Stock Code：8183

# Info-Tek Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

(Translation)

*This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.*

# REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Info-Tek Corporation as of and 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 Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Info-Tek Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly tours,

INFO-TEK CORPORATION

March 8, 2024

# INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Info-Tek Corporation

## Opinion

We have audited the accompanying consolidated financial statements of Info-Tek Corporation (the Company) and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

## Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China for the year ended December 31, 2023 and 2022. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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

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

<u>When the Revenue Should Be Recognized</u>

The Group is engaged in the Electronics Manufacturing Services (EMS), no own-brand, only accept commissioned manufacturing from customer, focusing on the electronics manufacturing services. The Group's sales revenue is based on the transaction conditions agreed by individual customers, the transaction conditions of each customer are not the same. It is significant that to judge the transfer of the control of sales of goods and whether the timing of recognizing the revenue was correct for the expression of consolidated financial statements. Therefore, the timing of recognizing the revenue from key customers was considered as a key audit matter for this year. Please refer to Note 4 to the Consolidated Financial Statements for the relevant accounting policies and relevant disclosure information related to the recognition of operating revenue. We have performed our audit procedures to the key audit matter are follows:

1. Evaluate and test the implementation of the internal control system and actual process of sales transactions.

2. Review the incorn terms and credit lines of these key customers, and understand the similarities,

differences and rationality of the trading conditions and general customers.

3. Select samples from the sales revenue sub-ledger, review relevant documents and the rationality of recognized revenue, and check external shipping documents and customer signature documents.

4. Confirm whether the timing of transfer of control is appropriate according to the contract.

## Other Matter

We have also audited the parent company only financial statements of Info-Tek Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified option.

## 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

1. Indentify 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 Group's internal control.

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chun-Ming Hsueh and Sheng-Hsiung Yao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

**March 8, 2024**

## Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors, report and the accompanying consolidated financial statement have been translated into English from the orginal Chinese version prepared and used in the Republic of China. IF there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

**INFO-TEK CORPORATION AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

| | December 31, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| **ASSETS** | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 4 and 6) | $ 211,804 | 3 | $ 488,330 | 8 |
| Financial assets at fair value through profit or loss (Notes 7 and 31) | 1,413 | - | - | - |
| Financial Assets at amortized cost-current (Note 4 and 9) | 104,397 | 2 | - | - |
| Financial Assets Measured at Fair Value through Other Comprehensive Income - current (Notes 4 and 8) | 159,426 | 3 | 25,005 | - |
| Notes receivable (Note 4 and 10) | 997,567 | 16 | 722,426 | 11 |
| Trade receivables (Note 4 and 10) | 2,494,964 | 39 | 2,727,271 | 42 |
| Trade receivables from related parties (Note 32) | 19,604 | - | 34,576 | 1 |
| Other receivables (Note 10) | 13,928 | - | 22,558 | - |
| Other receivables from related parties (Note 32) | 76 | - | 198 | - |
| Inventories (Notes 4 and 11) | 771,084 | 12 | 790,382 | 12 |
| Other current assets (Note 6 and 18) | 188,251 | 3 | 254,967 | 4 |
| Total current assets | 4,962,514 | 78 | 5,065,713 | 78 |
| NON-CURRENT ASSETS | | | | |
| Investments accounted for using the equity method (Note 4 and 13) | 2,447 | - | - | - |
| Property, plant and equipment (Notes 4, 14, 32 and 33) | 1,078,775 | 17 | 1,081,196 | 17 |
| Right-of-use assets (Note 4, 15 and 32) | 122,359 | 2 | 176,793 | 3 |
| Investment properties (Notes 4, 16, 32 and 33) | - | - | 20,427 | - |
| Intangible assets (Note 4 and 17) | 4,660 | - | 6,106 | - |
| Deferred tax assets (Note 4 and 26) | 54,305 | 1 | 31,091 | - |
| Refundable deposits | 2,743 | - | 8,328 | - |
| Other non-current assets (Note 18) | 161,668 | 2 | 102,664 | 2 |
| Total non-current assets | 1,426,957 | 22 | 1,426,605 | 22 |
| TOTAL ASSETS | $ 6,389,471 | 100 | $ 6,492,318 | 100 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings (Notes 19) | $ 300,000 | 5 | $ 516,330 | 8 |
| Notes payable (Note 20 ) | 464,147 | 7 | 749,611 | 12 |
| Trade payables (Note 20 ) | 1,256,826 | 20 | 1,170,625 | 18 |
| Trade payables to related parties (Note 32 ) | 9,263 | - | 8,747 | - |
| Other payables (Note 21 ) | 446,682 | 7 | 473,429 | 7 |
| Other payables to related parties (Note 32 ) | 6,087 | - | 6,515 | - |
| Current tax liabilities(Notes 4) | 72,405 | 1 | 43,728 | 1 |
| Lease liabilities – current (Note 4, 15 and 32 ) | 62,734 | 1 | 77,384 | 1 |
| Current portion of long-term borrowings (Note 19) | 85,675 | 1 | 882 | - |
| Other current liabilities (Note 21) | 193,598 | 3 | 111,297 | 2 |
| Total current liabilities | 2,897,417 | 45 | 3,158,548 | 49 |
| NON-CURRENT LIABILITIES | | | | |
| Long-term borrowings (Note 19) | - | - | 87,278 | 1 |
| Deferred tax liabilities (Note 4 and 26) | 96,218 | 2 | 85,218 | 1 |
| Lease liabilities –non- current (Note 4, 15 and 32) | 29,057 | - | 65,445 | 1 |
| Net defined benefit liabilities (Note 4 and 22) | 9,642 | - | 9,892 | - |
| Guarantee deposits received | 29,530 | 1 | 98,132 | 2 |
| Other liabilities | 12,428 | - | 12,660 | - |
| Total non-current liabilities | 176,875 | 3 | 358,625 | 5 |
| Total liabilities | 3,074,292 | 48 | 3,517,173 | 54 |
| Share capital | 1,212,511 | 19 | 1,212,511 | 19 |
| Capital surplus | | | | |
| Additional paid-in capital | 179,924 | 3 | 179,924 | 3 |
| Treasury share transactions | 44,199 | 1 | 4,036 | - |
| Employee stock option | 7,646 | - | 7,646 | - |
| Other capital reserve | 85 | - | 85 | - |
| Total capital surplus | 231,854 | 4 | 191,691 | 3 |
| Retained earnings | | | | |
| Legal reserve | 198,196 | 3 | 130,650 | 2 |
| Special reserve | 106,006 | 2 | 106,006 | 2 |
| Unappropriated earnings | 1,673,378 | 26 | 1,427,192 | 22 |
| Total retained earnings | 1,977,580 | 31 | 1,663,848 | 26 |
| Other equity | ( 72,661 ) | ( 1 ) | ( 42,909 ) | ( 1 ) |
| Treasury shares | ( 34,105 ) | ( 1 ) | ( 49,996 ) | ( 1 ) |
| Total equity | 3,315,179 | 52 | 2,975,145 | 46 |
| TOTAL LIABILITIES AND EQUITY | $ 6,389,471 | 100 | $ 6,492,318 | 100 |

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

**INFO-TEK CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 4, 24 and 32) | $ 6,679,445 | 100 | $ 6,861,906 | 100 |
| COST OF GOODS SOLD (Notes 4,11,22,25 and 32) | 5,401,178 | 81 | 5,374,849 | 78 |
| GROSS PROFIT | 1,278,267 | 19 | 1,487,057 | 22 |
| OPERATING EXPENSES (Notes 22, 25 and 32) | | | | |
| Selling and marketing expenses | 51,153 | 1 | 72,178 | 1 |
| General and administrative expenses | 275,352 | 4 | 246,970 | 3 |
| Research and development expenses | 248,940 | 3 | 250,323 | 4 |
| Expected credit loss (reversal gain) (Notes 4 and 10) | ( 1,079 ) | - | ( 23,967 ) | - |
| Total operating expenses | 574,366 | 8 | 545,504 | 8 |
| PROFIT FROM OPERATIONS | 703,901 | 11 | 941,553 | 14 |
| NON-OPERATING INCOME AND EXPENSES(Note 25 ) | | | | |
| Interest income | 16,827 | - | 6,090 | - |
| Other income | 45,398 | 1 | 17,581 | - |
| Other gains and losses | ( 5,099 ) | - | ( 4,760 ) | - |
| Finance costs(Note 25 and 32 ) | ( 46,395 ) | ( 1 ) | ( 33,131 ) | - |
| associates accounted for using the equity method | ( 53 ) | - | - | - |
| Total non-operating income and expenses | 10,678 | - | ( 14,220 ) | - |

(Continued)

**INFO-TEK CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS | $ 714,579 | 11 | $ 927,333 | 14 |
| INCOME TAX EXPENSE (Notes 4 and 26) | 171,420 | 3 | 251,875 | 4 |
| NET PROFIT FOR THE YEAR | 543,159 | 8 | 675,458 | 10 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Unrealized loss on investments in quity instruments at fair value through other comprehensive income | 13,369 | - | (27,854) | - |
| Remeasurement of defined benefit plans | 81 | - | 5,327 | - |
| | 13,450 | - | (22,527) | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating the financial statements of foreign operations | (43,202) | - | 18,370 | - |
| | (43,202) | - | 18,370 | - |
| Other comprehensive income(loss) for the year, net of income tax | (29,752) | - | (4,157) | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | $ 513,407 | 8 | $ 671,301 | 10 |
| EARNINGS PER SHARE (Note 27) | | | | |
| Basic | $ 4.50 | | $ 5.63 | |
| Diluted | $ 4.48 | | $ 5.60 | |

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

**INFO-TEK CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

| | | | Retained Earnings(Note 4 and 21) | | | Other equity(Note 21) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share Capital (Note 21) | Capital Surplus (Note 21) | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translating the Financial Statements of Foreign Operations | Unrealized gain(loss) on financial assets measured at fair value through other comprehensive income | Remeasurement of defined benefit obligation | Treasury shares (Note 21) | Total Equity |
| BALANCE AT JANUARY 1, 2022 | $ 1,212,511 | $ 191,691 | $ 80,610 | $ 106,006 | $ 952,088 | ($ 92,426 ) | $ 51,650 | $ 2,024 | ($ 15,891 ) | $ 2,488,263 |
| Appropriation of the 2021 earnings | | | | | | | | | | |
| Legal reserve | - | - | 50,040 | - | ( 50,040 ) | - | - | - | - | - |
| Cash dividends distributed by the Company | - | - | - | - | ( 150,314 ) | - | - | - | - | ( 150,314 ) |
| Net profit for the year ended December 31, 2022 | - | - | - | - | 675,458 | - | - | - | - | 675,458 |
| Other comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | 18,370 | ( 27,854 ) | 5,327 | - | ( 4,157 ) |
| Total comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | 675,458 | 18,370 | ( 27,854 ) | 5,327 | - | 671,301 |
| Purchase of treasury shares | - | - | - | - | - | - | - | - | ( 34,105 ) | ( 34,105 ) |
| BALANCE, AT DECEMBER 31, 2022 | 1,212,511 | 191,691 | 130,650 | 106,006 | 1,427,192 | ( 74,056 ) | 23,796 | 7,351 | ( 49,996 ) | 2,975,145 |
| Appropriation of the 2022 earnings | | | | | | | | | | |
| Legal reserve | - | - | 67,546 | - | ( 67,546 ) | - | - | - | - | - |
| Cash dividends distributed by the Company | - | - | - | - | ( 229,427 ) | - | - | - | - | ( 229,427 ) |
| Net profit for the year ended December 31, 2023 | - | - | - | - | 543,159 | - | - | - | - | 543,159 |
| Other comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | ( 43,202 ) | 13,369 | 81 | - | ( 29,752 ) |
| otal comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | 543,159 | ( 43,202 ) | 13,369 | 81 | - | 513,407 |
| Treasury stock transferred to employees | - | 40,163 | - | - | - | - | - | - | 15,891 | 56,054 |
| BALANCE, AT DECEMBER 31, 2023 | $ 1,212,511 | $ 231,854 | $ 198,196 | $ 106,006 | $ 1,673,378 | ($ 117,258 ) | $ 37,165 | $ 7,432 | ($ 34,105 ) | $ 3,315,179 |

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

**INFO-TEK CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before before income tax from continuing operations | $ 714,579 | $ 927,333 |
| Adjustments for: | | |
| Expected credit loss (reversal gain) of trade receivables | ( 1,079 ) | ( 23,967 ) |
| Net gain from changes of financial assets at fair value through profit or loss | ( 237 ) | - |
| Depreciation expense | 276,525 | 212,686 |
| Amortization expense | 2,484 | 3,199 |
| Interest expense | 46,395 | 33,131 |
| Interest income | ( 16,827 ) | ( 6,090 ) |
| Dividends income | ( 761 ) | ( 1,427 ) |
| Treasury stock transferred to employees cost | 40,201 | - |
| Share of profit of associates | 53 | - |
| (Gain) loss on disposal of property, plant and equipment | 703 | ( 80 ) |
| (Gain) loss from lease modification | ( 397 ) | 808 |
| Write-downs of inventories | ( 7,560 ) | ( 16,488 ) |
| Net gain on foreign currency exchange | ( 1,325 ) | ( 990 ) |
| Changes in operating assets and liabilities | | |
| Notes receivable | ( 275,141 ) | 145,123 |
| Trade receivables | 207,485 | ( 1,339,981 ) |
| Trade receivables from related parties | 14,711 | ( 10,467 ) |
| Other receivables | 10,279 | ( 21,874 ) |
| Other receivables from related parties | 122 | 3,127 |
| Inventories | 26,955 | ( 272,791 ) |
| Other current assets | 66,716 | ( 135,105 ) |
| Non-current assets | ( 13,574 ) | 2,688 |
| Notes payable | ( 285,464 ) | 415,737 |
| Trade payables | 91,927 | 451,716 |
| Trade payables to related parties | 588 | 996 |
| Other payables | ( 58,913 ) | 190,004 |
| Other payables to related parties | ( 428 ) | 4,730 |
| Other current liabilities | 82,269 | 427 |
| Net defined benefit liabilities | ( 169 ) | ( 440 ) |
| Non-current liabilities | ( 232 ) | 184 |
| Cash generated from operations | 919,885 | 562,189 |
| Interest paid | ( $ 16,138 ) | ( $ 7,295 ) |
| Income tax paid | ( 145,680 ) | ( 151,786 ) |

(Continued)

**INFO-TEK CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|---|---|---|
| Net cash generated from operating activities | 758,067 | 403,108 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at fair value through other comprehensive income | ( 122,055 ) | - |
| Purchase of financial assets at amortized cost | ( 104,397 ) | - |
| Purchase of financial assets at fair value through profit or loss | ( 58,466 ) | - |
| Proceeds from sale of financial assets at fair value through profit or loss | 57,291 | - |
| Acquisition of investments accounted for using the equity method | ( 2,500 ) | - |
| Purchase of property, plant and equipment | ( 216,119 ) | ( 415,502 ) |
| Proceeds from disposal of property, plant and equipment | - | 19,837 |
| Interest received | 14,186 | 5,540 |
| Dividends received | 761 | 1,427 |
| Payments for intangible assets | ( 1,112 ) | ( 2,355 ) |
| Decrease in refundable deposits | 5,585 | 5,914 |
| Net cash used in investing activities | ( 426,826 ) | ( 385,139 ) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (decrease) in short-term borrowings | ( 216,330 ) | 216,330 |
| Proceeds from long-term borrowings | - | 88,160 |
| Repayments of long-term borrowings | ( 885 ) | - |
| Decrease in guarantee deposits received | ( 68,602 ) | ( 12,589 ) |
| Repayment of the principal of lease liabilities | ( 66,451 ) | ( 44,893 ) |
| Dividends paid to shareholders of the Company | ( 229,427 ) | ( 150,314 ) |
| Payments for purchase of treasury stock | - | ( 34,105 ) |
| Employees purchase treasury stock | 15,853 | - |
| Net cash flows used in financing activities | ( 565,842 ) | 62,589 |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | ( 41,925 ) | 17,110 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | ( 276,526 ) | 97,668 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 488,330 | 390,662 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | $ 211,804 | $ 488,330 |

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

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

## 1. GENERAL INFORMATION

Info-Tek Corporation (the “Company”) was incorporated in the Republic of China (ROC) in December, 1990.The Company started its business in April 1991 and is mainly engaged in the manufacture, assembly and processing, sales and distribution of information electronic products.

The company's shares were officially traded on the Taipei Exchange in March 2005.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollars.

## 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on February 22, 2024.

## 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) did not have a significant effect on the company accounting policies.

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

(2) The IFRSs endorsed by the FSC for application starting from 2024

| New IFRSs | Effective Date Issued by IASB(Note 1) |
|---|---|
| Amendments to IFRS 16" Leases Liability in a Sale and Leaseback" | January 1, 2024（Note 2） |
| Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" | January 1, 2024 |
| Amendments to IAS 1 "Non-current Liabilities with Covenants" | January 1, 2024 |
| Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements” | January 1, 2024（Note 3） |

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: Exemption from certain disclosure requirements when this amendment is applied for the first time.

a. Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”

The amendments clarify that the liability that arises from a sale and leaseback transaction-that satisfies the requirements in IFRS 15 to be accounted for as a sale-is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.When the amendment is first applied to the Group, the comparative period information should be restated。

b. Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the"2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

When the amendment is first applied to the Group, the comparative period information should be restated。

c. Amendments to IAS 7 and IFRS 7 ''Supplier finance arrangements"

Supplier financing arrangements are characterized by the commitment of one or more financing providers to pay an amount payable by an enterprise to its suppliers, and the enterprise agrees to comply with these arrangements on the same day (or a subsequent date) when its suppliers are paid. Terms and Conditions Payment. The amendment stipulates that the combined company shall disclose information that enables users of financial statements to assess the impact of supplier financing arrangements on the combined company's liabilities, cash flow and liquidity risk exposures.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

(3) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

| New IFRSs | Effective Date Issued by IASB(Note 1) |
|---|---|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture | To be determined by IASB |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 'Initial Application of IFRS 9 and IFRS 17 -Comparative Information" | January 1, 2023 |
| Amendments to IAS 21 "Lack of Exchangeability” | January 1, 2025（Note 2） |

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value is grouped into Levels 1 to 3 based on the measurable and observable degree of its input:

a. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2: Other than those quoted prices of Level 1, the input of fair value at level 2 is from a price of assets or liabilities which can be observed directly or derived indirectly.

c. Level 3: The input of fair value at level 3 is unobservable from assets or liabilities.

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

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the assets are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period; and

c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

(4) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if the comprehensive in come of the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12 and attached Tables 3 for detailed information on subsidiaries (including percentages of ownership and main businesses).

(5) Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

On the disposal of a foreign operation (a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a disposal of an associate of a foreign operation when the associate’s retained interest is a kind of financial asset applicable to financial instrument accounting treatments), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(6) Inventories

Inventories consist of raw materials, work in progress and finished goods are stated at the lower of cost or net realizable value. The inventory cost, unless it is of the same kind, is compared with net realizable value item by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories are recorded at weighted-average cost at the end of the reporting period.

(7) Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus-changes in capital surplus from investments in associates accounted for using the equity menthod. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from incestments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive oblogations, or made payments on behalf of that assoiate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. When the Group retains an interest in the former associate, the Group measures the retained interest at fair value at that date. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amount previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. In addition, the Group shall account for all amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associated directly disposed of the related assets or liabilities. 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 Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group’s consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(8) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Depreciation of property, plant and equipment（Including assets held under finance leases） is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

The difference between the sales proceeds and the carrying amount of an item of property, plant and equipment to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(9) Investment properties

Investment properties are properties held to earn rental or for future capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of investment properties is recognized using the straight-line method.
The difference between the sales proceeds and the carrying amount of an item of investment properties to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(10) Intangible assets

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment.

b. Derecognition of intangible assets

The difference between the sales proceeds and the carrying amount of an item of intangible assets to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(11) Impairment of property, plant and equipment, right-of-use asset, intangible assets and contract cost related assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and when there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

An impairment loss is recognized for inventory, property, plant and equipment, and intangible assets recognized under customer contracts in accordance with the inventory impairment rules and the above provisions, and an impairment loss is recognized for the amount by which the carrying amount of the contract cost-related assets exceeds the estimated residual value of the consideration to be received for the provision of the related goods or services, less directly related costs. The carrying amount of the assets related to contract costs is included in the respective cash-generating unit for the purpose of assessing the impairment of the cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or contract cost-related asset in prior years. Reversals of impairment losses are recognized in profit or loss.

(12) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

01. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

I. Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

A. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI criteria. Any gain or loss arising from remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

Financial assets carried at FVTPL are measured at fair value. Dividends and interest generated are recognized in other income and interest income, respectively, and gains or losses arising from remeasurement are recognized in other gains and losses. For the determination of fair value, please refer to Note 31.

B. Financial assets at amortized cost

Financial assets that meet the following criteria are classified as financial assets amortized cost:

a. The financial asset is held in a business model whose objective of holding these financial assets is to collect contractual cash flows; and

b. Base on the contract, the financial assets will generate a cash flow that are solely for the payments of principal and interest on the outstanding principal amount.

   Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

a. The interest revenue of purchased or originated credit-impaired financial assets is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of such financial assets; and

b. If financial assets, that are not credit-impaired originally or upon purchasing, subsequently become credit impaired, its interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of such financial assets.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;
ii) Breach of contract, such as a default;
iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
iv)The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investments in equity instruments at FVTOCI

On initial recognition, the Group may irrevocably designate investments in equity instruments, that is not held for trading and is a contingent consideration of a business acquisition, as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

II. Impairment of financial assets and contract assets

At the end of each reporting period, a loss is recognized for financial assets at amortized cost (including trade receivables) and contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate a financial asset is in default (without taking into account any collateral held by the Group):

A. Internal or external information shows that the debtor is unlikely to pay its creditors.

B. Financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

III. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

02. Equity Instruments

Debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Group are recognized at the acquisition price less direct issuance costs.

The carrying amount of equity instruments that are retracted from the Company's own equity is recognized and deducted under equity and is calculated on a weighted-average basis by type of stock. The purchase, sale, issuance or cancellation of the Company's own equity instruments are not recognized in profit or loss.

03. Financial liabilities

i. Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.（See the accounting policy above for an explanation of the effective interest method.）。

ii. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(13) Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

<u>Warranty</u>

The warranty obligation to conform to the agreed-upon specifications is based on management's best estimate of the expenses required to settle the Group's obligations and is recognized as revenue from the related merchandise.

(14) Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

If the interval between the transfer of goods or services and the receipt of consideration is less than one year, the transaction price is not adjusted for significant financial components of the contract.

<u>Sales revenue</u>

The Group recognizes revenue and accounts receivable at the point of sale when the customer has the right to set the price and use of the merchandise and has the primary responsibility for re-selling the merchandise and bears the risk of obsolescence. Prepayments for product sales are recognized as contractual liabilities until the product arrives.

The Group does not recognize any revenue when materials are delivered to subcontractors because the title of control is not transferred along with the delivery.

(15) Lease

At the inception of a contract, the Group assesses whether the contract is a lease.

For contracts with lease and non-lease components, the Group apportions the consideration in the contracts on the basis of relatively separate prices and treats them separately.

i. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

ii. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For lease modifications that are not treated as separate leases, the remeasurement of the lease liability due to a reduction in the scope of the lease is a reduction of the right-of-use asset and the recognition of gain or loss on partial or full termination of the lease; the remeasurement of the lease liability due to other modifications is an adjustment to the right-of-use asset.Lease liabilities are presented on a separate line in the consolidated balance sheets.

(16) Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

(17) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

(18) Employee benefits

i. Short-term employee benefits
Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

ii. Retirement benefits
Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in other equity and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(19) Share-based payment arrangement

<u>Employee stock options</u>

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The transfer of treasury stocks to employees by the Company shall be effective as of the date approved by the board of directors.

(20) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

ii. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets 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.

iii. Current and Deferred Income Taxes

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes that relate to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group will consider significant estimates when developing significant accounting estimates, and management will continue to review estimates and basic assumptions.

## 6. CASH AND CASH EQUIVALENTS

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Cash on hand | $ 203 | $ 589 |
| Checking accounts and demand deposits | 211,601 | 487,741 |
| | $ 211,804 | $ 488,330 |

The interest rate ranges for bank deposits as of the balance sheet date were as follows：

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Time deposits | - | 3.92%-5.1% |

Some of the deposits were transferred to "Other current assets" because they were provided as margin for opening bankers' acceptances, and the amounts were as follows

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Banker's Acceptance | $ 93,449 | $164,025 |

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Designation as at fair value through profit or loss | | |
| Mutual funds | $ 1,413 | $ - |

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Current | | |
| Investments in equity instrument | $ 38,932 | $ 25,005 |
| Investments in debt instrument | 120,494 | - |
| | $ 159,426 | $ 25,005 |

(1) Investments in equity instrument

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Current | | |
| Domestic investments | | |
| Listed stocks | $ 38,932 | $ 25,005 |

The Group invests for medium- and long-term strategic purposes and expects to earn profits from its long-term investments. The management of the Group believes that if the short-term fluctuations on fair value of these investments are included in profit or loss, it will be inconsistent with the Group's aforementioned medium and long-term investment strategy, and therefore, the management chooses to designate these investments as measured at fair value through other comprehensive profit or loss.

(2) Investments in debt instrument

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Current | | |
| Foreign investments | | |
| Standard Chartered Bank Bonds | $ 24,405 | - |
| BPCE SA Bonds | 34,323 | - |
| APPLE INC. Bonds | 31,598 | - |
| U.S. TREASURY NOTE | 30,168 | - |
| | $ 120,494 | $ - |

The Group purchased two-year, ten-year and five-year corporate bonds issued by Standard Chartered Bank, BPCE SA and APPLE Inc. and three-year U.S. Treasury Note in February, March and July 2023. The corporate bonds's coupon rates were 4.8%, 3.25% and 4% respectively, and the effective interest rates were 5.10%, 5.22% and 4.07% respectively. U.S. Treasury Note's coupon rates was 3.875%, and the effective interest rates was 4.23%.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Current | | |
| Time deposits with original maturities of more than 3 Months | $ 104,397 | $ - |

The interest rate range for time deposits with original maturities of more than 3 months on the balance sheet date is 5.78% to 5.88%.

## 10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Notes receivable | | |
| At amortized cost | $ 997,567 | $ 722,426 |

As of December 31, 2022 and 2021, the notes receivable were assessed to be free of doubtful accounts and therefore no allowance for doubtful accounts was provided.

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Trade receivables | | |
| At amortized cost | | |
| Gross carrying amount | $ 2,495,231 | $ 2,728,552 |
| Less: Allowance for impairment loss | ( 267 ) | ( 1,281 ) |
| | $ 2,494,964 | $ 2,727,271 |
| Other receivables | | |
| Gross carrying amount | $ 13,928 | $ 22,558 |

### (1) NOTES RECEIVABLE AND TRADE RECEIVABLES

The average credit period of sales was 60 to 150 days. No interest was charged on trade receivables.

The Group adopted a policy of new customers' credit rating and, when necessarily, obtained sufficient collateral to mitigate the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group continuously monitored the credit ratings of its customers and its credit exposure. To control the credit exposure, the Group will decide a transaction limit for customers.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Goup's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL) in compliance with IFRS 9. The expected credit losses on trade receivables are estimated using an aging analysis by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The estimated percentages of expected credit loss of receivables are based the receivables' aging analysis.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in recourse action to attempt to recover the receivables. The recoveries, if any, are recognized in profit or loss.

Aging analysis of trade receivables and allowance for impairment loss were as follows:

December 31, 2023

| | Not Past Due | 1 to 30 Days | 31 to 60 Days | 61 to 90 Days | 91 to 180 Days | 181 to 360 Days | Over 360 Days | Total |
|---|---|---|---|---|---|---|---|---|
| Expected credit loss percentage | 0% | 1% | 5% | 10% | 25% | 50% | 100% | |
| Gross carrying amount | $ 2,479,959 | $ 12,407 | $ 2,865 | $ - | $ - | $ - | $ - | $ 2,495,231 |
| Loss allowance (Lifetime ECLs) | - | ( 124) | ( 143) | - | - | - | - | ( 267) |
| Amortized cost | $ 2,479,959 | $ 12,283 | $ 2,722 | $ - | $ - | $ - | $ - | $ 2,494,964 |

December 31, 2022

| | Not Past Due | 1 to 30 Days | 31 to 60 Days | 61 to 90 Days | 91 to 180 Days | 181 to 360 Days | Over 360 Days | Total |
|---|---|---|---|---|---|---|---|---|
| Expected credit loss percentage | 0% | 1% | 5% | 10% | 25% | 50% | 100% | |
| Gross carrying amount | $ 2,690,464 | $ 31,426 | $ 5,995 | $ 667 | $ - | $ - | $ - | $ 2,728,552 |
| Loss allowance (Lifetime ECLs) | - | ( 314) | ( 300) | ( 667) | - | - | - | ( 1,281) |
| Amortized cost | $ 2,690,464 | $ 31,112 | $ 5,695 | $ - | $ - | $ - | $ - | $ 2,727,271 |

The movements of the loss allowance of trade receivables were as follows:

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Balance at January 1 | $ 1,281 | $ 24,793 |
| Provision | 14,104 | 6,246 |
| (Reversal) | ( 15,183 ) | ( 30,205 ) |
| Foreign exchange gains and losses | 65 | 447 |
| Balance at September 30 | $ 267 | $ 1,281 |

Please refer to Note 31 for the amount and related terms of the notes receivable sold by the Group.

(2) OTHER RECEIVABLES

The movements of the loss allowance of other receivables were as follows:

December 31, 2023

| | Not Past Due | 1 to 30 Days | 31 to 60 Days | 61 to 90 Days | 91 to 180 Days | 181 to 360 Days | Over 360 Days | Total |
|---|---|---|---|---|---|---|---|---|
| Expected credit loss percentage | 0% | 1% | 5% | 10% | 25% | 50% | 100% | |
| Gross carrying amount | $ 13,928 | $ - | $ - | $ - | $ - | $ - | $ - | $ 13,928 |
| Loss allowance (Lifetime ECLs) | - | - | - | - | - | - | - | - |
| Amortized cost | $ 13,928 | $ - | $ - | $ - | $ - | $ - | $ - | $ 13,928 |

December 31, 2022

| | Not Past Due | 1 to 30 Days | 31 to 60 Days | 61 to 90 Days | 91 to 180 Days | 181 to 360 Days | Over 360 Days | Total |
|---|---|---|---|---|---|---|---|---|
| Expected credit loss percentage | 0% | 1% | 5% | 10% | 25% | 50% | 100% | |
| Gross carrying amount | $ 22,558 | $ - | $ - | $ - | $ - | $ - | $ - | $ 22,558 |
| Loss allowance (Lifetime ECLs) | - | - | - | - | - | - | - | - |
| Amortized cost | $ 22,558 | $ - | $ - | $ - | $ - | $ - | $ - | $ 22,558 |

As of December 31, 2023 and 2022, the Group had no other receivables that were past due and not impaired.

## 11. INVENTORIES

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Finished goods | $ 236,419 | $ 231,505 |
| Work in progress | 26,417 | 9,410 |
| Raw materials | 503,680 | 547,438 |
| Materials | 4,568 | 2,029 |
| | $ 771,084 | $ 790,382 |

The cost of goods sold is as follows

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Cost of goods sold | $ 5,408,738 | $ 5,391,337 |
| Inventory write-downs (reversed) (1) | ( 7,560 ) | ( 16,488 ) |
| | $ 5,401,178 | $ 5,374,849 |

(1) Previous write-downs were reversed as a result of selling

## 12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements：

| | | | Proportion of Ownership (%) December 31 | |
|---|---|---|---|---|
| Investor | Investee | Nature of Activities | 2023 | 2022 |
| Info-Tek Corporation | INFO-TEK HOLDING CO., LTD. | Trading Business | 100 | 100 |
| | SUN RISE CORPORATION | Investment | 100 | 100 |
| SUN RISE CORPORATION | Info-Tek Electronics (Suzhou) CO.,LTD. | Manufacture and assembly of motherboards for information electronic products | 92.21 | 92.21 |
| INFO-TEK HOLDING CO., LTD. | Info-Tek Electronics (Suzhou) CO.,LTD. | Manufacture and assembly of motherboards for information electronic products | 7.79 | 7.79 |
| Info-Tek Electronics (Suzhou) CO.,LTD. | Info-Tek Trading CO.,LTD. | Sale and purchase of information electronic products, related technical services and after-sales services | - | - |

The shares of profit or loss and other comprehensive income of the subsidiaries using the equity method for the years ended December 31, 2022 and 2021 were recognized based on the audited financial statements of each subsidiary for the same period.

In order to expansion of production capacity, Info-Tek Electronics (Suzhou) CO., LTD.had set up Info-Tek Electronics (Suzhou) CO., LTD (Wuhu) Branch on May 30, 2022.

## 13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

| | December 31 | |
|---|---|---|
| Investments in associates | 2023 | 2022 |
| No Significant influence | | |
| Walsin New Engery Corporation | $ 2,447 | $ - |

Aggregate information of assiciates that are no individually material

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| The Group’s share of: | | |
| Loss from continuing operations | ($ 53) | $ - |
| Other comprehensive income(loss) | - | - |
| Total comprehensiveincome(loss) | ($ 53) | $ - |

## 14. PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings and Improvements | Machinery and Equipment | Transportation Equipment | office equipment | Other Equipment | Unfinished project | Total |
|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | |
| Balance at January 1, 2022 | $ 101,551 | $ 630,864 | $ 989,225 | $ 2,078 | $ 24,435 | $ 124,691 | $ 3,184 | $ 1,876,028 |
| Additions | - | 2,996 | 222,921 | - | 1,737 | 28,899 | 1,268 | 257,821 |
| Reclassified | - | 1,092 | 106,816 | - | - | 9,637 | ( 1,268) | 116,277 |
| Disposals | - | ( 1,963) | ( 29,333) | - | ( 571) | ( 8,453) | - | ( 40,320) |
| Effect of foreign currency exchange differences | - | 5,246 | 11,651 | 17 | 106 | 1,619 | 47 | 18,686 |
| Balance at December 31, 2022 | $ 101,551 | $ 638,235 | $ 1,301,280 | $ 2,095 | $ 25,707 | $ 156,393 | $ 3,231 | $ 2,228,492 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance at January 1, 2022 | $ - | $ 273,800 | $ 598,293 | $ 2,078 | $ 20,638 | $ 97,342 | $ - | $ 992,151 |
| Depreciation expense | - | 27,340 | 110,473 | - | 1,934 | 25,694 | - | 165,441 |
| Reclassified | - | 478 | - | - | - | - | - | 478 |
| Disposals | - | ( 1,963) | ( 12,690) | - | ( 564) | ( 5,407) | - | ( 20,624) |
| Effect of foreign currency exchange differences | - | 1,848 | 6,716 | 17 | 95 | 1,174 | - | 9,850 |
| Balance at December 31, 2022 | $ - | $ 301,503 | $ 702,792 | $ 2,095 | $ 22,103 | $ 118,803 | $ - | $ 1,147,296 |
| Carrying amount at December 31, 2022 | $ 101,551 | $ 336,732 | $ 598,488 | $ - | $ 3,604 | $ 37,590 | $ 3,231 | $ 1,081,196 |
| Cost | | | | | | | | |
| Balance at January 1, 2023 | $ 101,551 | $ 638,235 | $ 1,301,280 | $ 2,095 | $ 25,707 | $ 156,393 | $ 3,231 | $ 2,228,492 |
| Additions | - | 4,060 | 58,918 | 1,550 | 2,134 | 19,240 | 24,464 | 110,366 |
| Reclassified | - | 55,952 | 110,582 | 3,222 | - | 5,195 | ( 27,447) | 147,504 |
| Disposals | - | ( 754) | ( 592) | ( 501) | ( 153) | ( 3,018) | - | ( 5,018) |
| Effect of foreign currency exchange differences | - | ( 6,631) | ( 22,263) | ( 66) | ( 166) | ( 2,880) | ( 248) | ( 32,254) |
| Balance at December 31, 2023 | $ 101,551 | $ 690,864 | $ 1,447,925 | $ 6,300 | $ 27,522 | $ 174,930 | $ - | $ 2,449,090 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance at January 1, 2023 | $ - | $ 301,503 | $ 702,792 | $ 2,095 | $ 22,103 | $ 118,803 | $ - | $ 1,147,296 |
| Depreciation expense | - | 29,633 | 153,045 | 555 | 1,901 | 24,979 | - | 210,113 |
| Reclassified | - | 34,367 | 844 | - | - | - | - | 35,211 |
| Disposals | - | ( 291) | ( 419) | ( 501) | ( 152) | ( 2,952) | - | ( 4,315) |
| Effect of foreign currency exchange differences | - | ( 2,849) | ( 12,694) | ( 20) | ( 132) | ( 2,295) | - | ( 17,990) |
| Balance at December 31, 2023 | $ - | $ 362,363 | $ 843,568 | $ 2,129 | $ 23,720 | $ 138,535 | $ - | $ 1,370,315 |
| Carrying amount at December 31, 2023 | $ 101,551 | $ 328,499 | $ 604,357 | $ 4,171 | $ 3,802 | $ 36,395 | $ - | $ 1,078,775 |

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

| | |
|---|---|
| Buildings | |
| Main buildings | 35-45 year |
| Electrical mechanical and power equipment | 3-35 year |
| Machinery and Equipment | 2-10 year |
| Transportation Equipment | 5 year |
| Office Equipment | 3-5 year |
| Other Equipment | 3-10 year |

For the amount of real estate, plant and equipment pledged as loan guarantee, please refer to Note 33.

## 15. LEASE ARRANGEMENTS

### (1) Right-of-use assets

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Carrying amounts | | |
| Land | $ 35,663 | $ 38,434 |
| Buildings | 73,599 | 116,245 |
| Machinery and Equipment | 12,549 | 21,255 |
| Office Equipment | 548 | 859 |
| | $ 122,359 | $ 176,793 |

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Additions to right-of-use assets | $ 31,927 | $ 157,760 |
| Depreciation charged for right-of-use assets | | |
| Land | $ 2,113 | $ 2,121 |
| Buildings | 60,572 | 40,952 |
| Machinery and Equipment | 2,874 | 1,351 |
| Office Equipment | - | 205 |
| Transportation Equipment | 853 | 705 |
| | $ 66,412 | $ 45,334 |

In addition to the addition and recognition of depreciation expenses listed above, there were no major subleases and impairments of the right-of-use assets of the Group in 2023 and 2022.

### (2) Lease liabilities

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Carrying amount | | |
| Current | $ 62,734 | $ 77,384 |
| Non-current | 29,057 | 65,445 |
| | $ 91,791 | $ 142,829 |

Range of discount rates for lease liabilities were as follows:

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Land | 1.031% | 1.031% |
| Buildings | 1.800%~3.700% | 3.700%~4.200% |
| Machinery and Equipment | 3.650%～4.450% | 1.35%~4.450% |
| Transportation Equipment | 1.800%～4.700% | 1.35%~4.700% |

(3) Other lease information

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Expenses relating to short-term leases | $ 4,324 | $ 4,353 |
| Expenses relating to low-value asset leases | $ 92 | $ 26 |
| Total cash outflow of leases | $ 70,867 | $ 49,272 |

Some buildings、office equipment 、transportation equipment and other equipment leases of the Group are qualified as short-term leases or low-value assets leases, the Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

| | Buildings and Improvements |
|---|---|
| Cost | |
| Balance at January 1, 2022 and December 31, 2022 | $ 54,794 |
| | |
| Accumulated depreciation | |
| Balance at January 1, 2022 | $ 32,934 |
| Depreciation | 1,911 |
| Reclassified | ( 478 ) |
| Balance at December 31, 2022 | $ 34,367 |
| | |
| Carrying amount at December 31, 2022 | $ 20,427 |
| | |
| Cost | |
| Balance at January 1, 2023 | $ 54,794 |
| Reclassified | ( 54,794 ) |
| Balance at December 31, 2023 | $ - |
| | |
| Accumulated depreciation | |
| Balance at January 1, 2023 | $ 34,367 |
| Reclassified | ( 34,367 ) |
| Balance at December 31, 2023 | $ - |
| | |
| Carrying amount at December 31, 2023 | $ - |

The lease has been proposed terminate by the associated company- INPAQ TECHNOLOGY CO., LTD. on November 1, 2022, and the lease had end on December 31, 2022.

The investment properties are depreciated using the straight-line method over their estimated useful lives, depreciation expense accounts for other gains and losses:

| | |
|---|---|
| Buildings | 35 year |
| Other Equipment | 3-35 year |

The fair value of investment real estate has not been evaluated by an independent appraiser, but only by the management of the Group with reference to market evidence of similar real estate transaction prices. The fair value of the evaluation is as follows:

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Fair value | $ - | $ 88,370 |

All investment real estate of the Group is its own equity. Please refer to Note 33 for the amount of investment real estate set as loan guarantee.

## 17. INTANGIBLE ASSETS

| | Computer Software |
|---|---|
| Cost | |
| Balance at January 1, 2022 | $ 40,670 |
| Reclassified | 634 |
| Effect of foreign currency exchange differences | 157 |
| Balance at December 31, 2022 | $ 43,816 |
| | |
| Accumulated amortization and impairment | |
| Balance at January 1, 2022 | $ 34,437 |
| Amortization expense | 3,199 |
| Effect of foreign currency exchange differences | 74 |
| Balance at December 31, 2022 | $ 37,710 |
| | |
| Carrying amount at December 31, 2022 | $ 6,106 |
| | |
| Cost | |
| Balance at January 1, 2023 | $ 43,816 |
| Additions | 1,112 |
| Effect of foreign currency exchange differences | ( 250 ) |
| Balance at December 31, 2023 | $ 44,678 |
| | |
| Accumulated amortization and impairment | |
| Balance at January 1, 2023 | $ 37,710 |
| Amortization expense | 2,484 |
| Effect of foreign currency exchange differences | ( 176 ) |
| Balance at December 31, 2023 | $ 40,018 |
| | |
| Carrying amount at December 31, 2023 | $ 4,660 |

Computer Software are amortized of 2 to 8 years using the straight-line method.

## 18. OTHER ASSETS

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Current | | |
| Prepayments | $ 65,299 | $ 78,940 |
| Prepayment for purchases | 12,081 | 11,544 |
| Payment on behalf of others | 17,178 | 227 |
| Other current financial assets（Note6） | $ 93,449 | $ 164,025 |
| Others | 244 | 231 |
| | $ 188,251 | $ 254,967 |
| Non-current | | |
| Prepayments for equipment | $ 118,189 | $ 95,507 |
| Golf Membership Cards | 6,000 | 7,157 |
| Others | 37,479 | - |
| | $ 161,668 | $ 102,664 |

## 19. BORROWINGS

a. Short-term borrowings

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Unsecured borrowings | | |
| Line of credit borrowings | $ 300,000 | $ 516,330 |

The interest rates on the borrowings ranged from 1.685% to 1.783% and 1.531% to 3.65% as of December 31, 2023 and 2022, respectively.

b. Long-term borrowings

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Unsecured borrowings | | |
| Line of credit borrowings | $ 85,675 | $ 88,160 |
| Less: Current portion | ( 85,675 ) | ( 882 ) |
| Long-term borrowings | $ - | $ 87,278 |

The interest rate on the borrowings was 3.2% as of December 31, 2023 and2022.

## 20. Notes payable and Accounts payable

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Notes payable | | |
| Occurred as a result of business | $ 464,147 | $ 749,611 |
| Accounts payable | | |
| Occurred as a result of business | $ 1,256,826 | $ 1,170,625 |

## 21. Other liabilities

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Other payables | | |
| Salaries and bonuses payable | $ 165,574 | $ 183,964 |
| Equipment payables | 54,391 | 21,969 |
| Interest payable | 191 | 438 |
| Payable service fee | 42,305 | 33,919 |
| Repairs payable | 33,859 | 24,546 |
| Premium payable | 2,416 | 2,477 |
| Freight payable | 42,305 | 29,822 |
| Coping tools | 61,720 | 89,683 |
| employee benefits payable | 427 | 1,111 |
| Others | 43,494 | 85,500 |
| | $ 446,682 | $ 473,429 |
| | | |
| Other current liabilities | | |
| Allowance for returns and discounts | $ 166,754 | $ 64,533 |
| Temporary receivable | 7,091 | 8,597 |
| Contract liabilities | 1,285 | 17,680 |
| Others | 18,468 | 20,487 |
| | $ 193,598 | $ 111,297 |

Relevant product return and discount liability reserves are estimated product returns and discounts that may occur based on historical experience, management judgment and other known reasons.

## 22. RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

The pension system applicable to the "Labor Pension Act" of the company in the Group is a government-managed definite contribution retirement plan, and 6% of the employee's monthly salary is allocated to the individual account of the Labor Insurance Bureau.

(2) Defined Benefit Plan

The pension system of the company in the Group is a defined benefit retirement plan managed by the government in accordance with the "Labor Standards Law" of the country. The payment of employee pensions is calculated based on the years of service and the average salary of the six months before the approved retirement date. These companies allocate pensions based on 2% of the total monthly salary of employees, and submit them to the Labor Retirement Reserve Supervision Committee to deposit them in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance in the special account is insufficient to pay for the next year for workers who are estimated to meet the retirement conditions, the difference will be allocated before the end of March of the following year. The special account is managed by the Labor Fund Utilization Bureau of the Ministry of Labor, and the Group has no right to influence the investment management strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Present value of defined benefit obligation | $ 15,433 | $ 24,630 |
| Fair value of plan assets | ( 5,791 ) | ( 14,738 ) |
| Net defined benefit liabilities | $ 9,642 | $ 9,892 |

| | Present Value of the Defined Benefit Obligation | Fair Value of the Plan Assets | Net Defined Benefit (Assets) Liabilities |
|---|---|---|---|
| Balance at January 1, 2022 | $ 33,314 | ( $ 17,655 ) | $ 15,659 |
| Service cost | | | |
| Current service cost | 153 | - | 153 |
| Net interest expense (income) | 183 | ( 98 ) | 85 |
| Recognized in profit or loss | 336 | ( 98 ) | 238 |
| Remeasurement | | | |
| Return on the plan assets（Except for amounts included in net interest） | - | ( 1,376 ) | ( 1,376 ) |
| Actuarial profit - changes in financial assumptions | ( 1,492 ) | - | ( 1,492 ) |
| Actuarial profit - experience adjustments | ( 3,791 ) | - | ( 3,791 ) |
| Recognized in other comprehensive income | ( 5,283 ) | ( 1,376 ) | ( 6,659 ) |
| Contributions from the employer | - | ( 407 ) | ( 407 ) |
| Benefit Payments | ( 4,798 ) | 4,798 | - |
| Corporate Rotation | 1,061 | - | 1,061 |
| Balance at December 31,2022 | $ 24,630 | ( $ 14,738 ) | $ 9,892 |
| | | | |
| Balance at January 1, 2023 | $ 24,630 | ( $ 14,738 ) | $ 9,892 |
| Service cost | | | |
| Current service cost | 81 | - | 81 |
| Net interest expense (income) | 308 | ( 187 ) | 121 |
| Recognized in profit or loss | 389 | ( 187 ) | 202 |
| Remeasurement | | | |
| Return on the plan assets（Except for amounts included in net interest） | - | ( 142 ) | ( 142 ) |
| Actuarial profit - experience adjustments | 40 | - | 40 |
| Recognized in other comprehensive income | 40 | ( 142 ) | ( 102 ) |
| Contributions from the employer | - | ( 350 ) | ( 350 ) |
| Benefit Payments | ( 9,626 ) | 9,626 | - |
| Balance at December 31,2023 | $ 15,433 | ( $ 5,791 ) | $ 9,642 |

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows:

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Operating Cost | $ 151 | $ 176 |
| Marketing expenses | 8 | 11 |
| Management expenses | 43 | 51 |
| | $ 202 | $ 238 |

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

a) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

b) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan’s debt investments.

c) Salary risk：The calculation of the present value of the defined benefit obligation refers to the future salary of the plan members. An increase in plan member salaries will therefore increase the present value of the defined benefit obligation.

The present value of the confirmed benefit obligations of the Group is calculated by a qualified actuary, and the major assumptions on the measurement date are as follows:

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Discount Rate | 1.25% | 1.25% |
| Salary Expected Increase Rate | 2.5% | 2.5% |

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Discount rate | | |
| 0.25% increase | ($ 350) | ($ 514) |
| 0.25% decrease | $ 362 | $ 533 |
| Expected rate of salary increase | | |
| 1% increase | $ 1,508 | $ 2,244 |
| 1% decrease | ($ 1,340) | ($ 1,975) |

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| The expected contributions to the plan for the next year | $ 350 | $ 407 |
| The average duration of the defined benefit obligation | 10.6 years | 10.9 years |

23. EQUITY

(1) Share capital

Ordinary shares

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Authorized shares (in thousands) | 136,060 | 136,060 |
| Authorized capital | $ 1,360,600 | $ 1,360,600 |
| Issued and paid shares (in thousands) | 121,251 | 121,251 |
| Issued capital | $ 1,212,511 | $ 1,212,511 |

a. As of December 31, 2023, the Company's paid-in capital was $1,212,511 thousand, divided into 121,251 thousand shares with a par value of $10 per share, all of which are ordinary shares.

b. Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

(2) Capital surplus

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a) | | |
| Additional paid-in capital | $ 179,924 | $ 179,924 |
| Treasury share transactions | 44,199 | 4,036 |
| Only used in deficit offset (b) | | |
| exercising the right of disgorgement | | |
| Not for other usage | 85 | 85 |
| Additional paid-in capital－Employee Stock Options | | |
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a) | 7,646 | 7,646 |
| | $ 231,854 | $ 191,691 |

a. Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and once a year).

b. This type of capital surplus represents the Company's exercise of the right of disgorgement in accordance with Article 157 of the Securities and Exchange Act and the recognition of the benefit from the exercise of the right as capital surplus – other

(3) Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's articles of incorporation (the "Articles"), if the Company has current profits in the financial statement, the losses should be made up first, and then 10% of the remaining profits would be allocated as Legal reserves, after that the special reserves are provisioned or reversed according to the law. If profits are remaining, it will be considered as distributable profit along with the accumulated unallocated earnings from the beginning of the period. The distribution plan will be proposed by the Board of Directors and the profits will be distributed after the resolution of the shareholders meeting For the policies on the distribution of employees' compensation and remuneration of directors in the Articles, refer to employees' compensation and remuneration of directors in Note 25-6 to the consolidated financial statements.

The industrial environment that the Company relates to is volatile, and its enterprise life cycle has entered the mature stage. Considering our future working capital requirements and long-term financial planning, and the need of satisfying the need for cash flow by shareholders, thus the annual cash dividend distribution shall not be less than 5% of the total shareholder dividends.

Aligning with the current year's earnings for allotment and the balancing dividend policy, as well as in accordance with relevant laws and regulations, the Company may allocate all or part of its capital reserve as capital increase allotments. The distribution plan shall be proposed by the Board of Directors and distributed after being approved by the shareholders meeting resolution.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company has provided and reversed the special reserve in accordance with the "FSC No. 109015022", "FSC No. 110901500221" and "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve".

The appropriations of earnings for 2022 and 2021 approved in the shareholders' meetings on June 14, 2023 and June 9, 2022, respectively, were as follows:

| | Appropriation of Earnings For the Years Ended December 31 | |
|---|---|---|
| | 2022 | 2021 |
| Legal reserve | $ 67,546 | $ 50,040 |
| Cash dividends | $229,427 | $ 150,314 |
| Dividends Per Share (NT$) | $ 1.90 | $ 1.25 |

The appropriations of earnings for 2023 is to be presented for approval in ITC's shareholders' meeting to be held on June 4, 2024 (expected).

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(4) Special reserve

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Opening and closing balance | $ 106,006 | $ 106,006 |

As the increase in retained earnings generated from the initial application of IFRSs was insufficient for appropriation as dividends, it was appropriated to a special reserve. As the special reserve appropriated by foreign operations (including subsidiaries) due to the exchange differences upon translation of their financial statements was reversed in proportion to the Company's disposal of the foreign operations; upon the Company's loss of significant influence, the entire special reserve relating to exchange differences arising from those foreign operations will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses; the reversed amount may be distributed.

(5) Other equity items

a. Exchange differences on translating the financial statements of foreign operations

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Balance at January 1 | ($ 74,056) | ($ 92,426) |
| Current period generated | | |
| Exchange differences arising from the translation of net assets of foreign operating entities | ( 43,202) | 18,370 |
| Balance at December 31 | ($ 117,258) | ($ 74,056) |

b. Unrealized valuation gain on financial assets at FVTOCI

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Balance at January 1 | $ 23,796 | $ 51,650 |
| Current period generated | | |
| Unrealized profit and loss | | |
| Debt Tools | ( 558) | - |
| Equity Tools | 13,927 | ( 27,854) |
| Other comprehensive income or loss for the period | 13,369 | ( 27,854) |
| Balance at December 31 | $ 37,165 | $ 23,796 |

c. Remeasurement of defined benefit obligation

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Balance at January 1 | $ 7,351 | $ 2,024 |
| Remeasurement of defined benefit obligation | 81 | 5,327 |
| Balance at December 31 | $ 7,432 | $ 7,351 |

(6) Treasury shares

| Purpose of Acquisition | Treasury shares granted to employees( In Thousands) |
|---|---|
| Shares Held as of January 1, 2023 | 1,500 |
| Decrease During the Period | ( 1,000 ) |
| Shares Held as of December 31, 2023 | 500 |
| | |
| Shares Held as of January 1, 2022 | 1,000 |
| Increase During the Period | 500 |
| Shares Held as of December 31, 2022 | 1,500 |

The company passed the resolution of the board of directors on February 22, 2012, and transferred 1,000 thousand treasury shares to employees in accordance with the company's "Sixth Repurchase of Shares Transfer to Employees Measures". The transfer price was NT$15.9 per share. After this transfer, there are 500 thousand shares remaining.

Pursuant to the Securities and Exchange Act of the ROC, the treasury shares held by the Company should not be pledged as collateral, are not eligible for dividends and do not have voting rights.

## 24. REVENUE

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Revenue from contracts with Customers | | |
| Sale of Goods | $ 6,679,445 | $ 6,861,906 |

Please refer to Note 37 for a breakdown of revenues.

## 25. NET PROFIT FROM CONTINUING OPERATIONS

Net Profit from continuing operations including the following items：

(1) Other income

| | For the Year Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Rental income | $ 1,491 | $ 7,750 |
| Dividends | 761 | 1,427 |
| Others | 43,146 | 8,404 |
| | $ 45,398 | $ 17,581 |

(2) Interest income

| | For the Year Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Bank deposits | $ 13,092 | $ 6,090 |
| Investments in debt instruments measured at FOTVCI | 3,735 | - |
| | $ 16,827 | $ 6,090 |

(3) Other gains and losses

| | For the Year Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Gain (loss) on disposal of property, plant andequipment | ($ 703 ) | $ 80 |
| Profit from lease modification | 397 | ( 808 ) |
| Gain (loss) from changes of financial assets at fair value through profit or loss | 237 | - |
| Foreign exchange losses | ( 3,640 ) | ( 532 ) |
| Others | ( 1,390 ) | ( 3,500 ) |
| | ($ 5,099 ) | ($ 4,760 ) |

(4) Finance costs

| | For the Year Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Interest on lease liabilities | $ 7,332 | $ 3,601 |
| Discounted interest on notes receivable | 24,634 | 21,927 |
| Interest on bank loans | 14,429 | 7,603 |
| | $ 46,395 | $ 33,131 |

(5) Depreciation and amortization

| | For the Year Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Property,Plant and quipment | $ 210,113 | $ 165,441 |
| Right-of-use asset | 66,412 | 45,334 |
| Investment Property | - | 1,911 |
| Other intangible assets | 2,484 | 3,199 |
| Total | $ 279,009 | $ 215,885 |
| | | |
| An ananysis of depreciation by function | | |
| Operating costs | $ 208,083 | $ 157,721 |
| Operating expenses | 68,442 | 53,054 |
| Other expenses | - | 1,911 |
| | $ 276,525 | $ 212,686 |

(Continued)

| | For the Year Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| An ananysis of amortization by function | | |
| Operating costs | $ 356 | $ 189 |
| Operating expenses | 2,128 | 3,010 |
| | $ 2,484 | $ 3,199 |

(6) Employee Benefit Expenses

| | For the Year Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Short-term employee benefits | $ 676,910 | $ 685,474 |
| Post-employment benefits | | |
| Defined contribution plan | 5,512 | 5,807 |
| Defined Benefit Plan （Note 22） | 202 | 238 |
| | 5,714 | 6,045 |
| Other employee benefit expenses | 43,498 | 36,053 |
| Total employee benefit expenses | $ 726,122 | $ 727,572 |
| | | |
| Summary by function | | |
| Operating costs | $ 455,857 | $ 509,306 |
| Operating expenses | 270,265 | 218,266 |
| | $ 726,122 | $ 727,572 |

(7) Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at the rates of 2%-10% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on February 22, 2024 and February 22, 2023, respectively, were as follows:

Accrual rate

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Employees' compensation | 3.8% | 3.8% |
| Remuneration of directors | 1.4% | 1.4% |

Amounts

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| | Cash | Cash |
| Employees' compensation | $ 24,235 | $ 31,293 |
| Remuneration of directors | $ 8,929 | $ 11,529 |

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the next year.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(8) Foreign net exchange gain or loss

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Foreign exchange gain | $ 43,276 | $ 62,058 |
| Foreign exchange loss | ( 46,916 ) | ( 62,590 ) |
| Net exchange gain or (loss) | ( $ 3,640 ) | ( $ 532 ) |

## 26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

(1) Income taxes recognized in profit or loss

Detail of income tax was as follows:

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Current income tax expenses | | |
| In respect of the current period | $ 132,927 | $ 134,702 |
| Income tax on unappropriated earnings | 18,924 | 15,002 |
| Adjustments on prior year | 3,675 | 943 |
| Others | 17,699 | 27,690 |
| Deferred income tax | 173,225 | 178,337 |
| In respect of the current period | | |
| Income tax expense recognized in profit or loss | ( 1,805 ) | 73,538 |
| Current income tax expenses | $ 171,420 | $ 251,875 |

The reconciliation of income before income tax and income tax expenses recognized in profit and loss was as follows:

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Profit before income tax from continuing operations | $ 714,579 | $ 927,333 |
| Income tax expense calculated at the statutory rate | $ 236,443 | $ 297,510 |
| Non-deductible expenses for tax purposes | 134 | 422 |
| Tax-exempt income | ( 152 ) | ( 285 ) |
| Income tax on unappropriated earnings | 18,924 | 15,002 |
| Unrecognized deductible Temporary differences | ( 94,373 ) | ( 82,882 ) |
| Adjustments for prior periods | 3,675 | 943 |
| Others | 6,769 | 21,165 |
| Income tax expense recognized in profit or loss | $ 171,420 | $ 251,875 |

The tax rate applicable to subsidiaries in the PRC is 25%; in addition, according to the management method of high-tech enterprise recognition. Info-Tek Electronics (Suzhou) CO., LTD. High-tech enterprises that have been approved as national key support are entitled to a preferential tax rate of 15% for corporate income tax. Taxes generated in other jurisdictions are calculated according to the tax rates applicable in the respective jurisdictions.

In July 2019, the President announced the amendment of the Industrial Innovation Act. The construction or acquisition of specific assets or technology from the undistributed earnings of FY107 onward is explicitly provided as a deduction from the calculation of undistributed earnings.

(2) Income taxes recognized in other comprehensive income

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Deferred income tax | | |
| Current income tax expenses recognized in current year | | |
| —Conversion of foreign operating institutions | ($ 10,801 ) | $ 4,593 |
| —Determine the number of benefit plans before measuring | 20 | 1,331 |
| | ($ 10,781 ) | $ 5,924 |

(3) Deferred Tax Assets and Liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2023

| | Opening Balance | Recognized in Profit or Loss | Recognized in other Consolidated profit or loss | Exchange Difference | Closing Balance |
|---|---|---|---|---|---|
| Deferred Tax Assets | | | | | |
| Temporary differences | | | | | |
| Allowance for decline in value of inventories and doubtful losses | $ 11,412 | ($ 1,321) | $ - | ($ 125) | $ 9,966 |
| Defined benefit obligations | 1,978 | ( 30) | ( 20) | - | 1,928 |
| Exchange differences on translating the financial statements of foreign | - | - | 10,406 | - | 10,406 |
| Provision for warranty | 9,859 | 16,251 | - | ( 437) | 25,673 |
| Other | 7,842 | ( 1,457) | - | ( 53) | 6,332 |
| | $ 31,091 | $ 13,443 | $ 10,386 | ($ 615) | $ 54,305 |
| Deferred Tax Liabilities | | | | | |
| Temporary differences | | | | | |
| Exchange differences on translating the financial statements of foreign | $ 395 | - | ($ 395) | $- | $- |
| Undistributed earnings of subsidiaries | 71,551 | 4,726 | - | - | 76,277 |
| Other | 13,272 | 6,912 | - | ( 243) | 19,941 |
| | $ 85,218 | $ 11,638 | ($ 395) | ($ 243) | $ 96,218 |

2022

| | Opening Balance | Recognized in Profit or Loss | Recognized in other Consolidated profit or loss | Exchange Difference | Closing Balance |
|---|---|---|---|---|---|
| Deferred Tax Assets | | | | | |
| Temporary differences | | | | | |
| Allowance for decline in value of inventories and doubtful losses | $ 13,425 | ($ 2,169) | $ - | $ 156 | $ 11,412 |
| Defined benefit obligations | 3,132 | 177 | ( 1,331) | - | 1,978 |
| Exchange differences on translating the financial statements of foreign | 4,198 | - | ( 4,198) | - | - |
| Provision for warranty | 8,400 | 1,349 | - | 110 | 9,859 |
| Other | 8,157 | ( 425) | - | 110 | 7,842 |
| | 37,312 | ( 1,067) | ( 5,529) | 376 | 31,091 |
| Loss Deduction Credit | 46,784 | ( 46,784) | - | - | - |
| | $ 84,096 | ($ 47,851) | ($ 5,529) | $ 376 | $ 31,091 |
| Deferred Tax Liabilities | | | | | |
| Temporary differences | | | | | |
| Other financial liabilities | $ 13,079 | $ - | $ - | $ 193 | $ 13,272 |
| Exchange differences on translating the financial statements of foreign | - | - | 395 | - | 395 |
| Undistributed earnings of subsidiaries | 45,865 | 25,686 | - | - | 71,551 |
| | $ 58,944 | $ 25,686 | $ 395 | $ 193 | $ 85,218 |

(4) Income tax examination

Income tax returns of the Company through 2021 have been assessed and approved by the tax authorities.

## 27. EARNINGS PER SHARE

Unit: NT$ Per Share

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Basic earnings per share | $ 4.50 | $ 5.63 |
| Diluted earnings per share | $ 4.48 | $ 5.60 |

The EPS and weighted average number of ordinary shares outstanding (in thousands of shares) were as follows:

Net income available to common shareholders

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Net income available to common shareholders | $ 543,159 | $ 675,458 |
| Net income used to calculate basic and diluted earnings per share | $ 543,159 | $ 675,458 |

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Weighted average number of ordinary shares used in the computation of basic earnings per share | 120,647 | 119,970 |
| Effect of potentially dilutive ordinary shares | | |
| Shares issued for employees' compensation | | |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | 565 | 648 |
| Weighted average number of ordinary shares used in the computation of basic earnings per share | 121,212 | 120,618 |

If the Company may choose to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of shares outstanding when the potential common stock has a dilutive effect to calculate diluted earnings per share. The dilutive effect of these potential common shares will also continue to be considered in the calculation of diluted earnings per share before the number of employee compensation shares is resolved at the following annual shareholders' meeting.

## 28. SHARE-BASED PAYMENT

On February 22, 2023, the Group passed a resolution of the board of directors to transfer 1,000 thousand shares of treasury shares and employees. The object of the grant is the current employees of the company, and the transfer price is $15.9. The stock options for transferring the treasury stock to the employees have been fully executed on February 22, 2023.

| Board of directors passed date | Grant date | Transfer shares (Thousand) | Fair value |
|---|---|---|---|
| February 22, 2023 | February 22, 2023 | 1,000 | 40.2007 |

The employee stock options granted by the Group in February 2023 use the Black-Scholes evaluation model, and the input values used in the evaluation model are as follows:

| | February 22, 2023 |
|---|---|
| Grant date share price | 56.10 |
| Exercise price | 15.9 |
| Eexpected volatility | 1.6726% |
| Duration (days) | 2 |
| Risk free rate | 0.8569% |

The expected volatility using the Black-Scholes evaluation model is based on the stock price in the most recent period approximately equivalent to the expected duration of the stock option as the sample range, and is estimated by the standard deviation of the stock return rate during the period.

For the Years ended December 31, the remuneration cost recognized by the Company was $40,201 thousands.

## 29. CASHLESS TRANSACTION

The Group carried out the following non-cash investment activities in 2023 and 2022:

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Increase in property, plant and equipment | ($ 110,366) | ($ 257,821) |
| Increase in prepaid equipment | ( 131,563) | ( 167,266) |
| Transfer from lease liability | ( 6,612) | - |
| Increase in payables for equipment | 32,422 | 9,585 |
| Acquisition of real estate, plant and equipment pay cash | ($ 216,119) | ($ 415,502) |

## 30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that all the entities of the Group will be able to continue as going concerns while maximizing the return of stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of the Group's net debt (ie, borrowings less cash and cash equivalents) and equity attributable to owners of the parent company (ie, share capital, capital reserves, retained earnings, and other equity items).

The Group are not subject to other external capital requirements.

## 31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate the fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis.

December 31, 2023

| | Level 1 |
|---|---|
| Financial assets at fair value through profit or loss | |
| Mutual funds | $ 1,413 |
| | |
| Financial assets at fair value through other omprehensive income | |
| Investments in equity instrument | |
| Domestic listed shares | $ 38,932 |
| Investments in debt instrument | |
| Foreign Bonds | $ 120,494 |

December 31, 2022

| | Level 1 |
|---|---|
| Financial assets at fair value through other comprehensive income | |
| through other comprehensive income | |
| Domestic listed shares | $ 25,005 |

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

c. Categories of financial instruments

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Financial assets | | |
| Financial assets at FVTPL | $ 1,413 | $ - |
| Financial assets at amortized cost( Note 1) | 3,935,789 | 4,159,384 |
| Financial assets at FVTOCI- | | |
| Investment in equity instruments | 38,932 | 25,005 |
| Investment in debt instruments | 120,494 | - |
| | | |
| Financial liabilities | | |
| Financial liabilities at amortized cost (Note 2) | $ 2,568,680 | $ 3,013,417 |

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, accounts receivable - related

parties, other receivables, other receivables - related parties and other financial assets.

Note 2：The balance is included short-term loan、Notes payable、Payables、Payables-Related parties、Equipment payables、Other payables、Other payables- Related parties、Long-term loans due within one year and Long term loan Financial liabilities measured at amortized cost.

d. Financial risk management objectives and policies

The Group’s major financial instruments include cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, trade receivables-related parties, other receivables, other receivables-related parties, borrowings, notes payable, trade payables, trade payables-related parties, other payables, other payables-related parties, current portion of long-term borrowings, long-term borrowings and lease liabilities. The Company’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

i. Market risk

The Group is exposed to the financial market risks, primarily changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

(1) Foreign currency risk

The Group engages in sales and purchase transactions denominated in foreign currencies, thus exposing the Group to exposure to exchange rate fluctuations.

The carrying amounts of monetary assets and monetary liabilities denominated in nonfunctional currencies and with risk of foreign currency risk of the group at the balance sheet date are shown in Note 35.

<u>Sensitivity analysis</u>

The Group is mainly exposed to the variance of the exchange rate of U.S. dollar.

The following table details the sensitivity analysis of the Group when the exchange rates of NTD (functional currency) and RMB against each relevant foreign currency increase and decrease by 10%. Sensitivity analysis only includes monetary items in foreign currencies in circulation, and the year-end conversion is adjusted by 10% exchange rate change. The positive numbers in the table below represent the amount that will reduce the net profit after tax when the NT dollar or the functional currency appreciates by 10% relative to the relevant currencies; when the NT dollar or the functional currency depreciates by 10% relative to the relevant foreign currencies, the impact on net profit after tax will be a negative amount of the same amount.

| | The effect of U.S. dollar on NTD as the functional currency | |
|---|---|---|
| | For the Years Ended December 31 | |
| | 2023 | 2022 |
| Loss (gain) | ($ 10,997) | ($ 20,660) |

| | The effect of U.S. dollar on RMB as the functional currency | |
|---|---|---|
| | For the Years Ended December 31 | |
| | 2023 | 2022 |
| Loss (gain) | $ 8,780 | $ 8,256 |

(2) Interest rate risk

The Group's interest rate risk mainly comes from fixed and floating rate borrowings. Fluctuations in interest rates will affect future cash flows, but not fair value.

Assuming that the floating-rate loans at the end of the reporting period are held for the entire reporting period, if the interest rate increases by 100 basis points (1%) and other conditions remain unchanged, the net interest expense of the Group's floating-rate loans will increase by $3,128 thousand and $4,957 thousand in 2023 and 2022, respectively.

ii. Credit Risk

Credit risk represents the risk of financial loss to the Group due to default of contractual obligations by counterparties. As of the balance sheet date, the Group's maximum exposure to credit risk (without considering collateral or other credit enhancement instruments and the maximum amount of irrevocable exposure) that could result in financial loss due to the failure of counterparties to perform their obligations and the provision of financial guarantees by the Group is mainly from:

(1) The carrying amount of financial assets recognized in the consolidated balance sheet.

(2) The maximum amount that the Group may be required to pay to provide financial guarantees is not considered probable.

iii. Liquidity risk

The Group has established an appropriate liquidity risk management framework to meet short-term, medium-term and long-term financing and liquidity management needs.The Group manages liquidity risk by maintaining adequate reserves, bank facilities and borrowing commitments, continuously monitoring projected and actual cash flows, and matching the maturities of financial assets and liabilities. As of December 31, 2023 and 2022, the Group's unused short-term bank financing amounted to 3,323,083 thousand and 2,317,491 thousand respectively.

Liquidity and interest rate risk table for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest date on which the Group may be required to repay. Therefore, the bank loans that the Group can be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment date.

For interest cash flows paid at floating rates, the undiscounted interest amount is derived from the yield curve at the balance sheet date.

December 31, 2023

| | 1 to 3 months | 3 months to 1 year | 1 to 5 years | Total |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| No interest bearing liabilities | $ 1,639,070 | $ 543,935 | $ - | $ 2,183,005 |
| Lease liability | 29,919 | 32,815 | 29,057 | 91,791 |
| Floating Rate Instrument | 130,000 | 255,675 | - | 385,675 |
| | $ 1,798,989 | $ 832,425 | $ 29,057 | $ 2,660,471 |

December 31, 2022

| | 1 to 3 months | 3 months to 1 year | 1 to 5 years | Total |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| No interest bearing liabilities | $ 1,654,716 | $ 754,211 | $ - | $ 2,408,927 |
| Lease liability | 17,945 | 59,439 | 65,445 | 142,829 |
| Floating Rate Instrument | 258,611 | 170,441 | 175,438 | 604,490 |
| | $ 1,931,272 | $ 984,091 | $ 240,883 | $ 3,156,246 |

e. Financial Asset Transfer Information

The Group did not sell any accounts receivable during the period.

Information about the Group's sale of notes receivable is as follows:

For the years ended December 31, 2023 and 2022, the Group discounted $4,054,284 thousand and 3,362,484 thousand, respectively, of notes without recourse.The discounted notes were derecognized from the notes receivable at the time of discounting because they did not carry recourse.

## 32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(1) Related party name and categories

| Related Party Name | Related Party Category |
|---|---|
| Walsin Technology Corp. | Associate |
| Walsin Lihwa Corporation | Associate |
| HannStar Board Corporation | Associate |
| Global Brands Manufacture Ltd. | Associate |
| Suzhou Walsin Technology Electronics Co., Ltd. | Other related party |
| HannStar Board Technology (Jiang Yin) Corp. | Other related party |
| Prosperity Dielectrics Co., Ltd. | Other related party |
| Kunshan Yuanmao Electronics Technology Co., Ltd. | Other related party |
| HANNSTAR DISPLAY CORP. | Other related party |
| Dong Guan CMK Global Brands Manufacture Ltd. | Other related party |
| VVG Inc. | Other related party |
| Hannstar Display (Nanjing) Co., Ltd. | Other related party |
| Inpaq Technology Co., Ltd | Other related party |
| Silitech Technology Corporation | Other related party |
| Jingjia Electronics Technology (Wuhu) Co., Ltd. | Other related party |
| Kunshan Yuansong Electronics Technology Co., Ltd. | Other related party |
| Xurong Electronic (Shenzhen) Co., Ltd. | Other related party |

(2) Sales revenue

| Account items | Category / name of related party | For the Years Ended December 31 2023 | 2022 |
|---|---|---|---|
| Sales of goods | Other related party | $ 69,235 | $ 80,142 |

The terms of the transactions are the same as those for ordinary non-affiliated parties, and there are no special circumstances.

(3) Purchases of goods

| Category / name of related party | For the Years Ended December 31 2023 | 2022 |
|---|---|---|
| Other related party | $ 21,993 | $ 27,781 |
| Associate | 2,233 | 11,081 |
| | $ 24,226 | $ 38,862 |

The terms of the transactions are the same as those for ordinary non-affiliated parties, and there are no special circumstances.

(4) Receivables from related parties

| Account items | Category/name of related party | December 31 2023 | 2022 |
|---|---|---|---|
| Accounts Receivables - Related Parties | Other related party | $ 19,604 | $ 34,576 |
| Other Receivables - related parties | Other related party | $ 76 | $ 198 |

The outstanding trade receivables from related parties are unsecured.

(5) Payables to related parties

| Account items | Category/name of related party | December 31 2023 | December 31 2022 |
|---|---|---|---|
| Accounts Payable - Related Parties | Other related party | $ 8,725 | $ 5,321 |
| | Associate | 538 | 3,426 |
| | | $ 9,263 | $ 8,747 |
| Other payables - related parties | Associate | $ 3,100 | $ 2,631 |
| | Other related party | 2,987 | 3,884 |
| | | $ 6,087 | $ 6,515 |

The outstanding trade payables to related parties are unsecured.

(6) Prepayments

| Category/name of related party | December 31 2023 | December 31 2022 |
|---|---|---|
| Other related party | $ 11 | $ - |

(7) Acquisition of property, plant and equipment

| Category/name of related party | Purchase Price For the Year Ended December 31 2023 | Purchase Price For the Year Ended December 31 2022 |
|---|---|---|
| Other related party | | |
| Jingjia Electronics Technology (Wuhu) Co., Ltd. | $ - | $ 130,288 |
| Kunshan Yuansong Electronics Technology Co., Ltd. | - | 31,030 |
| | $ - | $ 161,318 |

(8) Disposal of property, plant and equipment

| Category/name of related party | Proceeds For the Year Ended December 31 2023 | Proceeds For the Year Ended December 31 2022 | Gain on Disposal For the Year Ended December 31 2023 | Gain on Disposal For the Year Ended December 31 2022 |
|---|---|---|---|---|
| Other related party | | | | |
| Jingjia Electronics Technology (Wuhu) Co., Ltd. | $ - | $ 3,828 | $ - | $ 288 |
| Kunshan Yuansong Electronics Technology Co., Ltd. | - | 15,781 | - | 344 |
| | $ - | $ 19,609 | $ - | $ 632 |

(9) Lease Agreement

| Account Item | Related Party Category | December 31 2023 | December 31 2022 |
|---|---|---|---|
| Lease liabilities | Other related party | $ 45,317 | $ 77,329 |

| Category/name of related party | For the Year Ended December 31 2023 | For the Year Ended December 31 2022 |
|---|---|---|
| Interest expense | | |
| Other related party | | |
| Jingjia Electronics Technology (Wuhu) Co., Ltd. | $ 2,331 | $ 1,883 |

The Group leased the factory of Jingjia Electronics Technology (Wuhu) Co., Ltd.in June 2022 for a period of three years at a fixed monthly rental payment based on the lease agreement with reference to the rental rate of similar assets.The right-of-use assets is 92,848 thousand.

(10) Rental Agreement

Operating Lease

The Group leases a factory to an affiliate, INPAQ Technology Co., Ltd. The lease period is 10 years. Rental rates are based on the rental rates of similar assets. A fixed monthly lease payment will be charged according to the lease agreement. The lease income recognized in 2022 was $6,729 thousand.

On November 1, 2022, the lease agreement was terminated early and the lease term expires on December 31, 2022.

(11) Other

| Account Item | Category/name of related party | For the Year Ended December 31 2023 | For the Year Ended December 31 2022 |
|---|---|---|---|
| Management and general expenses - Professional service fees | Associate | $ 10,498 | $ 9,537 |
| | Other related parties | 195 | - |
| | | $ 10,693 | $ 9,537 |
| Management and general expenses – Mixcellaneous expenses | Other related parties | $ - | $ 622 |
| | Associate | - | 92 |
| | | $ - | $ 714 |

(Continued)

| Account Item | Category/name of related party | For the Year Ended December 31 2023 | 2022 |
|---|---|---|---|
| Management and general expenses - stock expense | Associate | $ 1,675 | $ 1,512 |
| Management and general expenses – Freight expenses | Other related parties | $ 14 | $ - |
| Management and general expenses — Transportation Costs | Other related parties | $ 76 | $ 45 |
| Management and general expenses – Social expenses | Other related parties | $ 46 | $ - |
| Sales expenses –Social expenses | Other related parties | $ 26 | $ 33 |
| Sales expenses – Professional service fees | Associate | $ 6 | $ - |
| | Other related parties | - | 205 |
| | | $ 6 | $ 205 |
| Manufacturing Costs — Processing Fee | Other related parties | $ - | $ 28 |
| Manufacturing Costs — Professional service fees | Other related parties | $ 1,327 | $ 199 |
| Manufacturing Costs — Transportation Costs | Other related parties | $ 66 | $ - |
| Other revenue | Other related parties | $ 38 | $ - |

(12) Compensation of key management personnel

The total remuneration of directors and other key management personnel is as follows：

| | For the Year Ended December 31 2023 | 2022 |
|---|---|---|
| Short-term employee benefits | $ 39,212 | $ 22,859 |
| Postretirement benefits | 325 | 259 |
| Share based payment | 18,439 | - |
| | $ 57,976 | $ 23,118 |

The remuneration of directors and other key management is determined by the Remuneration Committee in accordance with individual performance and market trends, after review and approval by the Board of Directors.

## 33. MORTGAGE ASSETS

The following assets have been pledged or hypothecated as collateral for the first-refundable taxes on imported goods and long- and short-term borrowing lines:

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Land | $ - | $ 101,551 |
| Buildings - net | - | 119,031 |
| Investment real estate - net | - | 20,427 |
| | $ - | $ 241,009 |

## 34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those described in other notes, the significant commitments and contingencies of the Group as of the balance sheet date were as follows:

Significant commitments

(1) As of December 31, 2023, the Group issued promissory notes in the amount of NT$1,065,000 thousand to secure long- and short-term loans.

(2) As of December 31, 2023, the Group was issued a letter of guarantee by a bank for the period from February 15, 2023 to February 14, 2024 for the amount of NT$2,500 thousand for importing goods before taxation.

## 35. EXCHANGE RATE INFORMATION OF FOREIGN CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information is summarized and expressed in foreign currencies other than the functional currencies of The Group. The foreign currency assets and liabilities with significant impact are as follows:

December 31, 2023

| | Foreign currency | Foreign currency | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 5,976 | 30.,705 （USD：NTD） | $ 183,493 |
| USD | 1,677 | 7.0961 （USD：RMB） | 51,492 |
| JPY | 119,399 | 0.2172 （JPY：NTD） | 25,933 |
| EUR | 3 | 33.98 （EUR：NTD） | 102 |
| HKD | 40 | 3.929 （HKD：NTD） | 157 |
| RMB | 395 | 4.327 （RMB：NTD） | 1,709 |
| | | | $ 262,886 |

(Continued)

| Financial liabilities | Foreign currency | Foreign currency | Carrying Amount |
|---|---|---|---|
| Monetary items | | | |
| USD | $ 1,512 | 30.705 （USD：NTD） | $ 46,426 |
| USD | 5,114 | 7.0961 （USD：RMB） | 157,024 |
| JPY | 1,045 | 0.2172 （JPY：NTD） | 227 |
| JPY | 16,893 | 0.0502 （JPY：RMB） | 3,689 |
| EUR | 138 | 7.6806 （EUR：RMB） | 4,689 |
| | | | $ 212,055 |

December 31, 2022

| Financial assets | Foreign currency | Exchange rate | Carrying Amount |
|---|---|---|---|
| Monetary items | | | |
| USD | $ 10,351 | 30.71 （USD：NTD） | $ 317,879 |
| USD | 1,566 | 6.9625 （USD：RMB） | 48,062 |
| JPY | 8,502 | 0.2324 （JPY：NTD） | 1,976 |
| EUR | 4 | 32.72 （EUR：NTD） | 131 |
| HKD | 39 | 3.938 （HKD：NTD） | 154 |
| RMB | 48 | 4.408 （RMB：NTD） | 212 |
| | | | $ 368,414 |

| Financial liabilities | Foreign currency | Exchange rate | Carrying Amount |
|---|---|---|---|
| Monetary items | | | |
| USD | $ 2,287 | 30.71 （USD：NTD） | $ 70,234 |
| USD | 4,808 | 6.963 （USD：RMB） | 147,561 |
| EUR | 55 | 7.4229 （EUR：RMB） | 1,800 |
| | | | $ 219,595 |

The Group's foreign currency exchange gains (losses) (realized and unrealized) amounted to $(3,640) thousand and $(532) thousand in 2022 and 2021, respectively. Due to the wide variety of foreign currency transactions and the Group's individual functional currencies, it is not possible to disclose the exchange gains or losses by each material currency.

## 36. ADDITIONAL DISCLOSURES

iv. Information about significant transactions and investees：

a. Financings provided: (Table 1)
b. Marketable securities held (excluding investments in subsidiaries): ( Table 2)
c. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None
d. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None
e. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None
f. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None

g. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

h. Information about the derivative financial instruments transaction: None

i. Others: The business relationship between the parent and the subsidiaries and significant transactionsbetween them: (Table 5)

j. Information on investees: (Table 3)

v. Information on investment in mainland China

a. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee. (Table 4)

b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 6)

(1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year

(2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

(3) The amount of property transactions and the amount of the resultant gains or losses

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes

(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

vi. Information of major shareholders

List of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder. (Table 7)

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

PCBA — EMS1

— EMS3

(1) Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

| | Operating revenue | | Profit (loss) from operations | |
|---|---|---|---|---|
| | For the Year Ended December 31 | | | |
| | 2023 | 2022 | 2023 | 2022 |
| PCBA — EMS1 | $ 485,166 | $ 465,637 | $ 62,968 | $ 59,405 |
| — EMS3 | 6,194,419 | 6,397,600 | 744,027 | 961,455 |
| Adjustments | ( 140 ) | ( 1,331 ) | ( 103,094 ) | ( 79,307 ) |
| Profit from operations | $ 6,679,445 | $ 6,861,906 | $ 703,901 | $ 941,553 |
| Interest income | | | $ 16,827 | $ 6,090 |
| Dividends Income | | | 761 | 1,427 |
| Profit from lease modification | | | ( 703 ) | 80 |
| Gain (Loss)on disposal of property, plant and equipment | | | 397 | ( 808 ) |
| Foreign exchange (loss) gain | | | ( 3,640 ) | ( 532 ) |
| Financial instrument evaluation benefits | | | 237 | - |
| Rental income | | | 1,491 | 7,750 |
| Share of profit of associates | | | ( 53 ) | - |
| Financial costs | | | ( 46,395 ) | ( 33,131 ) |
| Other income | | | 41,756 | 4,904 |
| Profit before Income tax from continune operations | | | $ 714,579 | $ 927,333 |

The revenue reported above was generated from transactions with external clients. For the years 2023 and 2022 do not include any intersegment sales.

Segment interests refer to the profits earned by each department, excluding interest income, dividend income, disposition of real estate, plant and equipment gains and losses, net gains (losses) from foreign currency exchange, rental income, financial instrument evaluation gains and losses, financial costs, and other income and income tax expense. This measure is provided to the chief operating decision maker to allocate resources to segments and measure their performance.

(2) Total segmental assets and liabilities

| | December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Segment assets | | |
| Continuing Operations Segment | | |
| EMS1 | $ 746,932 | $ 853,087 |
| EMS3 | 5,588,234 | 5,608,140 |
| Segment assets | 6,335,166 | 6,461,227 |
| Unallocated assets | 54,305 | 31,091 |
| Total assets | $ 6,389,471 | $ 6,492,318 |
| | | |
| Segment liabilities | | |
| Continuing Operations Segment | | |
| EMS1 | $ 127,263 | $ 153,288 |
| EMS3 | 2,465,136 | 2,674,177 |
| Segment liabilities | 2,592,399 | 2,826,587 |
| Unallocated liabilities | 481,893 | 689,708 |
| Total liabilities | $ 3,074,292 | $ 3,517,173 |

Based on the purpose of monitoring departmental performance and allocating resources to each department:

a. All assets other than deferred tax assets are allocated to reportable segments. Assets used jointly by reportable departments are apportioned on the basis of income earned by the respective reportable departments; and

b. All liabilities other than borrowings and current and deferred income tax liabilities are allocated to reportable segments. Liabilities jointly borne by reportable departments are apportioned in proportion to departmental assets

(3) Revenue from major products

The following was an analysis of the Group's revenue from continuing operations from its major products and services:

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| PCBA | $ 6,679,445 | $ 6,861,906 |

(4) Geographical information

The Group operates in two main regions - Taiwan and China.

The Group's revenue from continuing operations unit of external customers by location of operations were detailed as below:

| | Revenue from External Customers For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Asia | $ 6,517,335 | $ 6,770,769 |
| Europe | 159,234 | 91,137 |
| America | 2,876 | - |
| | $ 6,679,445 | $ 6,861,906 |

(5) Information about major customers

Single customers contributing 10% or more to the Group’s revenue were as follows:

| | For the Years Ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| Customer A | $ 1,679,848 | $ 1,789,169 |
| Customer B | 1,038,159 | 908,500 |
| Customer C | 989,412 | 905,988 |
| Customer D | 527,652 | 1,267,056 |
| Other（Note 1） | 2,444,374 | 1,991,193 |
| | $ 6,679,445 | $ 6,861,906 |

Note1: Revenue less than 10% of the Group’s revenue.

**TABLE 1**

**INFO-TEK CORPORATION AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS**

**DECEMBER 31, 2023**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| No. | Lender | Borrower | Financial Statement Account | Related Party | Highest Balance for the Period | Ending Balance (Note 6) | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 4) | Aggregate Financing Limit (Note 5) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | Item | Value | | |
| 1 | SUN RISE CORPORATION (Note 1) | Info-Tek Electronics (Suzhou) CO.,LTD. (Note 2) | Other receivables due from related parties | Y | $ 51,302 (RMB 11,500) | $ 49,761 (RMB 11,500) | $ 49,761 (RMB 11,500) | 3% | Note 3 | Operating turnover | $ - | - | - | $1,326,072 | $1,326,072 |

Note1： Equity-method investees。
Note2： The Company is an equity-method investee of SUN RISE CORPORATION and INFO-TEK HOLDINGS CO, Ltd.
Note3： There is a need for short-term financing.
Note4：The lending limit to individual customers or foreign companies in which the Company directly or indirectly holds 100% of the voting shares shall not exceed 40% of the Company's latest audited or reviewed net financial statements in Taiwan.
Note5：The total amount of the capital loan shall not exceed 40% of the net value of the Company's most recent financial statements.
Note6：The closing balance was translated at the exchange rate of RMB1=4.327 as of December 31, 2023.

TABLE 2

**INFO-TEK CORPORATION AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**DECEMBER 31, 2023**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Holding Company Name | Type of Marketable Securities（Note1） | Name of Marketable Securities | Relationship with the Holding Company（Note2） | Financial Statement Account | SEPTEMBER 30, 2023 | | | | Note（Note 4） |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Number of Shares | Carrying Amount（Note3） | Percentage of Ownership (%) | Fair Value | |
| Info-Tek Corporation | Common Stock | WalsinTechnology Corporation | Associate | Financial assets at FVTOCI | 316,521 | $38,932 | - | $38,932 | |
| “ | Corporate Bonds | APPLE INC. | N/A | Financial assets at FVTOCI | 1,040,000 | 31,598 | - | 31,598 | |
| “ | Government Bonds | U.S. TREASURY NOTE | N/A | Financial assets at FVTOCI | 1,000,000 | 30,168 | - | 30,168 | |
| SUN RISE CORPORATION | Money Market Funds | MS USD LIQUID QUALIF ACC FUND | N/A | Financial assets at FVTPL-current | 404.14 | 1,413 | - | 1,413 | |
| “ | Corporate Bonds | BPCE SA | N/A | Financial assets at FVTOCI | 1,200,000 | 34,323 | - | 34,323 | |
| “ | Corporate Bonds | STANDARD CHARTERED BANK | N/A | Financial assets at FVTOCI | 800,000 | 24,405 | - | 24,405 | |

Note1：Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9, "Financial Instruments".

Note2：If the issuer of marketable securities is not a related party, the column is not required to be filled in.

Note3：For those who are not measured at fair value, please enter the carrying amount of amortized cost (net of allowance for losses) in column B. For those who are not measured at fair value, please enter the carrying amount of amortized cost (net of allowance for losses) in column B.

Note4：Please refer to Table 3 and Table 4 for the investment subsidiaries.

**TABLE 3**

**INFO-TEK CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEES**

**FOR THE YEAR ENDED DECEMBER 31, 2023**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2023 | | | Net Income (Loss) of the Investee | Share of Profit (Loss)（Note1） | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2023 | December 31, 2022 | Number of Shares | （%） | Carrying Amount | | | |
| Info-Tek Corporation | INFO-TEK HOLDING CO., LTD. | British Virgin Islands | Trade industry | $ 110,726 | $ 110,726 | 3,700,000 | 100 | $ 244,732 | $ 50,158 | $ 50,158 | Investments accounted for using equity method |
| | SUN RISE CORPORATION | Samoa | Investment industry | 1,167,689 | 1,167,689 | 35,500,000 | 100 | 2,842,862 | 608,428 | 608,428 | 〃 |
| | Walsin New Engery Corporation | Taiwan | Solar energy generation | 2,500 | - | 250,000 | 5 | 2,447 | (1,051) | (53) | 〃 |
| SUN RISE CORPORATION | Info-Tek Electronics (Suzhou) CO.,LTD. | Jiangsu,China | Manufacture and assembly of motherboards for information electronic products | 1,142,037 | 1,142,037 | Table 4 | 92.21 | 2,730,302 | 660,566 | 609,093 | 〃 |
| INFO-TEK HOLDING CO., LTD. | Info-Tek Electronics (Suzhou) CO.,LTD. | Jiangsu,China | Manufacture and assembly of motherboards for information electronic products | 91,525 | 91,525 | Table 4 | 7.79 | 230,730 | 660,566 | 51,473 | 〃 |

Note1：The calculation is based on the investees' audited financial statements as of December 31, 2023, based on the percentage of shareholding.
Note2：Please refer to Table 4 for information on our Mainland China investee companies.。

TABLE 4

**INFO-TEK CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**

**FOR THE YEAR ENDED DECEMBER 31, 2023**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Investee Company | Main Businesses and Products | Paid-in Capital | Method of Investment | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 | Remittance of Funds | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023（Note3） | Net Income (Loss) of the Investee（Note2） | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of December 31, 2023(Note 2) | Accumulated Appropriation of Investment Income as of December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outward | Inward | | | | | | |
| Info-Tek Electronics (Suzhou) CO.,LTD. | Manufacture and assembly of motherboards for information electronic products | $ 1,233,562 | （Note1） | $ 1,233,562 | $ - | $ - | $ 1,233,562 | $ 660,566 | 100% | $ 660,566 | $ 2,961,032 | $ 630,220 |

| Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023（Note3） | Investment Amount Authorized by the Investment Commission, MOEA（Note 4） | Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA |
|---|---|---|
| $ 1,617,552 ( USD 50,509,323.8 ) | $ 1,617,552 ( USD 50,509,323.8 ) | $ 1,989,107（Note4） |

Note 1: Investment in mainland China companies through an existing company established in a third region.
Note 2: Based on the financial statements of the investee company audited by the attesting CPA of the Taiwan parent company.
Note 3: The conversion rate is based on the prevailing exchange rate of each investment.
Note 4: The Company was certified by the Industrial Development Bureau of the Ministry of Economic Affairs as being in compliance with the scope of operation of the operating headquarters, which expired in June 2021, and no further amounts were remitted.

**TABLE 5**

**INFO-TEK CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**
**FOR THE YEAR ENDED DECEMBER 31, 2023**
**(Amounts In Thousands of New Taiwan Dollars)**

| No. (Note 1) | Investee Company | Counterparty | Relationship (Note 2) | Transaction Details | | | |
|---|---|---|---|---|---|---|---|
| | | | | Financial Statement Accounts | Amount | Payment Terms | % of Total Sales or Assets (Note 3) |
| 0 | Info-Tek Corporation | Info-Tek Electronics (Suzhou) CO., LTD. | 1 | Other receivables from related parties | $ 12,773 | No significant difference with non-related parties | |
| | | Info-Tek Electronics (Suzhou) CO., LTD. | 1 | Sales | 140 | 〃 | |
| | | INFO-TEK HOLDING CO., LTD. | 1 | Other receivables from related parties | 6,741 | 〃 | |
| | | SUNRISE CORPORATION | 1 | Other receivables from related parties | 79,799 | 〃 | |
| 1 | Info-Tek Electronics (Suzhou) CO.,LTD. | Info-Tek Corporation | 2 | Other payables to related parties | 12,773 | 〃 | |
| | | Info-Tek Corporation | 2 | Cost of goods sold | 140 | 〃 | |
| | | INFO-TEK HOLDING CO., LTD. | 3 | Other payables from related parties | 6,889 | 〃 | |
| | | SUNRISE CORPORATION | 3 | Finance costs | 1,530 | 〃 | |
| | | SUNRISE CORPORATION | 3 | Other payables from related parties | 121,849 | 〃 | 2.02% |
| 2 | INFO-TEK HOLDING CO., LTD. | Info-Tek Corporation | 2 | Dividends payable | 6,741 | 〃 | |
| | | Info-Tek Electronics (Suzhou) CO., LTD | 3 | Other receivables from related parties | 6,889 | 〃 | |
| 3 | SUNRISE CORPORATION | Info-Tek Electronics (Suzhou) CO., LTD | 3 | Other receivables from related parties | 121,849 | 〃 | 2.02% |
| | | Info-Tek Electronics (Suzhou) CO., LTD. | 3 | Interest income | 1,530 | 〃 | |
| | | Info-Tek Corporation | 2 | Dividends payable | 79,799 | 〃 | |

Note 1: The number “0” represents for parent company, and the subsidiaries is numbered sequentially.
Note 2: The relationship is classified in 3 categories:
1: Represents for the transaction from parent company to subsidiary;
2: Represents for the transaction from subsidiary to parent company;
3: Represents for the transactions between subsidiaries.
Note 3: The percentage of total assets is calculated using the ending balance divided by the total consolidated assets; the percentage of total revenue is calculated using the accumulated amount during the period divided by the total consolidated sales revenue.

**TABLE 6**

**INFO-TEK CORPORATION AND SUBSIDIARIES**

**The following significant transactions with Mainland China investees, directly or indirectly through third parties, and their prices, payment terms, unrealized gains or losses, and other related information**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

| Company Name | Purchase/(Sale) | Amount | Price | Transaction terms | | Other receivables | | Sales revenue | Note |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Payment terms | Comparison with Normal Transactions | Amount | % | | |
| Info-Tek Electronics (Suzhou) CO.,LTD. | Raw material | $ 2,613 | Market Price | Payment Term 90 Days | No significant difference | $ - | - | $ 140 | - |

TABLE 7

**INFO-TEK CORPORATION AND SUBSIDIARIES**

**INFORMATION OF MAJOR SHAREHOLDERS**
**DECEMBER 31, 2023**

| Name of Major Shareholder | Shares | |
|---|---|---|
| | Number of Shares | Percentage of Ownership (%) |
| Global Brands Manufacture Ltd. | 33,270,949 | 27.43% |
| Giga Investment Co. | 9,985,834 | 8.23% |

Note 1: The information on major shareholders in this table is calculated by the Taiwan Depository & Clearing Corporation based on the data from the last business day of each quarter. It includes both ordinary shares and preferred shares held by shareholders, including those completed without physical registration (including treasury shares), which collectively account for more than 5% of the company's capital. The information on share capital recorded in the company's consolidated financial report may differ from the actual number of shares completed without physical registration due to differences in calculation methods