receivables due from related parities amounting to at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 6 for more details.

I. Derivative instruments transactions: Please refer to Note 6 and Note 12 for more details.

J. Significant intercompany transactions between consolidated entities: Please refer to table 7 for more details.

(2) Information on investees (portion of investees information were eliminated upon consolidation)

A. Financings provided to others: Please refer to table 1 for more details.

B. Endorsements/guarantees provided to others: Please refer to table 2 for more details.

C. Marketable securities held (not including subsidiaries, associates and joint ventures): Please refer to table 3 for more details.

D. Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20 percent of the capital stock: Please refer to table 4 for more details.

E. Acquisition of individual real estate properties at costs of at least NTD 300 million or 20 percent of the paid-in capital: No such circumstances.

F. Disposal of individual real estate properties at costs of at least NTD 300 million or 20 percent of the paid-in capital: No such circumstances.

G. Total purchases from or sales to related parties of at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 5 for more details.

H. Receivables due from related parities amounting to at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 6 for more details.

I. Derivative instruments transactions: Please refer to Note 6 and Note 12 for more details.

J. Names, locations and related information of investees over which the company exercises significant influence (not including information on investments in Mainland China): Please refer to table 8 for more details.

(3) Information on investments in Mainland China (Eliminated upon consolidation)

A. Names, main business, paid-in capital, method of investment, investment flows, percentage of ownership, share of profits (losses), carrying amount at the end of the period, accumulated inward remittance of earnings and the upper limit of investment: Please refer to table 9 for more details.

B. Significant transactions with investee in Mainland China

Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to tables 5 to 7 for more details.

(4) Information on major shareholders

Shares / Major shareholders	Total shares owned	Ownership percent
Compal Electronics, Inc.	124,043,763 shares	8.26%

Note 1: The major shareholders information was from the date that the Company issued common shares (including treasury shares) and preference shares in dematerialized form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialized form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.

14. Segment information

(1) Segment information

	For the years end ended December 31, 2023			
	Consuming electronic products	Other operating segments	Adjustment and elimination	Consolidated
External customer	$158,001,132	$1,756,082	$-	$159,757,214
Segment profit	$1,763,431	(934,816)	$-	$828,615

	For the years end ended December 31, 2022			
	Consuming electronic products	Other operating segments	Adjustment and elimination	Consolidated
External customer	$179,722,548	$1,691,901	$-	$181,414,449
Segment profit	$1,796,737	$(844,245)	$-	$952,492

The Group's only reportable segment was the Consumer Electronic Products Segment. The segment mainly engages in design and manufacturing of calculator/computer, web-based communications, computer peripherals and storage products. The Group also had other segments that did not exceed the quantitative threshold. The segments mainly engage in production and sale of passive components.

The segment assets information of the Group as of December 31, 2023 and 2022 were as follows:

Segment assets

	Consumer electronic products	Other operating segments	Adjustment and elimination	Consolidated
December 31, 2023	$112,120,937	$4,574,418	$-	$116,695,355
December 31, 2022	$120,159,659	$5,304,860	$-	$125,464,519

The amount reported by the Group was consistent with that used by the operating decision makers. There was no material inconsistency between the accounting policies of the operating segment and the accounting policies described in Note 4. The Group uses the operating profit or loss (net of tax) as the measurement for segment profit and the basis of performance assessment.

(2) Geographical information

See the table below for the sales from the external clients of the Group categorized by the regions where the clients are and the non-current assets categorized by where they are:

	Operating revenues		Non-current assets	
	For the years ended		As of	
	December 31,2023	December 31,2022	December 31,2023	December 31,2022
Taiwan	$45,707,535	$31,339,265	$1,485,949	$1,590,223
Asia(Other than Taiwan)	94,401,516	120,496,462	24,658,809	25,822,757
Americas	15,997,733	21,951,677	918,381	1,040,176
Others	3,650,430	7,627,045	331,556	262,292
Total	$159,757,214	$181,414,449	$27,394,695	$28,715,448

Non-current assets were referred to property, plant and asset, investment property, intangible assets and other non-current assets, but financial instruments and deferred tax assets were not included.

(3) Product information

Product	For the years ended	
	December 31, 2023	December 31, 2022
Consumer electronics products	$158,001,132	$179,722,548
Other product	1,756,082	1,691,901
Total	$159,757,214	$181,414,449

(4) Information about major customers

Customers that contribute revenues exceeding 10% of total revenues for the years ended December 31, 2023 and 2022 were as follows:

For the years ended					
December 31, 2023			December 31, 2022		
Client name	Amount	%	Client name	Amount	%
A company	$45,596,827	29%	A company	$31,265,000	17%
B company	22,519,784	14%	B company	30,731,748	17%
C company	18,870,334	12%	C company	25,521,900	14%
D company	16,360,822	10%	D company	22,117,656	12%
Total	$103,347,767		Total	$109,636,304	

Table 1: Financings provided to others

(Unit: thousands of NTD/ foreign currency)

No. <Note1>	Financing Company	Related Party	Financial Statement Account	Related Party	Maximum Balance for the period	Ending Balance (Passed by the Board of Directores)	Amount Acutally Drawn	Interest rate	Nature of Financing <Note2>	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company <Note3>	Financing Company's Total Financing Amount Limits <Note4>
													Item	Value		
0	Kinpo Electronics, Inc.	Kinpo International Ltd.	Other receivables due from related parties	Yes	USD 110,000 (3,566,090)	USD 85,000 (2,612,475)	USD 85,000 (2,612,475)	6.01%~6.40%	2	-	Need for operating	-	-	-	$4,292,266	$17,169,063
0	Kinpo Electronics, Inc.	Kinpo Electronics (Philippines), Inc.	〃	Yes	USD 50,000 (1,620,950)	USD 50,000 (1,536,750)	- -	1M TAIFX3+0.5%	2	-	Need for operating	-	-	-	4,292,266	17,169,063
0	Kinpo Electronics, Inc.	XYZprinting Japan, Inc.	〃	Yes	JPY 600,000 (138,480)	- -	- -	-	2	-	Need for operating	-	-	-	4,292,266	17,169,063
0	Kinpo Electronics, Inc.	XYZprinting, Inc.	〃	Yes	900,000	350,000	-	3M TAIBOR+0.8%	2	-	Need for operating	-	-	-	4,292,266	17,169,063
1	Kinpo International Ltd.	XYZprinting, Inc. (USA)	〃	Yes	USD 3,000 (97,257)	USD 3,000 (92,205)	USD 3,000 (92,205)	6.47%	2	-	Need for operating	-	-	-	711,472	3,557,361
2	Kinpo International (Singapore) Pte. Ltd.	Kinpo Electronics (Philippines), Inc.	〃	Yes	USD 65,000 (2,107,235)	USD 65,000 (1,997,775)	USD 12,700 (390,335)	6.24%	2	-	Need for operating	-	-	-	7,852,548	7,852,548
3	Cal-Comp Technology (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	〃	Yes	USD 13,000 (421,447)	USD 13,000 (399,555)	USD 12,000 (368,820)	6.66937%~6.67802%	2	-	Need for operating	-	-	-	9,171,218	9,171,218
3	Cal-Comp Technology (Philippines), Inc.	Confiar Land Corp.	〃	Yes	USD 2,000 (129,676)	USD 2,000 (61,470)	USD 1,400 (43,029)	6.68822%	2	-	Need for operating	-	-	-	1,834,244	9,171,218
4	Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria de Semicondutores S.A.	〃	Yes	USD 7,500 (243,143)	USD 7,500 (230,513)	USD 7,500 (230,513)	8.00674%	2	-	Need for operating	-	-	-	4,672,607	17,169,063
4	Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	〃	Yes	USD 20,000 (1,152,984)	- -	- -	-	2	-	Need for operating	-	-	-	4,672,607	17,169,063
5	Cal-Comp Precision (Thailand) Limited	Cal-Comp Precision (Philippines), Inc.	〃	Yes	USD 45,000 (1,458,855)	USD 30,000 (922,050)	- -	3M CME Term SOFR+0.9%	2	-	Need for operating	-	-	-	1,697,626	1,697,626
5	Cal-Comp Precision (Thailand) Limited	Cal-Comp Precision (Singapore) Limited	〃	Yes	USD 55,000 (1,719,300)	USD 55,000 (1,690,425)	USD 55,000 (1,690,425)	6.24835%	2	-	Need for operating	-	-	-	1,697,626	1,697,626
6	Cal-Comp Precision (Malaysia) SDN. BHD.	Cal-Comp Precision (Singapore) Limited	〃	Yes	USD 2,000 (62,520)	USD 2,000 (61,470)	- -	3M CME Term SOFR+0.9%	2	-	Need for operating	-	-	-	193,316	193,316
7	Cal-Comp Precision (Dongguan) Limited	Cal-Comp Precision (Yueyang) Co., Ltd.	〃	Yes	USD 40,000 (176,068)	USD 40,000 (173,576)	- -	1Year LPR+0.15%	2	-	Need for operating	-	-	-	346,914	346,914
8	Cal-Comp Electronics (USA) Co., Ltd.	Cal-Comp USA (San Diego), Inc.	〃	Yes	USD 3,000 (97,257)	USD 3,000 (92,205)	- -	3M CME SOFR+1%	2	-	Need for operating	-	-	-	986,298	986,298
9	Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	〃	Yes	CNY 140,000 (632,310)	CNY 140,000 (607,516)	CNY 140,000 (607,516)	3.8%	2	-	Need for operating	-	-	-	4,294,426	4,294,426
10	Kinpo Electronics (China) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	〃	Yes	CNY 50,000 (225,825)	CNY 50,000 (216,970)	- -	LPR3.45%+0.15%	2	-	Need for operating	-	-	-	4,342,390	4,342,390
10	Kinpo Electronics (China) Co., Ltd.	LIZ Electronics (Nantong) Co., Ltd.	〃	Yes	CNY 418,000 (1,813,869)	CNY 418,000 (1,813,869)	CNY 200,000 (867,880)	6.35%	2	-	Need for operating	-	-	-	4,342,390	4,342,390
11	LIZ Electronics (Kunshan) Co., Ltd.	LIZ Electronics (Nantong) Co., Ltd.	〃	Yes	CNY 30,000 (135,495)	CNY 15,000 (65,091)	- -	4.35%	1	CNY 49,586 (215,174)	-	-	-	-	66,145	66,145
12	LIZ Electronics (Nantong) Co., Ltd.	LIZ Electronics (Kunshan) Co., Ltd.	〃	Yes	CNY 30,000 (135,495)	CNY 15,000 (65,091)	- -	4.35%	1	CNY 49,586 (215,174)	-	-	-	-	100,193	100,193
13	Crownpo Technology Inc.	Li-Cheng Materials Co., Ltd.	〃	Yes	16,000	-	-	-	2	-	Need for operating	-	-	-	374	1,494

<Note 1> The numbers filled in for the financings provided by the group or subsidiaries are as follows:
1. The Company is "0".
2. The subsidiaries are numbered in order starting from "1".

<Note 2> The codes represent the nature of financing activities as follows:
1. Trading partner is "1".
2. Short-term financing is "2".

<Note 3> Financing limits for each borrowing companies are as follows:
1. Non related party
(1) Trading Partners: The maximum of total financing is highter of the transaction amount during the most recent 3 months or 30% of transaction amount during current year, and shall not exceed 10% of its net worth.
(2) Short-term financing: The maximum of total financing is 80% of counter-party's net worth and shall not exceed 4% of its net worth.
2. Related Party
(1) Trading Partners: The maximum of total financing is highter of the transaction amount during the most recent 3 months or during current year, and shall not exceed 20% of its net worth.
(2) Short-term financing: The maximum of total financing is 20% of its net worth.
(3) Subsidiaries 100% held by the company: The maximum of total financing is 100% of the company's net worth.

<Note 4> Financing company's total financing amount limits are as follows:
1. The maximum amount of financing to trading partners is 100% of transaction amount during current year and shall not exceed 40% of its net worth.
2. The maximum amount of short-term financing is 40% of financing company's net worth.
3. The maximum amount of short-term financing to subsidiaries 100% held by the company is 100% of the company.
4. The summary of the three situations above shall not exceed 80% of the company's net worth.

Table 2: Endorsements/guarantees provided to others

(Unit: thousands of NTD/ foreign currency)

No. <Note1>	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party <Note3>	Maximum Balance for the period	Ending Balance	Amount Actually Drawn	Amounts of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable <Note3>	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guanantee Provided to Subsidiaries in Mainland China
		Name	Nature of relationship <Note2>										
0	Kinpo Electronics, Inc.	Kinpo International Ltd.	2	$21,461,329	USD 141,000 (4,571,079)	USD 137,000 (4,210,695)	USD 2,600 (79,911)	$-	19.62%	$21,461,329	YES	NO	NO
0	Kinpo Electronics, Inc.	Kinpo International (Singapore) Pte. Ltd.	2	21,461,329	USD 30,000 (972,570)	USD 25,000 (768,375)	-	-	3.58%	21,461,329	YES	NO	NO
0	Kinpo Electronics, Inc.	XYZprinting, Inc.	2	21,461,329	930,000	260,000	-	-	1.21%	21,461,329	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Logistar International Holding Co., Ltd.	2	21,461,329	USD 135,000 EUR 4,500 (4,456,319)	- - -	- - -	-	-	21,461,329	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Cal-Comp Electronics (USA) Co., Ltd.	2	21,461,329	USD 35,000 (1,134,665)	USD 35,000 (1,075,725)	-	-	5.01%	21,461,329	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Cal-Comp Electronics & Communications Co., Ltd.	2	21,461,329	USD 91,000 1,000,000 (3,950,129)	USD 91,000 1,000,000 (3,796,885)	USD 48,340 480,000 (1,965,718)	-	17.69%	21,461,329	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Qbit Semiconductor Ltd.	2	-	575,000 USD 22,000 (1,266,460)	- - -	- - -	-	-	-	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Cal-Comp Precision (Singapore) Limited	2	21,461,329	USD 10,000 (324,190)	USD 10,000 (307,350)	-	-	1.43%	21,461,329	YES	NO	NO
2	Cal-Comp Precision Holding Co., Ltd.	Cal-Comp Precision (Singapore) Limited	2	3,530,990	USD 45,000 (1,563,000)	USD 50,000 (1,536,750)	-	-	7.16%	3,530,990	YES	NO	NO

<Note 1> The numbers filled in for the endorsements/guarantees provided by the group or subsidiaries are as follows:
1. The Company is "0".
2. The subsidiaries are numbered in order starting from "1".

<Note 2> The following code represents the relationship with the company:
1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

<Note 3> The limit amount of endorsement/guarantee are as follows:
1. The aggregate amount of endorsement/guarantee:
(1) The aggregate amount of transactions of endorsement/guarantee must be less than 100% of net worth of provider company.
(2) The aggregate amount of endorsement /guarnatee of the Company and subsidiaries should be less than 2% of the company's net worth.
(3) The aggregate amount of endorsements/guarantees that the Company as a whole may exceed 50% of the Company's net worth, and the Company should explain the rationality of it in the shareholders meeting.
2. The amount of endorsement/guarantee for any single entity is as follow:
(1) The amount of endorsement/guarantee for trading partners should be less than 30% of the total sales or purchase transactions between endorsor/guarantor and the receiving party from the previous fiscal year, and should be less than 65% of the Company's net worth.
(2) For subsidiaries jointly or directly owned over 50% by the company, the amount of endorsement/guarantee for the entity should be less than 100% of the company's net worth.
(3) For subsidiaries jointly or directly owned over 90% by the company, the amount of endorsement/guarantee for the entity should be less than 10% of the company's net worth, except for 100% owned companies. The ceiling for subsidiaries owned 100% is 100% of the Company's net worth.

Table 3: Marketable securities held (not including subsidaries, associates and joint ventures) (Unit: thousands of NTD/ foreign currency)

No. <Note1>	Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	As of December 31, 2023				Remark
					Share/Units	Carrying Value	Percentage	Fair Value	
0	Kinpo Electronics, Inc.	Amphastar Pharmaceuticals, Inc. / Stock	-	Current financial assets at fair value through other comprehensive income	20,000	$38,019	0.03%	$38,019	Public: AMPH
0	Kinpo Electronics, Inc.	Compal Electronics, Inc. / Stock	-	Non-current financial assets at fair value through other comprehensive income	151,628,692	6,042,403	3.44%	6,042,404	Public: 2324
0	Kinpo Electronics, Inc.	Taiwan Mobile Co., Ltd. / Stock	-	〃	3,223,835	317,870	0.09%	317,870	Public: 3045
0	Kinpo Electronics, Inc.	Helios Semiconductor, Inc. / Stock	-	〃	42,001	-	0.64%	-	
0	Kinpo Electronics, Inc.	Norm Pacific Automation Corp. / Stock	-	〃	469,240	6,156	1.64%	6,156	
0	Kinpo Electronics, Inc.	Prudence Capital Management Ltd. / Stock	-	〃	66,273	1,201	1.00%	1,201	
0	Kinpo Electronics, Inc.	Puritron Technology Inc. / Stock	-	〃	629,148	2,284	3.85%	2,284	
0	Kinpo Electronics, Inc.	Intergrafx Holding Ltd. / Convertible preferred stock	-	〃	1,166,667	-	-	-	
0	Kinpo Electronics, Inc.	PChome Ventures fund / Stock	-	〃	157,080	-	6.06%	-	
0	Kinpo Electronics, Inc.	iMedtac Company Limited / Stock	-	〃	890,400	19,215	5.05%	19,215	
0	Kinpo Electronics, Inc.	Hongyi optical Company Limited / Stock	-	〃	2,156,000	13,389	17.13%	13,389	
1	Kinpo International (Singapore) Pte. Ltd.	URSrobot Holding Ltd. / Preferred stock	-	〃	2,033,180	USD 813	-	USD 813	
2	XYZprinting, Inc.	Taiwan Tech 3D Co., Ltd. / Stock	-	〃	200,000	-	10.00%	-	
3	CastleNet Technology Inc.	SPI. / Convertible corporate bond	-	Current equity investments measured at fair value through profit and loss	-	1,550,470	-	1,550,470	
4	Cal-Comp Electronics (Thailand) Public Company Limited	Nexa3D Inc. / Stock	-	Non-current equity investments measured at fair value through other comprehensive income	57,445,600	-	11.75%	-	
5	Logistar International Holding Co., Ltd.	Mojoose Inc. / Convertible corporate bond	-	Non-current financial assets at fair value through profit and loss	-	-	-	-	
6	Cal-Comp Electronics (USA) Co., Ltd.	Fellow, Inc. / Stock	-	Non-current equity investments measured at fair value through other comprehensive income	480,815	-	4.72%	-	
7	Cal-Comp Semiconductor, Ltd.	QBit Semiconductor Ltd.	-	〃	7,220,000	USD 1,450	19.00%	USD 1,450	

<Note 1> The numbers filled in for the marketable securities held by the group or subsidiaries are as follows:

(1) The company is "0".

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

Table 4: Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20 percent of the capital stock

(Unit: thousands of NTD/ foreign currency)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount	Remark
Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Investments accounted for using equity method	Capital increment in cash	-	2,511,896,605	$8,188,704	2,712,059,810	$3,380,704	-	-	-	-	5,223,956,415	$12,181,293	<Note1>
Kinpo Electronics, Inc.	XYZprinting, Inc.	〃	Capital increment in cash	-	43,151,760	(509,674)	72,000,000	720,000	-	-	-	-	115,151,760	13,270	<Note1>
Kinpo Electronics, Inc.	AcBel Polytech Inc.	〃	Capital increment in cash	-	124,788,917	2,402,989	37,414,446	1,451,681	-	-	-	-	162,203,363	4,358,476	<Note1>
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc.	〃	Capital increment in cash	-	43,151,760	(509,674)	72,000,000	720,000	-	-	-	-	115,151,760	13,270	<Note1>
Cal-Comp Electronics & Communications Co., Ltd	Logistar International Holding Co., Ltd.	〃	Capital increment in cash	-	270,000,000	(5,110,513)	128,000,000	4,424,245	-	-	-	-	398,000,000	(1,059,120)	<Note1 and 2>

<Note 1> The ending balance included the recognition of share of profit (loss) of associates and joint ventures accounted for using equity method, exchange differences on translation and unrealised gains (losses) from investments in financial assets/liabilities, etc.

<Note 2> Certain cash capital increase in this period was not yet verified.

Table 5: Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital

(Unit: thousands of NTD/ foreign currency)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction Terms Different From Regular Transactions		Notes/Accounts Receivable (Payable)		Remark
			Purchase /Sales	Amount	% to Total	Payment Term	Unit Price	Payment Term	Ending Balance	% to Total <Note>	
Kinpo Electronics, Inc.	Kinpo Electronics (Philippines), Inc.	Subsidiary	Purchases	$2,892,927	5.65%	About 30 days	Similar to general terms and conditions	About 30 days	($401,840)	3.65%	
Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Subsidiary	Purchases	48,267,800	94.34%	About 30 days	Similar to general terms and conditions	About 30 days	(10,493,252)	95.38%	
Kinpo Electronics, Inc.	Compal Electronics, Inc.	Substantive Related Parties	Sales	45,596,317	87.88%	About 50 days	Similar to general terms and conditions	About 50 days	9,423,090	84.88%	
Kinpo International Ltd.	Kinpo Electronics, Inc. (China)	Subsidiary	Purchases	CNY 748,909	60.20%	—	Similar to general terms and conditions	—	(CNY 55,263)	30.78%	
Kinpo Electronics, Inc.(China)	Kinpo International Ltd.	Parent company	Sales	CNY 748,909	93.87%	—	Similar to general terms and conditions	—	CNY 55,263	12.07%	
Kinpo Electronics (Philippines), Inc.	Kinpo Electronics, Inc.	Parent company	Sales	USD 93,914	13.38%	About 30 days	Similar to general terms and conditions	About 30 days	USD 13,074	10.16%	
Kinpo Electronics (Philippines), Inc.	Cal-Comp Precision (Philippines), Inc.	Affiliated company	Purchases	USD 104,558	18.74%	About 30 days	Similar to general terms and conditions	About 30 days	(USD 10,336)	9.74%	
Kinpo Electronics (Philippines), Inc.	Cal-Comp Precision (Singapore) Limited	Affiliated company	Purchases	USD 4,025	0.72%	About 30 days	Similar to general terms and conditions	About 30 days	(USD 457)	0.43%	
Kinpo Electronics (Philippines), Inc.	AcBel Polytech (Philippines), Inc.	Affiliated company	Purchases	USD 3,933	0.70%	About 30 days	Similar to general terms and conditions	About 30 days	(USD 1,313)	1.24%	
XYZprinting, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Affiliated company	Purchases	193,058	83.06%	About 90 days	Similar to general terms and conditions	About 90 days	(159,543)	93.72%	
CastleNet Technology Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Affiliated company	Purchases	273,955	40.12%	About 90-120 days	Similar to general terms and conditions	About 90-120 days	(44,087)	31.46%	
Cal-Comp Electronics (Thailand) Public Company Limited	Kinpo Electronics, Inc.	Parent company	Sales	USD 1,543,471	46.16%	About 30 days	Similar to general terms and conditions	About 30 days	USD 341,411	46.49%	
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc.	Affiliated company	Sales	USD 4,620	0.14%	About 90 days	Similar to general terms and conditions	About 90 days	USD 3,587	0.49%	
Cal-Comp Electronics (Thailand) Public Company Limited	CastleNet Technology Inc.	Affiliated company	Sales	USD 280,717	8.39%	About 90-120 days	Similar to general terms and conditions	About 90-120 days	USD 128,816	17.54%	
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics & Communications Co., Ltd.	Subsidiary	Sales	USD 300,381	8.98%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	USD 76,824	10.46%	
Cal-Comp Electronics (Thailand) Public Company Limited	CastleNet Technology Inc.	Affiliated company	Purchases	USD 3,569	0.11%	About 45 days	Similar to general terms and conditions	About 45 days	(USD 44)	0.01%	
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Precision (Thailand) Limited	Subsidiary	Purchases	USD 43,176	1.34%	About 60 days	Similar to general terms and conditions	About 60 days	(USD 7,966)	1.66%	
Cal-Comp Electronics (Thailand) Public Company Limited	Acbel Polytech Inc.	Associate	Purchases	USD 3,512	0.11%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	(USD 351)	0.07%	
Cal-Comp Electronics (Thailand) Public Company Limited	Compal Electronics, Inc.	Substantive Related Parties	Purchases	USD 1,083,243	33.56%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	(USD 208,675)	43.55%	
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company	Sales	CNY 626,479	100.00%	About 45-90 days	Similar to general terms and conditions	About 45-90 days	CNY 152,730	100.00%	
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company	Sales	CNY 2,451,970	94.01%	About 90 days	Similar to general terms and conditions	About 90 days	CNY 66,112	74.97%	
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Cal-Comp Precision (Yueyang) Co., Ltd.	Affiliated company	Purchases	CNY 338,897	13.55%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	(CNY 55,746)	17.59%	
Cal-Comp Precision (Thailand) Limited	Cal-Comp Electronics (Thailand) Public Company Limited	Parent company	Sales	USD 43,176	96.84%	About 60 days	Similar to general terms and conditions	About 60 days	USD 8,043	98.27%	
Cal-Comp Precision (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Affiliated company	Sales	USD 104,568	93.30%	About 30 days	Similar to general terms and conditions	About 30 days	USD 10,336	88.85%	
Cal-Comp Precision (Yueyang) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Affiliated company	Sales	CNY 338,897	95.47%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	CNY 55,673	92.97%	
Cal-Comp Electronics & Communications Co., Ltd.	Cal-Comp Electronics (Thailand) Public Company Limited	Parent company	Purchases	USD 300,380	44.04%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	(USD 76,824)	71.32%	
Cal-Comp Electronics & Communications Co., Ltd.	Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Affiliated company	Purchases	USD 88,893	13.03%	About 45-90 days	Similar to general terms and conditions	About 45-90 days	(USD 21,564)	20.02%	
Cal-Comp Electronics & Communications Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Affiliated company	Purchases	USD 292,347	42.86%	About 90 days	Similar to general terms and conditions	About 90 days	(USD 9,334)	8.67%	
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Cal-Comp Electronics (USA) Co., Ltd.	Affiliated company	Sales	MXN 203,303	100.00%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	MXN 50,648	100.00%	

<Note> Percentage to total sales (purchases), accounts and notes receivable (payable).

Table 6: Receivables due from related parties amounting to at least NTD 100 million or 20% of the paid-in capital

(Unit: thousands of NTD/ foreign currency)

Company Name	Related Party	Nature of Relationship	Financial Statement Account	Ending Balance	Turover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
Kinpo Electronics, Inc.	Compal Electronics, Inc.	Substantive Related Parties	Accounts receivable due from related parties	$9,423,090	6.79	$-	-	$9,423,090	$-
Kinpo Electronics, Inc.	Kinpo International Ltd.	Subsidiary	Other receivables due from related parties	2,678,481	-	-	-	-	-
Kinpo Electronics, Inc.	Kinpo Electronics (Philippines), Inc.	Subsidiary	Accounts receivable due from related parties	649,932	-	-	-	380,850	-
Kinpo International (Singapore) Pte. Ltd.	Kinpo Electronics (Philippines), Inc.	Subsidiary	Long-term receivable due from related parties	USD 13,573	-	-	-	USD 300	-
Kinpo International Ltd.	Kinpo Electronics, Inc.(China)	Subsidiary	Accounts receivable due from related parties	CNY 135,408	-	-	-	CNY 48,633	-
Kinpo Electronics, Inc.(China)	Kinpo International Ltd.	Parent company	〃	CNY 55,263	19.26	-	-	CNY 11,615	-
Kinpo Electronics, Inc.(China)	LIZ Electronics (Nantong) Co., Ltd.	Affiliated company	Long-term receivable due from related parties	CNY 217,366	-	-	-	CNY 217,366	-
Kinpo Electronics (Philippines), Inc.	Kinpo Electronics, Inc.	Parent company	Accounts receivable due from related parties	USD 13,074	13.85	-	-	USD 13,074	-
Cal-Comp Technology (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Parent company	Other receivables due from related parties	USD 12,804	-	-	-	-	-
Cal-Comp Electronics (Thailand) Public Company Limited	Kinpo Electronics, Inc.	Parent company	Accounts receivable due from related parties	USD 341,411	37.98	-	-	USD 324,869	-
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc.	Affiliated company	〃	USD 3,587	11.95	-	-	-	-
Cal-Comp Electronics (Thailand) Public Company Limited	CastleNet Technology Inc.	Affiliated company	〃	USD 128,816	14.55	-	-	USD 31,414	-
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics & Communications Co., Ltd.	Subsidiary	〃	USD 76,824	52.45	-	-	USD 25,525	-
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria de Semicondutores S.A.	Subsidiary	Long-term receivable due from related parties	USD 7,500	-	-	-	-	-
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company	Accounts receivable due from related parties	CNY 152,730	40.86	-	-	CNY 110,993	-
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Subsidiary	Other receivables due from related parties	CNY 140,000	-	-	-	-	-
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company	Accounts receivable due from related parties	CNY 66,112	203.02	-	-	CNY 66,112	-
Cal-Comp Precision (Thailand) Limited	Cal-Comp Electronics (Thailand) Public Company Limited	Parent company	〃	USD 8,043	38.81	-	-	USD 8,043	-
Cal-Comp Precision (Thailand) Limited	Cal-Comp Precision (Singapore), Inc.	Parent company	Long-term receivable due from related parties	USD 55,000	-	-	-	-	-
Cal-Comp Precision (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Affiliated company	Accounts receivable due from related parties	USD 10,336	48.22	-	-	USD 10,336	-
Cal-Comp Precision (Yueyang) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Affiliated company	〃	CNY 55,673	32.18	-	-	CNY 41,101	-
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Cal-Comp Electronics (USA) Co., Ltd.	Affiliated company	〃	MXN 50,648	13.10	-	-	MXN 16,091	-
Cal-Comp Electronics & Communications Co., Ltd.	Cal-Comp Electronics (Thailand) Public Company Limited	Parent company	〃	USD 11,510	0.44	-	-	USD 5,423	-

Table 7: Significant intercompany transactions between consolidated entities (Unit: thousands of NTD/ foreign currency)

No. (Note 1)	Company Name	Counterparty	Relationship the transacting party (Note 2)	Transaction details			
				Accounts	Amount	Transaction terms	Percentage of consolidated net revenues or total assets
0	Kinpo Electronics, Inc.	Cal-Comp Technology (Philippines), Inc. and it's subsidiary	1	Accounts receivables	$649,932	Same with common transaction terms	0.56%
0	Kinpo Electronics, Inc.	Cal-Comp Technology (Philippines), Inc. and it's subsidiary	1	Accounts payable	401,840	Same with common transaction terms	0.34%
0	Kinpo Electronics, Inc.	Cal-Comp Technology (Philippines), Inc. and it's subsidiary	1	Purchases	2,892,927	Same with common transaction terms	1.81%
0	Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	1	Accounts payable	10,493,252	Same with common transaction terms	8.99%
0	Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	1	Other payables	105,919	Same with common transaction terms	0.09%
0	Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	1	Purchases	48,268,138	Same with common transaction terms	30.21%
0	Kinpo Electronics, Inc.	Kinpo International Ltd. and Subsidiary	1	Interest income	133,653	Same with common transaction terms	0.08%
0	Kinpo Electronics, Inc.	Kinpo International Ltd. and Subsidiary	1	Other receivables	2,678,481	Same with common transaction terms	2.30%
1	Kinpo International Ltd. and Subsidiary	Lipo Holding Co., Ltd. and Subsidiary	3	Long-term receivables	943,238	Same with common transaction terms	0.81%
2	Cal-Comp Technology (Philippines), Inc. and it's subsidiary	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	3	Accounts payable	332,059	Same with common transaction terms	0.28%
2	Cal-Comp Technology (Philippines), Inc. and it's subsidiary	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	3	Purchases	3,378,633	Same with common transaction terms	2.11%
3	XYZprinting, Inc.and Subsidiary	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	3	Purchases	219,153	Same with common transaction terms	0.14%
3	XYZprinting, Inc.and Subsidiary	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	3	Accounts payable	159,543	Same with common transaction terms	0.14%
4	CastleNet Technology Inc.and Subsidiary	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	3	Purchases	273,955	Same with common transaction terms	0.17%
4	CastleNet Technology Inc.and Subsidiary	Cal-Comp Electronics (Thailand),Inc.and it's subsidiary	3	Other payables	142,698	Same with common transaction terms	0.12%

<Note1> The numbers filled in represent:

(1) The company is "0".

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

<Note2> The following lists the three types of intercompany transactions (one transaction between parent company and subsidiary or between subsidiaries could be disclosed only once.)

(1) Transactions from parent company to subsidiary is "1".

(2) Transactions from subsidiary to parent company is "2".

(3) Transactions between subsidiaries is "3".

<Note3> The percentage is divided by:

(1) Consolidated total assets if the transaction account belongs to balance sheet.

(2) Consolidated net revenue if the transaction account belongs to comprehensive income statement.

<Note4> We included only the intercompany transactions with amount larger than 100 millions in the table.

Table 8: Names, locations and related information of investees over which the company exercises significant influence (not including information on investments in Mainland China)

(Unit: thousands of NTD/ foreign currency)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance at The End of Period			Net Income (Losses) of The Investee	Share of Profits (Losses) of Investee	Nature of Relationship
				Ending balance	Beginning balance	Shares	Percentage of Ownership	Carrying Value			
Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and sales of computer peripherals and IT products	$5,701,173	$2,320,469	5,223,956,415	49.99%	$12,181,293	$995,947	$452,707	Subsidiary
Kinpo Electronics, Inc.	Kinpo International (Singapore) Pte. Ltd.	Singapore	Reinvestment on domestic and overseas business	3,203,059	3,203,059	247,955,881	100.00%	7,772,692	348,712	348,712	Subsidiary
Kinpo Electronics, Inc.	Kinpo International Ltd.	BVI	Holding company	4,801,764	4,801,764	154,223,270	100.00%	3,557,361	3,786	3,786	Subsidiary
Kinpo Electronics, Inc.	Lipo Holding Co., Ltd.	Cayman Islands	Holding company	505,305	505,305	102,000	51.00%	45,593	(723,684)	(369,079)	Subsidiary
Kinpo Electronics, Inc.	Crownpo Technology Inc.	Taiwan	Manufacturing and sales of chip diodes, etc.	341,730	341,730	5,805,765	51.61%	964	(117,415)	(60,598)	Subsidiary
Kinpo Electronics, Inc.	XYZprinting, Inc.	Taiwan	Trading 3D printer	1,151,518	431,518	115,151,760	48.59%	13,270	(321,086)	(152,856)	Subsidiary
Kinpo Electronics, Inc.	CastleNet Technology Inc.	Taiwan	Development, manufacturing and sales of products including cable modem, powerline communication and digital home application	1,775,923	1,775,923	129,958,907	68.08%	1,340,813	6,725	4,614	Subsidiary
Kinpo Electronics, Inc.	Cal-Comp Big Data, Inc.	Taiwan	Medical equipment, data processing and provision service	-	610,000	-	-	-	-	-	Subsidiary
Kinpo Electronics, Inc.	New Era AI Robotic Inc.	Taiwan	Trading robot and applications development	-	310,000	-	-	-	526	263	Subsidiary
Kinpo Electronics, Inc.	Cal-Comp Asset Management, Inc.	Taiwan	Asset management	50,000	50,000	5,000,000	100.00%	47,166	(3,542)	(3,542)	Subsidiary
Kinpo Electronics, Inc.	AcBel Polytech Inc.	Taiwan	Manufacturing switching power supply & sales of main materials	2,558,724	1,107,044	162,203,363	18.81%	4,358,476	18,724	3,891	Associate
Kinpo Electronics, Inc.	Kinpo Group Management Service Company	Taiwan	Investment and management consulting	3,000	3,000	300,000	37.50%	6,201	423	159	Associate
Kinpo Electronics, Inc.	Teleport Access Services, Inc.	Taiwan	First rate telecommunications, system design and engineering, integration, construction, and product services; restrained telecom radio frequency equipments and materials import	322,376	322,376	10,145,800	23.70%	224,407	4,714	1,118	Associate
Kinpo Electronics, Inc.	Ascendant Private Equity Investment Ltd. (Preferred Stock)	BVI	Reinvestment on domestic and overseas business	949,219	949,219	31,250,000	34.72%	1,522,889	35,797	12,429	Associate
Kinpo Electronics, Inc.	Ascendant Private Equity Investment Ltd. (Stock)	BVI	Reinvestment on domestic and overseas business	95	95	3,125	34.72%	96	35,797	-	Associate
Kinpo Electronics, Inc.	iHELPER Inc.	Taiwan	Healthcare industry robot , etc.	15,840	15,840	1,584,000	44.00%	6,679	(1,570)	(691)	Associate
Kinpo Electronics, Inc.	NTNU Innovation Investment Holding Company	Taiwan	Industry-academia cooperation	17,470	17,470	1,990,129	19.92%	10,524	(15,411)	(3,062)	Associate
Kinpo Electronics, Inc.	McTEC Taiwan Limited	Samoa	Reinvestment on domestic and overseas business	47,193	47,193	1,500,000	26.04%	-	-	-	Associate
Kinpo International (Singapore) Pte. Ltd.	Cal-Comp Technology (Philippines), Inc.	Philippines	Manufacturing	USD 100,000	USD 100,000	895,638,400	80.81%	7,411,261	455,921	<Note1>	Subsidiary
Cal-Comp Technology (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Philippines	Manufacturing and sales products of other companies' electronic products	USD 100,000	USD 100,000	49,260,075	100.00%	8,459,829	427,642	<Note1>	Subsidiary
Crownpo Technology Inc.	Ranashe International Ltd.	BVI	Holding company	137,962	137,962	50,000	100.00%	9,946	(89,334)	<Note1>	Subsidiary
Crownpo Technology Inc.	Li-Cheng Materials Corporation	Taiwan	Manufacturing chamical materials	-	23,000	-	-	-	(11,880)	<Note1>	Subsidiary
XYZprinting, Inc.	XYZprinting, Inc. (USA)	USA	Trading 3D printer	551,977	551,977	5,000	100.00%	(90,266)	(153,118)	<Note1>	Subsidiary
XYZprinting, Inc.	XYZprinting Japan, Inc.	Japan	Trading 3D printer	96,852	96,852	7,013,200	100.00%	(38,061)	(11,514)	<Note1>	Subsidiary
XYZprinting, Inc.	XYZprinting Netherlands, B.V.	Netherlands	Trading 3D printer	308,340	308,340	1,488,901	100.00%	69,715	(9,680)	<Note1>	Subsidiary
XYZprinting, Inc.	XYZprinting (Thailand) Co., Ltd.	Thailand	Trading 3D printer	16,178	16,178	1,800,000	100.00%	(1,398)	999	<Note1>	Subsidiary
XYZprinting, Inc.	XYZlife (Philippines) Inc.	Philippines	Trading aesthetic medicine products	6,325	6,325	93,995	100.00%	926	(410)	<Note1>	Subsidiary
CastleNet Technology Inc.	CastleNet Technology (BVI) Inc.	BVI	Holding company	302,692	302,692	8,708	100.00%	40,914	1,155	<Note1>	Subsidiary
Cal-Comp Asset Management, Inc.	Confiar Land Corp.	Philippines	Acquire, purchase, lease, hold, sell or otherwise deal in land and real estate	PHP 79,920	PHP 79,920	2,700,000	40.00%	44,347	(3,415)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Logistar International Holding Co., Ltd.	BVI	Dealer	USD 43,208	USD 43,208	40,050,000	9.14%	(157,609)	27,698	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal Comp Malaysia SDN. BHD.	Malaysia	Manufacturing	USD 2,481	USD 2,481	38,680	100.00%	861	(347)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics & Communications Co., Ltd.	Taiwan	Purchasing materials and R&D	USD 277,594	USD 277,594	117,897,792	100.00%	(5,333,998)	3,785	<Note1>	Subsidiary

Table 8: Names, locations and related information of investees over which the company exercises significant influence (not including information on investments in Mainland China) (Unit: thousands of NTD/ foreign currency)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance at The End of Period			Net Income (Losses) of The Investee	Share of Profits (Losses) of Investee	Nature of Relationship
				Ending balance	Beginning balance	Shares	Percentage of Ownership	Carrying Value			
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics (USA) Co.,Ltd	USA	Manufacturing	USD 63,737	USD 98,736	39,000,000	100.00%	$988,683	($130,935)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Mexico	Manufacturing	USD 9,557	USD 9,557	141,182,050	100.00%	390,980	19,537	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria e Comercio de Electronica e Informatica Ltda.	Brazil	Manufacturing	USD 88,607	USD 79,120	247,820,420	100.00%	5,298,376	622,617	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria de Semicondutores S.A.	Brazil	Manufacturing	USD 7,966	-	40,466,000	58.03%	130,224	(10,063)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Thailand	Auto-manage producing system development	USD 3,082	USD 3,082	10,000,000	100.00%	101,487	4,481	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Semiconductor, Ltd.	Cayman Islands	Holding company	USD 41,954	USD 12,873	300,340,514	99.69%	63,099	(5,522)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Precision Holding Co., Ltd.	Cayman Islands	Holding company	USD 85,244	USD 85,244	56,455,000	99.92%	3,449,020	229,729	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Technology (Philippines), Inc.	Philippines	Manufacturing	USD 24,348	USD 24,348	212,711,600	19.19%	1,760,501	455,921	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc.	Taiwan	Trading 3D printer	USD 37,654	-	115,151,760	48.59%	13,270	(321,086)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Big Data, Inc.	Taiwan	Medical equipment, data processing and provision service	-	USD 20,419	-	-	-	-	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	New Era AI Robotic Inc.	Taiwan	Trading robot and applications development	-	USD 10,180	-	-	-	526	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Pchome (Thailand) Co., Ltd.	Thailand	E-commerce, selling and customer services	USD 2,075	USD 2,075	6,750,000	33.75%	4,764	(10,661)	<Note1>	Associate
Cal-Comp Electronics & Communications Co., Ltd	Kinpo Group Management Service Company	Taiwan	Investment and management consulting	1,000	1,000	100,000	12.50%	1,001	423	<Note1>	Associate
Cal-Comp Electronics & Communications Co., Ltd	Logistar International Holding Co., Ltd.	BVI	Dealer	11,906,230	7,960,950	398,000,000	90.86%	(1,059,120)	27,698	<Note1>	Subsidiary
Cal-Comp Precision Holding Co., Ltd.	Cal-Comp Precision (Singapore) Limited	Singapore	Holding company and distributor	USD 82,198	USD 82,198	1,124,132,310	100.00%	3,511,259	207,805	<Note1>	Subsidiary
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Thailand) Co.,Ltd.	Thailand	Plastic Molding	USD 44,426	USD 44,426	16,425,695	100.00%	1,697,617	(23,290)	<Note1>	Subsidiary
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Malaysia) Sdn. Bhd.	Malaysia	Plastic Molding	USD 5,550	USD 5,550	11,968,000	100.00%	193,323	2,822	<Note1>	Subsidiary
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Philippine) Inc.	Philippines	Plastic Molding	USD 55,098	USD 55,098	24,645,685	100.00%	2,562,623	438,208	<Note1>	Subsidiary
Cal-Comp Precision (Singapore) Limited	Daviscoomms (S) Pte Ltd.	Singapore	Designing and manufacturing of communication products	USD 2,955	USD 2,955	340,458	20.00%	85,290	111,783	<Note1>	Associate
Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	Cal-Comp Industria de Semicondutores S.A.	Brazil	Manufacturing	-	BRL 40,466	-	-	-	(10,063)	<Note1>	Subsidiary
Cal-Comp Electronics (USA) Co., Ltd.	Cal-Comp USA (San Diego), Inc.	USA	Manufacturing	USD 16,513	USD 16,513	860,000	100.00%	266,995	52,786	<Note1>	Subsidiary
Cal-Comp Semiconductor, Ltd.	QBit Semiconductor Ltd.	Taiwan	Semiconductor Design	-	USD 11,912	-	-	-	(113,636)	<Note1>	Subsidiary

<Note 1> The share of profits (losses) of investee have already been included in the net income of the investor company. We decided not to further disclose in case of causing confusion.

<Note 2> In December 2023, Kinpo International (Singapore) Pte. Ltd. conducted a capital increase through capitalization of earnings in the amount of USD 10,000 thousand (13,296 thousand shares). As of the date of issuance of this financial report, the registration process for the change has not been completed.

<Note 3> In December 2023, Cal-Comp Technology (Philippines), Inc. conducted a capital increase through capitalization of earnings in the amount of USD 10,000 thousand (56,000 thousand shares). As of the date of issuance of this financial report, the registration process for the change has not been completed.

<Note 4> In December 2023, Kinpo Electronics (Philippines), Inc. conducted a capital increase through capitalization of earnings in the amount of USD 140,000 thousand ((78,400 thousand shares). As of the date of issuance of this financial report, the registration process for the change has not been completed.

Table 9: Informations on investments in Mainland China

(Unit: thousands of NTD/ foreign currency)

Investee Company	Main Business and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Percentage of Ownership	Net Income (Loss) of the Investee Company	Share of Profits/Losses	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Kinpo Electronics (China) Co., Ltd.	Processing, manufacturing and selling electronic products of other companies	CNY 889,298 (3,859,020)	Indirect investment via Kinpo International Ltd.	USD 55,100 (1,693,499)	$-	$-	USD 55,100 (1,693,499)	100.00%	CNY 20,050 (99,685)	Please refer to <Note1>(2)-iii	CNY 1,000,689 (4,342,390)	$-
Dongguan Kaipo Electronics Co., Ltd.	Manufacturing and sales of other companies' products	-	Indirect investment via Kinpo International Ltd.	USD 1,000 (30,735)	-	-	USD 1,000 (30,735)	-	(CNY 8,908) (-44,289)	Please refer to <Note1>(2)-iii	-	-
Superpower Mould & Plastic Ltd.	Manufacturing and sales of other companies' products	-	Indirect investment via Kinpo International Ltd.	USD 1,573 (48,346)	-	-	USD 1,573 (48,346)	-	-	-	-	-
Kinpo Electronics (Shanghai) Co., Ltd.	Manufacturing & wholesaling electronics dictionary, design, R&D and sales for calculator software	-	Indirect investment via Kinpo International Ltd.	USD 1,120 (34,423)	-	-	USD 1,120 (34,423)	-	-	-	-	-
Kinpo Electronics (Beijing) Co., Ltd.	Manufacturing & wholesaling electronics dictionary, design, R&D and sales for calculator software	-	Indirect investment via Kinpo International Ltd.	USD 1,000 (30,735)	-	-	USD 1,000 (30,735)	-	-	-	-	-
McTECH Guangzhou Co., Ltd.	Producing automatic bike & battery exchange station	CNY 63,304 (274,701)	Indirect investment via McTEC Taiwan Limited	USD 1,350 (41,492)	-	-	USD 1,350 (41,492)	19.61%	-	-	-	-
LIZ Electronics (Kunshan) Co., Ltd.	Producing and marketing chip resistors & ceramic multilayer capacitors & chip diodes	CNY 252,202 (1,094,405)	Indirect investment via Lipo Holding Co., Ltd. & Ranashe International Ltd.	USD 14,270 (438,588)	-	-	USD 14,270 (438,588)	51.07%	(CNY 142,384) (-629,854)	Please refer to <Note1>(2)-iii	USD 1,098 (33,747)	-
LIZ Electronics (Nantong) Co., Ltd.	R&D, manufacturing chip components; sales of products and provide after-sales service; wholesaling, improting and exporting electronic components, semiconductors special materials and spare parts	CNY 217,756 (944,930)	Indirect investment via Lipo Holding Co., Ltd & LIZ Electronics (Kunshan) Co., Ltd.	USD 1,530 (47,025)	-	-	USD 1,530 (47,025)	51.06%	(CNY 123,581) (-546,677)	Please refer to <Note1>(2)-iii	USD 1,666 (51,205)	-
XYZprinting (Suzhou) Co., Ltd.	Trading 3D printer	CNY 38,859 (168,625)	Indirect investment via XYZprinting, Inc.	-	-	-	-	72.92%	(CNY 348) (-1,730)	Please refer to <Note1>(2)-iii	-	-
XYZprinting (Shanghai) Cloud Technology Co., Ltd.	Internet technology development	-	Indirect investment via XYZprinting, Inc.	-	-	-	-	-	CNY 1 (5)	Please refer to <Note1>(2)-iii	-	-
CastleNet Technology Inc. (Kunshan)	Design and manufacture of modem; sale of self-production	CNY 56,470 (230,513)	Indirect investment via CastleNet Technology (BVI) Inc.	-	-	-	-	68.90%	CNY 222 (975)	Please refer to <Note1>(2)-iii	USD 752 (23,133)	-
Cal-Comp Electronics (Suzhou) Co., Ltd.	Manufacturing	-	Indirect investment via Cal-Comp Electronics (Thailand) Public Company Limited	-	-	-	-	-	-	-	-	-
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Manufacturing	CNY 547,148 (2,374,294)	Indirect investment via Cal-Comp Electronics (Thailand) Public Company Limited	-	-	-	-	49.99%	(CNY 55,566) (-276,263)	Please refer to <Note1>(2)-iii	USD 59,822 (1,838,629)	-
Cal-Comp Technology (Suzhou) Co., Ltd	Manufacturing	-	Indirect investment via Cal-Comp Electronics (Thailand) Public Company Limited	-	-	-	-	-	-	-	-	-
Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.	Manufacturing	-	Indirect investment via Cal-Comp Electronics (Thailand) Public Company Limited	-	-	-	-	-	-	-	-	-
Cal-Comp Precision (Dongguan) Limited	Plastic Molding	CNY 110,805 (480,827)	Indirect investment via Cal-Comp Precision (Singapore) Limited	-	-	-	-	49.95%	(CNY 3,246) (-16,138)	Please refer to <Note1>(2)-iii	USD 5,907 (181,552)	-
Cal-Comp Precision (Wujiang) Co., Ltd.	Plastic Molding	-	Indirect investment via Cal-Comp Precisoin (Singapore) Limited	-	-	-	-	-	-	-	-	-
Cal-Comp Precision (Yueyang) Co., Ltd.	Plastic Molding	CNY 79,015 (342,878)	Indirect investment via Cal-Comp Precision (Singapore) Limited	-	-	-	-	49.95%	CNY 15,957 (79,335)	Please refer to <Note1>(2)-iii	USD 12,384 (380,622)	-
Shanghai Cuang Ge Education Technology Co., Ltd.	R&D of educational and internet products	CNY 4,250 (18,442)	Indirect investment via Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	-	-	-	-	21.76%	(CNY 72) (-358)	Please refer to <Note1>(2)-iii	-	-
ICKP (Beijing) Technology Development Co., Ltd.	Developing 3D printers and AI equipments	CNY 10,000 (43,394)	Indirect investment via Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	-	-	-	-	39.99%	(CNY 132) (-656)	Please refer to <Note1>(2)-iii	CNY 3,394 (14,728)	-
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Manufacturing and sales of new printing device, electronic components and their components.and other components	CNY 136,000 (590,158)	Indirect investment via Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	-	-	-	-	49.99%	CNY 30,337 (150,830)	Please refer to <Note1>(2)-iii	CNY 168,828 (732,612)	-
NKG Advanced Intelligence & Technology Development (Yueyang) Co., Ltd.	Production and sale of various intelligent electronic equipment and its consumables and parts	CNY 350,000 (1,518,790)	Indirect investment via Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	-	-	-	-	49.99%	(CNY 97,706) (-485,775)	Please refer to <Note1>(2)-iii	CNY 59,767 (259,353)	-
Jun-Hui LED Electronics, Co., Limited	R&D and manufacturing optical electronics technique	HKD 494,706 (1,946,470)	Others	-	-	-	-	1.52%	-	-	USD 567 (17,427)	-

Accumulated Investment in Mainland China as of December 31, 2023 (in thousands)	Investment Amount Authorized by Investment Commission, MOEA (in thousands)	Upper Limit of Investment (60% of Net value) (in thousands)
USD 76,943 ($2,364,843)	USD 250,737 ($7,706,402)	$12,876,797

<Note 1> In the shared profits/losses column:

(1) The investments that are in preparation and thus haven't generated any profits/losses should be specified.

(2) The resources of shared profits/losses should be specified as one of the three below:

i. Financial report audited by international audit firm that has partnership with audit firm in Taiwan.

ii. Financial report audited by CPA who audits the parent company in Taiwan.

iii. Others. (The share of profits/losses were already included in the investor's profits/losses. In case of causing confusion, we decided not to disclose in this table.)

6.5 Latest Individual Financial Statements Audited by CPAs

English Translation of Auditors' Report Originally Issued in Chinese

Report of Independent Auditors

To Kinpo Electronics, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Kinpo Electronics, Inc. (the "Company") as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements including a summary of significant accounting policies (collectively referred to "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Timing of Revenue Recognition

The Company recognized operating revenue in the amount of NTD 8,246,519 thousand in 2023. The main source of revenue was from the production and sales of a variety of consumer electronic products, which were not manufactured until orders were received. As the Company had a large number of customers and products were sold to domestic and international markets involving a various commercial term, the correctness of revenue recognition timing by transferring commodity control on merchandise to customers was material to the parent company only financial statements, we therefore considered this key audit matter.

For the revenue recognition, we have conducted audit procedures including but not limited to evaluating and testing the design and operating effectiveness of internal controls with respect to the revenue cycle; selecting representative samples to conduct test of details by inspecting transaction record and verifying the key conditions of the orders or agreements to confirm the timing when a performance obligation is satisfied, and conducting cutoff test on transactions recognized within a certain period of time before and after the balance sheet date by selecting samples to review the conditions of transactions and vouch relevant transaction documents as evidence to confirm that a performance obligation is satisfied. We also considered the appropriateness of operating revenue disclosure in Note 6 of parent company only financial statements.

Valuation of Investments Accounted for Using Equity Method

As of December 31, 2023, the investment accounted for using equity method amounted to NTD 31,088,424 thousand, constituting 56% of the parent company only total assets, which is deemed significant to the parent company only financial statements. We reviewed whether the Company has control over its investees. For those investees that the Company has control over, we then reviewed if the investee had been deemed as a consolidated entity. For the long-term equity investments that the Company makes significant impact on such investees, we reviewed if the investment was accounted for using equity method. The appropriateness of the accounting treatment mentioned above had significant impact to the parent company only financial statements. Therefore, we considered this a key audit matter.

We have conduct audit procedures including but not limited to obtaining the most recent investment structure chart of the Company and reviewing relevant changes; understanding the appropriateness of recognition basis and classification of investments accounted for using equity method; assessing the ownership of the Company to each re-investment; analyzing the composition of the board of directors, management and shareholders and the power of shareholders to direct the relevant activity to confirm whether the investments of the Company were accounted for according to IFRS; verifying whether the Company had obtained audited financial statements when recognizing share of profit (loss) and share of other comprehensive income using equity method. In addition to understanding the impact the investees' significant events made on the Company's individual financial statements, we further evaluated whether the measurement of the investment accounted for using equity method complied with IFRS and IAS.

Meanwhile, we verified the existence and ownership of the investment by confirmation or physical count procedures. We also considered the investments accounted for using equity method appropriateness of the disclosure in respect of Note 6 of the parent company only financial statement.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain investments accounted for using equity method whose statements are based solely on the reports of other auditors. These investments accounted for using equity method amounted to NTD 7,506,118 thousand and NTD 5,860,415 thousand, representing 14% and 13% of the parent company only total assets as of December 31, 2023 and 2022, respectively. The related share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method amounted to NTD (408,157) thousand and NTD (235,487) thousand, representing (50)% and (18)% of the net profit before tax for the years ended December 31, 2023 and 2022, respectively, and the related share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method amounted to NTD 120,090 thousand and NTD 104,269 thousand, representing 5% and 12% of the other comprehensive income for the years ended December 31, 2023 and 2022, respectively.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the 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 the parent company only financial statements. We are responsible for the direction, supervision and performance of the group 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 2023 the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chen, Chih-Chung

Fuh, Wen-Fun

Ernst & Young, Taiwan
March 12, 2024

Taipei, Taiwan
Republic of China

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of parent company only financial statements originally issued in Chinese

KINPO ELECTRONICS, INC.

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31,			
		2023	%	2022	%
Current assets					
Cash and cash equivalents	4,6	$974,660	2	$933,127	2
Current financial assets at fair value through profit or loss	4,6	44,799	-	69,039	-
Current financial assets at fair value through other comprehensive income	4,6	38,019	-	34,094	-
Current contract assets	4,6	-	-	5,626	-
Notes receivable, net	4	-	-	36	-
Accounts receivable, net	4,6	1,013,841	2	859,477	2
Accounts receivable due from related parties, net	4,6,7	10,088,088	18	9,471,590	21
Other receivables	4	134,294	-	16,844	-
Other receivables due from related parties	4,7	2,696,418	5	2,508,676	5
Current tax assets	4	3,447	-	3,937	-
Current inventories	4	12,126	-	27,898	-
Prepayments		31,129	-	13,864	-
Other current assets		197,174	-	158,206	-
Total current assets		15,233,995	27	14,102,414	30
Non-current assets					
Non-current financial assets at fair value through other comprehensive income	4,6	6,402,518	12	3,965,002	9
Investments accounted for using equity method	4,6	31,088,424	56	25,174,075	55
Property, plant and equipment	4,6	1,152,392	2	1,123,069	2
Intangible assets	4,6	20,849	-	25,589	-
Deferred tax assets	4,6	1,515,434	3	1,670,802	4
Other non-current assets		204	-	158	-
Total non-current assets		40,179,821	73	31,958,695	70
Total assets		$55,413,816	100	$46,061,109	100

The accompanying notes are an integral part of financial statements.

English translation of parent company only financial statements originally issued in Chinese

KINPO ELECTRONICS, INC.

PARENT COMPANY ONLY BALANCE SHEETS (CONTINUED)

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31,			
		2023	%	2022	%
Current liabilities					
Current borrowings	4,6	$4,970,000	9	$3,835,000	8
Short-term notes and bills payable	6	1,697,643	3	1,647,639	4
Current financial liabilities at fair value through profit or loss	4,6	43,318	-	60,885	-
Current contract liabilities	4,6	556,458	1	63,229	-
Accounts payable		106,011	-	458,163	1
Accounts payable to related parties	7	10,895,093	20	9,638,142	21
Other payables	6	405,860	1	440,254	1
Other payables to related parties	7	106,166	-	25,883	-
Current tax liabilities	4,5	15,404	-	1,000	-
Long-term liabilities, current portion	4,6	2,500,000	5	1,515,000	3
Other current liabilities, others		302,077	-	260,555	1
Total current liabilities		21,598,030	39	17,945,750	39
Non-current liabilities					
Non-current portion of non-current borrowings	4,6	10,070,000	18	7,400,000	16
Deferred tax liabilities	4,6	1,908,211	3	2,037,438	4
Net defined benefit liability, non-current	4,6	373,635	1	408,441	1
Other non-current liabilities, others	4,6	2,611	-	511,730	1
Total non-current liabilities		12,354,457	22	10,357,609	22
Total liabilities		33,952,487	61	28,303,359	61
Equity					
Share capital	4,6				
Ordinary share		15,007,312	27	14,944,162	32
Capital surplus	6	1,571,647	3	791,110	2
Retained earnings	6				
Legal reserve		495,321	1	395,320	1
Special reserve		255,058	-	255,058	-
Unappropriated reatained earnings		599,022	1	1,006,914	3
Total retained earnings		1,349,401	2	1,657,292	4
Total other equity interest		3,763,349	7	696,968	2
Treasury shares	4,6	(230,380)	-	(331,782)	(1)
Total equity		21,461,329	39	17,757,750	39
Total liabilities and equity		$55,413,816	100	$46,061,109	100

The accompanying notes are an integral part of financial statements.

English translation of parent company only financial statements originally issued in Chinese

KINPO ELECTRONICS, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

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

Item	Notes	For the years ended December 31,			
		2023	%	2022	%
Operating revenue	4,6,7	$8,246,519	100	$9,659,713	100
Operating costs	6,7	(6,836,420)	(83)	(8,269,539)	(86)
Gross profit from operations		1,410,099	17	1,390,174	14
Unrealized profit from sales		(79,856)	(1)	(94,143)	(1)
Realized profit on from sales		94,143	1	-	-
		1,424,386	17	1,296,031	13
Operating expenses	6,7				
Selling expenses		(89,117)	(1)	(98,488)	(1)
Administrative expenses		(511,989)	(6)	(599,219)	(6)
Research and development expenses		(326,924)	(4)	(408,824)	(4)
Total operating expenses		(928,030)	(11)	(1,106,531)	(11)
Net operating income		496,356	6	189,500	2
Non-operating income and expenses	6,7				
Interest income		208,303	2	55,322	1
Other income		222,209	3	311,800	3
Other gains and losses, net		(37,406)	-	72,889	1
Finance costs, net		(318,357)	(4)	(177,519)	(2)
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method, net		237,851	3	843,562	9
Total non-operating income and expenses		312,600	4	1,106,054	12
Profit before tax		808,956	10	1,295,554	14
Total tax expense	4,6	(57,919)	(1)	(283,091)	(3)
Profit		751,037	9	1,012,463	11
Other comprehensive income	6				
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains (losses) on remeasurements of defined benefits plans		(1,097)	-	(8,227)	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		2,422,211	29	(171,474)	(2)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		151,672	2	(81,375)	(1)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(28,762)	-	6,449	-
Components of other comprehensive income that will be reclassified to profit or loss:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(174,604)	(2)	1,429,563	15
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		37,495	-	(281,223)	(3)
Total other comprehensive income		2,406,915	29	893,713	9
Total comprehensive income		$3,157,952	38	$1,906,176	20
Earnings per share	6				
Basic earnings per share		$0.51		$0.69	
Diluted earnings per share		$0.51		$0.69	

The accompanying notes are an integral part of financial statements.

English translation of parent company only financial statements originally issued in Chinese

KINPO ELECTRONICS, INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Item	Share capital	Capital surplus	Retained earnings			Other equity interest			Treasury shares	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Others		
Balance on January 1, 2022	$14,796,682	$662,371	$395,320	$965,808	$(413,303)	$(2,244,055)	$2,102,177	$499	$(331,782)	$15,933,717
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	-	(290,551)	-	-	-	-	(290,551)
Reversal of special reserve	-	-	-	(710,750)	710,750	-	-	-	-	-
Other changes in capital surplus:										
Changes in equity of associates and joint ventures accounted for using equity method	-	84,713	-	-	(1,136)	-	-	(66,675)	-	16,902
Profit for the year ended December 31, 2022	-	-	-	-	1,012,463	-	-	-	-	1,012,463
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	17,052	1,149,069	(271,679)	(729)	-	893,713
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,029,515	1,149,069	(271,679)	(729)	-	1,906,176
Changes in ownership interests in subsidiaries	-	9,891	-	-	-	-	-	-	-	9,891
Share-based payments	147,480	32,259	-	-	-	-	-	-	-	179,739
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(28,361)	-	28,361	-	-	-
Others	-	1,876	-	-	-	-	-	-	-	1,876
Balance on December 31, 2022	$14,944,162	$791,110	$395,320	$255,058	$1,006,914	$(1,094,986)	$1,858,859	$(66,905)	$(331,782)	$17,757,750
Balance on January 1, 2023	$14,944,162	$791,110	$395,320	$255,058	$1,006,914	$(1,094,986)	$1,858,859	$(66,905)	$(331,782)	$17,757,750
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	100,001	-	(100,001)	-	-	-	-	-
Cash divdends of ordinary share	-	-	-	-	(440,245)	-	-	-	-	(440,245)
Other changes in capital surplus:										
Changes in equity of associates and joint ventures accounted for using equity method	-	467,142	-	-	343	-	-	40,440	-	507,925
Profit for the year ended December 31, 2023	-	-	-	-	751,037	-	-	-	-	751,037
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	45,163	(136,557)	2,498,861	(552)	-	2,406,915
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	796,200	(136,557)	2,498,861	(552)	-	3,157,952
Changes in ownership interests in subsidiaries	-	302,055	-	-	-	-	-	-	-	302,055
Share-based payments	63,150	10,369	-	-	-	-	-	-	101,402	174,921
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(664,189)	-	664,189	-	-	-
Others	-	971	-	-	-	-	-	-	-	971
Balance on December 31, 2023	$15,007,312	$1,571,647	$495,321	$255,058	$599,022	$(1,231,543)	$5,021,909	$(27,017)	$(230,380)	$21,461,329

The accompanying notes are an integral part of financial statements.

English translation of parent company only financial statements originally issued in Chinese

KINPO ELECTRONICS, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended December 31,	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	$808,956	$1,295,554
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	21,810	26,794
Amortization expense	17,366	9,640
Net gain on financial assets or liabilities at fair value through profit or loss	(3,507)	2,244
Interest expense	309,608	170,349
Interest income	(208,303)	(55,322)
Dividend income	(182,786)	(303,977)
Share-based payments	(8,895)	9,443
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(237,851)	(843,562)
Gain on disposal of property, plant and equipment	(6)	(1,556)
Gains on disposals of investments	-	(218)
Unrealized profit from sales	(14,287)	94,143
Others	542	1,876
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	(45)	(1,410)
Decrease (increase) in contract assets	5,626	-
Decrease (increase) in notes receivable	36	-
Decrease (increase) in accounts receivable	(154,364)	(541,532)
Decrease (increase) in accounts receivable due from related parties	(616,498)	(8,294,561)
Decrease (increase) in other receivable	(116,666)	(1,014)
Decrease (increase) in other receivable due from related parties	(147,468)	(1,460,702)
Decrease (increase) in inventories	15,772	21,111
Decrease (increase) in prepayments	(17,265)	2,109
Decrease (increase) in other current assets	(38,968)	(133,337)
Increase (decrease) in contract liabilities	493,229	43,929
Increase (decrease) in accounts payable	(352,152)	458,060
Increase (decrease) in accounts payable to related parties	1,256,951	8,893,102
Increase (decrease) in other payable	(39,390)	113,030
Increase (decrease) in other payable to related parties	80,283	19,776
Increase (decrease) in other current liabilities	41,522	174,862
Increase (decrease) in net defined benefit liability	(35,903)	(14,258)
Cash inflow (outflow) generated from operations:	877,347	(315,427)
Interest received	167,245	32,165
Interest paid	(304,181)	(164,421)
Income taxes refund (paid)	(8,151)	(3,068)
Net cash flows from (used in) operating activities	732,260	(450,751)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(53,900)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	34,289	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	381	-
Acquisition of investments accounted for using equity method	(5,552,385)	(535,000)
Proceeds from disposal of financial assets at fair value through profit or loss	10,225	33,375
Proceeds from disposal of subsidiaries	24,569	327
Acquisition of property, plant and equipment	(51,627)	(12,554)
Proceeds from disposal of property, plant and equipment	500	2,713
Acquisition of intangible assets	(12,626)	(30,687)
Increase in other non-current assets	(46)	-
Dividends received	334,861	495,450
Net cash flows from (used in) investing activities	(5,265,759)	(46,376)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,135,000	1,123,920
Increase in short-term notes and bills payable	50,000	-
Decrease in short-term notes and bills payable	-	(1,070,000)
Proceeds from long-term debt	5,880,000	2,970,000
Repayments of long-term debt	(2,225,000)	(2,080,000)
Increase in other non-current liabilities	555	43
Cash dividends paid	(440,245)	(290,551)
Exercise of employee share options	73,232	165,762
Treasury shares sold to employees	101,490	-
Net cash flows from (used in) financing activities	4,575,032	819,174
Net increase (decrease) in cash and cash equivalents	41,533	322,047
Cash and cash equivalents at the beginning of year	933,127	611,080
Cash and cash equivalents at the end of year	$974,660	$933,127

The accompanying notes are an integral part of financial statements.

English translation of parent company only financial statements originally issued in Chinese

KINPO ELECTRONICS, INC.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and organization

Kinpo Electronics, Inc. (the "Company"), was established on April 24, 1973 under the Company Act of the Republic of China ("ROC"). On November 7, 1989, the Company's shares were listed on the Taiwan Stock Exchange. The Company primarily engages in trading consuming electronic products, computer and peripheral computer equipment, network communication equipment and image products. The Company's registered address and main operating site are located at 10F., No.99, Nanjing E. Rd., Sec. 5, Songshan Dist., Taipei City and No.147, Beishen Rd., Sec. 3, Shenkeng Dist., New Taipei City, respectively.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of Kinpo Electronics, Inc. (the Company) for the years ended December 31, 2023 and 2022 were recommended and authorized for issue by the Board of Directors on March 11, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
B	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
C	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
D	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

A. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

B. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

C. Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

D. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. As the Company has determined the potential impact of the standards and interpretations, there is no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 17 “Insurance Contracts”	January 1, 2023
C	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

A. IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

C. Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the new or amended standards and interpretations listed under B. have no material impact on the Company, the Company is still currently determining the potential impact of the remaining standards and interpretations. The impact will be disclosed after evaluation completed.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The financial statements are expressed in thousands of New Taiwan Dollars ("NTD") unless otherwise stated.

(3) Foreign currencies

The Company's parent company only financial statements are presented in NTD, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of *IFRS 9 Financial Instruments* are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Company holds the asset primarily for the purpose of trading
C. The Company expects to realize the asset within 12 months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle
B. The Company holds the liability primarily for the purpose of trading
C. The liability is due to be settled within 12 months after the reporting period
D. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of *IFRS 9 Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial assets: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) The Company's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial asset.

Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets at amortized cost and other receivables etc., on balance sheet as of the reporting date:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as follows:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit loss on debt instrument investments measured at fair value through other comprehensive income and financial assets at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit loss of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit loss: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit loss in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit loss: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit loss.
(d) For lease receivables arising from transactions within the scope of IFRS 16 the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of *IFRS 9 Financial Instruments* are are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative financial instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (not held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a weighted average basis
Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. The Company made such adjustments by debiting or crediting accounts such as investments accounted for using equity method, share of profit (loss) of associates and joint ventures accounted for using equity method, or share of other comprehensive income of associates and joint ventures accounted for using equity method, unrealized gains (losses), considering the accounting method used for the investments in subsidiaries in the consolidated financial statements in accordance with IFRS 10 Consolidated Financial Statements and the differences of application of IFRS between different consolidated entities.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with *IAS 28 Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with *IAS 36 Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in *IAS 36 Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of *IAS 16 Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	3~60 years
Machinery and equipment	3~13 years
Other equipment	1~15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Company elected not to assess whether it is a lease modification but accounted it as a variable lease payment. The Company have applied the practical expedient to all rent concessions that meet the conditions for it.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

A summary of the policies applied to the Company's intangible assets is as follow:

	Patents	Computer software
Useful lives	Finite (8 years)	Finite (1~4 years)
Amortization method used	Amortized on a straight-line basis over the shorter of the period of the patent or estimated useful life	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of *IAS 36 Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(17) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(18) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Company sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers based on the consideration stated in the contract. Therefore, revenue from these sales is recognized based on the price specified in the contract. The Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts. However, for some of the contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The credit period of the Company's sale of goods is from 30 to 150 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit loss.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

Rendering of services

Revenue from engineering service is recognized by reference to the actual service costs. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered. However, for some of the contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deduction of the book value of the related asset and recognized as gain through deducting the depreciation expense over the period of depreciable asset's lifetime. When the grant relates to an expense item, it is recognized as income over the period when the related costs are incurred.

(21) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(22) Share-based payment transactions

The cost of equity-settled transactions between the Company and related employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, affects neither the accounting profit nor taxable profit or loss at the time of the transaction, and does not give rise to equal taxable and deductible temporary differences and at the time of the transaction.

B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination, affects neither the accounting profit nor taxable profit or loss at the time of the transaction, and does not give rise to equal taxable and deductible temporary differences at the time of the transaction.
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

A. Investment properties

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 10% of the total property.

B. Operating lease commitment－Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of accounts receivables

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

C. Post-employment benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Please refer to Note 6 for more details.

D. Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

E. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company’s domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for disclosure on unrecognized deferred tax asset of the Company as of December 31, 2023.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2023	2022
Petty cash / revolving funds	$297	$635
Cash in banks	156,197	487,552
Time deposit	818,166	429,940
Cash equivalents	-	15,000
Total	$974,660	$933,127

Please refer to Note 12 for more details on credit risk.

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

	As of December 31,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss:		
Convertible corporate bond	$-	$10,180
Derivatives not designated as hedging instruments	44,799	58,859
Total	$44,799	$69,039
Current	$44,799	$69,039
Non-current	-	-
Total	$44,799	$69,039

	As of December 31,	
	2023	2022
Financial liabilities mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments	$43,318	$60,885
Current	$43,318	$60,885
Non-current	-	-
Total	$43,318	$60,885

A. Financial assets at fair value through profit or loss were not pledged.

B. Please refer to Note 12 for more details on derivative investments held by the Company.

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

	As of December 31,	
	2023	2022
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies stocks	$6,398,293	$3,529,135
Unlisted companies stocks	42,244	469,961
Total	$6,440,537	$3,999,096
Current	$38,019	$34,094
Non-current	6,402,518	3,965,002
Total	$6,440,537	$3,999,096

A. For equity instrument investments measured at fair value through other comprehensive income, the Company recognized dividend income in the amount of $182,786 thousand and $303,977 thousand for the years ended December 31, 2023 and 2022, respectively, of which was related to investments held at the end of the reporting period.

B. Financial assets at fair value through other comprehensive income were not pledged.

(4) Accounts receivable and accounts receivable due from related parties

	As of December 31,	
	2023	2022
Accounts receivable	$1,013,841	$859,477
Less: loss allowance	-	-
Subtotal	1,013,841	859,477
Accounts receivable due from related parties	10,088,088	9,471,590
Less: loss allowance	-	-
Subtotal	10,088,088	9,471,590
Total	$11,101,929	$10,331,067

A. Accounts receivable were not pledged.

B. Accounts receivable credit terms are generally on 30 to 150 day terms. The total carrying amount as of December 31, 2023 and 2022 were $11,101,929 thousand and $10,331,067 thousand, respectively. Please refer to Note 6(16) for more details on loss allowance of account receivables for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(5) Investments accounted for using equity method

A. Investments accounted for using equity method consisted of the following:

	As of December 31,			
	2023		2022	
Investee companies	Carrying amount	% of ownership	Carrying amount	% of ownership
Subsidiaries				
Cal-Comp Electronics (Thailand) Public Company Limited	$12,181,293	49.99%	$8,188,704	46.63%
Kinpo International (Singapore) Pte. Ltd.	7,772,692	100.00%	7,422,840	100.00%
Kinpo International Ltd.	3,557,361	100.00%	3,611,388	100.00%
CastleNet Technology Inc.	1,340,813	68.08%	1,330,855	68.90%
Lipo Holding Co., Ltd.	45,593	51.00%	415,671	51.00%
XYZprinting, Inc.	13,270	48.59%	(509,674)	46.40%
Others (Note 1)	48,130		140,861	
Subtotal	24,959,152		20,600,645	
Associates				
AcBel Polytech Inc.	4,358,476	18.81%	2,402,989	23.71%
Ascendant Private Equity Investment Ltd.	1,522,985	34.72%	1,405,408	34.72%
Teleport Access Services, Inc.	224,407	23.70%	228,362	23.70%
Others (Note 1)	23,404		26,997	
Subtotal	6,129,272		4,063,756	
Net of investments accounted for using equity method	$31,088,424		$24,664,401	
Investments accounted for using equity method	$31,088,424		$25,174,075	
Less: Credit balance of investments accounted for using equity method (Note 2)	-		(509,674)	
Total	$31,088,424		$24,664,401	

Note 1: Individual investment amount not exceeded $100,000 thousand were aggregated as others.

Note 2: Accounted for other non-current liabilities, others

B. Investments in subsidiaries is represented as "Investments accounted for using equity method" and adjusted for the valuation if necessary.

C. Investments in associates

Information on the material associate of the Company:

a. Company name: AcBel Polytech Inc.

Nature of the relationship with the associate: AcBel Polytech Inc. is in the business of manufacturing and selling related products in the Company's industry chain. The Company invested in AcBel Polytech Inc. for the purpose of upstream/downstream integration.

Principal place of business (country of incorporation): Taiwan

Fair value of the investment in the associate when there is a quoted market price for the investment: AcBel Polytech Inc. is a listed entity on the Taiwan Stock Exchange (TWSE). The fair value of the investment in AcBel Polytech Inc. was $6,666,558 thousand and $3,724,949 thousand as of December 31, 2023 and 2022, respectively.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Company's interest in the associate:

	As of December 31,	
	2023	2022
Current assets	$24,076,814	$21,389,975
Non-current assets	24,107,262	12,474,261
Current liabilities	(14,287,052)	(11,015,897)
Non-current liabilities	(10,379,642)	(12,115,959)
Equity	23,517,382	10,732,380
Non-controlling interest	(361,740)	(597,461)
Shareholders of the parent	23,155,642	10,134,919
Proportion of the Company's ownership	18.81%	23.71%
Carrying amount of the investment	$4,355,576	$2,402,989

	For the years ended December 31,	
	2023	2022
Operating revenue	$27,845,108	$24,789,577
Profit from continuing operations	39,045	557,523
Net profit from discontinued operations	24,093	117,489
Other comprehensive income, net	(20,091)	(122,360)
Total comprehensive income	43,047	552,652

b. The Company's investments in other companies were not individually material. The aggregate carrying amount of the Company's interests in other companies was $1,770,795 thousand and $1,660,767 thousand as of December 31, 2023 and 2022 respectively. The aggregate financial information based on the Company's share of other companies was as follows:

	For the years ended December 31,	
	2023	2022
Profit from continuing operations	$9,953	$(11,972)
Other comprehensive income, net	105,075	(163,632)
Total comprehensive income	$115,028	$(175,604)

D. As of December 31, 2023 and 2022, the difference (Goodwill) between the costs of investment and net equity were both $115,377 thousand.

E. The associates had no contingent liabilities or capital commitments as of December 31, 2023 and 2022.

F. Although the Company is the first major shareholder of some associates; after comprehensive assessment, the Company does not own the major voting rights as the remaining voting rights holders are able to align and prevent the Company from ruling the relevant operation. Therefore, the Company has no control but has significant influence over the aforementioned associates.

(6) Property, plant and equipment

A. Movements of property, plant and equipment of the Company for the years ended December 31, 2023 and 2023 were as follow:

	Land	Buildings and Structures	Machinery equipment	Miscellaneous Equipment	Total
Cost:					
As of January 1, 2023	$792,947	$926,234	$7,026	$134,242	$1,860,449
Additions	-	4,423	-	47,204	51,627
Disposals	-	-	(3,210)	(42,719)	(45,929)
Reclassification and others	-	9,078	-	(9,078)	-
As of December 31, 2023	$792,947	$939,735	$3,816	$129,649	$1,866,147
As of January 1, 2022	$792,947	$930,062	$7,508	$144,732	$1,875,249
Additions	-	-	-	12,554	12,554
Disposals	-	(3,828)	(482)	(23,044)	(27,354)
As of December 31, 2022	$792,947	$926,234	$7,026	$134,242	$1,860,449

	Land	Buildings and Structures	Machinery equipment	Miscellaneous Equipment	Total
Accumulated depreciation and impairment:					
As of January 1, 2023	$-	$613,532	$6,208	$117,640	$737,380
Depreciation	-	15,642	553	5,615	21,810
Disposals	-	(274)	(3,070)	(42,091)	(45,435)
As of December 31, 2023	$-	$628,900	$3,691	$81,164	$713,755
As of January 1, 2022	$-	$597,513	$6,126	$133,144	$736,783
Depreciation	-	19,847	564	6,381	26,794
Disposals	-	(3,828)	(482)	(21,885)	(26,197)
As of December 31, 2022	$-	$613,532	$6,208	$117,640	$737,380
Net carrying amount as of December 31, 2023	$792,947	$310,835	$125	$48,485	$1,152,392
December 31, 2022	$792,947	$312,702	$818	$16,602	$1,123,069

B. The significant part and useful life of the Company's buildings included the following:

Primary buildings	50~60 years
Construction and renovation	5~35 years
Water & electric, air conditioning and fire extinguisher engineering	3~31 years

C. Property, plant and equipment were not pledged.

(7) Intangible assets

A. The intangible assets of the Company is computer software. As of December 31, 2023, December 31, 2022 and January 1, 2022, the net carrying amounts were $20,849 thousand, $25,589 thousand and $4,542 thousand, respectively.

B. For the years ended December 31, 2023 and 2022, the additional purchase and amortization for computer software amounted to $12,626 thousand and $9,640 thousand, respectively. For the years ended December 31, 2023 and 2022, the net carrying amount of computer software disposal were both $0 thousand and the gains or loss on disposal were both $0 thousand.

C. Amortization expense of intangible assets were stated as follows:

	For the years ended December 31,	
	2023	2022
Selling expenses	$669	$362
Administrative expenses	10,444	5,643
Research and development expenses	6,253	3,635
Total	$17,366	$9,640

(8) Current borrowings

	As of December 31,	
	2023	2022
Unsecured bank loans	$4,970,000	$3,835,000
Unused amount	$5,073,500	$5,089,550
Interest rate	1.80%~2.17%	1.45%~2.50%

Current borrowings were not secured.

(9) Short-term notes and bills payable

	As of December 31,	
	2023	2022
Short-term notes	$1,700,000	$1,650,000
Discount of short-term notes	(2,357)	(2,361)
Total	$1,697,643	$1,647,639
Interest rate	1.85%~2.06%	2.06%~2.49%

(10) Other payables

	As of December 31,	
	2023	2022
Salaries and bonus payable	$188,350	$216,474
Accrued employees' compensation and remuneration to directors and supervisors	141,639	147,156
Other accrued expenses	55,451	61,283
Others (Note)	20,420	15,341
Total	$405,860	$440,254

Note: Individual amount not exceeded $50,000 thousand were aggregated as others.

(11) Non-current borrowings

A. Details of non-current borrowings as of December 31, 2023 and 2022 were as follows:

Creditor	As of December 31, 2023	Payment of principal
KGI Bank – Unsecured loan	$500,000	The period of the loan is from August 1, 2023 to August 1, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
KGI Bank – Unsecured loan	500,000	The period of the loan is from August 2, 2023 to August 1, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
KGI Bank – Unsecured loan	700,000	The period of the loan is from August 2, 2023 to August 1, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Bank SinoPac – Unsecured loan	200,000	The period of the loan is from July 17, 2023 to July 17, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Bank SinoPac – Unsecured loan	400,000	The period of the loan is from July 24, 2023 to July 24, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Hua Nan Commercial Bank, Ltd. – Unsecured loan	1,000,000	The period of the loan is from December 13, 2021 to December 13, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Bank of Taiwan – Unsecured loan	1,000,000	The period of the loan is from April 8, 2022 to April 8, 2025. Starting from July 8, 2024, the repayment of principal shall be repaid equally in 4 installments; every 3 months as one installment. Interest is payable monthly.

Creditor	As of December 31, 2023	Payment of principal
O-Bank – Unsecured loan	400,000	The period of the loan is from December 14, 2020 to April 13, 2024. After receiving the loan 1 and 2 years later, the principal should be each repaid $50,000 thousand. The rest of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
E.Sun Bank – Unsecured loan	600,000	The period of the loan is from September 6, 2023 to September 4, 2026. After receiving the loan 2 years later, the principal should be repaid quarterly in 5 installments. Interest is payable quarterly.
E.Sun Bank – Unsecured loan	500,000	The period of the loan is from September 6, 2023 to September 4, 2026. After receiving the loan 2 years later, the principal should be repaid quarterly in 5 installments. Interest is payable quarterly.
Jih Sun International Commercial Bank – Unsecured loan	600,000	The period of the loan is from February 10, 2022 to February 8, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Far Eastern International Bank – Unsecured loan	500,000	The period of the loan is from December 23, 2023 to December 21, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Taiwan Cooperative Bank – Unsecured loan	500,000	The period of the loan is from March 7, 2022 to July 17, 2026. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Mega Bank – Unsecured loan	700,000	The period of the loan is from December 15, 2023 to December 15, 2026. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.

Creditor	As of December 31, 2023	Payment of principal
EnTie Commercial Bank– Unsecured loan	800,000	The period of the loan is from November 6, 2023 to September 22,2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
EnTie Commercial Bank– Unsecured loan	200,000	The period of the loan is from November 17, 2023 to September 22,2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Mega Bank – Syndicated Loan	3,470,000	The period of the loan is from October 27, 2023 to October 27, 2028. After receiving the loan 3 years later, the repayment of principal shall be repaid equally in 5 installments; every 6 months as one installment. Interest is payable monthly.
Subtotal	12,570,000	
Less: current portion	(2,500,000)	
Total	$10,070,000	
Interest rate	1.86%~2.25%	

Creditor	As of December 31, 2022	Payment of principal
KGI Bank – Unsecured loan	$1,400,000	The period of the loan is from October 14, 2022 to October 13, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Yuanta Commercial Bank – Unsecured loan	700,000	The period of the loan is from December 28, 2021 to December 28, 2023. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Yuanta Commercial Bank – Unsecured loan	20,000	The period of the loan is from October 6, 2022 to December 28, 2023. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.

Creditor	As of December 31, 2022	Payment of principal
Chang Hua Commercial Bank – Unsecured loan	300,000	The period of the loan is from December 2, 2021 to December 2, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Hua Nan Commercial Bank, Ltd. – Unsecured loan	800,000	The period of the loan is from December 13, 2021 to December 13, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Bank of Taiwan– Unsecured loan	1,000,000	The period of the loan is from April 8, 2022 to April 8, 2025. Starting from July 8, 2024, the repayment of principal shall be repaid equally in 4 installments; every 3 months as one installment. Interest is payable monthly.
O-Bank – Unsecured loan	575,000	The period of the loan is from December 14, 2020 to December 13, 2023. After receiving the loan 1 and 2 years later, the principal should be each repaid $50,000 thousand. The rest of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
E.Sun Bank – Unsecured loan	500,000	The period of the loan is from October 12, 2021 to October 9, 2024. After receiving the loan 2 years later, the principal should be repaid quarterly in 5 installments. Interest is payable quarterly.
E.Sun Bank – Unsecured loan	600,000	The period of the loan is from October 12, 2022 to October 9, 2024. After receiving the loan 2 years later, the principal should be repaid quarterly in 5 installments. Interest is payable quarterly.
Jih Sun International Commercial Bank – Unsecured loan	600,000	The period of the loan is from February 10, 2022 to February 8, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Far Eastern International Bank –	500,000	The period of the loan is from December

Creditor	As of December 31, 2022	Payment of principal
Unsecured loan		23, 2022 to December 21, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Taiwan Cooperative Bank – Unsecured loan	250,000	The period of the loan is from March 7, 2022 to March 7, 2025. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Mega Bank – Unsecured loan	700,000	The period of the loan is from November 22, 2021 to November 22, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
EnTie Commercial Bank– Unsecured loan	300,000	The period of the loan is from August 29, 2022 to May 26,2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
EnTie Commercial Bank– Unsecured loan	300,000	The period of the loan is from August 30, 2022 to May 26,2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
EnTie Commercial Bank– Unsecured loan	100,000	The period of the loan is from September 29, 2022 to May 26,2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
DBS Bank Ltd. – Unsecured loan	270,000	The period of the loan is from September 29, 2022 to September 28, 2024. The repayment of principal will be due in a lump-sum payment on the expiration of the term. Interest is payable monthly.
Subtotal	8,915,000	
Less: current portion	(1,515,000)	
Total	$7,400,000	
Interest rate	1.50%~2.05%	

B. Non-current borrowings were not secured.

(12) Post-employment benefits

A. Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were $21,082 thousand and $24,232 thousand, respectively.

B. Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 15% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandating, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute $45,460 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The duration of the defined benefits plan obligation as of December 31, 2023 and 2022 were both 2032.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31,	
	2023	2022
Current service cost	$3,998	$5,545
Net interest on the net defined benefit liabilities (assets)	5,559	3,020
Total	$9,557	$8,565

Changes in the defined benefit obligation and fair value of plan assets were as follows:

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Defined benefit obligation	$391,840	$500,754	$523,092
Plan assets at fair value	(18,205)	(92,313)	(108,620)
Net defined benefit liabilities (assets)	$373,635	$408,441	$414,472

Reconciliations of liabilities (assets) of the defined benefit plan were as follows:

	Defined benefit obligation	Plan assets at fair value	Benefit liabilities (assets)
As of January 1, 2022	$523,092	$(108,620)	$414,472
Current period service cost	5,545	-	5,545
Interest expense (income)	3,923	(903)	3,020
Subtotal	9,468	(903)	8,565
Remeasurements of the defined benefit liabilities/assets:			
Experience adjustments	15,507	-	15,507
Remeasurements of the defined benefit assets	-	(7,280)	(7,280)
Subtotal	15,507	(7,280)	8,227
Payments from the plan	(47,313)	47,313	-
Contribution by employer	-	(22,823)	(22,823)
As of December 31, 2022	$500,754	$(92,313)	$408,441

	Defined benefit obligation	Plan assets at fair value	Benefit liabilities (assets)
As of January 1, 2023	$500,754	$(92,313)	$408,441
Current period service cost	3,998	-	3,998
Interest expense (income)	7,011	(1,452)	5,559
Subtotal	11,009	(1,452)	9,557
Remeasurements of the defined benefit liabilities/assets:			
Experience adjustments	632	-	632
Remeasurements of the defined benefit assets	-	465	465
Subtotal	632	465	1,097
Payments from the plan	(120,555)	120,555	-
Contribution by employer	-	(45,460)	(45,460)
As of December 31, 2023	$391,840	$(18,205)	$373,635

The following significant actuarial assumptions were used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2023	2022
Discount rate	1.30%	1.40%
Expected rate of salary increases	3.00%	3.00%

A sensitivity analysis for significant assumption was shown below:

	For the years ended December 31,			
	2023		2022	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.25%	$-	$7,169	$-	$8,952
Discount rate decrease by 0.25%	7,382	-	9,214	-
Future salary increase by 0.25%	7,077	-	8,840	-
Future salary decrease by 0.25%	-	6,910	-	8,634

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(13) Equity

A. Ordinary share

As of January 1, 2022, the Company's authorized capital was $20,000,000 thousand and the paid-in capital was $14,796,682 thousand; the outstanding shares was 1,479,668 thousand shares, each at a par value of $10. Each share has one voting right and right to receive dividends.

Share options which was issued by the Company in May 2015 had 6,944 thousand shares been executed and converted for the year ended December 31, 2022. The Company had received all share capital payments and the registration was completed.

Share options which was issued by the Company in December 2019 had 6,315 thousand and 7,804 thousand shares been executed and converted for the years ended December 31, 2023 and 2022, respectively. The Company had received all capital amount, but the aforementioned conversion of employee share options amounted to 3,877 thousand and 1,361 thousand shares were not completed amendment of registration as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Company's authorized capital were all $20,000,000 thousand and the paid-in capital were $15,007,312 thousand and $14,944,162 thousand, respectively; the outstanding shares were 1,500,731 thousand shares and 1,494,416 thousand shares, respectively, each at a par value of $10. Each share has one voting right and right to receive dividends.

B. Capital surplus

	As of December 31,	
	2023	2022
Additional paid-in capital arising from ordinary share	$259,770	$226,385
Treasury shares transactions	385,776	371,990
Changes in equity of subsidiaries, associates and joint ventures, employee share options and others	861,238	92,042
Employee shares options and others	64,863	100,693
Total	$1,571,647	$791,110

According to the Company Act, the capital surplus shall not be used except for offsetting the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus generated from the excess of the issuance price over the par value of share capital and donations. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

As of December 31, 2023 and 2022, the treasury shares held by the Company were $230,380 thousand and $331,782 thousand, respectively, and the number of treasury shares held by the Company was 19,750 thousand and 28,433 thousand shares, respectively. The shares held by the Company's subsidiaries were as follows:

Please refer to Note 6(14)(B) for more details on treasury shares transferred to Company's employees of the parent entity.

D. Retained earnings and dividend policy

According to the Company Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues;
b. Offset prior years' operation losses;
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors, the distribution made in the form of dividend shares should be resolved in the shareholders' meeting; the distribution made in cash could be special resolved by the Board of Directors and reported in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The proportion of stock dividends may be within 0% to 90% of the total dividends, and the cash dividends may be within 10% to 100% of the total dividends.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2022 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

Details of the year of 2023 and 2022 earnings distribution and dividends per share which were special resolved and reported by the Board of Directors' and shareholders' meeting held on March 11, 2024 and May 30, 2023, respectively were as follows:

	Appropriation of earnings		Dividend per share (NTD$)	
	2023	2022	2023	2022
Legal reserve	$100,002	$100,002		
Cash dividends of ordinary share (Note)	440,245	440,245	$0.3	$0.3

Note: The Board of Directors is authorized by the Articles of Incorporation and special resolved the cash distribution.

Please refer to Note 6(19) for further details on employees' compensation and remuneration to directors and supervisors.

(14) Share-based payment

Certain employees of the Company are entitled to share-based payment as part of their remunerations. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

A. Share-based payment plan for employees of the parent entity

On December 15, 2014 and November 28, 2019, the Company was authorized by the Securities and Futures Bureau of the FSC to issue employee share options with a total number of 40,000 units and 45,000 units, respectively. Each unit entitles an optioned to subscribe for 1,000 shares of the Company's common shares. The exercise price of the option was set at the closing price of the Company's common share on the grant date. The optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the grant date. Settlement upon the exercise of the options will be made through the issuance of new shares by the company.

The fair value of the share options is estimated at the grant date using a binomial option pricing-model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted is 7 years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these employee share options.

The relevant details of the aforementioned share-based payment plan were as follows:

Date of grant	Total number of share options granted (in thousands)	Exercise price of share options ($) (Note)
May 18, 2015	40	$10.49
December 16, 2019	45	$11.94

Note: After the share options are granted, if the capital shares changes (issuance of common stock, retained earnings transferred to common stock, capital reserve transferred to common stock, business combination, share split or raising capital by participating in depository receipt, issuance overseas certificates, etc.), decreases for reasons other than decrease in treasury stocks or issues cash dividends per share amounting more than 1.5% of the stock price at that time, it would be adjusted following the Company's order of share-based payment plan for employees.

The following table lists the inputs to the model used for the plan granted during the years of 2015 and 2019:

	Year of 2015	Year of 2019
Dividend yield (%)	-	-
Expected volatility (%)	32.20%	26.94%
Risk-free interest rate (%)	1.2476%	0.6165%
Expected option life (year)	7 years	7 years
Weighted average share price ($)	$12.35	$12.55
Option pricing model	Binomial option pricing model	Binomial option pricing model

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. The further details on the aforementioned share-based payment plan were as follows:

	For the years ended December 31,			
	2023		2022	
	Number of share options outstanding	Weighted average exercise price of share options ($)	Number of share options outstanding	Weighted average exercise price of share options ($)
Outstanding at beginning of period	20,369	$11.75	45,606	$11.55
Granted	-	-	-	-
Forfeited	(943)	11.50	(5,076)	11.94
Exercised	(6,315)	11.50	(14,748)	11.26
Expired	-	-	(5,413)	10.49
Outstanding at end of period	13,111	11.50	20,369	$11.75
Exercisable at end of period	13,111	11.50	12,500	$11.75
For share options granted during the period, weighted average fair value of those options at the measurement date ($)		$-		$-

The information on the outstanding share options was as follows:

	Range of exercise price ($)	Weighted average remaining contractual life (years)
As of December 31, 2023		
Share options outstanding at the end of the period	$11.50	2.96
As of December 31, 2022		
Share options outstanding at the end of the period	$11.75	3.96

B. Treasury shares transferred to Company's employees

The board meeting held on March 30, 2021 has approved a resolution of repurchasing 45,000 thousand shares of the Company for employee compensation plan, and the Company has repurchased 28,443 thousand shares at the cost of $331,782 thousand as of the expiry date of the buyback period. As of December 31, 2023, the Company has transferred 8,693 thousand shares to employees and the details were as follows:

Agreement type	Date of grant	Shares (in thousands)	Contract period	Vested condition	Date of transferring
Treasury shares transferred to employees	June 13, 2023	8,693	-	Vested immediately	July 27, 2023

The fair value of treasury shares transferred to employees was as follow:

Agreement type	Date of grant	Stock price	Exercise price	Fair value (per unit)
Treasury shares transferred to employees	June 13, 2023	$13.95	$11.71	$2.24

C. Expenses incurred on share-based payment transactions were shown as follows:

	For the years ended December 31,	
	2023	2022
Equity-settled (Note)	$(8,895)	$9,443

Note: For the year ended December 31, 2023, the share-based cost was negative because the Company adjusted the remuneration cost in the amount of $20,406 thousand in accordance with the actual units vested.

(15) Operating revenue

A. Breakdown of operating revenue was as follows:

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Sale of goods	$7,872,260	$9,355,732
Revenue arising from rendering of services	93,009	65,401
Other revenue	281,250	238,580
Total	$8,246,519	$9,659,713

B. Analysis of revenue from contracts with customers was shown as follows:

a. Disaggregation of revenue

	Consumer electronic products	
	For the years ended December 31,	
	2023	2022
Sale of goods	$7,872,260	$9,355,732
Rendering of services	93,009	65,401
Total	$7,965,269	$9,421,133
Timing of revenue recognition:		
At a point in time	$7,965,269	$9,421,133

b. Contract balances

Current contract liabilities

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Sales of goods	$556,458	$63,229	$19,300

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31,	
	2023	2022
The opening balance transferred to revenue	$(40,577)	$(19,189)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	533,806	63,118

c. The Company's transaction price allocated to unsatisfied performance obligations as of December 31, 2023 and December 31, 2022 were expected to be recognized as revenue within a year.

d. There were no assets recognized from costs to fulfil a contract during the period.

(16) Impairment loss determined in accordance with IFRS 9

A. The Company didn't recognize impairment loss as operating expenses for the years ended December 31, 2023 and 2022.

B. Please refer to Note 12 for more details on credit risk.

C. The credit risk for the Company's financial assets measured at amortized cost as of December 31, 2023 and December 31, 2022, was assessed as low (the same as the assessment result in the beginning of the period). Therefore, the expected credit loss which was measured at an amount equal to 12-month expected credit loss was not significant.

D. The company considers the grouping of notes receivable and accounts receivable by counterparties' credit rating, by geographical region and by industry sector. Based on the historical credit loss experience, different customer groups do not have significantly different loss patterns. Therefore, the loss allowance is measured by using a provision matrix without distinguishing the sectors. The details as of December 31, 2023 and December 31, 2022 are as follows:

	As of December 31,2023					
		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>=91days	Total
Gross carrying amount	$11,099,090	$2,631	$3	$205	$-	$11,101,929
Loss ratio	0%	0%	0%	0%	0%~100%	
Lifetime expected credit loss	-	-	-	-	-	-
Carrying amount of accounts receivable	$11,099,090	$2,631	$3	$205	$-	$11,101,929

	As of December 31,2022					
		Overdue				
	Not yet due (Note1)	<=30 days	31-60 days	61-90 days	>=91days	Total
Gross carrying amount	$10,179,626	$124,058	$12,471	$11,556	$3,392	$10,331,103
Loss ratio	0%	0%	0%~2%	0%~2%	0%~100%	
Lifetime expected credit ratio	-	-	-	-	-	-
Carrying amount of accounts receivable	$10,179,626	$124,058	$12,471	$11,556	$3,392	$10,331,103

Note 1: The Company's notes receivable was not overdue.

The credit period of the Company's sale of goods is from 30 to 150 days. To manage the credit risk, before accepting a new customer, the Company will evaluate the potential customer's credit quality and set credit line for the customer through the credit rating system. Customers' credit line and rating shall be reviewed according to the type of customer on a periodical basis to ensure that adequate loss allowance has been provided. In addition, most of the counterparties the Company transacts with are large international companies with good credit rating. Moreover, based on the historical default rates and other internal and external resources for the assessment, there's no significant credit loss for the Company.

(17) Operating costs

	For the years ended December 31,	
	2023	2022
Costs of sales	$6,619,598	$8,105,675
Cost of services	15,206	2,835
Others	201,616	161,029
Total	$6,836,420	$8,269,539

(18) Leases

A. The Company as a lessee

The Company leases various properties, including real estate such as land and buildings, and other equipment. The lease terms are 1 years.

The Company's leases effect on the financial position, financial performance and cash flows were as follows:

a. Income and costs relating to leasing activities

	For the years ended December 31,	
	2023	2022
The expenses relating to short-term leases	$376	$912
The relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	442	9
The expenses relating to variable lease payments not included in the measurement of lease liabilities	1,261	1,577

b. Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounted to $2,079 thousand and $2,498 thousand.

c. Other information relating to leasing activities

(a) Variable lease payments

The Company does not have significant variable lease payments.

(b) Residual value guarantees

There is no residual value guarantee provided by the Company, and no residual value guarantee was recognized as part of the lease liability.

B. The Company as a lessor (applicable to the disclosure requirement under IFRS 16)

The Company entered property, plant and equipment as operating leases, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2023 and 2022 are as follow:

	As of December 31,	
	2023	2022
Not later than one year	$10,662	$11,406
Later than one year but not later than two years	3,946	6,682
Later than two years but not later than three years	3	118
Total	$14,611	$18,206

(19) Additional information of expenses by function

A. Summary statement of employee benefits, depreciation and amortization expenses by function were as follows:

By function / By feature	For the years ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Wages and salaries	$22,041	$597,726	$619,767	$10,445	$808,340	$818,785
Labor and health insurance	-	44,289	44,289	-	49,916	49,916
Pension	-	30,639	30,639	-	32,797	32,797
Remuneration to directors	-	25,457	25,457	-	22,111	22,111
Others	-	43,527	43,527	-	32,643	32,643
Depreciation	6,870	14,940	21,810	10,136	16,658	26,794
Amortization	-	17,366	17,366	-	9,640	9,640

B. As of December 31, 2023 and 2022, the Company had 402 and 473 employees, respectively. There were both 9 non-employee directors as of December 31, 2023 and 2022, respectively.

C. Information of employee benefits and salaries expenses for the years ended December 31, 2023 and 2022:

	For the years ended December 31,	
	2023	2022
Average employee benefits expenses (Note 1)	$1,878	$2,013
Average employee salaries expenses (Note 2)	1,577	1,765
Adjustment and movement of average employee salaries expenses (Note 3) (Note 4)	(11)%	12%

Note 1: (Total employee benefits expenses for the year - total directors' remuneration for the current year)/(number of employees for the current year - number of non-employee directors)

Note 2: Total employee salaries expenses for the current year/(number of employees for the current year - number of non-employee directors)

Note 3: (Current year average employee salaries expenses - prior year average employee salaries expenses)/prior year average employee salaries expenses

Note 4: The Company has set up the audit committee in the year of 2016, remuneration of independent director has been disclosure as in remuneration to directors.

D. Salary remuneration of the Company is ruled by the Company's Management Measures for Employee Remuneration and Remuneration Committee Charter. Wages and salaries are determined on the basis of the Company's salary structure and the Company also assesses the employee's education, experience and working performance. According to the yearly target achievement rate of the Company, salary adjustment rate of government, consumer price index, salary level in market and demand of human resource, human resource department recommends an adjustment of salary and submit to general manager and chairperson for approval and implementation.

   Remuneration policy for the Company's general manager, vice president and position of management equivalent is considered by the Company's operation strategy, profitability, performance and the contribution and also referred to industry standards. Compensation Committee proposes a resolution to the Board of Directors for approval and implementation.

E. According to the Articles of Incorporation of the Company, no lower than 2% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

   Based on profit of the year ended December 31, 2023, the Company estimated and recognized the amounts of the employees' compensation and remuneration to directors and supervisors to be 13.7% and 1.2%, respectively. As such, employees' compensation and remuneration to directors were recognized as employee benefits expense at $130,231 thousand and $11,407 thousand, for the year ended December 31, 2023, respectively. The aforementioned amount was distributed based on current year profit and recognized in wages and salaries. If the Board of Directors resolves to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. Differences between the estimated amount and the actual distribution of the employee' compensation and remuneration to directors and supervisors will be recognized in profit or loss of the subsequent year.

A resolution was approved through the Board of Directors' meeting held on March 11, 2023 to distribute $129,844 thousand and $17,312 thousand in cash as employees' compensation and remuneration to directors for the year of 2022, respectively. There were no differences between the approved amount and the estimated amount which recognized in 2022.

(20) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2023	2022
Bank deposits	$69,635	$21,591
Other interest income	138,668	33,731
Total	$208,303	$55,322

B. Other income

	For the years ended December 31,	
	2023	2022
Dividend income	$182,786	$303,977
Others	39,423	7,823
Total	$222,209	$311,800

C. Other gains and losses

	For the years ended December 31,	
	2023	2022
Gains (losses) on financial assets (liabilities) at fair value through profit or loss – forward currency contracts (Note)	$(34,078)	$(11,659)
Gains (losses) on financial assets (liabilities) at fair value through profit or loss – convertible corporate bond (Note)	45	1,410
Foreign exchange gain (loss)	(3,379)	81,582
Gain on disposals of property, plant and equipment	6	1,556
Total	$(37,406)	$72,889

Note: Balance were arising from financial assets and liabilities mandatorily measured at fair value through profit or loss.

D. Finance costs

	For the years ended December 31,	
	2023	2022
Interest expense (Note)	$309,608	$170,349
Others	8,749	7,170
Total	$318,357	$177,519

Note: Balance were arising from current borrowings, short-term notes and bills payable, and non-current portion of non-current borrowings.

(21) Components of other comprehensive income

	For the year ended December 31, 2023				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Will not be reclassified to profit or loss in subsequent periods:					
Gains (losses) on remeasurements of defined benefit plans	$(1,097)	$-	$(1,097)	$219	$(878)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,422,211	-	2,422,211	-	2,422,211
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	151,672	-	151,672	(28,981)	122,691
Will be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(174,604)	-	(174,604)	37,495	(137,109)
Total of other comprehensive income	$2,398,182	$-	$2,398,182	$8,733	$2,406,915

	For the year ended December 31, 2022				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Will not be reclassified to profit or loss in subsequent periods:					
Gains (losses) on remeasurements of defined benefit plans	$(8,227)	$-	$(8,227)	$1,645	$(6,582)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(171,474)	-	(171,474)	-	(171,474)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(81,375)	-	(81,375)	4,804	(76,571)
Will be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	1,429,781	(218)	1,429,563	(281,223)	1,148,340
Total of other comprehensive income	$1,168,705	$(218)	$1,168,487	$(274,774)	$893,713

(22) Tax income (expense)

A. The major components of income tax expense (income) were as follows:

Tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2023	2022
Current tax expense (income):		
Current income tax charge	$22,989	$-
Adjustments in respect of current income tax of prior periods	-	1,679
Others	56	37
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(75,001)	47,731
Deferred tax expense (income) relating to origination and reversal of tax loss and tax credit	(158,293)	94,429
Deferred tax expense arising from write-down of deferred tax asset	324,106	169,565
Others	(55,938)	(30,350)
Total income tax expense	$57,919	$283,091

Income tax related to components of other comprehensive income

	For the years ended December 31,	
	2023	2022
Deferred tax expense (income):		
Gains (losses) on remeasurements of defined benefit plans	$(219)	$(1,645)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(8,514)	276,419
Income tax related to components of other comprehensive income	$(8,733)	$274,774

B. A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the years ended December 31,	
	2023	2022
Accounting profit before tax from continuing operations	$808,956	$1,295,554
Tax expense at the statutory rate	$161,791	$259,110
Tax effect of revenues exempt from taxation	(33,087)	(83,150)
Tax effect of expenses not deductible for tax purposes	3	3
Tax effect of deferred tax assets/liabilities	(93,832)	105,411
5% surtax on undistributed retained earnings	22,989	-
Adjustments in respect of current income tax of prior year	-	1,679
Others	55	37
Total income tax expense	$57,919	$283,091

C. Significant components of deferred income tax assets and liabilities were as follows:

For the year ended December 31, 2023:

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred tax assets				
Temporary differences:				
Investments accounted for using the equity method – investment losses	$500,880	$(325,029)	$-	$175,851
Exchange difference on translation	177,293	-	25,758	203,051
Net defined benefit liability, non-current	102,988	-	219	103,207
Unrealized investment loss	144,866	-	-	144,866
Others	106,335	7,700	6,483	120,518
Unused tax losses	638,440	129,501	-	767,941

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred tax liabilities				
Temporary differences:				
Investments accounted for using the equity method – investment gains	(1,339,402)	153,050	-	(1,186,352)
Revaluation on land	(209,505)	-	-	(209,505)
Gains recognized in bargain purchase transaction	(335,566)	-	-	(335,566)
Others	(152,965)	(96)	(23,727)	(176,788)
Deferred income tax benefit (expense)		$(34,874)	$8,733	
Net offset balance of deferred tax assets (liabilities)	$(366,636)			$(392,777)
Reported in balance sheets:				
Deferred tax assets	$1,670,802			$1,515,434
Deferred tax liabilities	$(2,037,438)			$(1,908,211)

For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Deferred tax assets				
Investments accounted for using the equity method – investment losses	$551,413	$(50,533)	$-	$500,880
Exchange difference on translation	445,514	-	(268,221)	177,293
Net defined benefit liability, non-current	101,343	-	1,645	102,988
Unrealized investment loss	144,866	-	-	144,866
Others	75,001	18,663	12,671	106,335
Unused tax losses	850,452	(212,012)	-	638,440

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred tax liabilities				
Investments accounted for using the equity method – investment gains	(1,301,480)	(37,922)	-	(1,339,402)
Revaluation on land	(209,505)	-	-	(209,505)
Gains recognized in bargain purchase transaction	(335,566)	-	-	(335,566)
Others	(132,525)	429	(20,869)	(152,965)
Deferred income tax benefit (expense)		$(281,375)	$(274,774)	
Net offset balance of deferred tax assets (liabilities)	$189,513			$(366,636)
Reported in balance sheets:				
Deferred tax assets	$2,168,589			$1,670,802
Deferred tax liabilities	$(1,979,076)			$(2,037,438)

Note: The balances of individual temporary differences less than $100,000 thousand were consolidated in the disclosure.

D. The following table contains information of the unused tax losses of the Company:

		Unused tax losses as of December 31,		
Year	Deficit Amount	2023	2022	Expiration year
2013 (approved)	$2,995,756	$1,205,255	$2,006,727	2023
2014 (approved)	4,600,104	4,600,104	4,600,104	2024
		$5,805,359	$6,606,831	

The differences of unused amount as of December 31, 2023 and 2022 were due to filed amount and approved amount and also between estimated filed amount and actual filed amount.

E. Unrecognized deferred tax assets

As of December 31, 2023 and 2022, deferred tax assets that had not been recognized amounted to $3,835,704 thousand and $4,561,862 thousand, respectively.

F. The assessment of income tax returns

The assessment of the income tax returns of the Company was approved up to year of 2021 as of December 31, 2023.

(23) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
Basic earnings per share		
Profit	$751,037	$1,012,463
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,472,988	1,461,390
Basic earnings per share (NTD)	$0.51	$0.69

Considering that the potential ordinary shares, if converted to ordinary shares will not result in a significant dilution effect and the diluted earnings per share would equal to basic earnings per share, the Company only disclosed basic earnings per share for the aforementioned periods.

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial report date and the date the financial statements were authorized for issue.

7. Related party transactions

The following was a summary of transactions between the Company and related parties during the financial reporting periods:

Name and Relationship of Related Parties

Name of the related parties	Relationship with the Company
Cal-Comp Electronics (Thailand) Public Company Limited	Subsidiary
Kinpo International Ltd.	Subsidiary
Kinpo Electronics (Philippines), Inc.	Subsidiary
CastleNet Technology Inc.	Subsidiary
XYZprinting, Inc.	Subsidiary
XYZprinting Japan, Inc.	Subsidiary
Cal-Comp Big Data, Inc.	Subsidiary
New Era AI Robotic Inc.	Subsidiary
Cal-Comp Electronics & Communication Co., Ltd.	Subsidiary
Qbit Semiconductor Ltd. (Note)	Subsidiary
Cal-Comp Precision (Singapore) Limited	Subsidiary
NKG Advanced Intelligence & Technology Development (Yueyang) Co., Ltd.	Subsidiary
Cal-Comp Asset Management, Inc.	Subsidiary
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Subsidiary
Cal-Comp Precision (Yueyang) Co., Ltd.	Subsidiary
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Subsidiary
AcBel Polytech Inc. and its subsidiaries.	Associate
Kinpo Group Management Service Company	Associate
iHELPER Inc.	Associate
SaveCom International Inc.	Associate
Compal Electronics, Inc. and its subsidiaries.	Substantive related party

Note: On June 28, 2023, the subsidiary was sold to a non-related party.

Significant transactions with the related parties

Where the transaction amount or balance with any single related party reaches 10% or more of the Company's total transaction amount or balance of that type of transaction, the name of each such related party shall be individually disclosed. The remaining amounts not up to the above standards were aggregated as others.

(1) Sales

	As of December 31,	
	2023	2022
Subsidiaries	$2,104,619	$1,929,958

The terms for sales to related parties were not significantly different from those of sales to third parties. The collection period was about 60 to 150 days after sales.

(2) Purchases

	As of December 31,	
	2023	2022
Subsidiaries	$5,083,868	$6,718,329

The purchase prices from related parties were close to the general trading price and payment term were about 30 to 90 days after purchase.

(3) Accounts receivable

	As of December 31,	
	2023	2022
Subsidiaries	$656,508	$963,826
Associates	6,899	16,291
Substantive related parties (Note)	9,424,681	8,491,473
Total	$10,088,088	$9,471,590

Note: Including $9,423,462 thousand and $8,476,775 thousand account receivables from purchases on behalf of the related parties.

(4) Other receivables

	As of December 31,	
	2023	2022
Subsidiaries	$2,680,070	$2,488,338
Associates	12	11
Substantive related parties	16,336	20,327
Total	$2,696,418	$2,508,676

Please refer to Note 13 for more details of the Company financings provided to related parties.

(5) Accounts payable

	As of December 31,	
	2023	2022
Subsidiaries (Note)	$10,895,093	$9,638,142

Note: Including $9,764,312 thousand and $8,472,537 thousand account payables from purchases on behalf of the related parties.

(6) Other accounts payable

	As of December 31,	
	2023	2022
Subsidiaries	$106,095	$25,811
Associates	71	72
Total	$106,166	$25,883

(7) Operating lease

The details of rental revenues from related parties were as follows:

		As of December 31,	
	Nature	2023	2022
Subsidiaries	Office building and network equipment	$51,463	$55,637
Associates	Office building	993	993
Total		$52,456	$56,630

Rental revenue was based on the market price and is received on a monthly basis.

(8) Others

A. Service revenues

	As of December 31,	
	2023	2022
Subsidiaries	$30,514	$34,714
Associates	240	240
Total	$30,754	$34,954

The above-mentioned service revenues were generated from providing production and sales support and information service.

B. Commission revenues

	As of December 31,	
	2023	2022
Substantive related parties	$41,728	$22,294

The above-mentioned commission revenues were generated from purchasing on behalf of related parties.

C. Other revenue

	As of December 31,	
	2023	2022
Subsidiaries	$127,528	$73,621
Associates	47,883	56,961
Substantive related parties	28,228	16,744
Total	$203,639	$147,326

The above-mentioned other revenue was generated from projects' service.

D. Interest revenue

	As of December 31,	
	2023	2022
Subsidiaries	$138,572	$33,568

E. Compensation of key management personnel

	As of December 31,	
	2023	2022
Short-term employee benefits	$97,016	$103,203
Post-employment benefits	2,036	1,976
Share-based payments	4,196	3,294
Total	$103,248	$108,473

8. Assets pledged as security

No such circumstances.

9. Commitments and contingencies

(1) As of December 31, 2023, the Company provided endorsement and guarantee to subsidiaries were amounted to USD 162,000 thousand and NTD 260,000 thousand.

(2) As of December 31, 2023, the Company issued declaration statement to the lending bank related to comprehensive loan facilities amounting to USD 5,000 thousand to Kinpo Electronics (Philippines), Inc., the declaration was as follows:

A. The Company commits to hold directly or indirectly no less than 80% of total Kinpo Electronics (Philippines), Inc.'s outstanding shares.
B. The Company commits to maintain management and control over Kinpo Electronics (Philippines), Inc.
C. The Company commits to support Kinpo Electronics (Philippines), Inc. all the necessary resources (including but not limited to finance, personnel and technology), and ensure that Kinpo Electronics (Philippines), Inc. operates normally and complies with its obligations.
D. The Company commits that in case of default, the Company should take a necessary action to promote Kinpo Electronics (Philippines), Inc. to fulfill its repayment obligation..

(3) As of December 31, 2023, the Company issued declaration statement to the lending bank related to comprehensive loan facilities amounting to USD 10,000 thousand to Kinpo International (Singapore) Pte. Ltd., the declaration was as follows:

A. The Company commits to maintain management and control over Kinpo International (Singapore) Pte. Ltd.
B. The Company commits to support Kinpo International (Singapore) Pte. Ltd. all the necessary resources (including but not limited to finance, personnel and technology), and ensure that Kinpo International (Singapore) Pte. Ltd. operates normally and complies with its obligations.
C. The Company commits that in case of default, the Company should take a necessary action to promote Kinpo International (Singapore) Pte. Ltd. to fulfill its repayment obligation.

(4) As of December 31, 2023, the Company issued declaration statement to the lending bank related to comprehensive loan facilities amounting to THB 2,000,000 thousand to Cal-Comp Electronics (Thailand) Public Company Limited, Inc. (hereinafter called" Cal-Comp Electronics (Thailand) "), the declaration was as follows:

A. The Company commits to hold directly or indirectly no less than 40% of total Cal-Comp Electronics (Thailand)'s outstanding shares. And continue to hold the equity until Cal-Comp Electronics (Thailand) has fully settled its debts to the bank guarantee application.
B. The Company commits to support Cal-Comp Electronics (Thailand) all the necessary resources to assist Cal-Comp Electronics (Thailand) in fulfilling its obligations to the tax bureau and the agreements, documents and applications submitted to the bank.

(5) As of December 31, 2023, the Company issued declaration statement to the lending bank related to comprehensive loan facilities amounting to USD 12,000 thousand and NTD 190,000 thousand to CastleNet Technology Inc., the declaration was as follows:

A. The Company commits to hold directly or indirectly no less than 60% of total CastleNet Technology Inc.'s outstanding shares.
B. The Company commits to maintain management and control over CastleNet Technology Inc.

C. The Company commits to support CastleNet Technology Inc. all the necessary resources (including but not limited to finance, personnel and technology), and ensure that CastleNet Technology Inc. operates normally and complies with its obligations.

D. The Company commits that in case of default, the Company should take a necessary action to promote CastleNet Technology Inc. to fulfill its repayment obligation.

10. Losses due to major disasters

No such circumstances.

11. Significant subsequent events

No such circumstances.

12. Others

(1) Financial instruments

Financial assets

	As of December 31,	
	2023	2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss (including non-current)	$44,799	$69,039
Financial assets at fair value through other comprehensive income (including non-current)	6,440,537	3,999,096
Financial assets at amortized cost		
Cash and cash equivalents	974,660	933,127
Notes receivable	-	36
Accounts receivable (including due from related party)	11,101,929	10,331,067
Other receivables (including due from related parties)	2,830,712	2,525,520
Subtotal	14,907,301	13,789,750
Total	$21,392,637	$17,857,885

Financial liabilities

	As of December 31,	
	2023	2022
Financial liabilities at amortized cost:		
Current borrowings	$4,970,000	$3,835,000
Short-term notes and bills payable	1,697,643	1,647,639
Accounts payable (including to related parties)	11,001,104	10,096,305
Other payables (including to related parties)	512,026	466,137
Non-current borrowings (including current portion)	12,570,000	8,915,000
Subtotal	30,750,773	24,960,081
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	43,318	60,885
Total	$30,794,091	$25,020,966

(2) Financial risk management objectives

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts are to hedge exchange rate fluctuation risk, the gain or loss made on the contracts from the fluctuation in exchange rates are expected to mostly offset gains or losses made on the hedged item. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates. The information of the sensitivity analysis, please refer to Note 12(10).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments with variable interest rates. At the balance sheet date, an increase or a decrease of 5 basis points of interest rate could cause the profit for the years ended December 31, 2023 and 2022 to decrease or increase by $9,620 thousand and $7,200 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

For the years ended December 31, 2023 and 2022, an increase/decrease of 1% in the price of the listed companies stocks classified as investments in equity instruments measured at fair value through other comprehensive income could cause the equity for the years ended December 31, 2023 and 2022 to decrease/increase by $63,983 thousand and $35,291 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit of the Company subject to established policy, procedures and controls relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2023, and 2022, the top three receivables from counter parties represented 96.44% and 97.58% of the total accounts receivables of the Company, respectively. The credit concentration risk of other accounts receivables was insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Company will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 2 years	2 to 5 years	Total
As of December 31, 2023				
Current borrowings (including interest to be paid)	$5,064,584	$-	$-	$5,064,584
Short-term notes and bills payable	1,700,000	-	-	1,700,000
Accounts payable (including to related parties)	11,001,104	-	-	11,001,104
Other payables (including to related parties)	512,026	-	-	512,026
Non-current borrowings (including interest to be paid)	2,745,786	4,919,447	5,533,681	13,198,914

	Less than 1 year	1 to 2 years	2 to 5 years	Total
As of December 31, 2022				
Current borrowings (including interest to be paid)	$3,903,773	$-	$-	$3,903,773
Short-term notes and bills payable	1,650,000	-	-	1,650,000
Accounts payable (including to related parties)	10,096,305	-	-	10,096,305
Other payables (including to related parties)	466,137	-	-	466,137
Non-current borrowings (including interest to be paid)	1,668,015	6,243,591	1,260,771	9,172,377

(6) Reconciliation of liabilities arising from financing activities

For the year ended December 31, 2023:

	Current borrowings	Short-term notes and bills payable	Non-current borrowings (including current portion)	Total liabilities from financing activities
As of January 1, 2023	$3,835,000	$1,647,639	$8,915,000	$14,397,639
Cash flows	1,135,000	50,000	3,655,000	4,840,000
Discount and premium movement	-	4	-	4
As of December 31, 2023	$4,970,000	$1,697,643	$12,570,000	$19,237,643

For the year ended December 31, 2022:

	Current borrowings	Short-term notes and bills payable	Non-current borrowings (including current portion)	Total liabilities from financing activities
As of January 1, 2022	$2,711,080	$2,718,664	$8,025,000	$13,454,744
Cash flows	1,123,920	(1,070,000)	890,000	943,920
Discount and premium movement	-	(1,025)	-	(1,025)
As of December 31, 2022	$3,835,000	$1,647,639	$8,915,000	$14,397,639

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, accounts receivable (including due from related parties), other receivables (including due from related parties), accounts payable (including to related parties), other payables (including to related parties) and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates and bonds etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Among the Company's financial assets and financial liabilities measured at amortized cost, other than cash and cash equivalents, financial assets at amortised cost, accounts receivable (including due from related parties), current contract assets, other receivables (including due from related parties), current borrowings, short-term notes and bills payable, accounts payable (including to related parties), other payables (including to related parties), other current liabilities and non-current borrowings, the carrying amount approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivatives financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of December 31, 2023 and 2022 were as follows:

Forward currency contracts

The Company entered into forward currency contracts to manage its exposure to financial risk, but these contracts were not designated as hedging instruments. The table below listed the information related to forward currency contracts:

As of December 31, 2023:

Items	Contract Amount	Exchange Currency	Contract Period
Forward currency contract	Sell USD 50,000 thousand	NTD	January 31, 2024
Forward currency contract	Sell USD 40,000 thousand	CNY	January 31, 2024
Forward currency contract	Sell USD 5,700 thousand	PHP	January 31, 2024
Forward currency contract	Sell USD 33,936 thousand	THB	From March 12, 2024 to March 20, 2024
Forward currency contract	Buy USD 33,977 thousand	THB	From March 12, 2024 to March 20, 2024

As of December 31, 2022:

Items	Contract Amount	Exchange Currency	Contract Period
Forward currency contract	Sell USD 10,000 thousand	PHP	January 31, 2023
Forward currency contract	Sell USD 21,501 thousand	THB	From March 21, 2023 to April 24, 2023
Forward currency contract	Buy USD 21,517 thousand	THB	From March 21, 2023 to April 24, 2023

The counterparties for the aforementioned derivatives transactions were well known local or overseas banks, as they had sound credit ratings, the credit risk was insignificant.

With regard to the forward foreign exchange contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Company has sufficient operating funds, the cash flow risk is insignificant.

As of December 31, 2023 and December 31, 2022, the Company had forward currency contract transactions which were settled but not received, recognized as other receivables, amounted to $46,408 thousand and $0 thousand, respectively. The forward currency contract transactions which were settled but not paid, recognized as other payables, amounted to $5,507 thousand and $63 thousand, respectively.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company assets and liabilities measured at fair value on a recurring basis was as follows:

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
At fair value through profit or loss				
Forward Currency Contract	$-	$44,799	$-	$44,799
At fair value through other comprehensive income				
Equity instrument	6,398,293	-	42,244	6,440,537
Financial liabilities:				
At fair value through profit or loss				
Forward Currency Contract	-	43,318	-	43,318

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
At fair value through profit or loss				
Convertible corporate bonds	$-	$-	$10,180	$10,180
Forward Currency Contract	-	58,859	-	58,859
At fair value through other comprehensive income				
Equity instrument	3,529,135	-	469,961	3,999,096
Financial liabilities:				
At fair value through profit or loss				
Forward Currency Contract	-	60,885	-	60,885

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

The movements during the period were as follows:

	Assets		
	At fair value through profit and loss	At fair value through other comprehensive income	
	Convertible Corporate Bonds	Stocks	Total
Beginning balances as of January 1, 2023	$10,180	$469,961	$480,141
Total gains and losses recognized for the year ended December 31, 2022:			
Amount recognized in profit or loss (presented in "other profit or loss")	45	-	45
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	(164,010)	(164,010)
Acquisition/issuance for the year ended December 31, 2023	-	53,900	53,900
Disposal/settlements for the year ended December 31, 2023	(10,225)	(317,226)	(327,451)
Capital reduction and refund of shares for the year ended December 31, 2023	-	(381)	(381)
Ending balances as of December 31, 2023	$-	$42,244	$42,244

	Assets		
	At fair value through profit and loss	At fair value through other comprehensive income	
	Convertible Corporate Bonds	Stocks	Total
Beginning balances as of January 1, 2022	$52,370	$475,613	$527,983
Total gains and losses recognized for the year ended December 31, 2022:			
Amount recognized in profit or loss (presented in "other profit or loss")	1,410	-	1,410
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	(5,652)	(5,652)
Disposal/settlements for the years period ended December 31, 2022	(43,600)	-	(43,600)
Ending balances as of December 31, 2022	$10,180	$469,961	$480,141

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Company's equity by $528 thousand

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit and loss					
Convertible corporate bonds	Cox-Ross-Rubinstein	Volatility of the stock price	44.58%	The higher the volatility of the stock price, the higher the fair value of the convertible bonds	1% increase (decrease) in the volatility of the stock price would not have significant effect on the Company's profit or loss
At fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Company's equity by $6,187 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's finance department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value was disclosed

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets did not measure at fair value but for which the fair value was disclosed:				
Investments accounted for using equity method (Note)	$6,666,558	$-	$-	$6,666,558
Financial liabilities did not measure at fair value but for which the fair value was disclosed:				
Non-current borrowings (including current portion)	-	12,570,000	-	12,570,000

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets did not measure at fair value but for which the fair value was disclosed:				
Investments accounted for using equity method (Note)	$3,724,949	$-	$-	$3,724,949
Financial liabilities did not measure at fair value but for which the fair value was disclosed:				
Non-current borrowings (including current portion)	-	8,915,000	-	8,915,000

Note: Please refer to Note 6(5) for more detailed information for the investments in associates.

(10) Significant assets and liabilities denominated in foreign currencies

(In thousands)

	As of December 31, 2023				
				Sensitivity analysis	
	Foreign currencies	Exchange rate	Carrying amount (NTD)	Fluctuation	Effect on Income (equity)
Financial assets					
Monetary items					
USD	$487,689	30.7350	$14,989,121	0.5%	$74,946
Financial assets					
Non-monetary items					
USD	701,499	30.7350	21,560,582	0.5%	107,801
CNY	819,782	4.3394	3,557,361	0.5%	17,787
Financial liabilities					
Monetary items					
USD	366,307	30.7350	11,258,446	0.5%	56,292

(In thousands)

	As of December 31, 2022				
				Sensitivity analysis	
	Foreign currencies	Exchange rate	Carrying amount (NTD)	Fluctuation	Effect on Income (equity)
Financial assets					
Monetary items					
USD	$426,503	30.7100	$13,097,907	0.5%	$65,490
Financial assets					
Non-monetary items					
USD	568,763	30.7100	17,466,718	0.5%	87,333
CNY	819,020	4.4094	3,611,388	0.5%	18,057
Financial liabilities					
Monetary items					
USD	329,664	30.7100	10,123,981	0.5%	50,620

The Company's foreign currency transactions were denominated in multiple currency; therefore, the information of the foreign exchange gains (losses) of monetary assets and liabilities denominated by each currency is not applicable for disclosure. For the years ended December 31, 2023 and 2022, the Company's significant monetary financial assets and liabilities denominated in foreign currencies incurred foreign exchange gains (losses) (including realized and unrealized) of $(3,379) thousand and $81,582 thousand, respectively.

(11) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

A. Financings provided to others: Please refer to table 1 for more details.

B. Endorsements/guarantees provided to others: Please refer to table 2 for more details.

C. Marketable securities held (not including subsidiaries, associates and joint ventures): Please refer to table 3 for more details.

D. Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20 percent of the capital stock: Please refer to table 4 for more details.

E. Acquisition of individual real estate properties at costs of at least NTD 300 million or 20 percent of the paid-in capital: No such circumstances.

F. Disposal of individual real estate properties at costs of at least NTD 300 million or 20 percent of the paid-in capital: No such circumstances.

G. Total purchases from or sales to related parties of at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 5 for more details.

H. Receivables due from related parities amounting to at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 6 for more details.

I. Derivative instruments transactions: Please refer to Note 6 and Note 12 for more details.

(2) Information on investees

A. Financings provided to others: Please refer to table 1 for more details.

B. Endorsements/guarantees provided to others: Please refer to table 2 for more details.

C. Marketable securities held (not including subsidiaries, associates and joint ventures): Please refer to table 3 for more details.

D. Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20 percent of the capital stock: Please refer to table 4 for more details.

E. Acquisition of individual real estate properties at costs of at least NTD 300 million or 20 percent of the paid-in capital: No such circumstances.

F. Disposal of individual real estate properties at costs of at least NTD 300 million or 20 percent of the paid-in capital: No such circumstances.

G. Total purchases from or sales to related parties of at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 5 for more details.

H. Receivables due from related parities amounting to at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 6 for more details.

I. Derivative instruments transactions: Please refer to Note 6 and Note 12 for more details.

J. Names, locations and related information of investees over which the company exercises significant influence (not including information on investments in Mainland China): Please refer to table 7 for more details.

(3) Information on investments in Mainland China

A. Names, main business, paid-in capital, method of investment, investment flows, percentage of ownership, share of profits (losses), carrying amount at the end of the period, accumulated inward remittance of earnings and the upper limit of investment: Please refer to table 8 for more details.

B. Significant transactions with investee in Mainland China

Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to tables 5 to 6 for more details.

(4) Information on major shareholders

Shares / Major shareholders	Total shares owned	Ownership percent
Compal Electronics, Inc.	124,043,763 shares	8.26%

Note 1: The major shareholders information was from the date that the Company issued common shares (including treasury shares) and preference shares in dematerialized form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialized form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.

Table 1: Financings provided to others

(Unit: thousands of NTD/ foreign currency)

No. <Note1>	Financing Company	Related Party	Financial Statement Account	Related Party	Maximum Balance for the period	Ending Balance (Passed by the Board of Directores)	Amount Acutally Drawn	Interest rate	Nature of Financing <Note2>	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company <Note3>	Financing Company's Total Financing Amount Limits <Note4>
													Item	Value		
0	Kinpo Electronics, Inc.	Kinpo International Ltd.	Other receivables due from related parties	Yes	USD 110,000 (3,566,090)	USD 85,000 (2,612,475)	USD 85,000 (2,612,475)	6.01%~6.40%	2	-	Need for operating	-	-	-	$4,292,266	$17,169,063
0	Kinpo Electronics, Inc.	Kinpo Electronics (Philippines), Inc.	〃	Yes	USD 50,000 (1,620,950)	USD 50,000 (1,536,750)	- -	1M TAIFX3+0.5%	2	-	Need for operating	-	-	-	4,292,266	17,169,063
0	Kinpo Electronics, Inc.	XYZprinting Japan, Inc.	〃	Yes	JPY 600,000 (138,480)	- -	- -	-	2	-	Need for operating	-	-	-	4,292,266	17,169,063
0	Kinpo Electronics, Inc.	XYZprinting, Inc.	〃	Yes	900,000	350,000	-	3M TAIBOR+0.8%	2	-	Need for operating	-	-	-	4,292,266	17,169,063
1	Kinpo International Ltd.	XYZprinting, Inc. (USA)	〃	Yes	USD 3,000 (97,257)	USD 3,000 (92,205)	USD 3,000 (92,205)	6.47%	2	-	Need for operating	-	-	-	711,472	3,557,361
2	Kinpo International (Singapore) Pte. Ltd.	Kinpo Electronics (Philippines), Inc.	〃	Yes	USD 65,000 (2,107,235)	USD 65,000 (1,997,775)	USD 12,700 (390,335)	6.24%	2	-	Need for operating	-	-	-	7,852,548	7,852,548
3	Cal-Comp Technology (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	〃	Yes	USD 13,000 (421,447)	USD 13,000 (399,555)	USD 12,000 (368,820)	6.66937%~6.67802%	2	-	Need for operating	-	-	-	9,171,218	9,171,218
3	Cal-Comp Technology (Philippines), Inc.	Confiar Land Corp.	〃	Yes	USD 2,000 (129,676)	USD 2,000 (61,470)	USD 1,400 (43,029)	6.68822%	2	-	Need for operating	-	-	-	1,834,244	9,171,218
4	Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria de Semicondutores S.A.	〃	Yes	USD 7,500 (243,143)	USD 7,500 (230,513)	USD 7,500 (230,513)	8.00674%	2	-	Need for operating	-	-	-	4,672,607	17,169,063
4	Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	〃	Yes	USD 20,000 (1,152,984)	- -	- -	-	2	-	Need for operating	-	-	-	4,672,607	17,169,063
5	Cal-Comp Precision (Thailand) Limited	Cal-Comp Precision (Philippines), Inc.	〃	Yes	USD 45,000 (1,458,855)	USD 30,000 (922,050)	- -	3M CME Term SOFR+0.9%	2	-	Need for operating	-	-	-	1,697,626	1,697,626
5	Cal-Comp Precision (Thailand) Limited	Cal-Comp Precision (Singapore) Limited	〃	Yes	USD 55,000 (1,719,300)	USD 55,000 (1,690,425)	USD 55,000 (1,690,425)	6.24835%	2	-	Need for operating	-	-	-	1,697,626	1,697,626
6	Cal-Comp Precision (Malaysia) SDN. BHD.	Cal-Comp Precision (Singapore) Limited	〃	Yes	USD 2,000 (62,520)	USD 2,000 (61,470)	- -	3M CME Term SOFR+0.9%	2	-	Need for operating	-	-	-	193,316	193,316
7	Cal-Comp Precision (Dongguan) Limited	Cal-Comp Precision (Yueyang) Co., Ltd.	〃	Yes	USD 40,000 (176,068)	USD 40,000 (173,576)	- -	1Year LPR+0.15%	2	-	Need for operating	-	-	-	346,914	346,914
8	Cal-Comp Electronics (USA) Co., Ltd.	Cal-Comp USA (San Diego), Inc.	〃	Yes	USD 3,000 (97,257)	USD 3,000 (92,205)	- -	3M CME SOFR+1%	2	-	Need for operating	-	-	-	986,298	986,298
9	Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	〃	Yes	CNY 140,000 (632,310)	CNY 140,000 (607,516)	CNY 140,000 (607,516)	3.8%	2	-	Need for operating	-	-	-	4,294,426	4,294,426
10	Kinpo Electronics (China) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	〃	Yes	CNY 50,000 (225,825)	CNY 50,000 (216,970)	- -	LPR3.45%+0.15%	2	-	Need for operating	-	-	-	4,342,390	4,342,390
10	Kinpo Electronics (China) Co., Ltd.	LIZ Electronics (Nantong) Co., Ltd.	〃	Yes	CNY 418,000 (1,813,869)	CNY 418,000 (1,813,869)	CNY 200,000 (867,880)	6.35%	2	-	Need for operating	-	-	-	4,342,390	4,342,390
11	LIZ Electronics (Kunshan) Co., Ltd.	LIZ Electronics (Nantong) Co., Ltd.	〃	Yes	CNY 30,000 (135,495)	CNY 15,000 (65,091)	- -	4.35%	1	CNY 49,586 (215,174)	-	-	-	-	66,145	66,145
12	LIZ Electronics (Nantong) Co., Ltd.	LIZ Electronics (Kunshan) Co., Ltd.	〃	Yes	CNY 30,000 (135,495)	CNY 15,000 (65,091)	- -	4.35%	1	CNY 49,586 (215,174)	-	-	-	-	100,193	100,193
13	Crownpo Technology Inc.	Li-Cheng Materials Co., Ltd.	〃	Yes	16,000	-	-	-	2	-	Need for operating	-	-	-	374	1,494

<Note 1> The numbers filled in for the financings provided by the group or subsidiaries are as follows:
1. The Company is "0".
2. The subsidiaries are numbered in order starting from "1".

<Note 2> The codes represent the nature of financing activities as follows:
1. Trading partner is "1".
2. Short-term financing is "2".

<Note 3> Financing limits for each borrowing companies are as follows:
1. Non related party
(1) Trading Partners: The maximum of total financing is highter of the transaction amount during the most recent 3 months or 30% of transaction amount during current year, and shall not exceed 10% of its net worth.
(2) Short-term financing: The maximum of total financing is 80% of counter-party's net worth and shall not exceed 4% of its net worth.
2. Related Party
(1) Trading Partners: The maximum of total financing is highter of the transaction amount during the most recent 3 months or during current year, and shall not exceed 20% of its net worth.
(2) Short-term financing: The maximum of total financing is 20% of its net worth.
(3) Subsidiaries 100% held by the company: The maximum of total financing is 100% of the company's net worth.

<Note 4> Financing company's total financing amount limits are as follows:
1. The maximum amount of financing to trading partners is 100% of transaction amount during current year and shall not exceed 40% of its net worth.
2. The maximum amount of short-term financing is 40% of financing company's net worth.
3. The maximum amount of short-term financing to subsidiaries 100% held by the company is 100% of the company.
4. The summary of the three situations above shall not exceed 80% of the company's net worth.

Table 2: Endorsements/guarantees provided to others (Unit: thousands of NTD/ foreign currency)

No. <Note1>	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party <Note3>	Maximum Balance for the period	Ending Balance	Amount Actually Drawn	Amounts of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable <Note3>	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guanantee Provided to Subsidiaries in Mainland China
		Name	Nature of relationship <Note2>										
0	Kinpo Electronics, Inc.	Kinpo International Ltd.	2	$21,461,329	USD 141,000 (4,571,079)	USD 137,000 (4,210,695)	USD 2,600 (79,911)	$-	19.62%	$21,461,329	YES	NO	NO
0	Kinpo Electronics, Inc.	Kinpo International (Singapore) Pte. Ltd.	2	21,461,329	USD 30,000 (972,570)	USD 25,000 (768,375)	-	-	3.58%	21,461,329	YES	NO	NO
0	Kinpo Electronics, Inc.	XYZprinting, Inc.	2	21,461,329	930,000	260,000	-	-	1.21%	21,461,329	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Logistar International Holding Co., Ltd.	2	21,461,329	USD 135,000 EUR 4,500 (4,456,319)	-	-	-	-	21,461,329	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Cal-Comp Electronics (USA) Co., Ltd.	2	21,461,329	USD 35,000 (1,134,665)	USD 35,000 (1,075,725)	-	-	5.01%	21,461,329	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Cal-Comp Electronics & Communications Co.,	2	21,461,329	USD 91,000 1,000,000 (3,950,129)	USD 91,000 1,000,000 (3,796,885)	USD 48,340 480,000 (1,965,718)	-	17.69%	21,461,329	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Qbit Semiconductor Ltd.	2	-	575,000 USD 22,000 (1,266,460)	-	-	-	-	-	YES	NO	NO
1	Cal-Comp Electronics (Thailand) Public Company	Cal-Comp Precision (Singapore) Limited	2	21,461,329	USD 10,000 (324,190)	USD 10,000 (307,350)	-	-	1.43%	21,461,329	YES	NO	NO
2	Cal-Comp Precision Holding Co., Ltd.	Cal-Comp Precision (Singapore) Limited	2	3,530,990	USD 45,000 (1,563,000)	USD 50,000 (1,536,750)	-	-	7.16%	3,530,990	YES	NO	NO

<Note 1> The numbers filled in for the endorsements/guarantees provided by the group or subsidiaries are as follows:
1. The Company is "0".
2. The subsidiaries are numbered in order starting from "1".

<Note 2> The following code represents the relationship with the company:
1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

<Note 3> The limit amount of endorsement/guarantee are as follows:
1. The aggregate amount of endorsement/guarantee:
(1) The aggregate amount of transactions of endorsement/guarantee must be less than 100% of net worth of provider company.
(2) The aggregate amount of endorsement /guarnatee of the Company and subsidiaries should be less than 2% of the company's net worth.
(3) The aggregate amount of endorsements/guarantees that the Company as a whole may exceed 50% of the Company's net worth, and the Company should explain the rationality of it in the shareholders meeting.
2. The amount of endorsement/guarantee for any single entity is as follow:
(1) The amount of endorsement/guarantee for trading partners should be less than 30% of the total sales or purchase transactions between endorsor/guarantor and the receiving party from the previous fiscal year, and should be less than 65% of the Company's net worth.
(2) For subsidiaries jointly or directly owned over 50% by the company, the amount of endorsement/guarantee for the entity should be less than 100% of the company's net worth.
(3) For subsidiaries jointly or directly owned over 90% by the company, the amount of endorsement/guarantee for the entity should be less than 10% of the company's net worth, except for 100% owned companies. The ceiling for subsidiaries owned 100% is 100% of the Company's net worth.

Table 3: Marketable securities held (not including subsidiaries, associates and joint ventures) (Unit: thousands of NTD/ foreign currency)

No. <Note1>	Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	As of December 31, 2023				Remark
					Share/Units	Carrying Value	Percentage	Fair Value	
0	Kinpo Electronics, Inc.	Amphastar Pharmaceuticals, Inc. / Stock	-	Current financial assets at fair value through other comprehensive income	20,000	$38,019	0.03%	$38,019	Public: AMPH
0	Kinpo Electronics, Inc.	Compal Electronics, Inc. / Stock	-	Non-current financial assets at fair value through other comprehensive income	151,628,692	6,042,403	3.44%	6,042,404	Public: 2324
0	Kinpo Electronics, Inc.	Taiwan Mobile Co., Ltd. / Stock	-	〃	3,223,835	317,870	0.09%	317,870	Public: 3045
0	Kinpo Electronics, Inc.	Helios Semiconductor, Inc. / Stock	-	〃	42,001	-	0.64%	-	
0	Kinpo Electronics, Inc.	Norm Pacific Automation Corp. / Stock	-	〃	469,240	6,156	1.64%	6,156	
0	Kinpo Electronics, Inc.	Prudence Capital Management Ltd. / Stock	-	〃	66,273	1,201	1.00%	1,201	
0	Kinpo Electronics, Inc.	Puritron Technology Inc. / Stock	-	〃	629,148	2,284	3.85%	2,284	
0	Kinpo Electronics, Inc.	Intergrafx Holding Ltd. / Convertible preferred stock	-	〃	1,166,667	-	-	-	
0	Kinpo Electronics, Inc.	PChome Ventures fund / Stock	-	〃	157,080	-	6.06%	-	
0	Kinpo Electronics, Inc.	iMedtac Company Limited / Stock	-	〃	890,400	19,215	5.05%	19,215	
0	Kinpo Electronics, Inc.	Hongyi optical Company Limited / Stock	-	〃	2,156,000	13,389	17.13%	13,389	
1	Kinpo International (Singapore) Pte. Ltd.	URSrobot Holding Ltd. / Preferred stock	-	〃	2,033,180	USD 813	-	USD 813	
2	XYZprinting, Inc.	Taiwan Tech 3D Co., Ltd. / Stock	-	〃	200,000	-	10.00%	-	
3	CastleNet Technology Inc.	SPI. / Convertible corporate bond	-	Current equity investments measured at fair value through profit and loss	-	1,550,470	-	1,550,470	
4	Cal-Comp Electronics (Thailand) Public Company Limited	Nexa3D Inc. / Stock	-	Non-current equity investments measured at fair value through other comprehensive income	57,445,600	-	11.75%	-	
5	Logistar International Holding Co., Ltd.	Mojoose Inc. / Convertible corporate bond	-	Non-current financial assets at fair value through profit and loss	-	-	-	-	
6	Cal-Comp Electronics (USA) Co., Ltd.	Fellow, Inc. / Stock	-	Non-current equity investments measured at fair value through other comprehensive income	480,815	-	4.72%	-	
7	Cal-Comp Semiconductor, Ltd.	QBit Semiconductor Ltd.	-	〃	7,220,000	USD 1,450	19.00%	USD 1,450	

<Note 1> The numbers filled in for the marketable securities held by the group or subsidiaries are as follows:

(1) The company is "0".

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

Table 4: Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20 percent of the capital stock

(Unit: thousands of NTD/ foreign currency)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount	Remark
Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Investments accounted for using equity method	Capital increment in cash	-	2,511,896,605	$8,188,704	2,712,059,810	$3,380,704	-	-	-	-	5,223,956,415	$12,181,293	<Note1>
Kinpo Electronics, Inc.	XYZprinting, Inc.	〃	Capital increment in cash	-	43,151,760	(509,674)	72,000,000	720,000	-	-	-	-	115,151,760	13,270	<Note1>
Kinpo Electronics, Inc.	AcBel Polytech Inc.	〃	Capital increment in cash	-	124,788,917	2,402,989	37,414,446	1,451,681	-	-	-	-	162,203,363	4,358,476	<Note1>
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc.	〃	Capital increment in cash	-	43,151,760	(509,674)	72,000,000	720,000	-	-	-	-	115,151,760	13,270	<Note1>
Cal-Comp Electronics & Communications Co., Ltd	Logistar International Holding Co., Ltd.	〃	Capital increment in cash	-	270,000,000	(5,110,513)	128,000,000	4,424,245	-	-	-	-	398,000,000	(1,059,120)	<Note1 and 2>

<Note 1> The ending balance included the recognition of share of profit (loss) of associates and joint ventures accounted for using equity method, exchange differences on translation and unrealised gains (losses) from investments in financial assets/liabilities, etc.

<Note 2> Certain cash capital increase in this period was not yet verified.

Table 5: Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital

(Unit: thousands of NTD/ foreign currency)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction Terms Different From Regular Transactions		Notes/Accounts Receivable (Payable)		Remark
			Purchase /Sales	Amount	% to Total	Payment Term	Unit Price	Payment Term	Ending Balance	% to Total <Note>	
Kinpo Electronics, Inc.	Kinpo Electronics (Philippines), Inc.	Subsidiary	Purchases	$2,892,927	5.65%	About 30 days	Similar to general terms and conditions	About 30 days	($401,840)	3.65%	
Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Subsidiary	Purchases	48,267,800	94.34%	About 30 days	Similar to general terms and conditions	About 30 days	(10,493,252)	95.38%	
Kinpo Electronics, Inc.	Compal Electronics, Inc.	Substantive Related Parties	Sales	45,596,317	87.88%	About 50 days	Similar to general terms and conditions	About 50 days	9,423,090	84.88%	
Kinpo International Ltd.	Kinpo Electronics, Inc. (China)	Subsidiary	Purchases	CNY 748,909	60.20%	–	Similar to general terms and conditions	–	(CNY 55,263)	30.78%	
Kinpo Electronics, Inc.(China)	Kinpo International Ltd.	Parent company	Sales	CNY 748,909	93.87%	–	Similar to general terms and conditions	–	CNY 55,263	12.07%	
Kinpo Electronics (Philippines), Inc.	Kinpo Electronics, Inc.	Parent company	Sales	USD 93,914	13.38%	About 30 days	Similar to general terms and conditions	About 30 days	USD 13,074	10.16%	
Kinpo Electronics (Philippines), Inc.	Cal-Comp Precision (Philippines), Inc.	Affiliated company	Purchases	USD 104,558	18.74%	About 30 days	Similar to general terms and conditions	About 30 days	(USD 10,336)	9.74%	
Kinpo Electronics (Philippines), Inc.	Cal-Comp Precision (Singapore) Limited	Affiliated company	Purchases	USD 4,025	0.72%	About 30 days	Similar to general terms and conditions	About 30 days	(USD 457)	0.43%	
Kinpo Electronics (Philippines), Inc.	AcBel Polytech (Philippines), Inc.	Affiliated company	Purchases	USD 3,933	0.70%	About 30 days	Similar to general terms and conditions	About 30 days	(USD 1,313)	1.24%	
XYZprinting, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Affiliated company	Purchases	193,058	83.06%	About 90 days	Similar to general terms and conditions	About 90 days	(159,543)	93.72%	
CastleNet Technology Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Affiliated company	Purchases	273,955	40.12%	About 90-120 days	Similar to general terms and conditions	About 90-120 days	(44,087)	31.46%	
Cal-Comp Electronics (Thailand) Public Company Limited	Kinpo Electronics, Inc.	Parent company	Sales	USD 1,543,471	46.16%	About 30 days	Similar to general terms and conditions	About 30 days	USD 341,411	46.49%	
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc.	Affiliated company	Sales	USD 4,620	0.14%	About 90 days	Similar to general terms and conditions	About 90 days	USD 3,587	0.49%	
Cal-Comp Electronics (Thailand) Public Company Limited	CastleNet Technology Inc.	Affiliated company	Sales	USD 280,717	8.39%	About 90-120 days	Similar to general terms and conditions	About 90-120 days	USD 128,816	17.54%	
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics & Communications Co., Ltd.	Subsidiary	Sales	USD 300,381	8.98%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	USD 76,824	10.46%	
Cal-Comp Electronics (Thailand) Public Company Limited	CastleNet Technology Inc.	Affiliated company	Purchases	USD 3,569	0.11%	About 45 days	Similar to general terms and conditions	About 45 days	(USD 44)	0.01%	
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Precision (Thailand) Limited	Subsidiary	Purchases	USD 43,176	1.34%	About 60 days	Similar to general terms and conditions	About 60 days	(USD 7,966)	1.66%	
Cal-Comp Electronics (Thailand) Public Company Limited	Acbel Polytech Inc.	Associate	Purchases	USD 3,512	0.11%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	(USD 351)	0.07%	
Cal-Comp Electronics (Thailand) Public Company Limited	Compal Electronics, Inc.	Substantive Related Parties	Purchases	USD 1,083,243	33.56%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	(USD 208,675)	43.55%	
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company	Sales	CNY 626,479	100.00%	About 45-90 days	Similar to general terms and conditions	About 45-90 days	CNY 152,730	100.00%	
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company	Sales	CNY 2,451,970	94.01%	About 90 days	Similar to general terms and conditions	About 90 days	CNY 66,112	74.97%	
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Cal-Comp Precision (Yueyang) Co., Ltd.	Affiliated company	Purchases	CNY 338,897	13.55%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	(CNY 55,746)	17.59%	
Cal-Comp Precision (Thailand) Limited	Cal-Comp Electronics (Thailand) Public Company Limited	Parent company	Sales	USD 43,176	96.84%	About 60 days	Similar to general terms and conditions	About 60 days	USD 8,043	98.27%	
Cal-Comp Precision (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Affiliated company	Sales	USD 104,568	93.30%	About 30 days	Similar to general terms and conditions	About 30 days	USD 10,336	88.85%	
Cal-Comp Precision (Yueyang) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Affiliated company	Sales	CNY 338,897	95.47%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	CNY 55,673	92.97%	
Cal-Comp Electronics & Communications Co., Ltd.	Cal-Comp Electronics (Thailand) Public Company Limited	Parent company	Purchases	USD 300,380	44.04%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	(USD 76,824)	71.32%	
Cal-Comp Electronics & Communications Co., Ltd.	Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Affiliated company	Purchases	USD 88,893	13.03%	About 45-90 days	Similar to general terms and conditions	About 45-90 days	(USD 21,564)	20.02%	
Cal-Comp Electronics & Communications Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Affiliated company	Purchases	USD 292,347	42.86%	About 90 days	Similar to general terms and conditions	About 90 days	(USD 9,334)	8.67%	
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Cal-Comp Electronics (USA) Co., Ltd.	Affiliated company	Sales	MXN 203,303	100.00%	About 60-90 days	Similar to general terms and conditions	About 60-90 days	MXN 50,648	100.00%	

<Note> Percentage to total sales (purchases), accounts and notes receivable (payable).

Table 6: Receivables due from related parties amounting to at least NTD 100 million or 20% of the paid-in capital

(Unit: thousands of NTD/ foreign currency)

Company Name	Related Party	Nature of Relationship	Financial Statement Account	Ending Balance	Turover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
Kinpo Electronics, Inc.	Compal Electronics, Inc.	Substantive Related Parties	Accounts receivable due from related parties	$9,423,090	6.79	$-	-	$9,423,090	$-
Kinpo Electronics, Inc.	Kinpo International Ltd.	Subsidiary	Other receivables due from related parties	2,678,481	-	-	-	-	-
Kinpo Electronics, Inc.	Kinpo Electronics (Philippines), Inc.	Subsidiary	Accounts receivable due from related parties	649,932	-	-	-	380,850	-
Kinpo International (Singapore) Pte. Ltd.	Kinpo Electronics (Philippines), Inc.	Subsidiary	Long-term receivable due from related parties	USD 13,573	-	-	-	USD 300	-
Kinpo International Ltd.	Kinpo Electronics, Inc.(China)	Subsidiary	Accounts receivable due from related parties	CNY 135,408	-	-	-	CNY 48,633	-
Kinpo Electronics, Inc.(China)	Kinpo International Ltd.	Parent company	〃	CNY 55,263	19.26	-	-	CNY 11,615	-
Kinpo Electronics, Inc.(China)	LIZ Electronics (Nantong) Co., Ltd.	Affiliated company	Long-term receivable due from related parties	CNY 217,366	-	-	-	CNY 217,366	-
Kinpo Electronics (Philippines), Inc.	Kinpo Electronics, Inc.	Parent company	Accounts receivable due from related parties	USD 13,074	13.85	-	-	USD 13,074	-
Cal-Comp Technology (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Parent company	Other receivables due from related parties	USD 12,804	-	-	-	-	-
Cal-Comp Electronics (Thailand) Public Company Limited	Kinpo Electronics, Inc.	Parent company	Accounts receivable due from related parties	USD 341,411	37.98	-	-	USD 324,869	-
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc.	Affiliated company	〃	USD 3,587	11.95	-	-	-	-
Cal-Comp Electronics (Thailand) Public Company Limited	CastleNet Technology Inc.	Affiliated company	〃	USD 128,816	14.55	-	-	USD 31,414	-
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics & Communications Co., Ltd.	Subsidiary	〃	USD 76,824	52.45	-	-	USD 25,525	-
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria de Semicondutores S.A.	Subsidiary	Long-term receivable due from related parties	USD 7,500	-	-	-	-	-
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company	Accounts receivable due from related parties	CNY 152,730	40.86	-	-	CNY 110,993	-
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Subsidiary	Other receivables due from related parties	CNY 140,000	-	-	-	-	-
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company	Accounts receivable due from related parties	CNY 66,112	203.02	-	-	CNY 66,112	-
Cal-Comp Precision (Thailand) Limited	Cal-Comp Electronics (Thailand) Public Company Limited	Parent company	〃	USD 8,043	38.81	-	-	USD 8,043	-
Cal-Comp Precision (Thailand) Limited	Cal-Comp Precision (Singapore), Inc.	Parent company	Long-term receivable due from related parties	USD 55,000	-	-	-	-	-
Cal-Comp Precision (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Affiliated company	Accounts receivable due from related parties	USD 10,336	48.22	-	-	USD 10,336	-
Cal-Comp Precision (Yueyang) Co., Ltd.	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Affiliated company	〃	CNY 55,673	32.18	-	-	CNY 41,101	-
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Cal-Comp Electronics (USA) Co., Ltd.	Affiliated company	〃	MXN 50,648	13.10	-	-	MXN 16,091	-
Cal-Comp Electronics & Communications Co., Ltd.	Cal-Comp Electronics (Thailand) Public Company Limited	Parent company	〃	USD 11,510	0.44	-	-	USD 5,423	-

Table 7: Names, locations and related information of investees over which the company exercises significant influence (not including information on investments in Mainland China)

(Unit: thousands of NTD/ foreign currency)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance at The End of Period			Net Income (Losses) of The Investee	Share of Profits (Losses) of Investee	Nature of Relationship
				Ending balance	Beginning balance	Shares	Percentage of Ownership	Carrying Value			
Kinpo Electronics, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and sales of computer peripherals and IT products	$5,701,173	$2,320,469	5,223,956,415	49.99%	$12,181,293	$995,947	$452,707	Subsidiary
Kinpo Electronics, Inc.	Kinpo International (Singapore) Pte. Ltd.	Singapore	Reinvestment on domestic and overseas business	3,203,059	3,203,059	247,955,881	100.00%	7,772,692	348,712	348,712	Subsidiary
Kinpo Electronics, Inc.	Kinpo International Ltd.	BVI	Holding company	4,801,764	4,801,764	154,223,270	100.00%	3,557,361	3,786	3,786	Subsidiary
Kinpo Electronics, Inc.	Lipo Holding Co., Ltd.	Cayman Islands	Holding company	505,305	505,305	102,000	51.00%	45,593	(723,684)	(369,079)	Subsidiary
Kinpo Electronics, Inc.	Crownpo Technology Inc.	Taiwan	Manufacturing and sales of chip diodes, etc.	341,730	341,730	5,805,765	51.61%	964	(117,415)	(60,598)	Subsidiary
Kinpo Electronics, Inc.	XYZprinting, Inc.	Taiwan	Trading 3D printer	1,151,518	431,518	115,151,760	48.59%	13,270	(321,086)	(152,856)	Subsidiary
Kinpo Electronics, Inc.	CastleNet Technology Inc.	Taiwan	Development, manufacturing and sales of products including cable modem, powerline communication and digital home application	1,775,923	1,775,923	129,958,907	68.08%	1,340,813	6,725	4,614	Subsidiary
Kinpo Electronics, Inc.	Cal-Comp Big Data, Inc.	Taiwan	Medical equipment, data processing and provision service	-	610,000	-	-	-	-	-	Subsidiary
Kinpo Electronics, Inc.	New Era AI Robotic Inc.	Taiwan	Trading robot and applications development	-	310,000	-	-	-	526	263	Subsidiary
Kinpo Electronics, Inc.	Cal-Comp Asset Management, Inc.	Taiwan	Asset management	50,000	50,000	5,000,000	100.00%	47,166	(3,542)	(3,542)	Subsidiary
Kinpo Electronics, Inc.	AcBel Polytech Inc.	Taiwan	Manufacturing switching power supply & sales of main materials	2,558,724	1,107,044	162,203,363	18.81%	4,358,476	18,724	3,891	Associate
Kinpo Electronics, Inc.	Kinpo Group Management Service Company	Taiwan	Investment and management consulting	3,000	3,000	300,000	37.50%	6,201	423	159	Associate
Kinpo Electronics, Inc.	Teleport Access Services, Inc.	Taiwan	First rate telecommunications, system design and engineering, integration, construction, and product services; restrained telecom radio frequency equipments and materials import	322,376	322,376	10,145,800	23.70%	224,407	4,714	1,118	Associate
Kinpo Electronics, Inc.	Ascendant Private Equity Investment Ltd. (Preferred Stock)	BVI	Reinvestment on domestic and overseas business	949,219	949,219	31,250,000	34.72%	1,522,889	35,797	12,429	Associate
Kinpo Electronics, Inc.	Ascendant Private Equity Investment Ltd. (Stock)	BVI	Reinvestment on domestic and overseas business	95	95	3,125	34.72%	96	35,797	-	Associate
Kinpo Electronics, Inc.	iHELPER Inc.	Taiwan	Healthcare industry robot , etc.	15,840	15,840	1,584,000	44.00%	6,679	(1,570)	(691)	Associate
Kinpo Electronics, Inc.	NTNU Innovation Investment Holding Company	Taiwan	Industry-academia cooperation	17,470	17,470	1,990,129	19.92%	10,524	(15,411)	(3,062)	Associate
Kinpo Electronics, Inc.	McTEC Taiwan Limited	Samoa	Reinvestment on domestic and overseas business	47,193	47,193	1,500,000	26.04%	-	-	-	Associate
Kinpo International (Singapore) Pte. Ltd.	Cal-Comp Technology (Philippines), Inc.	Philippines	Manufacturing	USD 100,000	USD 100,000	895,638,400	80.81%	7,411,261	455,921	<Note1>	Subsidiary
Cal-Comp Technology (Philippines), Inc.	Kinpo Electronics (Philippines), Inc.	Philippines	Manufacturing and sales products of other companies' electronic products	USD 100,000	USD 100,000	49,260,075	100.00%	8,459,829	427,642	<Note1>	Subsidiary
Crownpo Technology Inc.	Ranashe International Ltd.	BVI	Holding company	137,962	137,962	50,000	100.00%	9,946	(89,334)	<Note1>	Subsidiary
Crownpo Technology Inc.	Li-Cheng Materials Corporation	Taiwan	Manufacturing chamical materials	-	23,000	-	-	-	(11,880)	<Note1>	Subsidiary
XYZprinting, Inc.	XYZprinting, Inc. (USA)	USA	Trading 3D printer	551,977	551,977	5,000	100.00%	(90,266)	(153,118)	<Note1>	Subsidiary
XYZprinting, Inc.	XYZprinting Japan, Inc.	Japan	Trading 3D printer	96,852	96,852	7,013,200	100.00%	(38,061)	(11,514)	<Note1>	Subsidiary
XYZprinting, Inc.	XYZprinting Netherlands, B.V.	Netherlands	Trading 3D printer	308,340	308,340	1,488,901	100.00%	69,715	(9,680)	<Note1>	Subsidiary
XYZprinting, Inc.	XYZprinting (Thailand) Co., Ltd.	Thailand	Trading 3D printer	16,178	16,178	1,800,000	100.00%	(1,398)	999	<Note1>	Subsidiary
XYZprinting, Inc.	XYZlife (Philippines) Inc.	Philippines	Trading aesthetic medicine products	6,325	6,325	93,995	100.00%	926	(410)	<Note1>	Subsidiary
CastleNet Technology Inc.	CastleNet Technology (BVI) Inc.	BVI	Holding company	302,692	302,692	8,708	100.00%	40,914	1,155	<Note1>	Subsidiary
Cal-Comp Asset Management, Inc.	Confiar Land Corp.	Philippines	Acquire, purchase, lease, hold, sell or otherwise deal in land and real estate	PHP 79,920	PHP 79,920	2,700,000	40.00%	44,347	(3,415)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Logistar International Holding Co., Ltd.	BVI	Dealer	USD 43,208	USD 43,208	40,050,000	9.14%	(157,609)	27,698	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal Comp Malaysia SDN. BHD.	Malaysia	Manufacturing	USD 2,481	USD 2,481	38,680	100.00%	861	(347)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics & Communications Co., Ltd.	Taiwan	Purchasing materials and R&D	USD 277,594	USD 277,594	117,897,792	100.00%	(5,333,998)	3,785	<Note1>	Subsidiary

Table 7: Names, locations and related information of investees over which the company exercises significant influence (not including information on investments in Mainland China)

(Unit: thousands of NTD/ foreign currency)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance at The End of Period			Net Income (Losses) of The Investee	Share of Profits (Losses) of Investee	Nature of Relationship
				Ending balance	Beginning balance	Shares	Percentage of Ownership	Carrying Value			
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics (USA) Co.,Ltd	USA	Manufacturing	USD 63,737	USD 98,736	39,000,000	100.00%	$988,683	($130,935)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Mexico	Manufacturing	USD 9,557	USD 9,557	141,182,050	100.00%	390,980	19,537	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria e Comercio de Electronica e Informatica Ltda.	Brazil	Manufacturing	USD 88,607	USD 79,120	247,820,420	100.00%	5,298,376	622,617	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Industria de Semicondutores S.A.	Brazil	Manufacturing	USD 7,966	-	40,466,000	58.03%	130,224	(10,063)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Thailand	Auto-manage producing system development	USD 3,082	USD 3,082	10,000,000	100.00%	101,487	4,481	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Semiconductor, Ltd.	Cayman Islands	Holding company	USD 41,954	USD 12,873	300,340,514	99.69%	63,099	(5,522)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Precision Holding Co., Ltd.	Cayman Islands	Holding company	USD 85,244	USD 85,244	56,455,000	99.92%	3,449,020	229,729	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Technology (Philippines), Inc.	Philippines	Manufacturing	USD 24,348	USD 24,348	212,711,600	19.19%	1,760,501	455,921	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	XYZprinting, Inc.	Taiwan	Trading 3D printer	USD 37,654	-	115,151,760	48.59%	13,270	(321,086)	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Cal-Comp Big Data, Inc.	Taiwan	Medical equipment, data processing and provision service	-	USD 20,419	-	-	-	-	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	New Era AI Robotic Inc.	Taiwan	Trading robot and applications development	-	USD 10,180	-	-	-	526	<Note1>	Subsidiary
Cal-Comp Electronics (Thailand) Public Company Limited	Pchome (Thailand) Co., Ltd.	Thailand	E-commerce, selling and customer services	USD 2,075	USD 2,075	6,750,000	33.75%	4,764	(10,661)	<Note1>	Associate
Cal-Comp Electronics & Communications Co., Ltd	Kinpo Group Management Service Company	Taiwan	Investment and management consulting	1,000	1,000	100,000	12.50%	1,001	423	<Note1>	Associate
Cal-Comp Electronics & Communications Co., Ltd	Logistar International Holding Co., Ltd.	BVI	Dealer	11,906,230	7,960,950	398,000,000	90.86%	(1,059,120)	27,698	<Note1>	Subsidiary
Cal-Comp Precision Holding Co., Ltd.	Cal-Comp Precision (Singapore) Limited	Singapore	Holding company and distributor	USD 82,198	USD 82,198	1,124,132,310	100.00%	3,511,259	207,805	<Note1>	Subsidiary
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Thailand) Co.,Ltd.	Thailand	Plastic Molding	USD 44,426	USD 44,426	16,425,695	100.00%	1,697,617	(23,290)	<Note1>	Subsidiary
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Malaysia) Sdn. Bhd.	Malaysia	Plastic Molding	USD 5,550	USD 5,550	11,968,000	100.00%	193,323	2,822	<Note1>	Subsidiary
Cal-Comp Precision (Singapore) Limited	Cal-Comp Precision (Philippine) Inc.	Philippines	Plastic Molding	USD 55,098	USD 55,098	24,645,685	100.00%	2,562,623	438,208	<Note1>	Subsidiary
Cal-Comp Precision (Singapore) Limited	Daviscoomms (S) Pte Ltd.	Singapore	Designing and manufacturing of communication products	USD 2,955	USD 2,955	340,458	20.00%	85,290	111,783	<Note1>	Associate
Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	Cal-Comp Industria de Semicondutores S.A.	Brazil	Manufacturing	-	BRL 40,466	-	-	-	(10,063)	<Note1>	Subsidiary
Cal-Comp Electronics (USA) Co., Ltd.	Cal-Comp USA (San Diego), Inc.	USA	Manufacturing	USD 16,513	USD 16,513	860,000	100.00%	266,995	52,786	<Note1>	Subsidiary
Cal-Comp Semiconductor, Ltd.	QBit Semiconductor Ltd.	Taiwan	Semiconductor Design	-	USD 11,912	-	-	-	(113,636)	<Note1>	Subsidiary

<Note 1> The share of profits (losses) of investee have already been included in the net income of the investor company. We decided not to further disclose in case of causing confusion.

<Note 2> In December 2023, Kinpo International (Singapore) Pte. Ltd. conducted a capital increase through capitalization of earnings in the amount of USD 10,000 thousand (13,296 thousand shares). As of the date of issuance of this financial report, the registration process for the change has not been completed.

<Note 3> In December 2023, Cal-Comp Technology (Philippines), Inc. conducted a capital increase through capitalization of earnings in the amount of USD 10,000 thousand (56,000 thousand shares). As of the date of issuance of this financial report, the registration process for the change has not been completed.

<Note 4> In December 2023, Kinpo Electronics (Philippines), Inc. conducted a capital increase through capitalization of earnings in the amount of USD 140,000 thousand ((78,400 thousand shares). As of the date of issuance of this financial report, the registration process for the change has not been completed.

Table 8: Informations on investments in Mainland China

(Unit: thousands of NTD/ foreign currency)

Investee Company	Main Business and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Percentage of Ownership	Net Income (Loss) of the Investee Company	Share of Profits/Losses	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Kinpo Electronics (China) Co., Ltd.	Processing, manufacturing and selling electronic products of other companies	CNY 889,298 (3,859,020)	Indirect investment via Kinpo International Ltd.	USD 55,100 (1,693,499)	$-	$-	USD 55,100 (1,693,499)	100.00%	CNY 20,050 (99,685)	Please refer to <Note1>(2)-iii	CNY 1,000,689 (4,342,390)	$-
Dongguan Kaipo Electronics Co., Ltd.	Manufacturing and sales of other companies' products	-	Indirect investment via Kinpo International Ltd.	USD 1,000 (30,735)	-	-	USD 1,000 (30,735)	-	(CNY 8,908) (-44,289)	Please refer to <Note1>(2)-iii	-	-
Superpower Mould & Plastic Ltd.	Manufacturing and sales of other companies' products	-	Indirect investment via Kinpo International Ltd.	USD 1,573 (48,346)	-	-	USD 1,573 (48,346)	-	-	-	-	-
Kinpo Electronics (Shanghai) Co., Ltd.	Manufacturing & wholesaling electronics dictionary, design, R&D and sales for calculator software	-	Indirect investment via Kinpo International Ltd.	USD 1,120 (34,423)	-	-	USD 1,120 (34,423)	-	-	-	-	-
Kinpo Electronics (Beijing) Co., Ltd.	Manufacturing & wholesaling electronics dictionary, design, R&D and sales for calculator software	-	Indirect investment via Kinpo International Ltd.	USD 1,000 (30,735)	-	-	USD 1,000 (30,735)	-	-	-	-	-
McTECH Guangzhou Co., Ltd.	Producing automatic bike & battery exchange station	CNY 63,304 (274,701)	Indirect investment via McTEC Taiwan Limited	USD 1,350 (41,492)	-	-	USD 1,350 (41,492)	19.61%	-	-	-	-
LIZ Electronics (Kunshan) Co., Ltd.	Producing and marketing chip resistors & ceramic multilayer capacitors & chip diodes	CNY 252,202 (1,094,405)	Indirect investment via Lipo Holding Co., Ltd. & Ranashe International Ltd.	USD 14,270 (438,588)	-	-	USD 14,270 (438,588)	51.07%	(CNY 142,384) (-629,854)	Please refer to <Note1>(2)-iii	USD 1,098 (33,747)	-
LIZ Electronics (Nantong) Co., Ltd.	R&D, manufacturing chip components; sales of products and provide after-sales service; wholesaling, improting and exporting electronic components, semiconductors special materials and spare parts	CNY 217,756 (944,930)	Indirect investment via Lipo Holding Co., Ltd.& LIZ Electronics (Kunshan) Co., Ltd.	USD 1,530 (47,025)	-	-	USD 1,530 (47,025)	51.06%	(CNY 123,581) (-546,677)	Please refer to <Note1>(2)-iii	USD 1,666 (51,205)	-
XYZprinting (Suzhou) Co., Ltd.	Trading 3D printer	CNY 38,859 (168,625)	Indirect investment via XYZprinting, Inc.	-	-	-	-	72.92%	(CNY 348) (-1,730)	Please refer to <Note1>(2)-iii	-	-
XYZprinting (Shanghai) Cloud Technology Co., Ltd.	Internet technology development	-	Indirect investment via XYZprinting, Inc.	-	-	-	-	-	CNY 1 (5)	Please refer to <Note1>(2)-iii	-	-
CastleNet Technology Inc. (Kunshan)	Design and manufacture of modem; sale of self-production	CNY 56,470 (230,513)	Indirect investment via CastleNet Technology (BVI) Inc.	-	-	-	-	68.90%	CNY 222 (975)	Please refer to <Note1>(2)-iii	USD 752 (23,133)	-
Cal-Comp Electronics (Suzhou) Co., Ltd.	Manufacturing	-	Indirect investment via Cal-Comp Electronics (Thailand) Public Company Limited	-	-	-	-	-	-	-	-	-
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Manufacturing	CNY 547,148 (2,374,294)	Indirect investment via Cal-Comp Electronics (Thailand) Public Company Limited	-	-	-	-	49.99%	(CNY 55,566) (-276,263)	Please refer to <Note1>(2)-iii	USD 59,822 (1,838,629)	-
Cal-Comp Technology (Suzhou) Co., Ltd	Manufacturing	-	Indirect investment via Cal-Comp Electronics (Thailand) Public Company Limited	-	-	-	-	-	-	-	-	-
Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.	Manufacturing	-	Indirect investment via Cal-Comp Electronics (Thailand) Public Company Limited	-	-	-	-	-	-	-	-	-
Cal-Comp Precision (Dongguan) Limited	Plastic Molding	CNY 110,805 (480,827)	Indirect investment via Cal-Comp Precision (Singapore) Limited	-	-	-	-	49.95%	(CNY 3,246) (-16,138)	Please refer to <Note1>(2)-iii	USD 5,907 (181,552)	-
Cal-Comp Precision (Wujiang) Co., Ltd.	Plastic Molding	-	Indirect investment via Cal-Comp Precisoin (Singapore) Limited	-	-	-	-	-	-	-	-	-
Cal-Comp Precision (Yueyang) Co., Ltd.	Plastic Molding	CNY 79,015 (342,878)	Indirect investment via Cal-Comp Precision (Singapore) Limited	-	-	-	-	49.95%	CNY 15,957 (79,335)	Please refer to <Note1>(2)-iii	USD 12,384 (380,622)	-
Shanghai Cuang Ge Education Technology Co., Ltd.	R&D of educational and internet products	CNY 4,250 (18,442)	Indirect investment via Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	-	-	-	-	21.76%	(CNY 72) (-358)	Please refer to <Note1>(2)-iii	-	-
ICKP (Beijing) Technology Development Co., Ltd.	Developing 3D printers and AI equipments	CNY 10,000 (43,394)	Indirect investment via Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	-	-	-	-	39.99%	(CNY 132) (-656)	Please refer to <Note1>(2)-iii	CNY 3,394 (14,728)	-
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Manufacturing and sales of new printing device, electronic components and their components.and other components	CNY 136,000 (590,158)	Indirect investment via Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	-	-	-	-	49.99%	CNY 30,337 (150,830)	Please refer to <Note1>(2)-iii	CNY 168,828 (732,612)	-
NKG Advanced Intelligence & Technology Development (Yueyang) Co., Ltd.	Production and sale of various intelligent electronic equipment and its consumables and parts	CNY 350,000 (1,518,790)	Indirect investment via Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	-	-	-	-	49.99%	(CNY 97,706) (-485,775)	Please refer to <Note1>(2)-iii	CNY 59,767 (259,353)	-
Jun-Hui LED Electronics, Co., Limited	R&D and manufacturing optical electronics technique	HKD 494,706 (1,946,470)	Others	-	-	-	-	1.52%	-	-	USD 567 (17,427)	-

Accumulated Investment in Mainland China as of December 31, 2023 (in thousands)	Investment Amount Authorized by Investment Commission, MOEA (in thousands)	Upper Limit of Investment (60% of Net value) (in thousands)
USD 76,943 ($2,364,843)	USD 250,737 ($7,706,402)	$12,876,797

<Note 1> In the shared profits/losses column:

(1) The investments that are in preparation and thus haven't generated any profits/losses should be specified.

(2) The resources of shared profits/losses should be specified as one of the three below:

i. Financial report audited by international audit firm that has partnership with audit firm in Taiwan.

ii. Financial report audited by CPA who audits the parent company in Taiwan.

iii. Others. (The share of profits/losses were already included in the investor's profits/losses. In case of causing confusion, we decided not to disclose in this table.)

6.6. Impact on the Company's financial situation in the event that the Company and its affiliates have experienced financial difficulties in the most recent year and up to the date of publication of the annual report.

There were no financial difficulties.

VII. Review of Financial Status, Operating Results, and Risk Management

7.1. Financial Status

7.1.1. Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2022	2023	Difference	
			Amount	%
Current Assets	84,932,812	74,316,497	(10,616,315)	(12.50)
Property, Plant and Equipment (Note)	27,419,152	26,163,232	(1,255,920)	(4.58)
Intangible Assets	204,866	208,795	3,929	1.92
Other Assets	12,907,689	16,006,831	3,099,142	24.01
Total Assets	125,464,519	116,695,355	(8,769,164)	(6.99)
Current Liabilities	72,804,298	55,678,847	(17,125,451)	(23.52)
Noncurrent Liabilities	24,448,288	26,461,832	2,013,544	8.24
Total Liabilities	97,252,586	82,140,679	(15,111,907)	(15.54)
Share Capital	14,944,162	15,007,312	63,150	0.42
Capital Surplus	791,110	1,571,647	780,537	98.66
Retained Earnings	1,657,292	1,349,401	(307,891)	(18.58)
Other Equity Interests	696,968	3,763,349	3,066,381	439.96
Treasury Stock	(331,782)	(230,380)	101,402	30.56
Non-controlling Interests	10,454,183	13,093,347	2,639,164	25.25
Total Equity	28,211,933	34,554,676	6,342,743	22.48

Analysis of difference exceeding 20% and reaching NT$10 million in the recent two years:

1. Other Assets: mainly due to the increase in financial assets measured at fair value through other comprehensive profit and loss and investments accounted for using the equity method.
2. Current Liabilities: mainly due to the decrease in short-term borrowings and accounts payable.
3. Capital Surplus: mainly due to the recognition of changes in equity of affiliates and subsidiaries.
4. Other Equity Interests: mainly due to the increase in unrealized valuation (losses) gains on financial assets measured at fair value through other comprehensive profit and loss.
5. Treasury Stock: transfer of treasury stock to employees.
6. Non-controlling Interests: mainly due to the participation in cash capital increase of subsidiaries.

Note: including right-of-use assets and investment property.

7.1.2. Material change in the Company's financial status during the past 2 fiscal years, the effect thereof and the measures to be taken in response

Based on the above analysis, it can be inferred that the material changes in the Company's financial status during the last 2 years were due to the effects of normal operating activities.

7.2. Analysis of Financial Performance

7.2.1. Analysis of Financial Performance

Unit: NT$ thousands

Item \ Year	2022	2023	Difference	
			Amount	%
Operating Revenue	181,414,449	159,757,214	(21,657,235)	(11.94)
Operating Costs	170,704,835	149,936,416	(20,768,419)	(12.17)
Gross Profit	10,709,614	9,820,798	(888,816)	(8.30)
Operating Expenses	7,881,988	6,820,676	(1,061,312)	(13.47)
Net Operating Income	2,827,626	3,000,122	172,496	6.10
Non-operating Income and Expenses	(1,193,452)	(1,836,355)	(642,903)	(53.87)
Income (Loss) before Income Tax	1,634,174	1,163,767	(470,407)	(28.79)
Total Tax Expense	681,682	335,152	(346,530)	(50.83)
Net Income (Loss)	952,492	828,615	(123,877)	(13.01)
Other Comprehensive Income (Net of Income Tax)	1,488,756	2,483,618	994,862	66.83
Total Comprehensive Income (Loss)	2,441,248	3,312,233	870,985	35.68
Profit (Loss) Attributable to Owners of Parent 142,183	1,012,463	751,037	(261,426)	(25.82)
Total Comprehensive Income (Loss) Attributable to Owners of Parent	1,906,176	3,157,952	1,251,776	65.67

Analysis of difference exceeding 20% in the recent two years:

1. Income before Income Tax and Net Profit Attributable to Owners of Parent: mainly due to the decrease in operating revenue this year.
2. Non-operating Income and Expenses: mainly due to the increase in financial costs and the decrease in investment profit or loss accounted for using the equity method in the current year.
3. Total Tax Expense: mainly due to the remeasurement of deferred income tax assets and liabilities in response to the revised tax law.
4. Other Comprehensive Income, Total Comprehensive Income (Loss) and Total Comprehensive Income (Loss) Attributable to Owners of Parent: mainly due to the increase in unrealized valuation (losses) gains on financial assets measured at fair value through other comprehensive profit and loss for the year.

7.2.2. Sales volume forecast and the basis therefor, the effect upon the Company's financial operations as well as measures to be taken in response

1. Sales volume forecast and the basis therefor:

   Looking forward to 2024, although the global market remains relatively conservative, along with the sluggish consumer demand and geopolitical tensions emerging worldwide, crisis also presents opportunity. Kinpo's long-established global production base is a significant advantage for customers, offering flexible solutions to ensure a diverse and stable global product supply chain. In addition, in pursuit of the goal of increasing turnover, Kinpo will not only increase the share of existing products that have been produced for a long

period of time, but will also secure products with high growth, high unit price, high profit and high added value in an active manner.

2. The effect upon the Company's financial operations as well as measures to be taken in response:

   In response to operational growth and future investment needs, the Company will formulate appropriate strategies based on market and customer demand.

7.3. Cash Flow

7.3.1. Analysis of cash flow for 2023

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash from Operating Activities	Net Cash Used in Investing and Financing Activities over the Year (Note)	Cash Surplus (Deficit)	Remedy for Liquidity Shortfall	
				Investment Plans	Financing Plans
9,915,366	16,100,302	(9,148,810)	16,866,858	N/A	N/A

Note: Including the effect of exchange rate changes on cash and cash equivalents.

Analysis of cash flow change of the year:

1. Operating activities: The net cash outflow from operating activities in the current year is mainly due to the cash outflow of assets and liabilities related to operations in the current period.
2. Investing activities: The net cash outflow from investing activities in the current year was mainly due to capital expenditures and increase in investments accounted for using the equity method.
3. Financing Activities: The net cash outflow from financing activities in the current year was mainly due to the decrease in short-term borrowings.

7.3.2. Corrective measures to be taken in response to illiquidity

There was no cash illiquidity.

7.3.3. Cash flow projection for next year

Unit: NT$ thousands

Cash and Cash Equivalents, End of Year	Net Cash from Operating Activities over the Year	Net Cash Used in Investing and Financing Activities over the Year	Anticipated Cash Surplus (Deficit)	Remedy for Liquidity Shortfall	
				Investment Plans	Financing Plans
16,866,858	4,379,760	(2,028,186)	19,218,431	N/A	N/A

7.4. Major Capital Expenditure Items and Impact on Finance and Business in the Recent Year

7.4.1. Funding source and Usage of Major Capital Expenditure

Unit: NT$ thousands

Plan	Actual or expected funding source	Actual or expected date of completion	Total funds needed	Actual or expected spending of 2022 2023
Acquisition of property, plant and equipment	Own funds Bank loans	2023	2,655,245	2,655,245

Note: If it is expected that the cost of capital and associated policies with debt and equity financing would have major change, explanation is required.

7.4.2. Expected benefit

The above capital expenditures were made in line with the needs of the Company's business growth and procurement of related machinery and equipment for production capacity in order to improve production efficiency.

7.5. Reinvestment policy in the most recent year, main reasons for profit or loss, improvement plan and investment plan for the coming year

Our long-term investment strategy will focus on relevant products of the main business and development of technologies needed by customers, as well as strategic investments in product expansion. In 2023, the Company recognized gains accounted for using the equity method in an amount of NT$32 million. In the future, in addition to expanding our main business, we will seek opportunities of upstream and downstream integration to continuously enhance the Company’s overall competitiveness and profitability.

7.6. Risk Management in the Recent Year as of the Publication Date of this Annual Report

7.6.1. Risks Associated with Interest Rate and Exchange Rate Fluctuation, and Inflation

1. In 2024, the U.S. witnessed the easing of inflation. However, core inflation is still far from the FED's 2% target. As a result, the market's expectation of the central bank's interest rate cuts has been postponed. Based on the latest data in March, the first interest rate cut of the U.S. is expected to be in July this year. Interest pressure on the Group remains high due to high interest rates of the U.S. In order to minimize the impact of high interest rates on profit and loss, the Group has shifted partial capital requirements to low-interest borrowings, and adopted conservative and prudent measures for cash management by depositing idle funds in creditworthy financial institutions in order to achieve the goal of capital security and reasonable returns.
2. The U.S. presidential election in November 2024 will bring more political uncertainties to the world. At present, Trump has the highest chance of representing the Republican Party. According to the latest poll

issued by "fivethirtyeight", Trump has approximately 3% more votes than Biden. In the face of more uncertainties in interest rates, exchange rates and geopolitical policies, the Company will continue to monitor the changes in the global political landscape and respond to relevant circumstances in advance to effectively minimize the impact of external factors on the Company.

3. The Company's business is mainly exporting, and exchange rate changes and trends have a certain impact on the company's profit and loss. The exchange profit and loss in 2023 was (357,237) thousand dollars, accounting for about (0.22)% and (11.91)% of operating income and operating profit respectively. When holding foreign currency assets and liabilities, in addition to reducing exchange risks through natural hedging, we will also adopt spot foreign exchange and forward foreign exchange for hedging in accordance with the current exchange rate trend, and will adjust in response to exchange rate fluctuations to avoid the risk of exchange rate fluctuations.
4. The Company will pay close attention to fluctuation in interest rate and exchange rate levels, inflation, and the resulting business impact, and adapt to changes in time.

7.6.2. Risks Associated with High-Risk/High-Leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions:

1. The Company has implemented prudent evaluation and management practices in formulating its policies regarding lending and endorsements/ guarantees for others, all in compliance with the relevant rules and regulations issued by the Taiwan Securities and Futures Bureau, including "Procedures for Acquisition or Disposal of Assets," "Procedures for Lending Funds to Other Parties," and "Procedures for Endorsement and Guarantee".
2. The Company's transaction involving derivatives is pursuant to the "Policies and Procedures for Financial Derivative Transactions." Regarding assets and liabilities demonimated in non-functional currencies, natural hedging is practiced to reduce risks. Net position, or the difference between assets and liabilities, is hedged through spot exchange and forward exchange; therefore the impact on gains/losses is limited and manageable.

7.6.3. Future Research & Development Projects and Corresponding Budget:

1. In addition to commitment to technical R&D of relevant products of the main business towards the goal of high-tech ODM, the Company also pursues product innovation and quality improvement of new businesses. In the future, our R&D plan will still move towards this goal amid stable development. The Company will continue to invest in R&D resources in the enhancement of product technology as well as the R&D of charging piles ODM, AI computing, semiconductors, netcom, intelligent monitoring and other relevant products.
2. Planned R&D spending for 2024 amounts approximately to 2,877,880 NT dollars.

7.6.4. Risks Associated with Changes in Government Policies and Regulatory Environment: The Company operates as both an OEM and ODM and prides itself on sufficient quality products with timely delivery. Through continuous optimization and progress, we commit ourselves to creating optimal customer experience, meeting customer demands, and generating profits to fulfill our responsibility to shareholders and society.

The operating team of the Company continues to monitor any significant changes in policies and laws and regulations at home and abroad that may affect the Company's finance and operations and takes appropriate countermeasures. Significant changes in laws and regulations related to the Company's financial and business operations in 2023 and as of the publication date of this annual report are as follows:

1. The "Greenhouse Gas Reduction and Management Act" of Taiwan was amended and renamed as the "Climate Change Response Act", which was formally promulgated by the President and became effective on February 15, 2023. The Act sets a goal for Taiwan to achieve net-zero emissions by 2050, providing a trajectory and pathway to net-zero emissions and establishing a carbon fee system.
2. The carbon fee system is expected to take effect in 2024, and the rate has not yet been determined by the relevant authorities. The carbon fee rate plan of Taiwan is expected to take effect in 2024. As of the publication date of this annual report, the government has not yet announced the scope of impact of the carbon fee and the supporting measures. If the Company's emissions exceed the threshold value of the carbon fee, the carbon fee incurred therefrom may result in an increase in the Company's operating costs.

7.6.5. Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

The electronics industry and the consumer electronics market have always been significantly affected by the business cycle, technology advancement, innovation and rapidly changing digital needs of consumers. Such market characteristics in turn exert an impact on the ODM/OEM manufacturing service industry in which the Company operates. As a result, the revenue and profits of the Company may also be affected by the fluctuations in orders placed by customers. Industry downturn and overcapacity will exert an impact on the overall consumer electronics manufacturing service industry and the Company's business sales. Therefore, continuous monitoring of the key risks faced by the Company can ensure its effective management of and response to risks and opportunities.

The Company has established comprehensive network and computer-related information security protection measures to strengthen its information security management. However, in the face of the ever-changing threat of hacking technology, there is no guarantee that the Company will be able to control and manage information security or maintain its critical information equipment and network systems, such as manufacturing, operations, finance and accounting, in such a way as to completely prevent serious cyberattacks. In order to prevent and minimize the damage caused by hackers' malicious cyberattacks, the Company has continued to update its strict information security measures, held monthly information security promotion campaigns on average, and conducted cyber security and social engineering drills from time to time. In January 2024, the Company passed the British Standards Institution's (BSI) external audit renewal certification.

7.6.6. Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response

With the core values of "innovation, harmony and transcendence", the Company has integrated the sustainable responsibility as a corporate citizen and established a good corporate image through the continuous efforts of employees. The positive image of the Company is demonstrated by its leading technology innovation in manufacturing processes, rigorous corporate governance, and dedication and concern for the environmental and social responsibility. In 2023 and up to the publication date of this annual report, Kinpo Electronics has achieved outstanding performance in operational development, corporate governance, environmental protection and corporate sustainability, including: the "Platinum Award for the 2023 TCSA Sustainability Report" from the Taiwan Institute for Sustainable Energy; the Excellent Green Procurement Company from the New

Taipei City Government for four consecutive years; the official announcement of re-entry into the "2024 TALENT, in Taiwan"; investment of NT$5 million to support local arts and cultural activities by booking the stage show of "Cape No. 7 - The Dream Maker" of All U people theatre, sponsoring the activities of the Matsu Biennial organized by the General Association of Chinese Culture, and supporting the production, launch, broadcasting, screening and exhibition of the movie "BIG 816" directed by Wei Te-Sheng, in an attempt to assist in the promotion of sustainable cultural development and contribute to the society.

In the face of potential risks that may affect the Company's image, such as earthquakes, fires, information security, supply chain disruptions, pandemics, environmental incidents, or disruptions in water and electricity supply, we have taken preventive measures by setting up a crisis management team, which is flexibly organized depending on various crises, analyzed and reviewed the root causes of crises, and swiftly proposed crisis management solutions and recovery plans to eliminate or reduce the impact of accidents on the lives and safety of personnel, the surrounding environment, and the Company's property and business operations.

7.6.7. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

In 2023 and as of the publication date of this annual report: None.

7.6.8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

The Company's production capacity is located in overseas regions. With respect to products and manufacturing services of each business segment, the Company conducts long-term market demand forecasts on a regular basis and carries out overall planning of production capacity. Based on the market demand forecasts, the Company has continued to expand its production capacity recently to meet the service demand of the market for its consumer electronics.

7.6.9. Risks Associated with Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1. Sales: the Company's major customer portfolio can change from year to year, but mostly includes established global manufacturers of consumer electronics, imaging products, or network and communication products.For each customer, the Company has in place a credit evaluation process and risk control mechanism.When warning signs of a credit issue emerge, the Company will halt delivery to the particular customer as a preemptive measure from adverse impact.As our major customers are leading international businesses, there are still promising pockets of growth in consumer electronics, imaging products, and network and communication products without any unpredictable risks.
2. Purchase: the Company outsources production, and major suppliers are its overseas subsidiaries with the Company claiming an over 50% ownership.In addition, the Company has established a sound supervision system for individual subsidiaries, therefore seeing no unpredictable risks.

7.6.10. 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: None.

7.6.11. Effect upon and risk to Company associated with any change in operating rights, and mitigation measures being or to be taken: None.

7.6.12. Litigious and non-litigious matters (List major litigious, non-litigious or administrative disputes that involve the Company and any Company director, supervisor, the general manager, any person with actual responsibility, any major shareholder holding a stake of greater than 10

percent, and any subsidiaries; 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 publication date of this annual report)

1. The Company: There were no major litigious, non-litigious or administrative disputes that have been concluded by means of a final and unappealable judgment which could materially affect shareholders' equity or the prices of the Company's securities.
2. Company director, the general manager, any person with actual responsibility, any major shareholder holding a stake of greater than 10 percent: None.

7.6.13. Other important risks, and mitigation measures being or to be taken

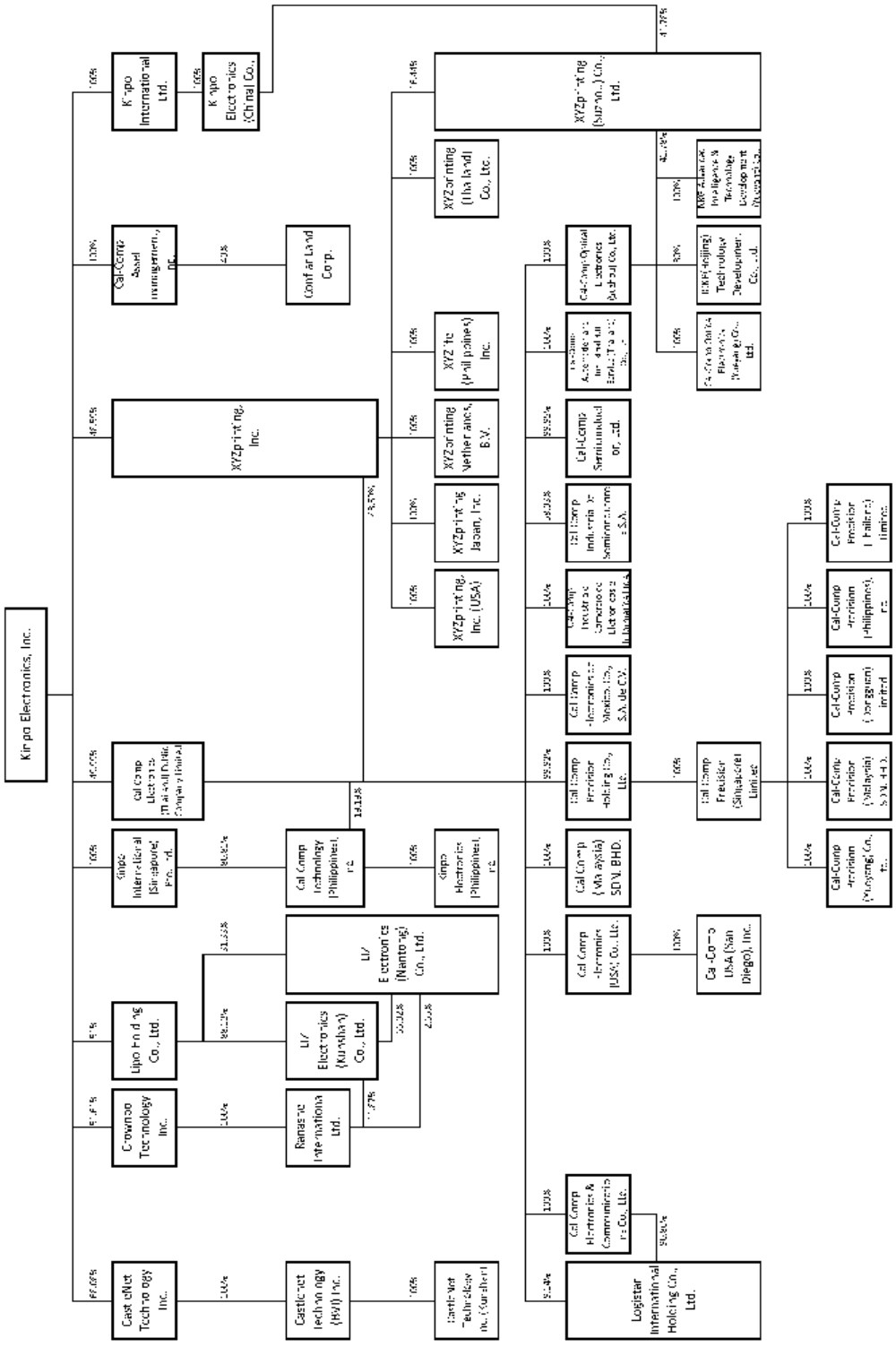
The advancement of emerging technologies have rapidly reshaped the consumer electronics industry, among which computing resources and data analysis capability will become key technologies for industry competitiveness. The post-Covid-19 era has accelerated the development of digital innovation, and the scope of impact of cybersecurity issues have been continuously expanded. The concept of damage is no longer limited to monetary, but also extends to economic and technological losses. According to the World Economic Forum (WEF)'s warning, digital crime and cyberattacks will be one of the top five risks in the next decade, with an increase in malicious activities in the digital space, the use of extensive exposure for more aggressive and sophisticated attacks, and even the possibility of other important risks, such as the risks of national geopolitical conflicts, terrorist attacks, etc. Therefore, all matters and objects can no longer be protected by a single strategy. The Company has established an enterprise risk management framework with reference to ISO 31000: 2018 Risk Management System and COSO Enterprise Risk Management Integration Framework to systematically establish a governance and monitoring mechanism, set up a risk baseline, management policies and management standards, as well as promote the risk management work at the operation level to assist the management team in fully understanding the risks in the process of operational decision-making, thereby achieving the Company's business strategies and corporate goals.

7.7. Other Matters of Materiality: None.

VIII. Special Disclosure

8.1. Information of Affiliates (2023/12/31)

8.1.1. Affiliates Company of Kinpo Electronics, Inc.



8.1.2. Information of Affiliated Companies

Name of entity	Date of incorporation	Address	Capital Amount	Major Business Activities
Kinpo International (Singapore) Pte. Ltd.	8 Jul, 1994	39 Ubi Road 1, #03-01, World Publications Building, Singapore 408695	SGD 261,242	Reinvestment on domestic and overseas business
Cal-Comp Technology (Philippines), Inc.	1 Jun, 2012	Block 7, Lot 1, Main Boulevard, Lima Technology Center-Special Economic Zone, Lipa City, Batangas	PHP 1,108,350	Manufacturing
Kinpo Electronics (Philippines), Inc.	16 Jan, 2014	Block7, Lot1, Main Boulevard, Lima Technology Center-Special Economic Zone, Lipa City, Batangas	PHP 4,926,008	Manufacturing and sales products of other companies' products
Kinpo International Ltd.	29 Jul, 1998	Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands	USD 154,223	Holding Company
Kinpo Electronics (China) Co., Ltd.	12 Nov, 1998	Sha-Tou Management District, Changan Town, Dongguan, Guangdong,China	CNY 889,298	Manufacturing and sales products of other companies' electronic products
Lipo Holding Co., Ltd.	23 Apr, 2002	Suite#10, Second Floor, Jack & Jill Building, 19 Fort Street, P.O. Box 822, George Town, Grand Cayman KY1-1103, Cayman Islands, British West Indies	USD 200	Holding Company
LIZ Electronics (Kunshan) Co., Ltd.	1 Feb, 2000	No.989 Hanpu Rd., Kunshan, Jiangsu, China 215316	CNY 252,202	Production and marketing chip resistor & chip diodes
LIZ Electronics (Nantong) Co., Ltd.	7 Dec, 2015	No. 789 Kangfu Rd., Nantong High-Tech industrial development zone, Jiangsu Province, PRC 226368	CNY 217,756	R&D, manufacturing chip components; sales of products and provide after-sales service; wholesaling, importing and exporting electronic components, semiconductors, special materials and spare parts
Crownpo Technology Inc.	22 Nov, 1988	No.126, Sec.4, Nanjing E. Rd., Songshan Dist., Taipei 10595, Taiwan (R.O.C.)	NTD 112,500	Manufacturing and sales of chip diodes, etc.
Ranashe International Ltd.	8 Dec, 1999	Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands VG1110.	USD 50	Holding Company
XYZprinting, Inc.	23 Aug, 2013	10F., No.99, Sec.5, Nanjing E. Rd., Songshan Dist., Taipei City 10571, Taiwan (R.O.C.)	NTD 2,370,000	Trading 3D printer
XYZprinting, Inc. (USA)	17 Sep, 2013	1250 N. Hancock Street Anaheim, California 92807, USA	USD 5	Trading 3D printer
XYZprinting Japan, Inc.	29 Nov, 2013	2-9-6 HigashiSakashita,Itabashi-ku, Tokyo, Japan	JPY 100,000	Trading 3D printer
XYZprinting Netherlands, B.V.	30 Dec, 2013	Wagenmakerstraat 7, 2984BD Ridderkerk, The Netherlands	EUR 1,489	Trading 3D printer
XYZprinting (Suzhou) Co., Ltd.	18 Dec, 2013	2288 Jiangxing East Road, Wujiang Economic Development Zone, Jiangsu, P. R. China	CNY 38,859	Trading 3D printer
XYZprinting (Thailand) Co., Ltd.	21 Sep, 2015	191/77 12A th Floor, CTI Tower, Ratchadapisek Road, KlongToey, Bangkok 10110, Thailand	THB 18,000	Trading 3D printer

Name of entity	Date of incorporation	Address	Capital Amount	Major Business Activities
XYZlife (Philippines) Inc.	12 Jul, 2016	Unit 19 & 20 J.P. Laurel Highway, Balintaeak, Lipa City, Batangas, Philippines	PHP 9,400	Sales of medical beauty goods
CastleNet Technology Inc.	26 Jun, 1998	No. 14, Ln.141, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City ,22240 Taiwan (R.O.C.)	NTD 1,908,905	Development, manufacturing and sales of products including cable modem, powerline communication and digital home applications
CastleNet Technology (BVI) Inc.	14 Feb, 2001	Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	USD 8,708	Holding Company
CastleNet Technology Inc. (Kunshan)	5 Mar, 2003	No.889 ZuChong Zhi Middle Road Ba Cheng Town,Kunshan City,Jiang Su Province China	CNY 56,470	Design and manufacture of modem, sale of self-production
Cal-Comp Asset Management, Inc.	22 Jan, 2020	10F., No.99, Sec.5, Nanjing E. Rd., Songshan Dist., Taipei City 10571, Taiwan (R.O.C.)	NTD 50,000	Holding Company
Confiar Land Corp.	27 Aug, 2021	Block7, Lot1, Main Boulevard, Lima Technology Center-Special Economic Zone, Lipa City, Batangas	PHP 83,970	Sales and lease of land and building
Cal-Comp Electronics (Thailand) Public Company Limited	4 Dec, 1989	191/54, 191/57 18th Fl., CTI Tower, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand	THB 10,450,003	Manufacturing of computers and peripheral devices, telecommunication products and automatic equipment
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	28 Oct, 2003	2288 Jiangxing East Road, Wujiang Economic Development Zone, Jiangsu, P. R. China	CNY 547,148	Manufacturing
ICKP (Beijing) Technology Development Co., Ltd.	12 Jul, 2018	Twelve, 1209-1, 6 South Street, Zhongguancunt, Haidian District, BeiJing	CNY 10,000	Developing 3D printers and AI equipments
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	3 Jan, 2019	No. 8, Xinjinbao Road, Chenglingji Comprehensive Free Trade Zone, Yueyang, Hunan Province	CNY 136,000	Manufacturing and sales of new printing device, electronic components and their components
NKG Advanced Intelligence and Technology Development (Yueyang) Co., Ltd.	18 Sep, 2019	Room 1021, CCTC Building, Yungang Road, Xingang District, Lingji, Hunan, Yueyang	CNY 350,000	Manufacturing and sales of advanced intelligence electronical equipments and related parts
Cal-Comp Electronics & Communications Co., Ltd.	22 Dec, 2004	3F., No.99, Sec.5, Nanjing E. Rd., Songshan Dist., Taipei City 10571, Taiwan (R.O.C.)	NTD 1,178,978	Purchase of raw material, Service provider
Cal-Comp Electronics (USA) Co., Ltd.	16 Dec, 2010	1940 Camino Vida Roble, Carlsbad, CA 92008, USA	USD 65,001	Trading
Cal-Comp USA (San Diego), Inc.	16 Dec, 2010	1940 Camino Vida Roble, Carlsbad, CA 92008, USA	USD 16,153	Manufacturing
Cal-Comp Precision Holding Co., Ltd.	26 Aug, 2019	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	NTD 565,000	Holding Company

Name of entity	Date of incorporation	Address	Capital Amount	Major Business Activities
Cal-Comp Precision (Singapore) Limited	26 Mar, 1993	39 Ubi Road 1, #03-01, World Publications Building, Singapore 408695	SGD 113,475	Holding and distribution
Cal-Comp Precision (Thailand) Limited	3 Jan, 2002	No. 4 Moo 8, Sethakij Road, Tambol KlongMaduea, Amphur Krathumbaen, Samut Sakhon Province 74110	THB 1,642,570	Injecting precision plastical parts
Cal-Comp Precision (Malaysia) SDN. BHD.	9 Jun, 2004	PTD 37435 & PTD 37436, Jalan Perindustrian 3, Kawasan Perindustrian Fasa 2, 81400, Senai , Johor , Malaysia.	MYR 11,968	Injecting precision plastical parts
Cal-Comp Precision (Dongguan) Limited	9 Jul, 2010	No. 417, Bldg 5, Zhenan Middle Road, Sha-Tou Village, Changan Town, Dongguan City, Guangdong Province, China	CNY 110,805	Injecting precision plastical parts; designing and manufacturing of molding for plastic
Cal-Comp Precision (Yueyang) Co., Ltd.	3 Jan, 2019	No. 8, Xinjinbao Road, Chenglingji Comprehensive Free Trade Zone, Yueyang, Hunan Province	CNY 79,015	Injecting precision plastical parts
Cal-Comp Precision (Philippines), Inc.	10 May, 2016	LT.11 HY Dimacali Ave. FPIP II-SEZ STA. Anastacia Santo Tomas, Batangas	PHP 2,464,569	Injecting precision plastical parts
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	12 Aug, 2011	De Los Encinos 1080 Sin Number Paque Industrial Villa Florida Tamaulipas 88730	MXN 141,182	Manufacturing
Cal-Comp Semiconductor, Ltd.	18 Aug, 2016	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KYI-1208, Cayman Islands	USD 41,612	Holding Company
Logistar International Holding Co., Ltd.	17 May, 2001	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 438,050	Holding Company
Cal Comp (Malaysia) SDN. BHD.	26 Oct, 2010	PTD37435 & PTD37436, Jalan Perindustrian 3, Kawasan Perindustrian Fasa 2, 81400 Senai, Johor, Malaysia	MYR 39	Manufacturing
Cal-Comp Industria de Semicondutores S.A.	30 Oct, 2014	Av. Torquato Tapajos 7, 503, Galpao 2, Modulo19-Parte, Taruma, Manaus, AM, Brazil CEP.: 69041-025	BRL 40,466	Manufacturing
Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	30 Apr, 2011	Av. Torquato Tapajos 7503, Galpao 1, Taruma, Manaus AM, Brazil CEP: 69041-025	BRL 247,820	Manufacturing
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	28 Aug, 2018	60 Moo 8, Sethakij Road, Tambon Klong Maduea, Amphoe Krathum Baen, Samut Sakhon 74110, Thailand	THB 100,000	Manufacturing and Trading

※ Exchange rate as of the report date:

USD :NTD :CNY :SGD :EUR :THB :PHP = 1: 30.735: 7.0828: 1.3203: 0.9059: 34.2222: 55.3684

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

Industry type	Name of subsidiary	Other subsidiaries of which it has business connections with
Holding Company	Kinpo International Ltd.	Holding Company of Kinpo Electronics (China) Co., Ltd. and Dongguan Kaipo Electronics Co., Ltd.
	Lipo Holding Co., Ltd.	Holding Company of LIZ Electronics (Kunshan) Co., Ltd. and LIZ Electronics (Nantong) Co., Ltd.
	Ranashe International Ltd.	Holding Company of LIZ Electronics (Kunshan) Co., Ltd. and LIZ Electronics (Nantong) Co., Ltd.
	CastleNet Technology (BVI) Inc.	Holding Company of CastleNet Technology Inc. (Kunshan)
	Cal-Comp Semiconductor, Ltd.	Business investment
	Cal-Comp Precision Holding Co., Ltd.	Holding Company of Cal-Comp Precision (Singapore) Limited
	Kinpo International (Singapore) Pte. Ltd.	Reinvestment on domestic and overseas business; holding Company of Kinpo Electronics (Philippines), Inc.
	Cal-Comp Asset Management, Inc.	Holding Company of Confiar Land Corp.
	Logistar International Holding Co., Ltd.	Hodling Company
Asset Manage-ment	Confiar Land Corp.	Sales and lease of land and building
Merchandising Company	XYZprinting, Inc.	Trading 3D printer
	XYZprinting, Inc. (USA)	Trading 3D printer
	XYZprinting Japan, Inc.	Trading 3D printer
	XYZprinting Netherlands, B.V.	Trading 3D printer
	XYZprinting (Thailand) Co., Ltd.	Trading 3D printer
	XYZlife (Philippines) Inc.	Sales of medical beauty goods
	XYZprinting (Suzhou) Co., Ltd.	Trading 3D printer
	CastleNet Technology Inc.	Development, manufacturing and sales of products including cable modem, powerline communication and digital home applications
	Cal-Comp Electronics & Communications Co., Ltd.	Purchase of raw material, Service provider
	Cal-Comp Precision (Singapore) Limited	Holding and distribution
Electronic Products Manufact-uring	Kinpo Electronics (China) Co., Ltd.	Manufacturing and sales products of other companies' electronic products
	Crownpo Technology Inc	Manufacturing and sales of chip diodes, etc.
	LIZ Electronics (Kunshan) Co., Ltd.	Production and marketing chip resistor & chip diodes
	LIZ Electronics (Nantong) Co., Ltd.	R&D, manufacturing chip components; sales of products and provide after-sales service; wholesaling, importing and exporting electronic components, semiconductors, special materials and spare parts
	Cal-Comp Technology (Philippines), Inc.	Manufacturing
	Kinpo Electronics (Philippines), Inc.	Manufacturing and sales products of other companies' products
	CastleNet Technology Inc. (Kunshan)	Design and manufacture of modem, sale of self-production
	Cal-Comp Electronics (Thailand) Public Company Limited	Manufacturing of computers and peripheral devices, telecommunication products and automatic equipment

Industry type	Name of subsidiary	Other subsidiaries of which it has business connections with
	Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Manufacturing
	ICKP (Beijing) Technology Development Co., Ltd.	Developing 3D printers and AI equipments
	Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Manufacturing and sales of new printing device, electronic components and their components
	NKG Advanced Intelligence and Technology Development (Yueyang) Co., Ltd.	Manufacturing and sales of advanced intelligence electronical equipments and related parts
	Cal-Comp Electronics (USA) Co., Ltd.	Trading
	Cal-Comp USA (San Diego), Inc.	Manufacturing
	Cal-Comp Precision (Malaysia) SDN. BHD.	Injecting precision plastical parts
	Cal-Comp Precision (Dongguan) Limited	Injecting precision plastical parts; designing and manufacturing of molding for plastic
	Cal-Comp Precision (Yueyang) Co., Ltd.	Injecting precision plastical parts
	Cal-Comp Precision (Thailand) Limited	Injecting precision plastical parts
	Cal-Comp Precision (Philippines), Inc.	Injecting precision plastical parts
	Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Manufacturing
	Cal Comp (Malaysia) SDN. BHD.	Manufacturing
	Cal-Comp Industria de Semicondutores S.A.	Manufacturing
	Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	Manufacturing
	Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Manufacturing and Trading

8.1.4. Information of Directors, Supervisors, and Presidents of Affiliated Companies

Unit: NTD thousands ; Shares ; %

Name of entity	Title (Note 1)	Name/Representative:	Shares held (Note2) (Note 3)	
			No. of shares	%
Kinpo International (Singapore) Pte. Ltd.	Director	Hsu, Sheng-Hsiung	2	-
	Director	Chen,Wei-Chang	0	-
	Director	Khongsit Choukitcharoen	0	-
	Director	Yu, Chien-Hui	0	-
Cal-Comp Technology (Philippines), Inc.	Chairperson	Chen,Wei-Chang	100	-
	Vice Chairperson	Khongsit Choukitcharoen	100	-
	Director	Lo, Guo-Lun	100	-
	General Manager	Wong,Yee Lok Kirby	0	-
Kinpo Electronics (Philippines), Inc.	Chairperson	Chen,Wei-Chang	1	-
	Director	Khongsit Choukitcharoen	1	-
	Director	Hsu, Sheng-Hsiung	1	-
	Director	Maria Paz S.Angeles	1	-
	Director	Priscilla B.Valer	1	-
	Director	Jacqueline J. Romero-Laurel	1	-
Kinpo International Ltd.	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Hsu, Sheng-Hsiung	0	-
	Director	Kinpo Electronics (China) Co., Ltd Representative: Hsu, Sheng-Chieh	0	-
	Director	Kinpo Electronics, Inc. Representative: Chen,Wei-Chang	154,223,270	100.00%
Kinpo Electronics (China) Co., Ltd.	Chairperson	Hsu, Sheng-Hsiung	0	-
	Director and General Manager	Chen,Wei-Chang	0	-
	Director	Hsu, Sheng-Chieh	0	-
	Supervisor	Lin, Cheng-Hsien	0	-
	Vice President	Huang,Yu-Hui	0	-
Lipo Holding Co., Ltd.	Director	Hsu, Sheng-Hsiung	0	-
LIZ Electronics (Kunshan) Co., Ltd.	Executive Director	LIPO Holding Co., Ltd. Representative: Tsai,Tian-Yuan	0	88.13%
	Supervisor	LIPO Holding Co., Ltd. Representative: Zhu, Ping	0	88.13%
	General Manager	Sung, Hsu-Kuan	0	-
LIZ Electronics (Nantong) Co., Ltd.	Chairperson	LIZ Electronics (Kunshan) Co., Ltd. & LIPO Holding Co., Ltd. Representative: Tsai,Tian-Yuan	0	97.35%
	Director and General Manager	LIZ Electronics (Kunshan) Co., Ltd. Representative: Sung, Hsu-Kuan	0	66.02%
	Director	LIPO Holding Co., Ltd. Representative: Hsu, Chieh-Li	0	31.33%
	Supervisor	LIZ Electronics (Kunshan) Co., Ltd. & LIPO Holding Co., Ltd. Representative: Zhu, Ping	0	100.00%

Name of entity	Title (Note 1)	Name/Representative:	Shares held (Note2) (Note 3)	
			No. of shares	%
Crownpo Technology Inc	Chairperson	Compal Electronics, Inc. Representative: Tsai, Tian-Yuan	3,738,668	33.23%
	Director	Hsu, Sheng-Hsiung	32,540	0.29%
	Director	Willas Electronic Corp. Representative: Liu, Zhen-Pei	82,310	0.73%
	Director	Kinpo Electronics, Inc. Representative: Lin, Cheng-Hsien	5,805,765	51.61%
	Director	Kinpo Electronics, Inc. Representative: Xue, Chuan-Liu	5,805,765	51.61%
	Supervisor	Zhu, Ping	0	-
	Supervisor	Chiu, Ping-Ho	30,834	0.27%
Ranashe International Ltd.	Director	Hsu, Sheng-Hsiung	0	-
XYZprinting, Inc.	Chairperson	Kinpo Electronics, Inc. Representative: Chen, Wei-Chang	115,151,760	48.59%
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Khongsit Choukitcharoen	115,151,760	48.59%
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Hsu, Chieh-Li	115,151,760	48.59%
	Supervisor	Yu, Chien-Hui	0	-
XYZprinting, Inc. (USA)	Director and General Manager	Chen, Wei-Chang	0	-
XYZprinting Japan, Inc.	Chairperson	XYZprinting, Inc. Representative: Chen, Wei-Chang	7,013,200	100.00%
XYZprinting Netherlands, B.V.	Director	XYZprinting, Inc. Representative: Chen, Wei-Chang	0	-
XYZprinting (Suzhou) Co., Ltd.	Chairperson and President	Huang, Yu-Hui	0	-
	Director	Chen, Wei-Chang	0	-
	Director	Yu, Shih-Tung	0	-
	Supervisor	Yu, Chien-Hui	0	-
XYZprinting (Thailand) Co., Ltd.	Director	Chen, Wei-Chang	0	-
	Director	Khongsit Choukitcharoen	1	-
XYZlife (Philippines) Inc.	Chairperson	Chen, Wei-Chang	1	-
	Director	Lo, Guo-Lun	1	-
	Director	Huang, Ching-Feng	1	-
	Director	Sheng, Chao-Lin	1	-
	Director	Chao, Chien-Hao	1	-
CastleNet Technology Inc.	Chairperson	Kinpo Electronics, Inc. Representative: Chang, Ying	129,958,907	68.08%
	Director	Kinpo Electronics, Inc. Representative: Hsu, Wei-Yang	129,958,907	68.08%
	Director	Kinpo Electronics, Inc. Representative: Chiang, Tai-Chang	129,958,907	68.08%
	Director	Kinpo Electronics, Inc. Representative: Hsu, Chieh-Li	129,958,907	68.08%
	Director	Kinpo Electronics, Inc. Representative: Huang, Yu-Hui	129,958,907	68.08%
	Director	Kinpo Electronics, Inc. Representative: Lin, Cheng-Hsien	129,958,907	68.08%
	Independent Director	Fu, Chi-Ching	0	-

Name of entity	Title (Note 1)	Name/Representative:	Shares held (Note2) (Note 3)	
			No. of shares	%
	Independent Director	Hsu, Sheng-Haur	0	-
	Independent Director	Tsai, Chien-Wen	0	-
	Independent Director	Chen,Yi-Ling	0	-
CastleNet Technology (BVI) Inc.	Director	Kinpo Electronics, Inc. Representative: Chen,Wei-Chang	0	-
	Director	CastleNet Technology Inc. Representative: Yu, Chien-Hui	8,708	100.00%
CastleNet Technology Inc. (Kunshan)	Chairperson	Chen,Wei-Chang	0	-
	Director	Hsiao, Chin-Hua	0	-
	Director and General Manager	Huang,Yu-Hui	0	-
	Supervisor	Wu, Li-Mei	0	-
Cal-Comp Asset Management, Inc.	Chairperson	Kinpo Electronics, Inc. Representative: Chen,Wei-Chang	5,000,000	100.00%
Confiar Land Corp.	Director	Hsu, Sheng-Hsiung	1	-
	Director	Khongsit Choukitcharoen	1	-
	Director	Gregory L. Domingo	1	-
	Director	Mavie Agones Ricalcar	1	-
	Chairperson	Cirilo P. Noel	1	-
Cal-Comp Electronics (Thailand) Public Company Limited	Chairperson	Hsu, Sheng-Hsiung	113,715,935	1.09%
	Vice Chairperson	Hsu, Chieh-Li	84,886,348	0.81%
	Director and General Manager	Khongsit Choukitcharoen	2,708,664	0.03%
	Director	Hsu, Sheng-Chieh	7,685,984	0.07%
	Director	Chen,Wei-Chang	0	-
	Director	Chiang,Tai-Chang	1,105,895	0.01%
	Director	Chen,Yee-Chang	0	-
	Independent Director	Alan Chi Yim Kam	0	-
	Independent Director	William Hang Man Chao	0	-
	Independent Director	Thanasak Chanyapoon	0	-
	Independent Director	Tien, Hung-Mao	0	-
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Chairperson and President	Chen,Wei-Chang	0	-
	Director	Hsu, Sheng-Hsiung	0	-
	Director	Huang,Yu-Hui	0	-
	Director	Khongsit Choukitcharoen	0	-
	Supervisor	Lin, Cheng-Hsien	0	-
ICKP (Beijing) Technology Development Co., Ltd.	Chairperson	Chen,Wei-Chang	0	-
	Director	Huang,Yu-Hui	0	-
	Director	Yu, Shih-Tung	0	-
	Director	Huang, Jiao-Ren	0	-
	Director and General Manager	Han, Qiang	0	-
	Supervisor	Lin, Cheng-Hsien	0	-

Name of entity	Title (Note 1)	Name/Representative:	Shares held (Note2) (Note 3)	
			No. of shares	%
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Chairperson and President	Chen, Wei-Chang	0	-
	Director	Huang, Yu-Hui	0	-
	Director	Chiang, Tai-Chang	0	-
	Supervisor	Lin, Cheng-Hsien	0	-
NKG Advanced Intelligence and Technology Development (Yueyang) Co., Ltd.	Chairperson	Chen, Wei-Chang	0	-
	Director	Hsu, Chieh-Li	0	-
	Director and General Manager	Huang, Yu-Hui	0	-
	Director	Khongsit Choukitcharoen	0	-
	Supervisor	Yu, Chien-Hui	0	-
Cal-Comp Electronics & Communications Co., Ltd.	Chairperson	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Hsu, Sheng-Hsiung	117,897,792	100.00%
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Chen, Wei-Chang	117,897,792	100.00%
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Hsu, Sheng-Chieh	117,897,792	100.00%
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Khongsit Choukitcharoen	117,897,792	100.00%
	Supervisor	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Yu, Chien-Hui	117,897,792	100.00%
Cal-Comp Electronics (USA) Co., Ltd.	Director and General Manager	Chen, Wei-Chang	0	-
	Director	Hsu, Sheng-Hsiung	0	-
	Director	Hsu, Chieh-Li	0	-
	Director	Huang, Jui-Ann	0	-
	Director	Yu, Chien-Hui	0	-
Cal-Comp USA (San Diego), Inc.	Director and General Manager	Chen, Wei-Chang	0	-
	Director	Hsu, Sheng-Hsiung	0	-
	Director	Hsu, Chieh-Li	0	-
	Director	Huang, Jui-Ann	0	-
Cal-Comp Precision Holding Co., Ltd.	Chairperson and President	Hsu, Sheng-Hsiung	0	-
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Hsu, Sheng-Hsiung	56,455,000	99.92%
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Chen, Wei-Chang	56,455,000	99.92%
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Khongsit Choukitcharoen	56,455,000	99.92%
	Director	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Hsu, Chieh-Li	56,455,000	99.92%
	Director	Chiang, Tai-Chang	0	-

Name of entity	Title (Note 1)	Name/Representative:	Shares held (Note2) (Note 3)	
			No. of shares	%
Cal-Comp Precision (Singapore) Limited	Director	Chen, Wei-Chang	0	-
	Director	Hsu, Sheng-Hsiung	0	-
	Director	Khongsit Choukitcharoen	0	-
	Director	Wong, Yee Lok Kirby	0	-
Cal-Comp Precision (Thailand) Limited	Director	Khongsit Choukitcharoen	1	-
	Director	Chiang, Tai-Chang	0	-
	Director	Hsu, Sheng-Hsiung	0	-
	Director	Chen, Wei-Chang	0	-
	Director	Hsu, Chieh-Li	0	-
Cal-Comp Precision (Malaysia) SDN. BHD.	Director	Chen, Wei-Chang	0	-
	Director	Khongsit Choukitcharoen	0	-
	Director	Hsu, Chieh-Li	0	-
	Director	Chiang, Tai-Chang	0	-
Cal-Comp Precision (Dongguan) Limited	Chairperson	Chen, Wei-Chang	0	-
	Director and General Manager	Tsui, Kuo-Pin	0	-
	Director	Huang, Yu-Hui	0	-
	Supervisor	Yu, Chien-Hui	0	-
Cal-Comp Precision (Yueyang) Co., Ltd.	Chairperson	Chen, Wei-Chang	0	-
	Director	Huang, Yu-Hui	0	-
	Director and General Manager	Tsui, Kuo-Pin	0	-
	Supervisor	Lin, Cheng-Hsien	0	-
Cal-Comp Precision (Philippines), Inc.	Chairperson	Chen, Wei-Chang	1	-
	Director	Khongsit Choukitcharoen	1	-
	Director	Hsu, Sheng-Hsiung	1	-
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Chairperson	Chen, Wei-Chang	0	-
	Director	Hsu, Sheng-Hsiung	0	-
	Director	Hsu, Chieh-Li	0	-
	Director	Huang, Jui-Ann	0	-
Cal-Comp Semiconductor, Ltd.	Chairperson	Cal-Comp Electronics (Thailand) Public Company Limited Representative: Hsu, Sheng-Hsiung	0	-
	Director and General Manager	Kinpo Electronics, Inc. Representative: Chen, Wei-Chang	0	-
	Director	Cal-Comp Optical Electronics (Yueyang) Co., Ltd. Representative: Hsu, Chieh-Li	0	-
	Director	Cal-Comp Precision Holding Co., Ltd. Representative: Wong, Yee Lok Kirby	0	-
	Director	CastleNet Technology Inc. Representative: Chiang, Tai-Chang	0	-
	Director	QBit Semiconductor Ltd. Representative: Neil Brad Epstein	0	-
Logistar International Holding Co., Ltd.	Director	Cal-Comp Electronics & Communications Co., Ltd. Representative: Chen, Wei-Chang	0	-
Cal Comp (Malaysia) SDN. BHD.	Chairperson	Chen, Wei-Chang	0	-
	Director and General Manager	Khongsit Choukitcharoen	0	-
	Director	Wang, Wei-Chao	0	-

Name of entity	Title (Note 1)	Name/Representative:	Shares held (Note2) (Note 3)	
			No. of shares	%
Cal-Comp Industria de Semicondutores S.A.	Director	Chen, Wei-Chang	0	-
	Director	Khongsit Choukitcharoen	0	-
	Director	Hsu, Chieh-Li	0	-
Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	Representative	Guido Costa Nardi	0	-
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Director	Chen, Wei-Chang	0	-
	Director	Khongsit Choukitcharoen	1	-
	Director	Huang, Jui-Ann	1	-

Note 1: If the affiliated enterprise is a foreign company, fill in equivalent job titles.

Note 2: If the investee is a company limited by shares, please fill in the number of shares and shareholding ratio. If not, please fill in the amount and ratio of capital contribution and specify.

Note 3: If the director or supervisor is a legal person, pertinent information on the representative shall be disclosed.

8.1.5. Operational Highlights of Affiliated Companies

Unit: NTD thousands

Name of entity	Capital	Total Assets	Total Liabilities	Net Worth	Operating revenues	Operating profit	Net Income (after tax)	EPS (NTD) (after tax)
Kinpo International (Singapore) Pte. Ltd.	5,772,115	7,856,651	4,103	7,852,548	-	(36,723)	348,712	1.41
Cal-Comp Technology (Philippines), Inc.	615,245	9,185,443	13,681	9,171,762	22,875	10,222	455,921	0.41
Kinpo Electronics (Philippines), Inc.	2,734,427	13,820,503	5,360,674	8,459,829	21,909,410	519,858	427,642	8.68
Kinpo International Ltd.	4,740,052	7,301,957	3,744,596	3,557,361	263,387	138,439	3,786	0.02
Kinpo Electronics (China) Co., Ltd.	3,859,020	7,507,914	3,165,524	4,342,390	3,543,015	(95,150)	99,685	NA
Lipo Holding Co., Ltd.	6,147	89,990	592	89,398	-	(293)	(723,684)	(3,618.42)
LIZ Electronics (Kunshan) Co., Ltd.	1,094,405	581,752	515,672	66,080	421,121	(228,399)	(629,854)	NA
LIZ Electronics (Nantong) Co., Ltd.	944,930	4,085,845	3,985,561	100,284	1,533,072	(493,029)	(546,677)	NA
Crownpo Technology Inc	112,500	71,340	69,472	1,868	68,826	(21,660)	(117,415)	(10.44)
Ranashe International Ltd.	1,537	10,447	501	9,946	-	(111)	(89,334)	(1,786.68)
XYZprinting, Inc.	2,370,000	384,504	357,194	27,310	183,925	(70,771)	(321,086)	(1.35)
XYZprinting Japan, Inc.	21,790	30,584	68,645	(38,061)	48,929	947	(11,514)	(1.64)
XYZprinting, Inc. (USA)	154	121,887	212,153	(90,266)	40,532	10,144	(153,118)	(30,623.60)
XYZprinting Netherlands, B.V.	50,516	69,715	-	69,715	44,978	19,471	(9,680)	(6.50)
XYZprinting (Thailand) Co., Ltd.	16,166	1,623	3,021	(1,398)	-	(95)	999	0.56
XYZlife (Philippines) Inc.	5,218	926	-	926	-	(104)	(410)	(4.36)
XYZprinting (Suzhou) Co., Ltd.	168,625	-	-			(13)	(1,730)	NA
CastleNet Technology Inc.	1,908,905	2,829,902	917,180	1,912,722	556,439	(100,633)	6,725	0.04
CastleNet Technology (BVI) Inc.	267,640	40,914	-	40,914	-	(43)	1,155	132.64
CastleNet Technology Inc. (Kunshan)	230,513	34,076	501	33,575		(145)	975	NA
Cal-Comp Asset Management, Inc.	50,000	47,291	125	47,166	-	(158)	(3,542)	(0.71)
Confiar Land Corp.	46,612	91,088	46,741	44,347	-	(673)	(3,415)	(1.78)
Cal-Comp Electronics (Thailand) Public Company Limited	9,385,148	66,562,483	43,199,450	23,363,033	104,199,178	2,092,069	995,947	0.15
Logistar International Holding Co., Ltd.	13,463,467	12,951	1,229,680	(1,216,729)	-	279,177	27,698	0.06
Cal-Comp Electronics & Communications Co., Ltd.	1,178,978	6,312,253	11,646,251	(5,333,998)	23,200,507	(170,539)	3,785	0.03
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	2,374,294	4,869,145	1,191,151	3,677,994	2,766,608	(240,150)	(276,263)	NA
ICKP (Beijing) Technology Development Co., Ltd.	43,394	36,953	124	36,829	187	(582)	(656)	NA
Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	590,158	5,429,816	3,964,299	1,465,517	11,517,908	214,695	150,830	NA
NKG Advanced Intelligence and Technology Development (Yueyang) Co., Ltd.	1,518,790	749,008	230,198	518,810	49,230	(426,048)	(485,775)	NA

Name of entity	Capital	Total Assets	Total Liabilities	Net Worth	Operating revenues	Operating profit	Net Income (after tax)	EPS (NTD) (after tax)
Cal-Comp Precision Holding Co., Ltd.	565,000	3,453,250	1,469	3,451,781	-	(1,975)	229,729	4.07
Cal-Comp Precision (Singapore) Limited	2,593,923	5,518,504	2,007,245	3,511,259	353,234	(115,440)	207,805	0.18
Cal-Comp Precision (Malaysia) SDN. BHD.	80,068	253,995	60,672	193,323	306,465	(1,102)	2,822	0.24
Cal-Comp Precision (Dongguan) Limited	480,827	451,389	87,922	363,467	261,374	(44,308)	(16,138)	NA
Cal-Comp Precision (Yueyang) Co., Ltd.	342,878	912,768	150,762	762,006	1,574,200	46,370	79,335	NA
Cal-Comp Precision (Thailand) Limited	1,475,192	2,712,380	1,014,763	1,697,617	1,399,728	(99,533)	(23,290)	(1.42)
Cal-Comp Precision (Philippines), Inc.	1,368,082	3,144,067	581,444	2,562,623	3,492,077	501,940	438,208	17.78
Cal Comp (Malaysia) SDN. BHD.	259	7,370	6,509	861	-	(360)	(347)	(8.97)
Cal-Comp Electronics (USA) Co., Ltd.	1,997,818	1,315,883	327,200	988,683	1,381,799	(95,116)	(130,935)	(3.36)
Cal-Comp USA (San Diego), Inc.	507,536	354,536	87,541	266,995	705,152	108,227	52,786	61.38
Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	1,573,288	7,309,236	2,010,860	5,298,376	10,511,768	585,135	622,617	2.51
Cal-Comp Industria de Semicondutores S.A.	256,898	852,683	628,275	224,408	316,578	(52,918)	(10,063)	(0.25)
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	256,471	456,936	65,956	390,980	359,718	106,390	19,537	0.14
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	89,810	101,596	109	101,487	22,220	3,908	4,481	0.45
Cal-Comp Semiconductor, Ltd.	1,278,961	63,675	380	63,295	76,242	(83,548)	(5,522)	(0.02)

8.2. Private placement of securities in the last year up until the publication date of annual report: None.

8.3. Company shares held or disposed by subsidiaries in the most recent year: None

8.4. Other Necessary Matters to be Supplemented and Explained: None.

8.5. If any event, which has a material impact on shareholders' rights and interests or securities prices as prescribed in Article 36-3-2 of the Securities and Exchange Act has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such matters shall be listed in clarity: None.

KINPO ELECTRONICS, INC.

SINCE 1973

Corporate Headquarters

No.147, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City 222404, Taiwan (R.O.C.)
Tel: 886-2-2662-2660 Fax: 886-2-2662-1418