

Stock Code: 6743



Ampacs Corporation

2023 Annual Report

Website for accessing related information in this annual report

Market Observation Post System: <http://mops.twse.com.tw>

Ampacs Corporation website: <http://www.ampacscorp.com/>

Notice to readers: This is a translation of the 2023 annual report of Ampacs Corporation. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

1. Spokesperson and Acting Spokesperson's Names, Titles, Contact Numbers, and Email Addresses:

	Spokesperson of the company	Acting Spokesperson
Name	Xu Mingren	Lin Yufeng
Title	Chief Technical Officer	Deputy General Manager of Sales Division
Contact Number	(02)2655-2798	(02)2655-2798
Email Address	James.Hsu@ampacscorp.com	connie.lin@ampacscorp.com

2. Addresses and telephone numbers of the head office, branches, and factories:

Name		Address	Telephone
Head Office		3 F., No. 19-3, Sanchong Rd., Nangang Dist., Taipei City 11501, Taiwan (R.O.C.)	(02)2655-2798
Factory	Dong Guan Yi Xin Electronics CO LTD	Yangkentang Industrial Dist., Dalang Town, Dongguan City ,GuangDong Province,China	(86)769-86263266
	Dong Guan Yi Zhuo Electronics Co., Ltd	Yangkentang Industrial Dist., Dalang Town, Dongguan City ,GuangDong Province,China	(86)769-86263266
	Dong Guan Han Lei Electronics Co., Ltd	Dajiaoling Industrial Zone, Dalang Town, Dongguan City	(86)769-86263266
	Dong guan Hong jun Electronics Co., Ltd.	Area B, 1st Floor, No. 84, Jingfu West Road, Yangkengtang Village, Dalang Town, Dongguan City	(86)769-86263266
	MODERN PIONEER(KUNSHAN)CO.,LTD	No.389,XinNan W.Rd.Yushan Town,KunShan City,JiangSu,P.R.C.	(86)512-57575935
	Ampacs International Company Limited	Lot B7_H_CN, Bau Bang Industrial Park, Lai Uyen Town, Bau Bang District, Binh Duong Province, Vietnam	0274-3803700
Branch Offices		None	

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

Name: China Trust Commercial Bank, CO LTD Agency Department

Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Zhongzheng District, Taipei City

Website: <https://www.ctbcbank.com>

Telephone: (02)6636-5566

4. Name, Address, Website, and Phone Number of the Most Recent Financial Report's Auditors :

Accountant's Name: Wang Jun-Yu, Liu Ming-Xian

Firm Name: Deloitte Taiwan

Address: 20th Floor, No. 100, Songren Road, Xinyi District, Taipei City

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

Phone : (02) 2725-9988

5. Name of the overseas securities exchange for listing and the method to inquire about information on those overseas securities: None.

6. Company website: <http://www.ampacscorp.com>

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Chapter 1. Report to Shareholders

Dear Shareholders,

Looking back at the international economic situation in 2023, due to the impact of US interest rate hikes, inflation and geopolitics, the overall economic environment is on the downside. Consumer electronic products are still at the stage of de-inventorying, and branded customers have postponed the release of new models. As a result of the above factors, the Company revenue for FY2023 is NT\$3.86 billion, a decrease of 24% as compared to FY2022, and the following is the report of the Company's operation status for FY2023.

The Company focuses on the provision of design solutions for intelligent electronic peripheral products and product manufacturing, and continues to develop its core businesses of plastic molding and tooling development in parallel, giving full play to its advantage of supply chain integration. The Company has a complete research and development team, one-stop advanced production technology and services to provide customers with forward-looking products, including gaming headsets, commercial headsets, true wireless headsets, security control devices and mobile phone joysticks, etc. In the plastic molding and mold business, the Company has continuously invested in the renewal of equipment, automation and intelligent renovation in order to provide customers with faster and better service solutions. The Company has always been pursuing the spirit of "Innovation, Efficiency, and Social Responsibility", striving for business development and creating more shareholders' value in the midst of stability.

In terms of operating results, the Company's consolidated net operating income for FY2023 was NT\$3,861,301 thousand, a decrease of NT\$1,190,670 thousand from FY2022's NT\$5,051,971 thousand; the consolidated after-tax net loss attributable to the Company was NT\$6,817 thousand, a decrease of NT\$80,147 thousand from the FY2022's net income of NT\$73,330 thousand; and the consolidated net loss attributable to the Company was NT\$6,817 thousand, a decrease of NT\$80,147 thousand from the FY2022's net income of NT\$73,330 thousand. and surplus earnings per share of NT\$-0.05 for FY2023.

In terms of R&D and production, we continue to invest in relevant R&D and production equipment, so that the company's relevant equipment can be aligned with the R&D and production needs of international customers. The Company also integrates upstream and downstream with leading international technology companies, and actively strengthens its R&D capabilities and expands its base of international cooperation through solid strategic

partnerships. We will seamlessly connect our technology with the needs of consumers.

In terms of information security, the Company has actively invested in information security system protection by implementing ISO/IEC 27001, and has completed the renewal of the international certification of the relevant information security system in November 2023, which is ahead of its competitors and in line with the requirements of the world's leading brands of information security systems.

This year, most of the customers' inventories have been depleted, and it is expected that the shipment momentum will return to normal, and new customers and new models are also completing product development and introduction of mass production and shipment, which will contribute to the Company's revenue. In line with the gradual recovery of sales momentum in the market, the Company has achieved excellent performance in talent training, R&D innovation, cost control, improvement of manufacturing process and operational efficiency, and introduction of new customers. The Company's close teamwork and dedication to detailed improvements are also the greatest driving force for our continuous growth.

Looking ahead to 2024, under the topic of ESG sustainability, the Company has completed the carbon inventory of the Taipei head office in 2023 and issued the 2022 Taipei head office sustainability report. The scope of the 2023 sustainability report will be expanded to include overseas subsidiaries, in order to meet the international ESG sustainability standards, and there will be opportunities to obtain more orders from internationally renowned brands in the future. With new customers and new products, the Company's results are expected to grow in FY2023 as compared to FY2022. The Company's management team and all staff will continue to provide the best quality products and services to customers. With the concept of sustainable management and the spirit of innovation and change, we create maximum profits for our shareholders and the society. We look forward to the support, encouragement and advice of our shareholders and friends, so that we can continue to grow. Thank you.

To our shareholders.

Good Health and Good Luck

Ampacs Corporation

Chairman of the Board: Huang, Chang-qing

Chapter 2. Company Profile

1. Date of Company Establishment: July 2, 1998.

2. Company History

Year	Significant Events
1998	<ul style="list-style-type: none"> Ampacs Corporation was established with a capital of NT\$10,000 thousand.
2004	<ul style="list-style-type: none"> The paid-in capital was increased to NT\$70,000 thousand through a cash capital increase of NT\$60,000 thousand. Established Tech Pioneer, Ltd. as a subsidiary. Indirectly invested in the establishment of Dong Guan Yi Xin Electronics Co., Ltd.
2006	<ul style="list-style-type: none"> The paid-in capital was increased to NT\$303,000 thousand through a cash capital increase of NT\$233,000 thousand.
2015	<ul style="list-style-type: none"> The company's headquarters moved to Neihu Science Park. Acquired Kunshan Hao Yu Electronics Co. Cash capital increase of NT\$200,000 thousand was processed, and the capital stock was NT\$503,000 thousand after the capital increase. (Change registration completed in January 2016)
2016	<ul style="list-style-type: none"> The paid-up capital increased to NT\$570,000 thousand by transferring surplus earnings of NT\$67,000 thousand. Successfully developed the smart active noise cancellation in-ear Lightning earphones with Apple LAM2 module. Successfully developed Apple Lightning Personal Smart Conference Speaker.
2017	<ul style="list-style-type: none"> December 2023 The paid-up capital increased to NT\$700,000 thousand by transferring surplus earnings of NT\$130,000 thousand. In December, the company moved its headquarters to Nankang Software Park.
2018	<ul style="list-style-type: none"> December 2023 The paid-up capital increased to NT\$800,000 thousand by transferring surplus earnings of NT\$100,000 thousand. Approved by the Industrial Development Bureau (IDB) of the Ministry of Economic Affairs (MOEA) as a corporate operating headquarters. Subsidiary Dong Guan Yi Xin Electronics Co., Ltd. was recognised as a high-tech enterprise in China.
2019	<ul style="list-style-type: none"> Ampacs International Company Limited was established in Vietnam. Kunshan Hao Yu Electronics Co. changed its name to MODERN PIONEER (KUNSHAN) CO LTD. December 2023 The paid-up capital increased to NT\$1,000,000 thousand by transferring surplus earnings of NT\$200,000 thousand. The Company has applied for the Public Issue with effect from 24 June 2019 for approval. December 2023 The paid-in capital was increased to NT\$1,048,000 thousand through a cash capital increase of NT\$48,000 thousand. Listed on the TPEx-Listed Stocks on December 5th.
2020	<ul style="list-style-type: none"> In August, the Company's capital stock was increased by NT\$52,000 thousand. Listed on the Taiwan Stock Exchange in December. In December, the Company's capital increased by NT\$120,000 thousand in cash, resulting in a capital increase of NT\$1,220,000 thousand.

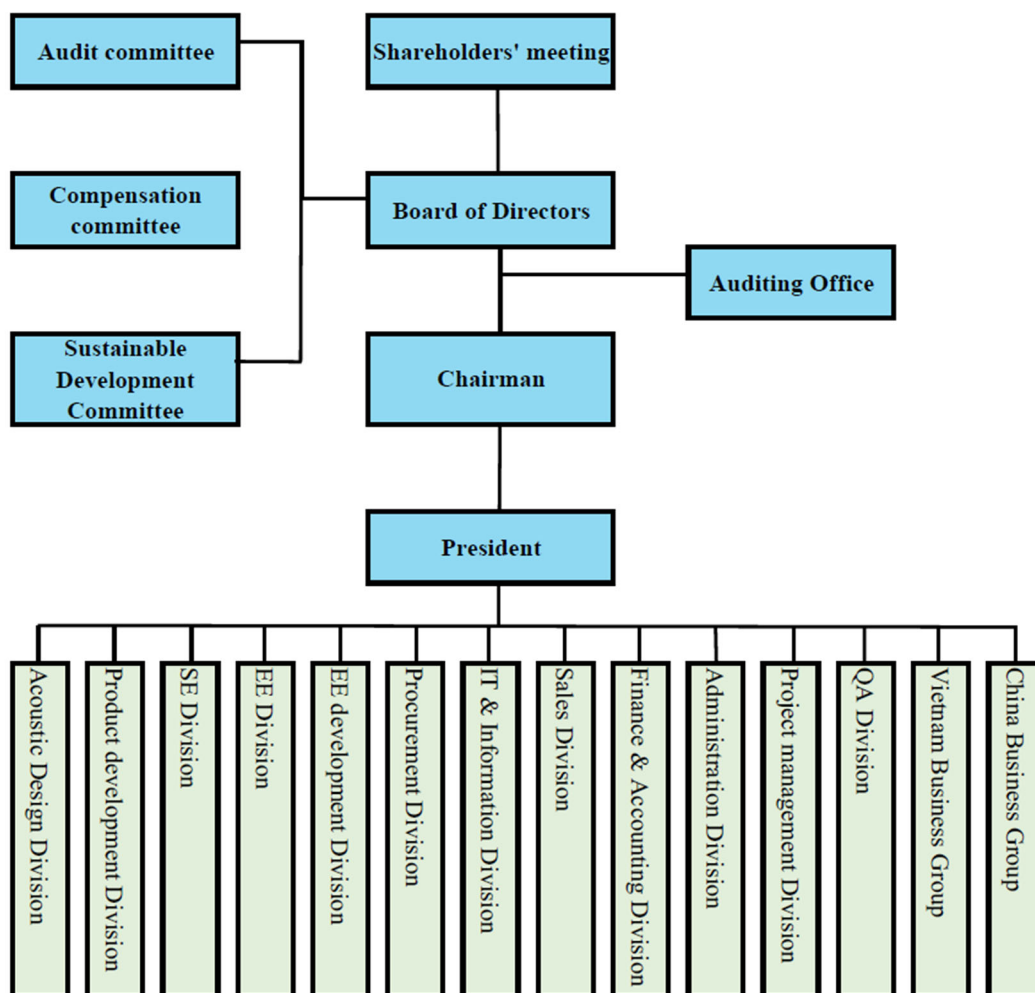
2021	<ul style="list-style-type: none"> • The Xizhi office was purchased in January. • In June, the Company purchased an office on the second floor of the Nankang Software Park. • The paid-up capital was increased to NT\$1,500,000 thousand in October by transferring surplus earnings of NT\$158,000 thousand and capital surplus of NT\$122,000 thousand.
2022	<ul style="list-style-type: none"> • The Company implemented the ISO/IEC 27001 Information Security Management System and obtained certification.

Chapter 3. Corporate Governance Report

1. Organization System

(1) Organization Structure

March 31, 2023



(2) Businesses of Major Departments:

Department	Business Operations
General Manager's Office	1. Operational management analysis. 2. Drafting important operational plans. 3. Establishment of corporate image.
Auditing Office	1. Inspect and review the integrity and implementation of the internal control system, measure the effectiveness and efficiency of operations, and provide recommendations for improvement. 2. Execution of annual audit plan, writing of audit report and tracking of improvement.
Product Development	Institutional Engineering: 1. Analysis of the strengths and weaknesses of the structural design of

Department	Business Operations
Department	<p>earphone-related products currently available for sale by customers and competitors.</p> <ol style="list-style-type: none"> 2. Research and search for patents related to earphone products. 3. Design of project structure and mechanisms. 4. Drafting and preservation of R&D documents at each stage of the project. 5. Analysis and resolution of design problems arising during the project development process, and implementation of solutions. 6. Analysis and implementation of requirements for reducing project design costs. 7. Compilation of annual R&D budgets for the Engineering Department. 8. Recruitment and training of R&D personnel for the Engineering Department. <p>Product Design:</p> <ol style="list-style-type: none"> 1. Market research and analysis. 2. Ergonomic research and analysis. 3. Product design and development.
Electronics Engineering Department	<ol style="list-style-type: none"> 1. Evaluation of the technical feasibility of new product technologies. 2. Assessment of the pricing of new products. 3. R&D of electronic product circuits and designs. 4. Research and design of cutting-edge technology products. 5. Verification of product functionality. 6. Design and verification of product Electromagnetic Compatibility (EMC). 7. Product safety certification. 8. Tracking of design-related quality issues. 9. Introduction, tracking, testing, and verification of alternative materials. 10. Leading operations related to equipment calibration. 11. Document control center management.
Electronic Development Department	<ol style="list-style-type: none"> 1. Market research and analysis. 2. New product planning and development management. 3. Mass production and management of new product introduction. 4. New technology evaluation. 5. Product function verification management. 6. Product safety certification. 7. Design quality control and tracking. 8. Design cost control. 9. Instrument and equipment calibration management. 10. Interdepartmental collaboration management.
Software Engineering Department	<ol style="list-style-type: none"> 1. Collaborate with leading technology manufacturers to proactively engage in the R&D of cutting-edge technologies and applied products. 2. Develop and verify firmware according to product functional

Department	Business Operations
	<p>requirements.</p> <ol style="list-style-type: none"> 3. Develop, verify, and transfer production testing software. 4. Develop and maintain production testing management systems. 5. Handle technical issues for each product. 6. Plan and execute testing for the introduction of new technologies. 7. Verify the functionality of new products. 8. Verify the compatibility of new products.
Acoustic Design Department	<ol style="list-style-type: none"> 1. R&D of electro-acoustic components (speakers and microphones) and analysis. 2. Analysis of acoustic characteristics related to customer-supplied and self-purchased earphone samples. 3. Discussion with ID, ME, and EE regarding acoustic design. 4. Adjustment of earphone (microphone) curves and sound quality. 5. Testing and verification of finished earphone products. 6. Training for new employees. 7. Factory trial and mass production technology transfer. 8. Annual equipment calibration.
Project Management Department	<ol style="list-style-type: none"> 1. Responsible for conducting feasibility analysis for new products, monitoring the progress of new product development, and executing product strategies. 2. Project planning, management, and execution for product planning and new product development. 3. Collaborate with the R&D department to formulate product specifications. 4. Coordinate cooperation among relevant departments, including materials, production, and R&D, to promote and facilitate business-related operations. 5. Collaborate with business units to address customer needs and issues related to products. 6. Responsible for driving, coordinating, and facilitating cross-departmental affairs.
Sales Department	<ol style="list-style-type: none"> 1. Customer development, business promotion, and marketing. 2. Customer service and collection of market information. 3. Planning for market development and new product development. 4. Management of customer orders, shipments, payments, and after-sales service operations.
Finance and Accounting Department	<ol style="list-style-type: none"> 1. Financial management, credit control, and financing planning and scheduling. 2. Oversight of board meetings, shareholder meetings, and various corporate governance matters. 3. Responsible for company accounting processing and cost analysis operations. 4. Planning and consolidation of financial statement preparation, analysis, and budgeting operations.

Department	Business Operations
	5. Establishment, evaluation, and implementation of accounting systems and related policies.
Quality Assurance Department	1. Reliability verification of new products. 2. Confirmation and acquisition of international certifications for new products. 3. Tracking of design quality-related issues and technology transfer. 4. Annual equipment calibration.
Administration Department	<u>General Affairs Unit:</u> 1. Handling of general administrative matters. 2. General administrative affairs. 3. Processing incoming and outgoing company documents and file management. 4. Management of company property and equipment. 5. Management of consumable supplies for non-direct production purposes. <u>Human Resources Unit:</u> 1. Recruitment and hiring of personnel. 2. Employee attendance management. 3. Group insurance services for employees. 4. Employee performance evaluation and salary management. 5. Implementation of education and training programs and data archiving. 6. Human resource demand planning. <u>Occupational Safety and Health Unit:</u> 1. Plan and supervise the labor safety and health auditing and management in each department. 2. Plan and implement labor safety and health education and training. 3. Plan and implement labor health checkups and health management. 4. On-site medical services.
Procurement Department	1. Management and development of qualified suppliers. 2. Procurement of raw materials and equipment. 3. Ensuring the quality, delivery time, and competitive pricing of purchased materials and equipment meet the overall needs of the company. 4. Handling of import and export matters related to materials and liaison with customs clearance. 5. Coordination of handling defective materials.
Information Technology Department	1. Establishment, maintenance, and management of networks. 2. Establishment, maintenance, and management of information systems. 3. Maintenance and management of computer software and hardware configurations.
Vietnam	1. Drafting, execution, and tracking of production processing plans.

Department	Business Operations
Business Group	<ul style="list-style-type: none"> 2. Planning and achievement of manufacturing production targets. 3. Implementation of production equipment maintenance plans and maintenance work.
China Business Group	<ul style="list-style-type: none"> 1. Drafting, execution, and tracking of production and outsourcing processing plans. 2. Planning and achievement of manufacturing production targets. 3. Implementation of production equipment maintenance plans and maintenance work.

2. Information on Directors, General Manager, Deputy General Managers, Assistant Managers, Department Heads, and Branch Managers

(1) Director

1. Director Information

Unit: Shares; % : April 23, 2024

Title	National ity or Place of Registrat ion	Name	Gend er Age	Appoint ment Date	Term	Date of Initial Elected Date	Shares Held When Elected		Now Holding Shares		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main Experience & Education	Currently Serving Posts in the Company and Other Companies	Spouse or Second Degree of Kinship as Heads of Departme nts, Directors, or Supervisor s			Note
							Shares	Shareh olding Percen tage	Shares	Shareh olding Percen tage	Shares	Shar ehol ding Rati o	Shares	Shareh olding Percen tage			Tit le	Na me	Rel ati on shi p	
Chairman of the Board	Taiwan R.O.C.	Huang, Chang-qing	Male 61~70 Years Old	2022.6.14	3 Years	1998.6.16	33,171,900	22.11	27,671,900	18.45	3,889,575	2.59	23,588,873 (Note 1)	15.73	Department of Chemical Engineering, National Tsing Hua University High-Performance Engineering Plastics Research Laboratory, Industrial Technology Research Institute (ITRI)	General Manager of the Company, Chairman of Ampacs International Co., Ltd., Director of Tech. Pioneer, Ltd., Director of Richmake International Limited, Director of Brilliance Investment Development Ltd., Director of Sunlight Ocean Holding Limited, Director of Fortune Global Ltd., Director of Chang An Investment Co., Ltd., Director of Long An Investment Co., Ltd., Director of GAINWIDE GLOBAL LTD, and Representative of Judicial Person Director of Ability Technology Co., Ltd.	-	-	-	Note 2
Director	Taiwan R.O.C.	Xu Mingren	Male 61~70	2022.6.14	3 Years	2018.5.8	244,050	0.16	244,050	0.16	107,158	0.07	-	-	Department of Electronic Engineering,	The Company's Chief Technology Officer, Independent Director of Hauman Technology Corp., Director	-	-	-	

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			Years Old												Chung Yuan Christian University Graduate Institute of Business Administration, Taipei University Software Engineer at Acer Inc. Vice Chairman of Elitegroup Computer Systems President of the New Taipei City Computer Association President of the Taiwan Telematics Industry Association	of Wincomm Corporation, Director of Bridgewell Incorporated (Represented Entity: Bridgewell Information Corp., a company registered in the Cayman Islands). , Director of ANCHOR MECHATRONICS INC. (Represented Entity: ANCHOR INVESTMENT INC), Director of Children's Education Development Co., Ltd., Director of Shanyi Electronics Co., Ltd., Director of JASON BIOCHEMICAL TECHNOLOGY Co., Ltd., Director of iWant-in.net Inc. (Represented Entity: Kuang Nan Investment Co., Ltd.), Director of CASPER INCORPORATION (Represented Entity: iWant-in.net Inc.), Representative Person of Ability Technology Co., Ltd.				

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Director	Taiwan R.O.C.	Lin Yufeng	Fema le 51~ 60 Years Old	2022.6.1 4	3 Ye ars	2017.5.15	1,669,449	1.11	1,669,449	1.11	-	-	-	-	Master of Science (Computer Science), Universaity of Alabama at Birmingham General Manager of Advanced Electronics Division, Tatung Company Software Development Engineer at ChoiceCare Long Island	Vice General Manager of the company	-	-	-	
Director	USA	Frederick Romano	Male 61~ 70 Years Old	2022.6.1 4	3 Ye ars	2017.5.15	2,582,048	1.72	2,579,048	1.72	-	-	-	-	York College music Major Queensborough College Octave-Plateau Electronics	-	-	-	-	

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															Voyetra Technologies , Turtle Beach - COO, BOD.					
Director	Taiwan R.O.C.	Chen Jin-Fu	Male 71~ 80 Years Old	2022.6.1 4	3 Ye ars	2019.8.12	-	-	-	-	-	-	-	-	MBA in Business Administration from National Chengchi University Department of Electrical Engineering, National Taiwan University Vice Chairman of CTBC Venture Capital Co., Ltd. Senior Vice President of CTBC Financial Holding Co., Ltd. General Manager of Development Technology Consultants Co.,	Chairman of Taiwan Sports Lottery Corporation (stock) company	-	-	-	

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														Ltd. Partner at Kunzhong Investment Advisory Co., Ltd. Business Manager at Compal Electronics, Inc.						
Director	USA	Xu Ming- Quan	Male 61~ 70 Years Old	2022.6.1 4	3 Ye ars	2022.6.14	-	-	-	-	-	-	-	Bachelor of Science, Telecommunicati on Engineering, National Chiao Tung University Master of Science, Electrical Engineering, North Carolina State University Director, ASPIRO (TAIWAN) LTD. General Manager/Partne	-		-	-	-	

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															r/Founder, Sun Yang Management Consultants Co.					
Indepen dent Director	Taiwan R.O.C.	Huang Zhi- Peng	Male 71~ 80 Years Old	2022.6.1 4	3 Ye ars	2019.8.12	-	-	-	-	-	-	-	-	Master of Business Administration (MBA), Georgetown University Representative/ Ambassador, Embassy/Repres entative Office in Vietnam Director General, Bureau of Foreign Trade, Ministry of Economic Affairs	Independent Director, Kinpo Electronics Independent Director, Mai-Liao Power Advisor, Chinese National Federation of Industries Advisor, Chinese National Association of Industry and Commerce Advisor, Central, Eastern Europe and CIS Association Advisor, Taiwan-Africa Business Association Consulting Advisor, Importers and Exporters Association of Taipei	-	-	-	
Indepen dent Director	Taiwan R.O.C.	He Jun-Hui	Male 61~ 70 Years Old	2022.6.1 4	3 Ye ars	2019.8.12	-	-	-	-	-	-	-	-	Ph.D., Economics from the University of Pittsburgh, Pennsylvania, USA	Independent Director, TAYA Group Principal Partner, CDIB Capital Healthcare Ventures II Limited Person in Charge, Healthcare Business Group, CDIB Capital Group Chairman of the Board, China	-	-	-	

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															Director and General Manager of CDIB Capital Group, Director of China Development Industrial Bank, Chairman of PharmaEngine, Inc. Director, Andes Technology	Development Financial Holding Corporation Senior Vice General Manager, Chairman's Office, CDIB Capital Group Director, Ablere Electronics Co., Ltd. Director, Chenying International Development Co., Ltd. Chairman of the Board, Huasheng Asset Management Consultant Co., Ltd.				

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Indepen dent Director	Taiwan R.O.C.	Cheng Kai	Male 61~ 70 Years Old	2022.6.1 4	3 Ye ars	2019.8.12	-	-	-	-	-	-	-	Accounting Research Institute, Long Island University, New York, USA Certified Public Accountant (CPA) in the state of New York, USA Chief Financial Officer, Standard Chartered Bank Chief Financial Officer, Far EasTone Telecommunicati ons Co., Ltd. Senior Vice President/Chief Financial Officer, McDonald's Restaurants Taiwan Ltd.	-	-	-	-		

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Indepen dent Director	Taiwan R.O.C.	Chen Jian- Hong	Male 51~ 60 Years Old	2022.6.1 4	3	2022.6.14	-	-	-	-	-	-	-	-	Bachelor of Laws (LL.B.), National Chung Hsing University Master of Laws (LL.M.), Soochow University Ph.D., China University of Political Science and Law	Principal, Great Trust Law Firm Independent Director of the Board, Canon Inc.				

Note 1: The shares of Ampacs were held through the 100% reinvestment of Chang An Investment Co., Ltd. and Long An Investment Co., Ltd. in Chang An Investment Co., Ltd. which are 100% owned by Chang-qing Huang.

Note 2: The Company's Chairman of the Board and General Manager of the Company are the same person in order to enhance operational efficiency and decision-making execution. In addition, the Company has advanced the general re-election of directors to the regular shareholders' meeting on 14 June 2022, and has elected ten directors (including four independent directors), and more than half of the directors have not concurrently served as employees.

2. Principal shareholders of corporate shareholders: None of the Company's directors are representatives of corporate shareholders.
3. Principal shareholders of corporate shareholders who are corporations: Not applicable.
4. Disclosure of Director's Professional Qualifications and Independence of Independent Directors

April 23, 2024

Name	Conditions	Professional Qualifications and Experience	Independence status	Number of other public corporations in which the person concurrently serves as an independent director.
Huang, Chang-qing (Director)				-
Xu Mingren (Director)			Non-independent director	1
Lin Yufeng (Director)				-
Frederick Romano (Director)				-
Chen Jin-Fu (Director)				-
Xu Ming-Quan (Director)				-
Huang Zhi-Peng (Independent Director)				1
He Jun-Hui (Independent Director)				1
Cheng Kai (Independent Director)				-
Chen Jian-Hong (Independent Director)				1

Note 1: A person shall not be appointed as a manager under any of the following circumstances, and if he/she has already been appointed as a manager, he/she shall be dismissed as a matter of course:

1. He/she has committed a crime specified in the Organized Crime Prevention Act and has been determined by a guilty verdict to have not yet been executed, has not yet been executed, or has not exceeded five years after the execution, expiration of probation, or pardon.
2. The offender has committed fraud, breach of trust, or embezzlement and has been sentenced to imprisonment for one year or more, and the sentence has not yet been executed, has not yet been completed, or has been completed, suspended, or pardoned for less than two years.
3. A person who has committed a crime under the Anti-Corruption Act and has been convicted of the crime and has not yet been executed, has not yet completed the execution, or has not exceeded two years after the completion of the execution, probation, or pardon.
4. The person has been declared bankrupt or has been ordered by the court to commence liquidation proceedings and has not yet been reinstated.
5. The use of the bills has not yet expired after the rejection of the transaction.
6. Incapacitated or limited in ability to act.

7. The declaration of assistance has not yet been revoked.

Note 2: 1. Not a government, legal entity, or its representative as stipulated in Article 27 of the Company Act.

2. Not more than three independent directors of other public companies.

3. Not having any of the following events in the two years prior to the election and during the term of office:

(1) Employee of the Company or its affiliates.

(2) A director or supervisor of the Company or its affiliates.

(3) A natural person shareholder who is himself/herself or his/her spouse, younger child or in the name of another person holds more than one percent of the total shares issued by the company or holds the top ten shares.

(4) A manager listed in (1), nor a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship listed in (2) and (3).

(5) A director, supervisor, or employee of a corporate shareholder that directly owns more than 5% of the total number of issued shares of the Company, holds shares in the top five shareholdings, or has designated a representative to serve as a director of the Company in accordance with Article 27 of the Company Act.

(6) A director, supervisor or employee of another company who is controlled by the same person as the company's directorship or more than half of the voting shares.

(7) A director, supervisor, or employee of another company or organization whose chairman, general manager, or equivalent position is the same person or spouse as that of the Company's chairman, general manager, or equivalent position.

(8) A director, supervisor, manager, or shareholder holding 5% or more of the shares of a particular company or organization with which the Company has financial or business dealings.

(9) Professionals, sole proprietors, partners, directors (supervisors), supervisors (supervisors), managers, and their spouses of companies or organizations that provide auditing or have received remuneration in excess of NT\$500,000 in the last two years, such as business, legal, financial, accounting, and other related services for the Company or its affiliates. This does not apply to those who are members of the Company's Compensation Committee.

5. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors

Pursuant to the Company's "Corporate Governance Best Practice Principles", the composition of the Board of Directors shall be diversified and appropriate diversification guidelines shall be formulated with respect to the Company's operation, business style and development needs, which shall include but not limited to the following two major criteria:

① **Basic qualifications and values: gender, age, nationality and culture.**

② **Professional knowledge and skills: operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market view, leadership and decision-making.**

The Company's current Board of Directors consists of ten directors, and the specific management objectives and achievements of the policy of diversifying the composition of the Board of Directors are as follows:

Management Objectives	Achievement
At least one female Board member	Achieved
The term of office of the independent directors does not exceed 3 terms	Achieved
Adequate diversity of expertise and skills	Achieved

Implementation of board diversity policy is as follows:

Core of Diversity Name		Basic Composition							Professional Knowledge and Skills								
		Nationality	Gender	Employee Status	Age			Years of tenure for independent directors (less than 6 years)	Years of tenure for independent directors (less than 3 years)	The ability to make judgments about operations	Accounting and financial analysis capability	Legal expertise	Management capability	Leadership decision-making ability	Crisis management capability	Industry Knowledge	International market insight
					51 ~ 60 Years Old	61 ~ 70 Years Old	71 ~ 80 Years Old										
Director	Huang, Chang-qing	Republic of China	Male	✓		✓				✓	✓		✓	✓	✓	✓	✓
	Xu Mingren		Male	✓		✓				✓			✓	✓	✓	✓	✓
	Lin Yufeng		Female	✓	✓					✓			✓	✓	✓	✓	✓
	Fredrick Romano	USA	Male			✓				✓			✓	✓	✓	✓	✓
	Xu Ming - Quan	USA	Male			✓				✓			✓	✓	✓	✓	✓
	Chen Jin-Fu		Male				✓			✓			✓	✓	✓	✓	✓
Independent Director	Huang Zhi-Peng	Republic of China	Male				✓	✓		✓			✓	✓	✓	✓	✓
	He Jun-Hui		Male			✓		✓		✓			✓	✓	✓	✓	✓
	Chen g Kai		Male			✓		✓		✓	✓		✓	✓	✓	✓	✓
	Chen Jian-Hong		Male		✓				✓	✓		✓	✓	✓	✓	✓	✓

(2) Independence of the Board of Directors

The Company's current board of directors consists of 10 members, including 4 independent directors and 3 directors with employee status (40% and 30% of the total number of directors). As of the end of 2023, all of the independent directors have complied with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors, and there are no circumstances as stipulated in items 3 and 4 of Article 26-3 of the Securities and Exchange Act among the directors and the independent directors, and the board of directors of the Company is independent (please refer to the disclosure of information on professional qualifications of the directors and the independence of the independent directors in the Company's annual report). (Please refer to the disclosure of professional qualifications and independence of independent directors in this annual report.)

(2) General Manager, Deputy General Managers, Division Managers, Department Heads, and Branch Managers Information

April 23, 2024; Unit: Shares; %

Job Title	Nationality	Name	Gender	Date of Date	Shares Held		Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main Work (Academic) Experiences	Currently Serving Posts in Other Companies	Managers with spouse or second-degree relatives within the company			Note
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
General Manager	Republic of China	Huang, Chang-qing	Male	2017.05.15	27,671,900	18.45	3,889,575	2.59	23,588,873	15.73	(Note 1) Department of Chemical Engineering, National Tsing Hua University High-Performance Engineering Plastics Research Laboratory, Industrial Technology Research Institute (ITRI)	Chairman of Ampacs International Co., Ltd., Director of Tech. Pioneer, Ltd., Director of Richmake International Limited, Director of Brilliance Investment Development Ltd., Director of Sunlight Ocean Holding Limited, Director of Fortune Global Ltd., Director of Chang An Investment Co., Ltd., Director of Long An Investment Co., Ltd., Director of GAINWIDE GLOBAL LTD, and Representative of Judicial Person Director of Ability Technology Co., Ltd.	-	-	-	Note 2

Chief Technical Officer	Republic of China	Xu Mingren	Male	2020.7.30	244,050	0.16	107,158	0.07	-	Department of Electronic Engineering, Chung Yuan Christian University Graduate Institute of Business Administration, Taipei University Software Engineer at Acer Inc. Vice Chairman of Elitegroup Computer Systems President of the New Taipei City Computer Association President of the Taiwan Telematics Industry Association	Independent Director of Hauman Technology Corp., Director of Wincomm Corporation, Director of Bridgewell Incorporated (Represented Entity: Bridgewell Information Corp., a company registered in the Cayman Islands). , Director of ANCHOR MECHATRONICS INC. (Represented Entity: ANCHOR INVESTMENT INC), Director of Children's Education Development Co., Ltd., Director of Shanyi Electronics Co., Ltd., Director of iWant-in.net Inc. (Represented Entity: Kuang Nan Investment Co., Ltd.), Director of CASPER INCORPORATION (Represented Entity: iWant-in.net Inc.), Representative Person of Ability Technology Co., Ltd.	-	-	-	-
Vice General Manager	Republic of China	Lin Yufeng	Female	2016.12.01	1,669,449	1.11	-	-	-	Master of Science (Computer Science), University of Alabama at Birmingham General Manager of Advanced Electronics Division, Tatung Company Software Development Engineer at ChoiceCare Long Island	None	-	-	-	-

Job Title	Nationality	Name	Gender	Date of Date	Shares Held		Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main Work (Academic) Experiences	Currently Serving Posts in Other Companies	Managers with spouse or second-degree relatives within the company			Note
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Corporate Governance Officer, Deputy Manager of Department of Finance and Accounting	Republic of China	Lin Renjie	Male	2017.06.07	404,580	0.27	88,656	0.06	-	-	M.S., Graduate School of Accounting, Taipei University Accounting Specialist, USI Corporation	Supervisor of Ability Technology Co.,Ltd	-	-	-	Note 3

Note 1: The shares of Ampacs were held through the 100% reinvestment of Chang An Investment Co., Ltd. and Long An Investment Co., Ltd. in Chang An Investment Co., Ltd. which are 100% owned by Chang-qing Huang.

Note 2: The Company's Chairman of the Board and General Manager of the Company are the same person in order to enhance operational efficiency and decision-making execution. In addition, the Company has advanced the general re-election of directors to the regular shareholders' meeting on 14 June 2022, and has elected ten directors (including four independent directors), and more than half of the directors have not concurrently served as employees.

Note 3: Mr. Lin Zhiren has served as our Head of Corporate Governance since April 27, 2023.

3. Recent Annual Remuneration to Directors, Supervisors, General Managers and Deputy General Managers

1. Remuneration of Directors (including Independent Directors) in the most recent fiscal year

December 31, 2023; Unit: NT\$1,000

Title	Name	Remuneration to Directors								Proportion of A, B, C, and D to After-Tax Net Loss	Remuneration Paid to Part-Time Employees								Percentage of Total Net Profit After Tax of A, B, C, D, E, F, and G		Receive Reinvestment From Outside the Subsidiary Or the Parent Company's Remuneration			
		Remuneration (A)		Pensions (B)		Director Consideration (C)		Business Allowances (D)			Salary, Bonus and Special Expenses (E)		Pensions (F)		Employee compensation (G)									
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report					
Chairman of the Board	Huang, Chang-qing	600	600	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	1,859	1,859	–	–	–	–	–	–	–	–	2,459 (36.07%)	2,459 (36.07%)	–
Vice Chairman of the Board	Xu Mingren	600	600	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	3,721	3,721	108	108	–	–	–	–	–	–	4,429 (64.97%)	4,429 (64.97%)	–
Director	Lin Yufeng	600	600	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	5,731	5,731	108	108	–	–	–	–	–	–	6,439 (94.46%)	6,439 (94.46%)	–
Director	Frederick Romano	600	600	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	–	–	–	–	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	–
Director	Xu Ming-Quan (Note 1)	600	600	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	–	–	–	–	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	–
Director	Chen Jin-Fu	600	600	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	–	–	–	–	–	–	–	–	–	–	600 (8.80%)	600 (8.80%)	–

Independent Director	Huang Zhi-Peng	600	600	-	-	-	-	-	-	600 (8.80%)	600 (8.80%)	-	-	-	-	-	-	-	-	600 (8.80%)	600 (8.80%)	-
Independent Director	He Jun-Hui	600	600	-	-	-	-	-	-	600 (8.80%)	600 (8.80%)	-	-	-	-	-	-	-	-	600 (8.80%)	600 (8.80%)	-
Independent Director	Cheng Kai	600	600	-	-	-	-	-	-	600 (8.80%)	600 (8.80%)	-	-	-	-	-	-	-	-	600 (8.80%)	600 (8.80%)	-
Independent Director	Chen Jian-Hong (Note 2)	600	600	-	-	-	-	-	-	600 (8.80%)	600 (8.80%)	-	-	-	-	-	-	-	-	600 (8.80%)	600 (8.80%)	-

Note 1: Director Xu Ming-Quan was appointed at the shareholder's meeting held on June 14, 2022, where the entire board of directors was comprehensively re-elected.

Note 2: Independent Director Chen Jian-Hong was appointed at the shareholder's meeting held on June 14, 2022, where the entire board of directors was comprehensively re-elected.

Note 3: Please specify the policy, system, standards, and structure of remuneration for independent directors, and describe the correlation between the amount of remuneration and factors such as responsibilities, risks, and time commitment: The independent directors of the company also serve on the Audit and Remuneration Committee. In addition to the fixed annual remuneration, an appropriate remuneration is provided based on the level of involvement and contribution value to the company's operations, as determined by the company's operating conditions.

Note 4: In addition to the disclosures above, the remuneration received by the company's directors in the latest fiscal year for services provided to all companies in the financial statements (such as serving as consultants for parent companies/ all companies in the financial statements/ non-employee advisors for associated enterprises): None.

2. Remuneration of General Manager and Deputy General Manager

Fiscal Year 2023: Unit: NT\$ (thousand dollars)

Title	Name	Salary (A)	Pensions (B)	Bonus and special allowances (C)	Employee Compensation Amount (D)	Proportion of A, B, C, and D to After-Tax Net Loss (%)	Receive Reinvestment From Outside the Subsidiary
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		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	Or the Parent Company's Remuneration
								Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
General Manager	Huang, Chang-qing	1,771	1,771	–	–	88	88	–	–	–	–	1,859 (27.27%)	1,859 (27.27%)	–
Deputy General Manager	Lin Yufeng	3,811	3,811	108	108	1,920	1,920	–	–	–	–	5,839 (85.65%)	5,839 (85.65%)	–

3. Compensation of the top five most highly compensated executives

Fiscal Year 2023: Unit: NT\$ (thousand dollars)

Fiscal Year 2023, Unit: NT\$ (thousand dollars)														
Title	Name	Salary (A)		Pensions (B)		Bonus and special allowances (C)		Employee Compensation Amount (D)				Proportion of A, B, C, and D to After-Tax Net Loss (%)		Receive Reinvestment From Outside the Subsidiary Or the Parent Company's Remuneration
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
General Manager	Huang, Chang-qing	1,771	1,771	–	–	88	88	–	–	–	–	1,859 (27.27%)	1,859 (27.27%)	–
Deputy General Manager	Lin Yufeng	3,811	3,811	108	108	1,920	1,920	–	–	–	–	5,839 (85.65%)	5,839 (85.65%)	–
Chief Technical Officer	Xu Mingren	2,971	2,971	108	108	750	750	–	–	–	–	3,829 (54.59)%	3,829 (54.59)%	–
Manager of Department of Finance and Accounting	Lin Renjie	1,696	1,696	106	106	575	575	–	–	–	–	2,377 (34.87)%	2,377 (34.87)%	–

4. Name of manager in charge of distribution of compensation to employee and details about distribution:

dollars)

Fiscal Year 2023: Unit: NT\$ (thousand

	Title	Name	Stock Amount	Cash Amount	Total	Percentage of Net Profit After Tax (%)
Ma n a g e r	General	Huang, Chang-qing				
	Vice General	Lin Yufeng				
	Chief Technical	Xu Mingren				
	Deputy Manager of Department of Finance and Accounting	Lin Renjie				
			-	-	-	-

Note: Calculated based on the amount of employees' remuneration approved (or endorsed) by the Board of Directors of the Company on March 14, 2024.

5. Compare and contrast the ratio of the total compensation paid to the Company's directors, supervisors, general manager and vice president to the net income of the individual financial statements for the most recent two years for the Company and all consolidated companies, and explain the policy, criteria and mix of compensation paid, procedures for setting compensation, and relevance to operating performance and future risks.

(1) Analysis of the ratio for the last two years

Unit: NT\$ 1,000

Title	() Percentage of total remuneration to net profit (loss) after tax (%)			
	Year 2023		Year 2022	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	(257.12)	(257.12)	31.80	31.80
General Manager and Deputy General Manager	(111.34)	(111.34)	9.50	9.50

(2) Policies, standards and combination for the payment of remuneration, and the relevance of procedures for determining remuneration , to business performance and future risks:

A. Director

The Company's policy on remuneration to directors is set forth in the Articles of Association and reported to the shareholders in the shareholders' meeting. The Board of Directors is empowered to determine the remuneration of the Company's directors, taking into account the domestic and international standards of the industry, for the performance of their duties. If the Company's annual accounts are profitable, the remuneration shall be distributed in accordance with the Articles of Association.

B. General Manager and Deputy General Manager

The remuneration of the Company's General Manager and Deputy General Manager includes salaries, bonuses, and employee compensation. The Company's policy for granting remuneration is based on the Company's education, experience, reference to the salary level in the industry, and evaluation of the authority, responsibility, and contribution to the Company's duties and the Company's operating results for the year in question, and to provide a reasonable remuneration that is sufficient to recognise the responsibilities and risks that he/she has assumed.

4. Operations of Corporate Governance

(1) Board of Directors operation situation

(1) The Board of Directors has held 9 meetings (A) in 2023. The attendance of Directors is as follows:

Title	Name	Number of Actual Presence (Attendance) (B)	Proxy Attendance Frequency attendances	Actual Attendance Rate (%) 【 B / A 】	Note
Chairman of the Board	Huang, Chang-qing	9	0	100%	
Vice Chairman of the Board	Xu Mingren	9	0	100%	
Director	Lin Yufeng	7	2	78%	
Director	Frederick Romano	7	2	78%	
Director	Chen Jin-Fu	8	1	89%	
Director	Xu Ming-Quan	9	9	100%	
Independent Director	Huang Zhi-Peng	8	1	89%	
Independent Director	He Jun-Hui	9	9	100%	
Independent Director	Cheng Kai	9	9	100%	
Independent Director	Chen Jian-Hong	7	2	78%	

Other items that shall be recorded:

- If any of the following circumstances occur in the operation of the board of directors, the date, term, agenda, opinions of all independent directors and the company's handling of independent directors' opinions should be described:
 - Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to pages 53 to 57.
 - Other than the matters mentioned above, the resolutions of the Board of Directors that have been objected or reserved by independent directors and have been documented or issued in writing: None
- Board members who recused themselves from voting on matters related to conflicts of interest shall state their names, the content of the resolution, the reasons for recusal, and their voting participation:
 - Board of Directors' Meeting on 12 January 2023
To discuss the allocation of year-end performance bonus to managers of the Company for the year 2022, the Chairman of the Board of Directors, Huang Chang Qing, and the Directors, Xu Mingren, and the Chief

Financial Officer, Lin Renjie, recused themselves from the meeting due to a conflict of interest, and the rest of the Directors present passed (or approved) the proposal with no dissenting views.

(2) Board of Directors' Meeting on 22 March 2023

During the discussion on the lifting of the prohibition on non-competition by the Company's current directors who are engaged in other businesses, directors Huang Chang Qing and Xu Mingren recused themselves from the discussion due to their interests, and the remaining directors present approved the proposal without objection.

(3) Board of Directors' Meeting on 27 April 2023

Discussion of the Company's first performance bonus allocation to managers for fiscal year 2023. Directors Xu Mingren, Lin Yufeng, and Lin Renjie, the Chief Financial Officer, recused themselves from the meeting due to a conflict of interest, and the remaining directors present passed (or approved) the proposal without dissenting voices.

(4) Board of Directors' Meeting on 10 August 2023

Discussion of the Company's proposal for the distribution of remuneration to directors (excluding independent directors) for fiscal year 2022, all directors present, except for those who recused themselves due to a conflict of interest, and the rest of the directors present approved the proposal without objection.

Discussion of the Company's proposal for the distribution of compensation to independent directors for fiscal year 2022 was approved without objection by all the independent directors present, except for those who recused themselves due to a conflict of interest.

3. During the discussion of the distribution of the second performance bonus to the Company's managers for fiscal year 2023, Huang Chang Qing, President; Xu Mingren, Chief Technology Officer; Lin Yufeng, Vice President of Sales; and Lin Renjie, Chief Financial Officer, recused themselves from the discussion due to a conflict of interest, and the remaining directors present approved the distribution of the second performance bonus without dissenting voices.

3. Listed and OTC companies should disclose information on the board's self-evaluation (or peer evaluation), including the evaluation cycle, period, scope, methodology, and evaluation content. The implementation status of the board evaluation is as follows:

Evaluation Period (Note)	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
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Conducted annually

2023.1.1~

December 31, 2023

Board of Directors, individual board members, Compensation Committee, and Audit Committee

Overall Board of Directors, individual directors, and performance evaluation of functional committees

1. The Board of Directors as a whole:

Measurement items: the degree of participation in the Company's operations, enhancement of the quality of board decisions, board composition and structure, selection and continuing education of directors, and internal control.

2. Individual Board Members:

Measurement items: Mastery of the Company's objectives and tasks, awareness of directors' duties, participation in the Company's operations, internal relationship management and communication, directors' professionalism and continuing education, and internal control.

3. Functional Committees:

1. Audit Committee

Measurement items: Degree of participation in the Company's operations, awareness of the functional committee's responsibilities, enhancement of the functional committee's decision-making quality, composition and selection of functional committee members, and internal control.

2. Compensation Committee

Measurement items: The degree of participation in the company's operations, awareness of the functional committee's responsibilities, improvement of the quality of the functional committee's decision-making, and the composition and selection of the functional committee's members.

To be executed once every three years

2020.7.1~

2021.6.30

Board of Directors and various functional committees

External organization assessment

Composition, direction, authorisation, supervision, communication and self-discipline of the Board of Directors, as well as internal control and risk management.

(1) Internal Evaluation

The company has completed an internal assessment of the performance of the Board of Directors for the fiscal year 2023. The evaluation results have been submitted in the second Board of Directors report for the fiscal year 2024.

(2) External Evaluation

In 2021, the Company commissioned an external organization, the Taiwan Corporate Governance Association, to conduct a board effectiveness evaluation for the period from 1 July 2020 to 30 June 2021, which was conducted by a team of independent and experienced executive committee members and commissioners. The evaluation and interview panel of the association's board of directors, composed of independent and experienced executive members and specialists, is based on the spirit of eight major review dimensions. It refers to the responses provided by the company in open-ended questionnaires, various provided materials (meeting minutes of board meetings held during the evaluation period, meeting minutes of various functional committees), public information, etc., and conducts face-to-face interviews with relevant members. Based on the review of data by the interview panel, face-to-face communication, and observation of interactions on-site, the overall evaluation and recommendations are summarized as follows, to serve as a reference for subsequent planning, establishment, and enhancement of the functions of the board of directors. The overall evaluation and recommendations of the organization are as follows, which were reported on November 4, 2021, during the board meeting, along with the results and improvement plans.

Items	Recommendations from the evaluation report	The company should implement the following measures
1	In order to strengthen the independence and timeliness of the corporate governance and reporting	The Company shall set up a dedicated reporting mailbox directly accessible to the independent directors and shall report to the

	system, your company may consider setting up a dedicated reporting mailbox directly accessible to the independent directors, or setting up a system whereby a dedicated reporting mailbox is set up for the independent directors to receive reports simultaneously with the receiving unit.	Board of Directors for the establishment of the "Regulations for the Implementation of the Reporting System".
2	Your company may consider formulating a "Risk Management Policy" covering operational risk, transaction risk, financial risk, information security risk, etc. and risk measurement standards, and regularly reviewing the risk management policy and its implementation effectiveness at the board of directors' meetings, so as to enable board members to grasp the overall risk management dynamics of the company in a timely manner and to reduce the overall operational risk.	Evaluate the "Risk Management Measures" proposed by the Board of Directors and regularly review the risk management policies and the effectiveness of their implementation at the Board of Directors' meetings, so as to facilitate the Board of Directors' members to grasp the overall risk management dynamics of the Company in a timely manner and to reduce the overall operational risks.
3	Your company may formulate a written method to specify the notification procedure and time limit for "how to" timely notify the independent directors and outside directors of incidental material information, so as to ensure that all board members are fully aware of the important status of the company and to enable the directors to better fulfill their duties.	Propose to the board of directors the establishment of a "Major Incident Reporting Procedure," specifying the reporting procedures and timelines.
4	Your company may, at an appropriate time, put strategic and long-term performance indicators in writing and incorporate them into the performance appraisal items of individual managers, so that the remuneration of individual managers can be closely linked to the company's operating performance, future development and shareholders' interests.	Propose to the board of directors the revision of the "Manager Performance Evaluation Method," incorporating individual manager performance assessment items to closely align the individual manager's salary and compensation with the company's operational performance, future development, and shareholder interests.

4. Assessment of the objectives (e.g., establishment of an audit committee, enhancement of information transparency, etc.) and implementation of the objectives of enhancing the functions of the Board of Directors for the current and the most recent years: The Company has voluntarily established functional committees, such as the Compensation Committee and the Audit Committee, in lieu of supervisory functions, in order to improve corporate governance, strengthen the independence and functions of the directors, and enhance the effectiveness of the Board of Directors' operations, which is considered to be in good standing.

(2) Audit Committee Operations:

1. Key Focus Areas

The Audit Committee of the Company consists of four independent directors, and its purpose is to assist the Board of Directors in fulfilling its responsibility to oversee the Company's performance in performing its duties with respect to the fair presentation of the Company's financial statements, the selection (dismissal) and independence of the certified public accountants and the performance of the certified public accountants, the effectiveness of the Company's internal controls, the Company's compliance with relevant laws and regulations, and the management of the Company's existing or potential risks.

Highlights of the 2023 deliberations are listed below:

- (1) To audit the financial statements.
- (2) Review the effectiveness of the internal control system.
- (3) Audit plan.
- (4) Significant loans, endorsements, or guarantees.
- (5) Significant asset acquisition transactions.
- (6) Appointment of certified public accountants.
- (7) Management of endorsement and guarantee.
- (8) Revision of internal control system.

2. Audit Committee Operations

The Audit Committee met nine (9) times during fiscal year 2023 (A), and the attendance of the independent directors was as follows:

Job Title	Name	Actual Attendance Count (B)	Proxy Attendance Count	Actual Attendance Rate (%) [B/A]	Note
Independent Director	Huang Zhi-Peng	8	1	89%	
Independent Director	He Jun-Hui	9	0	100%	
Independent Director	Cheng Kai	9	0	100%	
Independent Director	Chen Jian-Hong	7	2	78%	
Other items that shall be recorded:					
1. If one of the following circumstances occurs in the operation of the Audit Committee, it shall state the date and period of the Audit Committee meeting, the contents of the motions, the objections of the independent directors, the contents of the reserved opinions or major suggestions, the results of the Audit Committee's					

resolutions and the company's handling of the opinions of the Audit Committee:

- (1) Matters listed in Article 14-5 of the Securities and Exchange Act: Please refer to Note 1.
 - (2) Other resolutions that have not been approved by the Audit Committee but have been approved by more than two-thirds of the directors present at the meeting: None.
2. The execution of independent directors' recusal on matters involving conflicts of interest shall include the names of independent directors, the content of the motion, the reasons for recusal, and their participation in voting: None.
 3. Communication between independent directors and the internal audit manager and accountant (including major matters, methods, and results of communication regarding the company's financial and business conditions)
 - (1) The internal audit supervisor of the company submits audit reports to independent directors monthly, and when necessary, maintains communication and contact via phone, email, or text messages. The independent directors have no objections to the execution results of the 2023 audit operations.
 - (2) The internal audit supervisor attends board meetings and audit committee meetings, presenting audit business reports, and the independent directors have no objections to the aforementioned reports.
 - (3) The internal audit supervisor has submitted the audit plan for the next fiscal year to the board of directors for approval after review by the audit committee before the end of the accounting year.
 - (4) The assessment of the effectiveness of the Company's annual internal control system and the internal control system declaration have been submitted to the audit committee for review.
 - (5) The Company's annual financial reports have been approved by more than half of the members of the audit committee and submitted to the board of directors for approval. Before conducting the financial report review, the audit committee has previously discussed and communicated with the certifying accountants regarding the audit results.

Note 1: Matters specified in Article 14-5 of the Securities and Exchange Act

Audit Committee Date	Agenda and Resolution Results
2023.1.12 (2nd term, 5th meeting)	Credit limit proposal from International Bills Finance Corporation
	Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on January 12, 2023 shall be submitted

Audit Committee Date	Agenda and Resolution Results
	and handled in accordance with the resolution of the Board of Directors.
2023.3.22 (2nd term, 6th meeting)	Appointment of Certified Public Accountants and Assessment of Their Independence and Competence
	General Principles for Developing the Company's Pre-Approved Non-Confidence-Based Services Policy
	The Company's 2022 Annual Report on Operations and Financial Statements
	Adoption (or approval) of the Company's 2022 Internal Control Statement
	The Company intends to apply for short-term and import financing quota application to the Longjiang Branch of Hua Nan Bank
	Proposal of the Company for short-term procurement financing quota application to the Taipei Fuxing Branch of Mega International Commercial Bank
	Credit limit proposal from Far Eastern International Bank
	Proposal for short-term and import financing quota application to the Shin Kong Commercial Bank
	Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to Indovina Bank LTD in Vietnam
	The Company's prepayment to its subsidiary Ampacs International Company Limited for the year ended 31 December 2022 is not in the nature of a funding loan
	Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on March 22, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.
2023.4.27 (2nd term, 7th meeting)	Proposal for the distribution of earnings for the fiscal year 2022
	Proposal to distribute cash from the capital surplus
	Establishment of criteria for distributing cash dividends and cash from the capital surplus for the fiscal year 2021
	Extension of intercompany loans within the Company's group subsidiaries
	Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on April 27, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.
2023.5.12 (2nd term, 8th meeting)	Proposal for the consolidated financial report for the first quarter of 2023
	Proposal for operational revolving financing quota application to Yuanta Commercial Bank
	The Company's proposed line of credit facility with DBS Commercial Bank (Taiwan) Ltd.
	The Company intends to apply for renewal of the financing line from the Bank of Taiwan, Xinyonghe Branch.

Audit Committee Date	Agenda and Resolution Results
	<p>Proposal for the Company to apply for short-term, operational, and procurement financing quotas from the Taipei Branch of Chang Hwa Commercial Bank</p> <p>The Company intends to apply for a line of credit facility from Entie Commercial Bank.</p> <p>Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on May 12, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.</p>
2023.6.16 (2nd term, 9th meeting)	<p>The Company intends to apply for a line of credit facility from Taichung Commercial Bank.</p> <p>The Company intends to apply for a line of credit facility from Taishin International Bank.</p> <p>Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on June 16, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.</p>
2023.8.10 (2nd term, 10th meeting)	<p>Proposal for the consolidated financial report for the second quarter of 2023</p> <p>Proposal for the endorsement guarantee of MODERN PIONEER (KUNSHAN) CO LTD, a wholly-owned subsidiary of the Company</p> <p>Renewal proposal for the credit limit from Bank SinoPac</p> <p>Application by the Company to E.SUN Bank for an Increase in Credit Facilities</p> <p>Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on August 10, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.</p> <p>The Company intends to invest in 4EST INC in the United States.</p> <p>The Company proposes to invest in Substrate Manufacturing Corporation in the United States.</p> <p>Opinion of the independent directors: This case will be discussed at the next meeting after all the investment appraisal information is completed. The Audit Committee resolved the results: This case will be discussed at the next meeting after all the investment appraisal information is completed. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on August 10, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.</p>

Audit Committee Date	Agenda and Resolution Results
2023.8.15 (2nd term, 11th meeting)	The Company intends to invest in 4EST INC in the United States.
	Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on August 15, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.
	The Company proposes to invest in Substrate Manufacturing Corporation in the United States.
	Opinions of independent directors: It is proposed to seek directors' seats or the right to attend. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. It is proposed to seek directors' seats or the right to attend. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on August 15, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.
2023.11.9 (2nd term, 12th meeting)	Proposal for the consolidated financial report for the third quarter of 2023
	The Company co-operates with the internal rotation of accountants.
	Proposal for the renewal of credit limit from CTBC Bank
	Proposal for the renewal of financing quota application to Cathay United Bank
	Credit limit proposal from Taiwan Cooperative Bank Bills Finance Corporation
	The renewal of Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to E.sun Bank Branch
	Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to Hua Nan Bank - Ho Chi Minh City Branch
	Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to First Bank - Ho Chi Minh City Branch
	Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on November 9, 2023 shall be submitted and handled in accordance with the resolution of the Board of Directors.
2023.12.28 (2nd term, 13th meeting)	Internal audit plan for the fiscal year 2024
	Operational plan and budget for the fiscal year 2024 of the Company
	Opinions of independent directors: None. Outcome of Audit Committee resolution: The resolution was adopted after consultation by the Chairman with no objection from all members present. The Company's handling of the opinion of the Audit Committee: the resolution of the Board of Directors on December 28, 2023 shall be

Audit Committee Date	Agenda and Resolution Results
	submitted and handled in accordance with the resolution of the Board of Directors.

(3) The operation of corporate governance and the reason of difference between it and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies.

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
1. Does the company establish and disclose a code of practice of corporate governance in accordance with the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies?"	✓		The Company has formulated the Company's "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" in accordance with the "Corporate Governance Best Practice Principles" and disclosed it on the Market Observation Post System and the Company's website.	No Material Difference.
2. Equity Structure and Shareholders' Equity of the Company				No Material Difference.
(1) Does the Company have internal procedures in place to handle shareholders' suggestions, questions, disputes, and lawsuits, and implement these procedures accordingly?	✓		(1) To ensure shareholders' rights and interests, the Company has a spokesperson, a proxy spokesperson, a contact window and contact information at the Market Observation Post System (MOPS), and a dedicated staff to handle shareholders' proposals, queries and disputes.	
(2) Does the Company have a list of its major shareholders and a list of actual controllers of the major shareholders?	✓		(2) The Company maintains a register of its major shareholders, keeps a list of the Company's largest shareholdings and the names of the ultimate controllers of its major shareholders, and periodically reports and discloses information on its major shareholders as required by law.	

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(3) Does the Company establish and implement risk management and firewall mechanisms with related companies?	✓		(3) The Company has established the "Regulations Governing the Financial Operations of Group Enterprises, Specified Companies, and Affiliates" and the "Regulations Governing the Acquisition or Disposal of Assets" to clearly delineate the management objectives, authority and responsibility of personnel, assets and finances between the Company and its affiliates, which should enable the Company to effectively assess risks and establish appropriate firewalls.	
(4) Does the Company have internal rules that prohibit insiders from trading securities using market information that is not publicly available?	✓		(4) In order to maintain the fairness of trading in the securities trading market, the Company has formulated the "Prevention of Insider Trading Management Procedures" in accordance with the relevant regulations of the competent authorities, and has publicized the relevant regulations prohibiting insider trading, and has informed its insiders to strictly comply with the prevention of insider trading.	
3. Composition and Responsibilities of the Board of Directors				No Material Difference.

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(1) Does the Board of Directors formulate diversity policies, specific management objectives and implement them?	✓		(1) The Company's Corporate Governance Best Practice Principles state that it has a policy of diversity on the Board of Directors and that the current Board members have accounting and business-related expertise and experience.	
(2) Besides the Compensation Committee and Audit Committee, does the company voluntarily set up other functional committees?	✓		(2) The Company has established an Audit Committee and a Remuneration Committee on 21 August 2019 and 9 September 2019 respectively. Other functional committees will be established in the future depending on the needs of the Company's operational development.	
(3) Does the company have a performance evaluation method for the board of directors and its evaluation method, and the annual performance evaluation is conducted regularly? (3 and the annual performance evaluation is conducted regularly? The Company is advised to submit the results of the performance appraisal to the Board of Directors for the reference of individual Directors' remuneration and nomination and renewal.	✓		(3) The Company maintains regular records and tracks the attendance and hours of study of its directors each year. The results of the 2023 Board of Directors' performance evaluation were reported at the Board of Directors' meeting on 14 March 2024 and will be used as a reference for individual directors' remuneration and nomination for reappointment.	

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies		
	Yes	No	Summary and Explanation			
(4) Does the company regularly assess the independence of its auditing CPAs?	✓		(4) 1. In accordance with Article 29, Paragraph 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the Rules and Regulations for the Organization of the Audit Committee of the Company, the Company evaluates the independence and suitability of the certified public accountants annually with reference to the Code of Ethics for Professional Accountants in the Republic of China No. 10, “Integrity, Impartiality, Objectivity, and Independence,” and the Audit Quality Indicators (“AQIs”) 2. The Audit Committee of the Company evaluates the independence and suitability of its certified public accountants on an annual basis. In addition to requesting the certified public accountants to provide a “Statement of Independence” and “Audit Quality Indicators (AQIs)”, the Audit Committee also follows the criteria for evaluating the independence of certified public accountants. The results of the most recent annual evaluation were discussed and approved by the Audit Committee on March 14, 2024, and were presented to the Board of Directors on the same day for resolution to approve the evaluation of the independence and suitability of the CPAs.			
			<table><tr><td>Evaluation Items</td><td>Evaluated</td><td>Does</td></tr></table>	Evaluation Items	Evaluated	Does
Evaluation Items	Evaluated	Does				

Evaluation Items	Operation Status					The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies
	Yes	No	Summary and Explanation			
					ation Results	the company meet the independence criteria?
				1. Whether the accountant has direct or significant indirect financial interests with the Company.	No	Yes
				2. Whether the accountant has engaged in financing or guarantee activities with our company or the directors of the Company.	No	Yes
				3. Whether the accountant has close business relationships with the Company or potential employment relationships.	No	Yes
				4. Whether the accountant or members of their audit team	No	Yes

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies
	Yes	No	Summary and Explanation	
			<div>have served as directors, executives, or in positions significantly influencing audit work in the Company in the current or past two fiscal years.</div> <div>5. Whether the accountant has provided non-audit services to the Company that could directly impact audit work.</div> <div>6. Whether the accountant has acted as an intermediary for the issuance of stocks or other securities by the Company.</div> <div>7. Whether the accountant has served as a legal representative for our company or coordinated conflicts with third parties on behalf of the Company.</div> <div>8. Whether the accountant has familial relationships with directors, executives, or personnel with significant influence on audit matters in the Company.</div>	

<p>4. Does the TWSE & TPEX listed companies have a suitable and appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board and shareholders' meeting related matters in accordance with the law, and preparing minutes of board and shareholders' meetings, etc.)?</p>	<p>✓</p>	<p>The Board of Directors of the Company has approved the establishment of a Corporate Governance Officer on April 27, 2023, to oversee and promote corporate governance-related matters. This appointment aims to safeguard shareholder rights, enhance the functions of the Board of Directors, respect the interests of stakeholders, and improve information transparency.</p> <p>Responsibilities of the Corporate Governance Officer include:</p> <ol style="list-style-type: none"> 1. Conducting board of directors and shareholders' meetings in compliance with laws. 2. Preparing minutes of board of directors and shareholders' meetings. 3. Assisting directors in their appointment and continuous professional development. 4. Providing necessary information for directors to carry out their duties. 5. Assisting directors in compliance with laws and regulations. <p>Reporting to the board of directors on the examination results regarding the eligibility of independent directors during nomination, appointment, and tenure in accordance with relevant laws and regulations.</p> <ol style="list-style-type: none"> 7. Handling matters related to changes in the board of directors. 8. Addressing other matters stipulated in the company's articles of association or contracts. 	<p>No Material Difference.</p>
<p>5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees,</p>	<p>✓</p>	<p>The Company has a spokesperson and a proxy spokesperson to act as a conduit for the Company's external communications, and uploads Company information to the</p>	<p>No Material Difference.</p>

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies
	Yes	No	Summary and Explanation	
customers and suppliers, etc.), and set up a special area for stakeholders on the company website, and properly respond to the important issues of corporate social responsibility concerned by stakeholders?			Market Observation Post System in accordance with regulations, so that stakeholders can have sufficient information to make judgments and protect their rights and interests. The Company's website has set up a special area for stakeholders, and has assigned a person to respond to the two-way communication between stakeholders, so that the Company can appropriately respond to the important corporate social responsibility issues that are of concern to the stakeholders.	
6. Does the company appoint a professional stock agency to handle the affairs of the board of shareholders?	✓		The Company has appointed the professional shareholder service agency, CTBC Bank, Shareholder Services Department, to handle our shareholder meetings and various shareholder affairs.	No Material Difference.
7. Information Disclosure (1) Does the company have a website that discloses financial and corporate governance information?	✓		(1) The Company has established a website at http://www.ampacscorp.com/zh-tw/ , where relevant departments disclose the financial operations and corporate governance in accordance with regulations	No Material Difference.

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies
	Yes	No	Summary and Explanation	
<p>(2) Does the company adopt other methods of information disclosure (such as setting up an English website, appointing a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, and placing judicial person briefings on the company website)?</p> <p>(3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadline?</p>	<p>✓</p> <p>✓</p>		<p>(2) The Company has a dedicated unit responsible for regularly and irregularly declaring various financial information on the Market Observation Post System and publishing significant news in accordance with relevant regulations. It has also established and filed information related to spokespersons and announcements of corporate briefings as required by regulations.</p> <p>(3) All announcements of the Company are made in accordance with legal regulations.</p>	

<p>8. Does the company have other important information that helps understand the operation of corporate governance (including but not limited to employee benefits, employee care, investor relations, supplier relationships, rights of stakeholders, status of education and training for directors and supervisors, implementation of risk management policies and risk measurement standards, execution of customer policies, and the company's purchase of liability insurance for directors and supervisors)?</p>	<p>✓</p>	<p>(1) Employee Rights and Employee Care: In addition to legally providing employees with various insurance, implementing a retirement pension system, and establishing an Employee Welfare Committee, the Company also regularly holds labor-management meetings as a communication channel for both labor and management. The maintenance of employees' rights and the implementation of welfare systems are based on legal regulations.</p> <p>(2) Investor Relations: The Company, in order to safeguard shareholder interests and facilitate public understanding of the company's operations, has spokespersons and deputy spokespersons responsible for company speaking affairs. It discloses relevant information on the Market Observatory Post System in accordance with regulations.</p> <p>(3) Supplier Relations: The Company operates on the principle of integrity in its business strategy, honoring commitments made to suppliers and stakeholders, and maintains good interactive cooperative relationships with its suppliers.</p> <p>(4) Rights of Stakeholders: The Company maintains good communication channels with stakeholders such as employees, customers, and suppliers, and respects and safeguards their legitimate rights and interests.</p> <p>(5) Director Continuing Education: In order to implement corporate governance, all directors of the Company possess professional backgrounds, capabilities, and</p>	<p>No Material Difference.</p>
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Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies
	Yes	No	Summary and Explanation	
			<p>practical management experience. All 10 directors (including independent directors) of the Company have completed over 6 hours of continuing education.</p> <p>(6) Implementation of Risk Management Policy and Risk Measurement Standards: The Company has established "Internal Control Systems" and related management regulations in accordance with legal requirements to prevent risks. The internal audit unit formulates audit plans based on risk assessments to check the implementation of internal control systems. Department implement of internal control system.</p>	
			<p>(7) Implementation of Customer Policies: The Company conducts its cooperation with customers in accordance with its regulations and contracts signed by both parties to safeguard the interests of both sides. Dedicated personnel are responsible for communicating with customers and handling related issues.</p> <p>(8) Purchase of Directors' Liability Insurance: The Company has purchased Directors' and Officers' Liability Insurance to strengthen the protection of shareholders' interests.</p>	

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
9. Please state the improved situation in relation to the results of the corporate governance assessment issued by the governance center of the Taiwan Stock Exchange Corporation in its recent annual report, and propose priorities and measures for those that have not been improved. (unrated companies do not need to be listed):	✓		Improvements made and priority areas for enhancement in the 10th Corporate Governance Evaluation Indicators are detailed in Note 1.	No Material Difference

Note 1: Improvements and Priority Areas for the 10th Corporate Governance Evaluation Indicators

Items	Evaluation Indicator	Indicator/Improvement Status
Improvement Areas	4.5	Has the Company obtained third-party verification of the perpetual reports it prepares? Improvement: The Company has obtained third-party validation of the Company's sustainability report.
Priority Areas for Strengthening	4.3	Does the company regularly disclose the specific ESG programs and implementation results on the company's website, annual report or sustainability report?

(4) Composition, Responsibilities, and Operations of the Compensation Committee:

1. Information on the Members of the Compensation Committee

Identity	Conditions Name	Professional Qualifications and Experience	Independence status	Number of members who are also members of the compensation committee of other public corporations.
Independent Director (Convenor)	He Jun-Hui	Please refer to the table "Director Professional Qualifications and Independent Director Independence Disclosure."		2
Independent Director	Huang Zhi-Peng			1
Independent Director	Cheng Kai			None
Independent Director	Chen Jian-Hong			1

2. Operation of the Remuneration Committee

- (1) The Company's Remuneration Committee was established on 9 September 2019 with 4 members.
- (2) Second term of office of this period: 11 August 2022 to 13 June 2025, 4 meetings of the Remuneration Committee in FY2023 (A), with the following membership and attendance:

Title	Name	Actual Attendance Count (B)	Delegate Attendance Count Count	Actual Attendance Rate (%) (B/A) (Note)	Note
Convenor	He Jun-Hui	4	-	100%	On August 11, 2022, the committee member was reappointed for
Committee Member	Huang Zhi-Peng	3	1	75%	On August 11, 2022, the committee member was reappointed for
Committee Member	Cheng Kai	4	-	100%	On August 11, 2022, the committee member was reappointed for
Committee Member	Chen Jian-Hong	3	1	75%	On August 11, 2022, a new committee member was appointed.

Other items that shall be recorded:

1. If the board of directors does not accept or amend the recommendation of the remuneration committee, it shall state the date, stage, content of the proposal, result of the resolution of the board of directors, and the company's treatment of the opinion of the remuneration committee (if the remuneration approved by the board of directors is superior to the recommendation of the remuneration committee, the circumstances and reasons for the discrepancy shall be stated): none.
2. In the case of any objection or reservation made by a member to a decision of the remuneration committee, the date, date, contents of the proposal, all member opinions and the handling of member opinions shall be clearly stated: none.
3. Discussion and resolution of the Remuneration Committee and the Company's handling of members' opinions:

Period/Date	Agenda	Resolution Result and Members' Opinions
The 2nd of the Second Session 2023.1.12	Discussion of the Company's FY2022 Manager's Year-End Performance Bonus Distribution Plan	Compensation Committee: The resolution was adopted after consultation by the Chairman with no objection from all members present. Board of Directors: After discussion among the directors present, all agreed to approve the motion as presented.
The 3rd of the Second Session 2023.3.22	Discussion of the Allocation of Employees' and Directors' Remuneration of the Company for the Year 2022	Compensation Committee: The resolution was adopted after consultation by the Chairman with no objection from all members present. Board of Directors: After discussion among the directors present, all agreed to approve the motion as presented.
The 4th of the Second Session 2023.4.27	1. Proposal to establish a Corporate Governance Officer position 2. Discussion of the Company's FY2023 Manager's First Performance Bonus Distribution Plan	Compensation Committee: With no objections from all members present the motion was carried as presented and put to the Board for resolution. Board of Directors: The motion was passed by the Chairman after consultation with all Directors present without objection.
The 5th of the Second Session 2023.8.10	1. Proposal for Allocation of Remuneration to Directors (excluding Independent Directors) of the Company for Fiscal Year 2022 2. FY2022 Employee Compensation (Managers) Allocation 3. Discussion of the Company's FY2023 Manager's Second Meeting Performance Bonus Distribution Plan	Compensation Committee: With no objections from all members present the motion was carried as presented and put to the Board for resolution. Board of Directors: The motion was passed by the Chairman after consultation with all Directors present without objection.

(5) Implementation of Sustainable Development and Differences with the Practice Guidelines of Listed and OTC Companies and the Reasons:

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEx Listed Companies
	Yes	No	Summary and Explanation	
1. Does the company set up a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle the senior management, and the board of directors supervision?	✓		The Company established the Sustainability Development Committee on August 10, 2023, with Chairman of the Board Huang Chang Qing as the chairman, Deputy Director Xu Mingren as the Sustainability Chief, Deputy General Manager Lin Yufeng and Governance Director Lin Renjie as members, responsible for promoting, Plan and communicate on matters such as the operation of various groups of the Coordination Committee, and set medium- and long-term strategic directions and development goals. In addition, a functional group on ESG issues, which includes project leaders from all operating departments of the Company, is responsible for confirming the implementation of business and management policies and data collection on ESG issues. It also reports annually to the Board of Directors on the status of ESG implementation.	No Material Difference

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
2. Does the company carry out risk assessment environmental, social and corporate governance issues related to the operation of the company in accordance with the principle of materiality and formulate relevant risk management policies or strategies?	✓		The Company identifies major issues for each year through external observation, tracking and analysis of market and industry trends, and internally through analysis of operational data, interviews with department heads, and questionnaires. Risks identified for operations include operational, legal compliance, environmental, financial, and information security risks, and the responsible units formulate corresponding management measures. The Board of Directors regularly reviews the risk management policies and the effectiveness of their implementation, so that the Board members can keep abreast of the Company's overall risk management dynamics and minimize the overall operational risks.	No Material Difference
3. Environmental Issues (1) Does the company establish an appropriate environmental management system based on its industry characteristics?	✓		(1) The Company is a professional audio product company that focuses on the R&D and design of earphones. The Company has no manufacturing facilities and produces no wastewater, waste, or other wastes that pollute the environment, so the Company is in a good position to protect the environment.	No Material Difference

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(2) Does the company commit to improving energy efficiency and use recycled materials with low impact on the environment?	✓		(2) The Company attaches great importance to the environment, safety and hygiene, and actively promotes resource recycling, garbage classification, and a person is responsible for the company's overall environmental resources planning.	No Material Difference
(3) Does the company assess the current and future potential risks and opportunities of climate change and take relevant measures?	✓		(3) The Company continues to promote energy and water conservation, as well as electronic operations in daily operations to reduce paper waste.	No Material Difference

<p>(4) Has the company made statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation, greenhouse gas reduction, water use reduction or other waste management?</p>	<p>✓</p>	<p>(4) The Company continues to promote the concept of energy saving and carbon reduction among employees, reminding them to turn off unused power sources, set air conditioning to reasonable temperatures, utilize water resources effectively, reduce paper usage by using electronic signatures, and implement waste sorting to reduce waste and increase resource recycling. However, the Company has not recorded greenhouse gas emissions, water usage, and total waste weight over the past two years.</p> <p>According to the "Roadmap for Sustainable Development of Listed Companies" issued by the Financial Supervisory Commission in March 2022, the Company should apply the greenhouse gas inventory in phase 4 (i.e., complete the inventory in 2027 and the verification in 2029), and will continue to control the completion of the greenhouse gas inventory and verification and disclosure timetable in accordance with the reference guideline issued by the competent authority and relevant regulations. The Company has set carbon/waste/water reduction targets and regularly reviews the achievement of these targets. For detailed data on greenhouse gas inventories, water consumption, and waste reduction, please refer to the Ampacs Sustainable Development Report.</p>	<p>No Material Difference</p>
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Evaluation Items	Operation Status			The Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
4. Social Issues (1) Does the company establish management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(1) The Company is committed to fulfilling its corporate social responsibility by respecting and supporting the United Nations Universal Declaration of Human Rights (UDHR), the Responsible Business Alliance (RBA), the International Labor Organization conventions, and relevant local regulations. Our policies, including work rules, labor contracts, recruitment and employment management methods, salary management methods, plans to prevent unlawful harm during duty execution, and written statements for the prevention of workplace violence, explicitly declare the protection of employee rights. Through raising human rights awareness, we ensure that our colleagues are treated with respect and fairness. We have never employed child labor, engaged in forced labor, or committed any violations of human rights.	No Material Difference

<p>(2) Has the company established and implemented reasonable employee welfare measures (including salary, vacation, and other benefits), and appropriately reflected business performance or results in employee compensation?</p>	<p>✓</p>	<p>(2) The Company establishes and implements reasonable employee welfare measures, including compensation, leave, and other benefits. Compensation Policy:</p> <ol style="list-style-type: none"> 1. The Company does not discriminate based on race, gender, age, etc., in terms of employment, compensation, or promotion. We ensure equal employment opportunities and uphold both internal and external fairness in salary and promotion practices. The Company values diversity and equality in the workplace. 42% of the Company's employees are women, and 5% of the Company's employees are women at the managerial level or above. 2. The Company has established "Salary Management Regulations" and "Assessment and Promotion Transfer Management Regulations" to evaluate and ensure fair compensation. 3. Article 19 of the Company's Articles of Association states that if there is an annual profit, no less than 1% should be allocated as employee compensation and no more than 3% as director compensation. This allocation is decided by the Board of Directors and reported to the shareholders' meeting. 4. Bonus distribution is tied to company performance, annual net profit, and employee assessments. Through regular annual performance evaluations, the assessment results serve as the basis for promotions, bonus issuance, and compensation. 	<p>No Material Difference</p>
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Evaluation Items	Operation Status			The Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(3) Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?	✓		<p>(3) The Company has a code of practice for safety and health, and the staff of the management office is responsible for the safety and health of employees in the workplace. This year, the Company has not experienced any occupational accidents.</p> <p>With regard to employee health, we arrange and plan to implement annual health checkups for employees, preferential health checkups for employees' dependents, and on-site healthcare services to relieve employees' workplace and family stress, as well as to provide health education and follow-up services.</p> <p>In terms of fire safety, disaster prevention courses are held for employees to enhance their knowledge of disaster prevention, and a fire management system is implemented and maintained, with regular annual inspections and reporting. There were no fire disaster incidents this year.</p>	No Material Difference

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(4) Does the company establish effective career development programs for employees?	✓		<p>(4) The Company attaches great importance to the career development of its employees and has established education and training programmes.</p> <p>Newly hired employees are required to undergo at least one hour of orientation training within their first three months of employment. This training covers topics such as welfare systems, internal leave regulations, explanation of work rules, integrity policies, and ISO policy promotion. Additionally, each department develops an annual training plan based on company development goals and implements internal and external training programs. Employees may also request external training based on job requirements to enhance their professional skills. By participating in vocational training courses tailored to different career abilities, employees can enhance their professional competence, achieve their career development goals, and contribute to the achievement of the company's operational objectives.</p>	No Material Difference

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(5) Does the Company comply with relevant regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of its products and services, and has a policy and complaint procedure to protect the rights and interests of consumers or customers?	✓		(5) The Company's products are manufactured and labeled in accordance with relevant regulations and international standards, and have passed appropriate safety certification. Based on the principle of professional service, the Company has formulated an execution policy for handling customer complaints promptly, aiming to resolve customer issues as quickly as possible.	No Material Difference
(6) Does the company have a supplier management policy that requires suppliers to comply with the relevant specifications and their implementation on issues such as environmental protection, occupational safety and health, or labor rights?	✓		(6) The Company has established an evaluation mechanism for both suppliers and outsourced manufacturing partners, following the "Principles of Sustainable Development" and "Supplier Management Regulations" to assess the capabilities of new suppliers. Only those who pass the evaluation are eligible for transactions. The procurement department conducts questionnaire surveys on suppliers, integrating sustainability principles and capabilities throughout the supply chain to enhance its sustainable development.	No Material Difference

Evaluation Items	Operation Status			The Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
5. Does the company prepare sustainability reports and other reports that disclose non-financial information of the company in accordance with international reporting standards or guidelines? Has the preceding report been confirmed or endorsed by a third party?	✓		The Company prepares its sustainability report following internationally recognized reporting standards such as GRI standards, SASB, and TCFD. Additionally, the report undergoes third-party verification to ensure its accuracy and credibility.	No Material Difference
<p>6. If the company has its own Sustainable Development code of conduct based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the code of conduct:</p> <p>The company aims to fulfill Sustainable Development and facilitate progress in the economy, environment, and society to achieve sustainable development goals. We have formulated the Sustainable Development Practices Guidelines in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."</p> <p>We implement it in a step-by-step manner and promote the operation of Sustainable Development through measures such as strengthening corporate ethics education, training, and advocacy.</p>				
<p>7. Other important information to help promoting sustainable development implementations:</p> <p>The Company complies with relevant labor laws and regulations, protects the legitimate rights and interests of employees, and provides a safe and healthy working environment for employees, please refer to "5. Labor-Management Relations" in this annual report.</p>				

(6) Implementation Status of Climate-Related Information

1. Risks and opportunities posed by climate change to the Company, as well as relevant mitigation measures adopted by the Company

Items	Implementation Status
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>Ampacs' Board of Directors oversees the management philosophy (vision, mission, and values), management policy, strategy and goal setting, as well as the review and improvement of operational results. In recognition of the extensive scope and cross-departmental nature of sustainability initiatives, the Board of Directors has decided to establish a Sustainability Development Committee. The Chairman of the Board will serve as the chairman of this committee, responsible for convening and driving sustainability efforts. Additionally, Vice Chairman Xu Mingren has been appointed as the Chief Sustainability Officer, with responsibilities including, but not limited to, the following:</p> <ol style="list-style-type: none">1. Establish cross-departmental sustainability project teams responsible for developing and implementing policies on economic, environmental, and social issues. Submit a work report to the Board of Directors at least once a year.2. Initiate greenhouse gas inventory work for the previous year in the first half of each year. Compile a greenhouse gas inventory report and engage a third party for verification. Alternatively, assess the inclusion of greenhouse gas inventory results in the sustainability report and verify it simultaneously.3. Consolidate the results of sustainability-related work in the first half of each year. Compile a sustainability report and engage a third party for verification.4. Collect feedback or satisfaction from stakeholders annually. Consolidate and clarify significant issues of concern to stakeholders, adjust resources accordingly to optimize management effectiveness regarding economic, environmental, and social issues, their impacts, risks, and opportunities.5. Arrange seminars, training, and sharing sessions related to sustainability to develop and enhance collective intelligence within the management team on economic, environmental, and social issues.6. Review and approve the organization's sustainability report to ensure it covers all significant issues.7. Review the identification, assessment, and management process of climate-related risks, integrating them into the company's overall risk management system.

Items	Implementation Status		
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).		Risk Items	Changes in Customer Behavior
		Risk Category	Operational Risk
		Description	Climate change, including the European Union's pilot carbon tax in 2023, will increase the cost of production and transportation of raw materials for commodities, which will have an impact on operations.
		Impact Scope	The Company
		Time of Occurrence	Short, Medium and Long-term
		Potential Financial Impact	Increase in Operating Costs
		Response Measures	The solutions include green energy saving, module minimization design to reduce the use of raw materials, and strengthening the proportion of local procurement in the supply chain to reduce the impact of rising costs of raw materials and transportation.

Items	Implementation Status		
			goal of achieving low-carbon products by 2030.
		Opportunity Projects	Development of Low Carbon Processes
		Opportunistic Nature	Resource Efficiency
		Description	Adoption of High-Efficiency Processes and Transportation Methods
		Impact Scope	The Company
		Time of Occurrence	Medium and Long-term
		Potential Financial Impact	Increase Revenue and Reduce Costs
		Response Measures	Adhering to the principles of green design and local sourcing, and working towards low-carbon products through annual carbon reduction programs.
			Minimized module design reduces the use of raw materials and strengthens the proportion of local procurement in the supply chain to reduce the impact of rising costs of raw materials and transportation.
3. Explain the financial impact of extreme climate events and transition actions.			
		Context Description	Potential Financial Impact Description

Items	Implementation Status				
		Extreme Climate	1. Extreme weather events such as typhoons and floods 2. Changes in rainfall patterns and extreme changes in climate patterns 3. Rising sea levels	1. Decreased or interrupted production capacity (e.g., halting production, transportation difficulties, or supply chain disruptions) 2. Impact on labor management and planning 3. Write-offs of existing assets and premature retirement 4. Increased operational costs 5. Higher infrastructure costs (e.g., facility damage) 6. Higher insurance premiums and difficulty insuring assets in "high-risk" areas	
		Transformation Initiatives	1. Supportive incentives for renewable energy 2. Participation in carbon trading markets 3. Energy security and decentralization transition	1. Lowering operational costs 2. Reducing the risk of future energy price increases 3. Mitigating the risk of greenhouse gas emissions, thus reducing sensitivity to carbon trading price fluctuations 4. Increased availability of capital (more investors favoring low-emission manufacturers) 5. Enhanced corporate reputation	
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	The Board of Directors serves as the highest decision-making body for risk management within the company, directly overseeing the risk governance frameworks of each company within the group. In order to improve risk assessment and strengthen management functions, the Board has appointed the Vice Chairman of the Board as the Chief Sustainability Officer, responsible for identifying and managing risks to business operations, including physical and transformation risks that may arise from climate change, and leading the planning of relevant response measures.				

Items	Implementation Status
	The Vice Chairman of the Board leads the team chaired by the relevant operating supervisor, which is responsible for reviewing and controlling the risk assessment and contingency command of various plans and projects initiated by various departments with authority and responsibility. The authority and responsibility department is responsible for the actual implementation of risk management, analysis, monitoring and prevention of the relevant risks within the authority and responsibility of the department, and ensure that the risk management mechanism and procedures are effectively implemented.
5. Where scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors and key financial implications used should be described.	No scenario analysis has been used to assess resilience to climate change risks.
6. If there is a transition plan to manage climate-related risks, describe the content of the plan and the indicators and objectives used to identify and manage physical and transition risks.	Ampacs actively promotes carbon neutrality in order to mitigate climate change, and promotes the gradual achievement of net-zero emissions by 2050 at each plant. Ampacs has also set climate-related targets, including a 20% reduction in greenhouse gas emissions by 2030, an increase in the proportion of renewable energy power generation year by year, a 3% saving in water consumption, and a 1% reduction in total hazardous weight year by year.
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	There is currently no planning tool that uses carbon pricing.
8. If a climate-related target is set, it should state the activities covered, scope of greenhouse gas emissions, planning period, annual progress and other information; If carbon credits or renewable energy credits (RECs) are used to achieve the relevant objectives, the source and	Ampacs upholds the lofty goal of environmental protection and global sustainability, and looks forward to making the greatest effort and contribution to environmental protection and energy conservation. Through source reduction and efficiency improvements, the Company aims to enhance ecological benefits in energy conservation, waste reduction, and greenhouse gas emissions reduction. The challenge is to achieve a 5% reduction in electricity consumption, a 3% reduction in water usage, and a 20% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, including consolidated subsidiaries according to operational control rights law. The Sustainable Development Committee will oversee the progress annually. Details regarding the planning schedule for greenhouse gas emissions reduction and progress achieved

Items	Implementation Status
number of credits or the number of renewable energy credits (RECs) should be stated.	each year are provided in points 9.1-9.2 below.
9. GHG inventory and conviction and reduction targets, strategies and specific action plans (see also 9.1 and 9.2).	Please read the following description.

9. Greenhouse Gas Inventory and Confirmation of the Company in the Last Two Years

9.1 Greenhouse Gas Inventory Information

<p>1. The Company's individuals have been inventoried since (same below) 2022.</p> <p>2. Consolidated subsidiaries will be inventoried starting from 2023.</p> <p>The summary includes the greenhouse gas emissions of the Company and all subsidiaries of the Consolidated Financial Statements as described below:</p>						
		Year 2022		Year 2023		
		Emission (tons CO2e)	Intensity (tons CO2e/turnover NT\$ million)	Emission (tons CO2e)	Intensity (tons CO2e/turnover NT\$ million)	
The Company	Scope 1	11	0.0022	12	0.0031	
	Scope 2	59	0.0117	44	0.0114	
	Subtotal	70	0.0139	56	0.0145	
Consolidated Financial Report All Subsidiary Companies	Scope 1			663	0.1717	
	Scope 2			15,427	3.9956	
	Subtotal			16,090	4.1673	

	Total	70	0.0139	16,146	4.1818	
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9.1- 9.1 Greenhouse Gas Assurance Information

1. The Company individually intends to implement assurance from 2028.
2. The consolidated financial reporting subsidiaries intend to implement the assurance starting from 2029.

9.2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans

The Company's main GHG emissions are from purchased electricity used in manufacturing processes, which account for more than 60% of Scope 1 and Scope 2 GHG emissions. Therefore, indirect emission of electricity for energy saving (energy efficiency improvement, replacement of energy-saving equipment and components) and increasing the use of renewable energy sources are the main strategic planning. Through the Sustainable Development Committee's integration of various departments' energy saving and carbon reduction strategies and programs, the implementation of various reduction plans, and regular meetings to review and track the implementation status, Ampacs aims to reduce greenhouse gas emissions by 20% by 2030, and to achieve net-zero emissions by 2050.

Please refer to the disclosure of the implementation status of climate-related information for the greenhouse gas reduction targets from 2022 to 2050 and the achievement status in the current year.

(7) Implementation of ethical corporate management and differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies.

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>1. Formulating Policies and Plans for Ethical Corporate Management</p> <p>(1) Has the company had a policy of ethical corporate management approved by the board of directors, and clearly state the policy and practice of ethical corporate management in the regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the policy?</p>	✓		<p>(1) The Company has formulated relevant measures such as "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Operating Procedures of Ethical Corporate Management and Behavioral Guidelines" according to the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and has made clear the relevant policies, prevention plans and implementation of integrity management in the official website, as well as the corporate culture of integrity management. To ensure that all employees act impartially and impartially in the conduct of company business and comply with government laws and regulations. Board members and senior</p>	No Material Difference

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(2) Has the company established an assessment mechanism for the risk of dishonest conduct, regularly analyzed and evaluated the business activities with high risk of dishonest conduct within its business scope, and formulated a plan to prevent dishonest conduct, including at least the preventive measures for the behaviors in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies?	✓		management are also guided by the principle of integrity. (2) The Company has formulated the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures of Ethical Corporate Management and Behavioral Guidelines" in accordance with the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and has targeted the business activities with high risk of dishonest conduct in Article 7 (2) of the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies or in other areas of the Company's business and has implemented rewards and penalties for non-compliance and lodged complaints in accordance with the various operational practices.	No Material Difference
(3) Does the company specify, and implement, operating procedures, guidelines, and	✓		(3) The Company has established the "Operating Procedures of Ethical Corporate Management and	No Material Difference

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
disciplinary and grievance systems for violations in the program for preventing dishonest conduct, and regularly review and revise the pre-disclosure program?			Behavioral Guidelines" and the "Code of Ethical Conduct", which set out the procedures, behavioral guidelines, penalties for non-compliance, and a complaint system, which are all implemented and enforced.	

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>2. Implementation of Ethical Corporate Management</p> <p>(1) Does the company assess the integrity record of its business contacts and specify the terms of good faith conduct in its contracts with its business contacts?</p>	✓		(1) In accordance with the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures of Ethical Corporate Management and Behavioral Guidelines", if the Company discovers any dishonest behavior in its	No Material Difference

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(2) Does the company establish a dedicated unit under the board of directors to promote corporate integrity management, and report its integrity management policies, measures to prevent dishonest behavior, and supervisory implementation to the board of directors on a regular basis (at least once a year)?	✓		<p>business dealings or business partners, the Company shall immediately cease business dealings with them and classify them as targets for refusal of business dealings, in order to implement the Company's policy of business integrity.</p> <p>(2) The human resources unit of the Company's management office is responsible for promoting corporate integrity and, together with the relevant units, for formulating and supervising the implementation of policies. The Company undertakes to actively implement the Company's policies on integrity and to report to the Board of Directors on a regular basis once a year on the operation of the Company for the current year. On December 28, 2023, the Board of Directors completed the ethical corporate management report for the year 2023. The key highlights of the implementation status for the year 2023 are as follows:</p>	

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>1. In order to ensure that all employees are able to comply with the relevant regulations on ethical corporate management and prevention of insider trading, new employees are informed of the relevant policies on ethical corporate management and prevention of insider trading on the day they join the company, and education and training are also arranged for all employees. At least once a year, we educate our directors, managers, and employees on laws and regulations related to honest management and the prevention of insider trading.</p> <p>2. To improve the reporting mechanism, the Company has set up a reporting mailbox to provide a channel for interested parties to file complaints, posted the reporting channel on the Company's official website, and standardized the reporting process to protect the legitimate rights and interests of the reporting parties. In response to reports, including anonymous and named reports, the Company will clarify the facts</p>	

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEx Listed Companies								
	Yes	No	Summary and Explanation									
(3) Does the company have a conflict of interest prevention policy, provide appropriate representation channels, and implement them?	✓		<p>and circumstances of the report and take appropriate action depending on the severity of the case for any possible violation of ethical behavior. In FY2023, we received the following reports, and there were no significant cases of dishonest conduct.</p> <table><tr><td>Items</td><td>Year 2023</td></tr><tr><td>Independent Director's Mailbox (Audit Committee)</td><td>0 case</td></tr><tr><td>Significant Violations by Employees</td><td>0 case</td></tr><tr><td>Sexual Harassment and Workplace Misconduct Complaints</td><td>0 case</td></tr></table> <p>(3) The Company has formulated and implemented policies to prevent conflicts of interest and provide appropriate channels for representation in the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Operating Procedures of Ethical Corporate Management and Behavioral Guidelines".</p>	Items	Year 2023	Independent Director's Mailbox (Audit Committee)	0 case	Significant Violations by Employees	0 case	Sexual Harassment and Workplace Misconduct Complaints	0 case	
Items	Year 2023											
Independent Director's Mailbox (Audit Committee)	0 case											
Significant Violations by Employees	0 case											
Sexual Harassment and Workplace Misconduct Complaints	0 case											

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(4) Does the company have effective accounting and internal control systems in place to implement corporate integrity, and does the internal audit unit develop relevant audit plans based on the assessment of the risk of dishonest behavior, and use them to verify compliance with anti-dishonesty behavior plans, or commission accountants to conduct audits?	✓		(4) To ensure the implementation of ethical corporate management, the Company has established effective accounting and internal control systems, which are continuously reviewed and revised as necessary. Our internal audit unit conducts audits according to the annual audit plan and evaluates operations through self-assessment to ensure the continued effectiveness of the design and implementation of internal control systems. This serves as the basis for issuing the Internal Control System Statement, which is submitted to the Board of Directors for approval.	
(5) Does the company regularly conduct internal and external education and training on ethical corporate management?	✓		(5) To ensure that all employees adhere to ethical corporate management and prevent insider trading and other related regulations, the Company regularly schedules educational training sessions for all staff members. In FY2023, a total of 128 employees were trained, with a 0.5 hour training for each one. Relevant rules and regulations were announced to all	

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			employees, and audio-visual files and the Code of Ethics were simultaneously placed in the internal employee system for the reference of those who were not in attendance on the day of the training, and employees completed the signing of the Statement of Integrity Policy, with a signing rate of 100%, in order to soundly manage the management of integrity.	
3. Implementation of the Company's Whistleblowing System (1) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?	✓		(1) The Company has set up a reporting mailbox to provide a channel for interested parties to file complaints, posted the reporting channel on the Company's official website, and standardized the reporting process to protect the legitimate rights and interests of the reporting parties. In response to reports, including anonymous and named reports, the Company will clarify the facts and circumstances of the report and take appropriate action depending on the severity of the case for any possible violation	No Material Difference.

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(2) Does the company set up the standard operating procedures for the investigation of whistleblowing, the follow-up measures to be taken after the investigation and the relevant confidentiality mechanism?	✓		of ethical behavior. In FY2023, the Company had no significant employee violations and no cases of sexual harassment and workplace wrongdoing complaints. 2) The Company has set out the procedures for handling complaints in the "Operating Procedures of Ethical Corporate Management and Behavioral Guidelines" and has specified the identity of the complainant and the content of the complaint, which should be kept confidential.	
(3) Does the company take measures to protect the whistleblower against inappropriate disciplinary actions?	✓		(3) The Company has established and stipulated in the "Operating Procedures of Ethical Corporate Management and Behavioral Guidelines" that the relevant personnel handling the report shall make a written statement on the confidentiality of the identity of the complainant and the content of the report, so as to protect the complainant from being	

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			improperly handled as a result of the report.	
4. Strengthening Information Disclosure Does the company disclose the content and effectiveness of its Code of Ethical Corporate Management on its website and in its Market Observatory Post System?	✓		Our company discloses the content and implementation status of our business integrity guidelines on both the MOPS (Market Observation Post System) and our official website. We ensure regular maintenance and updates to these guidelines to reflect any changes or improvements in our business practices.	No Material Difference.
5. If the company has its own Code of Ethical Corporate Management in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies,” please describe any departure from the code in its operation: No Material Difference.				

Item	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
6. Other important information to help understand the ethical corporate management of the company: (e.g. company review and amendment of its Code of Ethical Corporate Management)				
When the Company amends the "Ethical Corporate Management Best Practice Principles" or the "Operating Procedures of Ethical Corporate Management and Behavioral Guidelines", the Company will submit a proposal to the Audit Committee and the Board of Directors for discussion and report to the shareholders' meeting before announcing the implementation of the proposal.				

(8) If the Company has a code of corporate governance and related regulations, the inquiry methods are:

Please refer to the Market Observation Post System for the Company's corporate governance regulations.

(9) Other important information necessary to improve the understanding of corporate governance operations:

Enquiries can be made as follows: Market Observation Post System <http://mops.twse.com.tw> (code: 6743).

(9) Implementation of Internal Control System

1. Declaration of Internal Control

Ampacs Corporation

Internal Control System Statement

Date: March 14, 2024

Based on the results of self-assessment, the internal control system of our company for the year 2023 is hereby declared as follows:

1. The company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and management. The company has already established this system. Its purpose is to achieve operational effectiveness and efficiency (including profitability, performance, and asset security), reliable reporting, timeliness, transparency, and compliance with relevant regulations and laws, and to provide reasonable assurance.
2. The internal control system has inherent limitations, and regardless of its design, it can only provide reasonable assurance for the achievement of the above three objectives. Moreover, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, the company's internal control system has a self-supervision mechanism, and any deficiencies identified will be corrected promptly.
3. The company evaluates the effectiveness of the internal control system based on the criteria set forth in the "Guidelines for Establishing Internal Control Systems for Publicly Issued Companies" (hereinafter referred to as the "Guidelines"). The internal control system defined by the "Guidelines" is divided into five components: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component includes several items. Please refer to the provisions of the "Guidelines" for the aforementioned items.
4. The company has adopted the above criteria for evaluating the design and implementation effectiveness of the internal control system.
5. Based on the evaluation results mentioned above, the company believes that its internal control system (including the supervision and management of subsidiaries) as of December 31, 2023, including the design and implementation of understanding the achievement level of operational effectiveness and efficiency objectives, reliable and timely reporting, transparency, and compliance with relevant regulations and laws, is effective and can reasonably ensure the achievement of the above objectives.
6. This statement will become a major content of the company's annual report and public disclosure document and will be made available to the public. Any false or concealed information in the public disclosure may incur legal liabilities under Article 20, Article 32, Article 171, and Article 174 of the Securities Exchange Act.
7. This statement has been approved by the Board of Directors of Ampacs Corporation on March 14, 2024. Out of 10 attending directors, there were no objections, and all agreed to the content of this statement.

Ampacs Corporation

Chairperson: Huang Chang Ching

General Manager: Huang Chang Ching

2. If an accountant is entrusted to examine the internal control system, the audit report shall be disclosed: none.

(10) Penalties imposed on the Company and its internal staff, penalties imposed on its internal staff, and any status of improvements made in the internal control system, where the penalty result may have a significant impact on shareholders' equity or the price of securities, the penalty content shall be listed, major deficiencies and improvements in the most recent year up to the publication date of this annual report: none.

(11) Important resolutions of the shareholders' meeting and the Board of Directors as of the date of publication of the annual report in the most recent year :

1. Important Resolutions of the Shareholders' Meeting and Their Implementation

Date	Important Resolutions	Implementation Status
Shareholders' Meeting on June 16, 2023	The Company's 2022 Annual Report on Operations and Financial Statements	The resolution was passed.
	Proposal for the distribution of earnings for the fiscal year 2022	The resolution was passed. A cash dividend to shareholders of NT\$0.14 per share has been reported in the Report; the basis date for the dividend allotment is 9 August 2023 and the cash dividend is payable on 30 August 2023.
	The Company makes cash disbursements from capital surplus.	The resolution was passed. Capital surplus allotment of NT\$0.36 per share with base date of allotment on 9 August 2023, payable on 30 August 2023.

2. Important Resolutions of Board of Directors

Date	Important resolutions	According to Article 14-3 of the Securities Trading Act, the following matters are considered important resolutions.
2023.1.12	Credit limit proposal from International Bills Finance Corporation	✓
	Opinions of independent directors: None. The Company's handling of independent directors' opinions: None. Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.	
	Company's FY2022 Manager's Year-End Performance Bonus Distribution Plan	
	Opinions of independent directors: None.	

Date	Important resolutions	According to Article 14-3 of the Securities Trading Act, the following matters are considered important resolutions.
	<p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: When this motion was voted on, the interested parties (Directors Huang Chang Qing, Xu Mingren and Lin Renjie, the Chief Financial Officer) were asked to leave the meeting first, and then the motion was approved by all of the remaining Directors present after discussion.</p>	
2023.3.22	Appointment of Certified Public Accountants and Assessment of Their Independence and Competence	✓
	General Principles for Developing the Company's Pre-Approved Non-Confidence-Based Services Policy	✓
	The Company's 2022 Annual Report on Operations and Financial Statements	✓
	Allocation of Employees' and Directors' Remuneration of the Company for the Year 2022	
	Adoption (or approval) of the Company's 2022 Internal Control Statement	✓
	Proposal for short-term and import financing quota application to the Longjiang Branch of Hua Nan Bank	✓
	Proposal of the Company for short-term procurement financing quota application to the Taipei Fuxing Branch of Mega International Commercial Bank	✓
	Credit limit proposal from Far Eastern International Bank	✓
	Proposal for short-term and import financing quota application to the Shin Kong Commercial Bank	✓
	Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to Indovina Bank LTD in Vietnam	✓
	The Company's prepayment to its subsidiary Ampacs International Company Limited for the year ended 31 December 2022 is not in the nature of a funding loan	✓
	Proposal to convene the 2023 Annual Meeting of Shareholders	
	<p>Opinions of independent directors: None.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	
	Lifting the restriction of the Company's manager's non-competition prohibition	
	<p>Opinions of independent directors: None.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all</p>	

Date	Important resolutions	According to Article 14-3 of the Securities Trading Act, the following matters are considered important resolutions.
	<p>Directors present without objection. (During the vote on this motion, interested managers Huang Chang Qing, Xu Mingren and Chief Financial Officer Lin Renjie were asked to leave the meeting first).</p> <p>Lifting the restriction of the Company's director's non-competition prohibition</p> <p>Opinions of independent directors: None. The Company's handling of independent directors' opinions: None. Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection. (When this motion was voted, interested directors Huang Chang Qing and Xu Mingren were asked to leave the meeting first).</p>	
2023.4.27	Proposal for the distribution of earnings for the fiscal year 2022	✓
	Proposal to distribute cash from the capital surplus	✓
	Establishment of criteria for distributing cash dividends and cash from the capital surplus for the fiscal year 2021	✓
	Extension of intercompany loans within the Company's group subsidiaries	✓
	Amendment to the "Corporate Governance Best Practice Principles" of the Company	
	Proposed inclusion of the agenda for the Company's 2023 Annual Shareholders' Meeting	
	<p>Opinions of independent directors: None. The Company's handling of independent directors' opinions: None. Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	
	Proposal to establish a Corporate Governance Officer position	
	<p>Opinions of independent directors: None. The Company's handling of independent directors' opinions: None. Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection. (At the time of voting on this motion, the interested parties Lin Renjie had left the meeting first).</p>	
	Discussion of the Company's FY2023 Manager's First Performance Bonus Distribution Plan	
	<p>Opinions of independent directors: None. The Company's handling of independent directors' opinions: None. Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection. (During the voting on this motion, the interested parties, General Manager Huang Chang Qing, Chief Technology Officer Xu Mingren, Vice President of Business Division Lin Yufeng and Chief Financial Officer Lin Renjie, were asked to leave the meeting first).</p>	

Date	Important resolutions	According to Article 14-3 of the Securities Trading Act, the following matters are considered important resolutions.
2023.5.12	Proposal for the consolidated financial report for the first quarter of 2023	✓
	<p>Opinions of independent directors: Regarding the management of foreign exchange, the Company is requested to propose hedging measures and methods for discussion at the next meeting.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection. (In addition, regarding the management of foreign exchange, the company is requested to propose hedging measures and methods for discussion at the next meeting.)</p>	
	Proposal for operational revolving financing quota application to Yuanta Commercial Bank	✓
	The Company's proposed line of credit facility with DBS Commercial Bank (Taiwan) Ltd.	✓
	The Company intends to apply for renewal of the financing line from the Bank of Taiwan, Xinyonghe Branch.	✓
	Proposal for the Company to apply for short-term, operational, and procurement financing quotas from the Taipei Branch of Chang Hwa Commercial Bank	✓
	The Company intends to apply for a line of credit facility from Entie Commercial Bank.	✓
	<p>Opinions of independent directors: None.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	
2023.6.16	The Company intends to apply for a line of credit facility from Taichung Commercial Bank.	✓
	The Company intends to apply for a line of credit facility from Taishin International Bank.	✓
	<p>Opinions of independent directors: None.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	
2023.8.10	Proposal for the consolidated financial report for the second quarter of 2023	✓
	Proposal for the endorsement guarantee of MODERN PIONEER (KUNSHAN) CO LTD, a wholly-owned subsidiary of the Company	✓
	Renewal proposal for the credit limit from Bank SinoPac	✓
	Application by the Company to E.SUN Bank for an Increase in	✓

Date	Important resolutions	According to Article 14-3 of the Securities Trading Act, the following matters are considered important resolutions.
	Credit Facilities	
	Proposal for Allocation of Remuneration to Directors (excluding Independent Directors) of the Company for Fiscal Year 2022	
	Proposal for Allocation of Remuneration to Independent Directors of the Company for Fiscal Year 2022	
	Proposal for the Company's FY2022 Employee Remuneration (Managers) Distribution	
	Discussion of the Company's FY2023 Manager's Second Meeting Performance Bonus Distribution Plan	
	Proposed Reassignment of Legal Representative of Ampacs International Liability Company Limited, a Subsidiary in Vietnam	
	Proposed Establishment of ESG Sustainability Committee of the Company	
	Proposed Establishment of Permanent Plan	
	<p>Opinions of independent directors: None.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	
	The Company intends to invest in 4EST INC in the United States.	✓
	The Company proposes to invest in Substrate Manufacturing Corporation in the United States.	✓
	<p>Opinions of independent directors: All investment appraisal information will be discussed at the next meeting when available.</p> <p>The Company's handling of the opinion of the independent directors: The resolution of the board of directors' meeting held on August 10, 2023 was submitted to the Board of Directors for approval and was handled in accordance with the resolution of the Board of Directors.</p> <p>Resolution Results: It was agreed by the Chairman in consultation with all Directors present that all investment appraisal information would be discussed at the next meeting when ready.</p>	
2023.8.15	The Company intends to invest in 4EST INC in the United States.	✓
	<p>Opinions of independent directors: None.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	
	The Company proposes to invest in Substrate Manufacturing Corporation in the United States.	✓
	Opinions of independent directors: It is proposed to seek directors' seats or the right to attend.	

Date	Important resolutions	According to Article 14-3 of the Securities Trading Act, the following matters are considered important resolutions.
	<p>The Company's handling of the opinion of the independent directors: The resolution of the board of directors' meeting held on August 15, 2023 was submitted to the Board of Directors for approval and was handled in accordance with the resolution of the Board of Directors.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	
2023.11.9	Proposal for the consolidated financial report for the third quarter of 2023	✓
	The Company co-operates with the internal rotation of accountants.	✓
	Proposal for the renewal of credit limit from CTBC Bank	✓
	Proposal for the renewal of financing quota application to Cathay United Bank	✓
	Credit limit proposal from Taiwan Cooperative Bank Bills Finance Corporation	✓
	The renewal of Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to E.sun Bank Branch	✓
	Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to Hua Nan Bank - Ho Chi Minh City Branch	✓
	Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to First Bank - Ho Chi Minh City Branch	✓
	Establishment of the "Procedures for the Organization of the Sustainable Development Committee" of the Company	
	Amendments to the Company's Code of Corporate Social Responsibility Practices	
	<p>Opinions of independent directors: None.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	
2023.12.28	Internal audit plan for the fiscal year 2024	✓
	Operational plan and budget for the fiscal year 2024 of the Company	✓
	<p>Opinions of independent directors: None.</p> <p>The Company's handling of independent directors' opinions: None.</p> <p>Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.</p>	

Date	Important resolutions	According to Article 14-3 of the Securities Trading Act, the following matters are considered important resolutions.
2024.1.24	Credit limit proposal from International Bills Finance Corporation	✓
	The renewal of credit limit application to Taipei Fubon Bank	✓
	The renewal of credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to Taipei Fubon Commercial Bank	✓
	Company's FY2023 Manager's Year-End Performance Bonus Distribution Plan	
	Proposed Establishment of a New Subsidiary in Vietnam	✓
	Opinions of independent directors: None. The Company's handling of independent directors' opinions: None. Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.	
2024.3.14	Appointment of Certified Public Accountants and Assessment of Their Independence and Competence	✓
	General Principles for Developing the Company's Pre-Approved Non-Confidence-Based Services Policy	✓
	Allocation of Employees' and Directors' Remuneration of the Company for the Year 2023	
	The Company's 2023 Annual Report on Operations and Financial Statements	✓
	Adoption (or approval) of the Company's 2023 Internal Control Statement	✓
	Proposal for short-term and import financing quota application to the Longjiang Branch of Hua Nan Bank	✓
	Proposal of the Company for short-term procurement financing quota application to the Taipei Fuxing Branch of Mega International Commercial Bank	✓
	Credit limit proposal from Far Eastern International Bank	✓
	Proposal for short-term and import financing quota application to the Shin Kong Commercial Bank	✓
	Credit limit application from Ampacs International Company Limited, a subsidiary of the Company, to VCB Bank in Vietnam	✓
	Proposal to convene the 2024 Annual Meeting of Shareholders	
	Opinions of independent directors: None. The Company's handling of independent directors' opinions: None. Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.	
2024.4.25	Proposal for the distribution of earnings for the fiscal year 2023	✓
	Proposal to distribute cash from the capital surplus	✓

Date	Important resolutions	According to Article 14-3 of the Securities Trading Act, the following matters are considered important resolutions.
	Establishment of criteria for distributing cash dividends and cash from the capital surplus for the fiscal year 2021	✓
	The Company intends to apply for a medium-term loan facility from the Shanghai Commercial & Savings Bank.	✓
	Discussion of the Company's FY2024 Manager's First Performance Bonus Distribution Plan	
	Proposed inclusion of the agenda for the Company's 2023 Annual Shareholders' Meeting	
	Opinions of independent directors: None. The Company's handling of independent directors' opinions: None. Resolution Results: The motion was passed by the Chairman after consultation with all Directors present without objection.	

(12) In the most recent year and up to the date of publication of the annual report, the directors have different opinions on the important resolutions adopted by the board of directors and have recorded or written statements are: none.

(13) In the most recent year and up to the date of the publication of the annual report, the summary of the resignation and dismissal of the chairman of the board, general manager, accounting supervisor, financial supervisor, internal audit supervisor, supervisor of corporate governance, and R&D supervisor of the company: **None**

5. CPA Fee Information

Disclosure of Auditor's Remuneration

Unit: NT\$ thousands

Name of CPA Firm	Name of CPA	Audit Period by CPA	Audit Fees	Non-Audit Fee (Note)	Total	Note
Deloitte Taiwan	Liu Ming-Xian and Chen Yan-Jun	2023/01/01~2023/9/30	5,750	1,961	7,711	
Deloitte Taiwan	Wang Jun-Yu, Liu Ming-Xian	2023/10/1~2023/12/31				

Note: Non-audit fees include transfer pricing project reviews, master file reports, tax visas, transfer pricing, and others.

(1) If there is a change in the accounting firm and the audit fee paid in the year of the change is less than the audit fee paid in the year before the change, the amount and percentage of the decrease in the audit fee and the reason for the decrease should be disclosed: None.

(2) If the audit fee is reduced by more than 10% compared with the previous year, the amount, proportion and reason of the reduction shall be disclosed: None.

6. Information on Change of Auditors :

(1) About the previous CPAs

Re p l a c e m e n t D a t e	Approved by the Board of Directors on November 9, 2023		
Reason for Replacement a n d E x p l a n a t i o n	In accordance with internal rotations at Ernst & Young, Certified Public Accountants, the signing of our company's financial reports was previously handled jointly by Certified Public Accountants Liu Ming-Xian and Chen Yan-Jun. However, starting from the first quarter of the year 112 of the Republic of China (2022), it is proposed to change to jointly signing by Certified Public Accountants Wang Jun-Yu and Liu Ming-Xian to align with the internal rotation at Ernst & Young, Certified Public Accountants.		
Explanations if the client or the CPA terminated the appointment	<div>The Principal Circumstances</div>	CPA	Client
	Voluntary Termination of Appointment	Not Applicable	Not Applicable
	Accept No Further Appointment	Not Applicable	Not Applicable
The reasons for issuing opinions other than Unqualified Opinions in the recent two years	None		
Different Opinions With the Issuer	Yes		Accounting Principles or Practices
			Disclosure of Financial Reports
			Audit Scope or Procedure
			Others
	None	V	
	Description: None		

Other Disclosures (Items 1-4 to 1-7, Subparagraph 6, Article 10 of this standard shall be disclosed)	None
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(2) Regarding the Successor Accountants

Name of CPA Firm	Deloitte Taiwan
Name of CPA	Wang Jun-Yu, Liu Ming-Xian
Appointment Date	Approved by the Board of Directors on November 9, 2023
Consulting results regarding the accounting method or principle applied on specific transactions and the possible opinions on the financial reports before appointment	None
Different opinions from the succeeding CPAs as compared to the previous CPAs in writing	None

(3) Response from the Former Accountants Regarding Article 10, Clause 6, Sub-clause 1 and Sub-clause 2 of these Standards: None.

7. The chairman of the board, general manager, and the managers in charge of financial or accounting affairs, who has worked in the CPA firm and its affiliated enterprises in the recent one year, shall disclose his/her name, professional title and the period during which he/she worked in the CPA firm or its related companies: None.

8. In the most recent year and up to the date of publication of the annual report, transfer of shares and changes in hypothecation of shares held by directors, managers and shareholders who hold more than 10% of the shares.

(1) Changes in Share Ownership of Directors, Executives, and Major Shareholders:

April 23, 2024; Unit: Shares

Title	Name	Year 2023		As of April 23, 2024	
		Increase (Decrease) in Shareholding	Increase (Decrease) in Pledged Shares	Increase (Decrease) in Shareholding	Increase (Decrease) in Pledged Shares
Chairman, CEO, and Shareholder holding more than 10% of shares	Huang, Chang-qing	(5,500,000)	0	0	0
Vice Chairman and Chief Technology Officer	Xu Mingren	0	0	0	0
Director and Deputy General Manager	Lin Yufeng	0	0	0	0
Director	Frederick Romano	(3,000)	0	0	0
Director	Chen Jin-Fu	0	0	0	0
Director	Xu Ming-Quan	0	0	0	0
Independent Director	Huang Zhi-Peng	0	0	0	0
Independent Director	He Jun-Hui	0	0	0	0
Independent Director	Cheng Kai	0	0	0	0
Independent Director	Chen Jian-Hong	0	0	0	0
Head of Finance Department concurrently Head of Accounting Department and Head of Corporate Governance (Note 1)	Lin Renjie	(135,000)	0	0	0

Note 1: The date of appointment of Lin Renjie, Head of Corporate Governance, is 2023/4/27.

(2) Share Transfer Information (Involving Related Parties)

Name	Reason for Share Transfer	Transaction Date	Counterparty in the Transaction	Relationship between Counterparty and the Company, Directors, Supervisors, and Shareholders holding more than 10% of shares	Number of shares (share)	Transaction Price (NTD) price (NTD)
Huang, Chang-qing	Gift	2023.1.18	Huang Yingjun	Son/Daughter of Director	1,500,000	29.05
Huang, Chang-qing	Gift	2023.1.18	Huang Haosheng	Son/Daughter of Director	2,000,000	29.05
Huang, Chang-qing	Gift	2023.1.18	Huang Yuxiang	Son/Daughter of Director	2,000,000	29.05
Lin Renjie	Gift	2023.1.11	Lin Wen Liang	Father of the Manager	135,000	35.87

(3) Information of Equity Pledge

The Company's directors, managers and shareholders holding more than 10% of the Company's shares did not pledge any of their shares to related parties.

9. Information regarding the top 10 shareholders by number of shares held, who are affiliates, spouses, relatives within the second degree of kinship.

April 23, 2024; Unit: Shares; %

Name	Shares Held by myself		Shares Held by Spouses and Minor Children		Total Shares Held in the Name of Other Persons		The titles or names and relationships of the top ten shareholders who are related persons, spouses, or relatives within the second degree of kinship		Note
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name (Or Name)	Relation	
Huang, Chang-qing	27,671,900	18.45	3,889,575	2.59	23,588,873	15.73	1. Zhang Qiuqin 2. Chang Yen-Li 3. Long An Investment Co., Ltd. 4. Chang An Investment Co., Ltd.	1. Spouse 2. Second-degree relative 3. Chairman of the company 4. Chairman of the company	-
Long An Investment Co., Ltd. (Representative: Chang-qing Huang)	11,907,304	7.94	-	-	-	-	Huang, Chang-qing	the Chairman of the company	-
Chang An Investment Co., Ltd. (Representative: Chang-qing Huang)	11,681,569	7.79	-	-	-	-	Huang, Chang-qing	the Chairman of the company	-
Xiao, Xiu-ru	9,387,545	6.26	-	-	1,811,961	1.21	Tai Hsin Co., Ltd.	the Chairman of the company	-
Zhang Yanli	5,514,233	3.68	-	-	-	-	1. Huang, Chang-qing 2. Zhang Qiuqin	1. Second-degree relative 2. Second-degree relative	-
Zhang Qiuqin	3,889,575	2.59	-	-	-	-	1. Huang, Chang-qing 2. Chang Yen-Li	1. Spouse 2. Second-degree relative	-
Frederick Romano	2,579,048	1.72	-	-	-	-	-	-	-
Huang Haosheng	2,036,000	1.36	-	-	-	-	1. Huang, Chang-qing 2. Zhang Qiuqin	1. First-degree Relative 2. First-degree Relative	-

Huang Yuxiang	2,036,000	1.36	-	-	-	-	1. Huang, Chang-qing 2. Zhang Qiuqin	1. First-degree Relative 2. First-degree Relative	-
Huang Yingjun	2,016,553	1.34	-	-	-	-	1. Huang, Chang-qing 2. Zhang Qiuqin	1. First-degree Relative 2. First-degree Relative	-

10. The number of shares held by the company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the company in the same reinvested enterprise, and the comprehensive shareholding ratio shall be calculated on a consolidated basis.

December 31, 2023/Unit (in thousands of shares); %

Invested Business	Investment by the Company		Investment by Directors, Managers, and Directly or Indirectly Controlled Businesses		Aggregate Investment	
	Number of shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Tech. Pioneer, Ltd. Tech. Pioneer, Ltd.	23,003	100.00	–	–	23,003	100.00
Ampacs International Company Limited	Note 1	100.00	–	–	Note 1	100.00
Brilliance Investment Ltd. Brilliance Investment Development Ltd.	1,050	100.00	–	–	1,050	100.00
Richmake International Limited Richmake International Limited	1,224	100.00	–	–	1,224	100.00
Sunlight Ocean Holding Limited Eversunny Marine Technology CO LTD	850	100.00	–	–	850	100.00
Fortune Channel Universal Limited Fortune Channel Universal Limited	16,000	100.00	–	–	16,000	100.00
Dong Guan Yi Zhuo Electronics Co., Ltd	Note 1	100.00	–	–	Note 1	100.00
Dong Guan Yi Xin Electronics CO LTD	Note 1	100.00	–	–	Note 1	100.00
Dong Guan Han Lei Electronics Co., Ltd	Note 1	100.00	–	–	Note 1	100.00
MODERN PIONEER(KUNSHAN)CO.,LTD	Note 1	100.00	–	–	Note 1	100.00
Dongguan Qijun Electronics Technology Co., Ltd	Note 1	51.00	–	–	Note 1	51.00

Note 1: The company is a limited liability company and does not have shares.

Chapter 4. Funding Status

1. Share Capital and Shares

(1) Source of Capital

1. Share Capital Formation

Unit: Thousand Shares / Thousand New Taiwan Dollars

Year and month	Issuance Price	Authorized Capital		Paid-In Capital		Note		
		Shares	Amount	Shares	Amount	Source of Share Capital	Other than cash, the capital was offset by non-cash assets.	Other
1998/7/2	1,000	10	10,000	10	10,000	Established Paid-in Capital	—	Note 1
2004/4/7	1,000	50	50,000	50	50,000	Cash capital increase 40,000,000	—	Note 2
2004/11/4	1,000	70	70,000	70	70,000	Cash capital increase 20,000,000	—	Note 3
2006/12/11	10	30,300	303,000	30,300	303,000	Cash capital increase 233,000,000	—	Note 4
2016/1/20	20	70,000	700,000	50,300	503,000	Cash capital increase 200,000,000	—	Note 5
2016/6/8	10	70,000	700,000	57,000	570,000	Increase in capital through surplus: 67,000,000	—	Note 6
2017/6/7	10	70,000	700,000	70,000	700,000	Increase in capital through surplus: 130,000,000	—	Note 7
2018/6/7	10	150,000	1,500,000	80,000	800,000	Increase in capital through surplus: 100,000,000	—	Note 8
2019/5/30	10	150,000	1,500,000	100,000	1,000,000	Increase in capital through surplus: 200,000,000	—	Note 9
2019/10/30	30	150,000	1,500,000	104,800	1,048,000	Cash capital increase 48,000,000	—	Note 10
2020/9/13	10	150,000	1,500,000	110,000	1,100,000	Capital Surplus Conversion for Capital Increase 52,000,000	—	Note 11
2020/12/23	100	150,000	1,500,000	122,000	1,220,000	Cash capital increase	—	Note 12

Year and month	Issuance Price	Authorized Capital		Paid-In Capital		Note		
		Shares	Amount	Shares	Amount	Source of Share Capital	Other than cash, the capital was offset by non-cash assets.	Other
1998/7/2	1,000	10	10,000	10	10,000	Established Paid-in Capital	—	Note 1
2004/4/7	1,000	50	50,000	50	50,000	Cash capital increase 40,000,000	—	Note 2
2004/11/4	1,000	70	70,000	70	70,000	Cash capital increase 20,000,000	—	Note 3
2006/12/11	10	30,300	303,000	30,300	303,000	Cash capital increase 233,000,000	—	Note 4
						120,000,000		
2022/10/1	10	500,000	5,000,000	150,000	1,500,000	Earnings Surplus Conversion for Capital Increase: NT\$158,000,000 Capital Surplus Conversion for Capital Increase: NT\$122,000,000	—	Note 13

Note 1: Registered on July 2, 1998, under No. 189770.

Note 2: Granted on April 7, 2004, under No. 09331928720.

Note 3: Granted on November 4, 2004, under No. 09332976420.

Note 4: Granted on December 11, 2006, under No. 09533259460.

Note 5: Granted on January 20, 2016, under No. 10501012880.

Note 6: Granted on June 8, 2016, under No. 10501122330.

Note 7: Granted on June 7, 2017, under No. 10601071410.

Note 8: Granted on June 7, 2018, under No. 10701062320.

Note 9: Granted on May 30, 2019, under No. 10801062870.

Note 10: Granted on October 30, 2019, under No. 10801153020.

Note 11: Granted on September 11, 2020, under No. 10901172910.

Note 12: Granted on December 23, 2020, under No. 10901240300.

Note 13: Granted on October 1, 2021, under No. 11001179590.

2. Types of Shares

April 23, 2024; Unit: Shares

Types of Shares	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Registered Ordinary Shares	150,000,000(Note)	350,000,000	500,000,000	This company is a listed company.

Note: The figures mentioned above include 2,500,000 shares of treasury stock that have not been transferred.

3. Information regarding the comprehensive declaration system: Not applicable

(2) Shareholders Structure

April 23, 2024; Unit: Shares

Shareholder Structure Quantity	Government Agencies	Financial Institutions	Other Corporations	Foreign Institutions and Foreigners	Individuals	Treasury stock	Total
Number of	0	0	29	45	8,752	1	8,827
Number of Shares	0	0	28,684,195	6,961,235	111,854,570	2,500,000	150,000,000
Shareholding Ratio	0	0	19.12%	4.64%	74.57%	1.67%	100.00

(3) Distribution of Shares

April 23, 2024; Unit: Shares

Shareholding Class			Number of Shareholders (Individuals)	Number of Shares Held	Shareholding(%)
1	to	999	2,262	366,589	0.24%
1,000	to	5,000	4,893	10,480,204	6.99%
5,001	to	10,000	785	5,853,012	3.90%
10,001	to	15,000	265	3,313,151	2.21%
15,001	to	20,000	150	2,722,925	1.82%
20,001	to	30,000	161	4,014,206	2.68%
30,001	to	40,000	82	2,807,724	1.87%
40,001	to	50,000	45	2,052,360	1.37%
50,001	to	100,000	87	6,142,553	4.10%
100,001	to	200,000	47	6,693,199	4.46%
200,001	to	400,000	14	3,472,147	2.31%
400,001	to	600,000	9	4,488,394	2.99%
600,001	to	800,000	4	2,897,769	1.93%
800,001	to	1,000,000	6	5,363,879	3.58%
1,000,001 or More			17	89,331,888	59.55%
Total			8,827	150,000,000	100.00%

(4) List of Major Shareholders

April 23, 2024; Unit: Shares

Shareholdings Major Shareholder Name	Number of Shares Held	Shareholding Ratio
Huang, Chang-qing	27,671,900	18.45%
Long An Investment CO LTD	11,907,304	7.94%
Chang An Investment CO LTD	11,681,569	7.79%
Xiao, Xiu-ru	9,387,545	6.26%
Zhang Yanli	5,514,233	3.68%
Zhang Qiuqin	3,889,575	2.59%
Frederick Romano	2,579,048	1.72%
Huang Haosheng	2,036,000	1.36%

Huang Yuxiang	2,036,000	1.36%
Huang Yingjun	2,016,553	1.34%

(5) Per-share market price, net asset value, earnings, dividends, and related information for the past two years.

Unit: NT\$/ thousand shares ; %

Item \ Year		Year 2022	Year 2023	As of March 31, 2024
Stock Market Price Per Share	Highest	81.60	81.80	55.30
	Lowest	28.15	35.80	45.20
	Average	46.30	52.84	50.72
Net Value Per Share	Before Distribution	18.98	18.05	18.03
	After Distribution	18.48	17.55	-
Surplus Earnings Per Share	Weighted Average Shares	147,500	147,500	147,500
	Per share earnings (before adjustments)	0.50	-0.05	-0.26
	Per share earnings (adjusted)	-	-	-
Dividend Per Share	Cash Dividends	0.50 (Note 1)	0.50 (Note 2)	-
	Unrequited Stock Dividends	Conversion of profits into capital increase and allotment of shares	-	-
		Capital reserve allotment	-	-
	Accumulated Unpaid Dividends		-	-
Return on Investment Analysis	Price-to-Earnings Ratio (Note 4)	92.60	-1056.80	-
	Price-to-Earnings Ratio (Note 5)	92.60	105.68	-
	Cash Dividend Yield (Note 6)	1.08%	0.95%	-

Note 1: The cash amount of the 2022 cash dividends and capital reserve distributed in cash as resolved by the board of directors on April 27, 2023.

Note 2: The cash amount of the 2023 cash dividends and capital reserve distributed in cash as resolved by the board of directors on April 25, 2024.

Note 3: The data audited by the accountant as of the first quarter of 2024.

Note 4: P/E Ratio = Average closing price per share for the current fiscal year/earnings per share.

Note 5: P/D = Average closing price for each share for the current fiscal year/cash dividend per share.

Note 6: Cash dividend yield ratio = Cash dividend per share/average closing price per share for the current year.

(6) Dividend Policy and Implementation

1. The Company's Dividend Policy

If the Company has profits in the annual financial statements, after paying taxes and donations, and offsetting accumulated losses, 10% shall be set aside as statutory surplus reserves. However, when the statutory surplus reserves reach the Company's paid-in capital, no further provision shall be made. Additionally, in accordance with laws or regulations of regulatory authorities, special surplus reserves may be allocated or reversed. If there are still profits remaining after such allocations or reversals, the balance, together with accumulated undistributed profits, shall be proposed by the board of directors as a profit distribution proposal to be resolved upon by the shareholders' meeting for the distribution of dividends to shareholders.

The Company may distribute dividends in the form of cash dividends or stock dividends. However, such distribution shall take into account the current and future investment environment, capital requirements, domestic and international competitive conditions, capital budgeting, and other factors. It shall also consider shareholders' interests, balance dividends, and the Company's long-term financial and business planning. Dividends may be distributed from distributable profits accordingly. If the Company decides to distribute dividends to shareholders, it shall allocate not less than 10% of distributable profits annually for dividend distribution. However, dividends may not be distributed if the cumulative distributable profits are less than 10% of the paid-in capital. The proportion of cash dividends distributed shall be no less than 10% of the total dividend amount. However, the actual distribution ratio shall still be subject to resolution by the shareholders' meeting.

2. Proposed Dividend Distribution for the Year

The Board of Directors of the Company has proposed the following dividend distribution for the year 2023:

The cash dividends to shareholders amount to NT\$13,275,000, with a distribution of NT\$0.09 per share. Additionally, capital surplus dividends amount to NT\$60,475,000, with a distribution of NT\$0.41 per share. After approval at the shareholders' annual meeting, the Board of Directors will be authorized to set the ex-dividend and ex-rights dates. Subsequently, if changes in the Company's share capital affect the number of outstanding shares, necessitating adjustments to the dividend and rights issue ratios, the Chairman of the Board will be empowered to make such adjustments in accordance with the law.

(7) The potential impact of the proposed stock dividends on the company's business performance and earnings per share for the current year

Since the Company has not made public its financial forecast for fiscal year 2023, there is no relevant information available for calculating the impact of this gratis stock placement on the Company's operating results and earnings per share.

(8) Bonus to Employee and Directors

1. The Percentage or Scope of Employee Bonus and Bonus to Directors Set Forth in the

Articles of Association

If the Company generates profits in the fiscal year (defined as profits before deducting employee remuneration and director remuneration), it shall allocate not less than 1% for employee remuneration and not more than 3% for director remuneration. This allocation shall be decided upon by the Board of Directors and reported to the shareholders' meeting. However, when the Company still has accumulated losses, it should reserve an amount for offsetting those losses beforehand, before allocating employee remuneration and director remuneration according to the proportions mentioned above.

The employee referred to in the preceding paragraph shall be paid in stock or cash, while the director shall only be paid in cash.

2. The estimation basis for the provision of employee and director remuneration amounts for the current period, the calculation basis for employee remuneration in the form of stock distribution, and the accounting treatment when the actual distribution amount differs from the estimated amount are as follows: The Company bases its estimation of employee and director remuneration on the percentage specified in the company's articles of association. According to this principle, provisions are made annually and submitted to the shareholders' meeting for approval by the board of directors. When the actual distribution amount approved by the board of directors differs from the estimated amount, it is considered an accounting estimate change, and the difference is recognized in the profit or loss of the following year.

3. Remuneration Distribution Approved by Board of Directors

- (1) The amounts of employee compensation and director remuneration distributed in cash or in stock. If there is any discrepancy between the amount and the annual estimated amount of recognized expenses, it shall disclose the number of differences, reasons for the differences and the handling situation:

Due to a post-tax loss in the fiscal year 2023, the Company did not distribute remuneration to directors and employees.

- (2) Amount of employee compensation distributed in shares and percentage of total net income after tax and total employee compensation in the current financial statements: Not applicable.

4. The actual distribution of employee and director remuneration for the previous fiscal year (including the distribution of shares, amounts, and share prices), discrepancies between this distribution and the recognized employee and director remuneration should be disclosed. Any differences should be specified, along with the reasons for the discrepancies and the actions taken to address them.

On 22 March 2023, the Company's Board of Directors resolved to distribute employees' remuneration of NT\$1,090 thousand and directors' remuneration of NT\$1,090 thousand through cash distribution, which is not different from the actual distribution.

(9) Share Repurchase Situation: None.

2. Corporate bond handling: None.

3. Preferred stock handling: None.

4. Overseas depositary receipt handling: None.

5. Handling of employee stock option warrants: None.

6. Handling of restricted employee shares: None.

7. Issuance of new shares for M&A handling: None.

8. Handling of Fund Utilization Plan:

As of the end of the previous quarter before the printing date, the Company had neither ongoing issuance nor recent completion of any publicly issued or privately placed securities within the last three years with unrealized benefits.

Chapter 5. Operation Overview

1. Business Contents

(1) Business Scope

1. Main content of business operations:

CC01030 Manufacture of Electrical Appliances and Audio-visual Electronic Products

CC01110 Manufacture of Computers and the Peripheral Equipment

C805050 Manufacture of Industrial Plastic Products

6. F401010 International Trading

2. Revenue Breakdown

Unit: NT\$1,000; %

Year	2022		2023	
	Operating Income Net Amount	Ratio (%)	Operating Income Net Amount	Ratio (%)
Consumer Electronics Products	4,677,856	92.59	3,567,677	92.40
Plastic Components	374,115	7.41	293,624	7.60
Total	5,051,971	100	3,861,301	100

3. Current Product (Service) of the Company

A. Gaming Earphone

B. TWS True Wireless Earphone

C. In-Ear Earphones

D. Surveillance Cameras

E. Cell Phone Game Controller

F. Speaker

G. Wires and Cables

H. Plastic Injection Molding for Networking Products

4. Planned new products (services) to be developed

Product Categories	New Products in Development
Intelligent Noise-Canceling Earphones	1. Environmental Intelligent Noise-Canceling Earphones 2. Call Intelligent Noise-Canceling Earphones
3D Application Earphones	Smart Earphone With 3d Positioning and 3d Sound Field Support
Ultra-Low Latency, Ultra-Low Power Consumption Earphones	New Generation Ultra-Low Latency, Ultra-Low Power Consumption Earphones
High-Fidelity	High-Fidelity Microphones for Gaming, Online Social Media, and

Microphones	Streaming
Internet Security	Webcams
Cell Phone Accessories	Cell Phone Game Controller

(2) Industry Overview

The company is mainly engaged in the design, research and development and production of TWS true wireless headset, gaming headset, music and entertainment headset, high fidelity microphone and OEM of surveillance system camera and other related products. The Company's products are widely used in the consumer market. All consumer electronic products, including smartphones, game consoles, computers, tablets, wearable devices, TVs, smart home appliances, cell phone controllers, video and audio surveillance devices, and online applications, are all applications of the products, and the following is an explanation of the development of the major industries and applications of such consumer electronic products.

1. Industry Status and Development

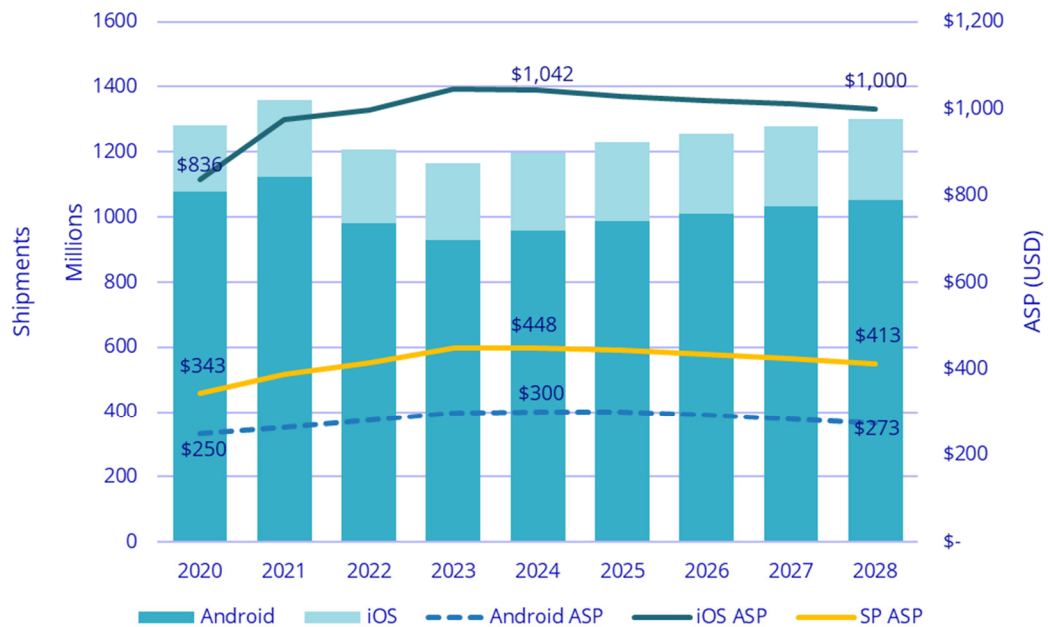
With the advancement of digital semiconductor technology and the influence of Internet technology, consumer electronic products have undergone continuous changes, leading to shifts in consumers' lifestyles and product usage behaviors. The trend of the consumer electronics industry in 2024 is AI/Digital Health/Energy Storage/Smart Home Appliances. In order to meet the market trend and demand, the related industries will continue to introduce new product ideas, combine innovative hardware and software technologies, and develop smart applications, so as to continuously introduce consumer electronics products into digitalization, intelligence, and networking.

According to IDC's 2023 report, the global outlook for PCs, laptops, and tablets indicates continued growth in the market share of laptops and tablets. This growth is driven by the widespread adoption of diverse platforms such as media broadcasting, Facebook, YouTube, and Netflix. Additionally, the rise of next-generation consoles like Xbox and PS5, along with the proliferation of online and eSports games, has increased bandwidth requirements and enhanced computing speeds. These developments are fostering greater demand for headphones and the expansion of smart applications. The explosive proliferation of multi-platform media and digital networks has driven the demand for headphones and the expansion of smart applications, stimulating the widespread use of true wireless earbuds and gaming headphones.

Figure 1: Global Smartphone Trends (Unit: Million Users)



Worldwide Smartphone Forecast, 2023Q4



Source: IDC Worldwide Quarterly Mobile Phone Tracker, February 23, 2024

Source: <https://www.idc.com/getdoc.jsp?containerId=prUS51899524>

In recent years, wearable devices have been widely accepted by consumers, with True Wireless Stereo (TWS) earphones being the fastest-growing segment within this category. According to a market research report by Technavio, the compound annual growth rate (CAGR) from 2022 to 2027 is projected to be 27.7%. In comparison to the research report from 2017, it is evident that the global TWS (True Wireless Stereo) earbuds market size is expected to grow even more than previously anticipated, reaching USD 120,692.14 million by 2027.

True Wireless Stereo (TWS) earphones, through the integration of voice control and AI artificial intelligence, as well as updated technologies such as active noise cancellation, positioning and 3D applications, and integration of hearing aid functions, provide users with a wide range of entertainment, information, and health applications around the clock.

Furthermore, the FDA announced the establishment of the (OTC) hearing aid category in October 2022. Several suppliers and brands such as Jabra, Sennheiser, Bose, Sony, among others, have introduced TWS (True Wireless Stereo) earbuds in the form of OTC hearing aids and disclosed relevant technologies. According to the World Health Organization's "World Hearing Report," hearing loss currently affects over 1.5 billion people worldwide, with approximately 430 million individuals

requiring rehabilitation services due to hearing loss. By 2050, it is estimated that over 2.5 billion people may experience moderate to severe hearing loss. Indeed, hearing aids are an effective means of assisting individuals with hearing loss. Vendors capitalizing on this trend must invest in and build corresponding supply chains to support the development of next-generation devices.

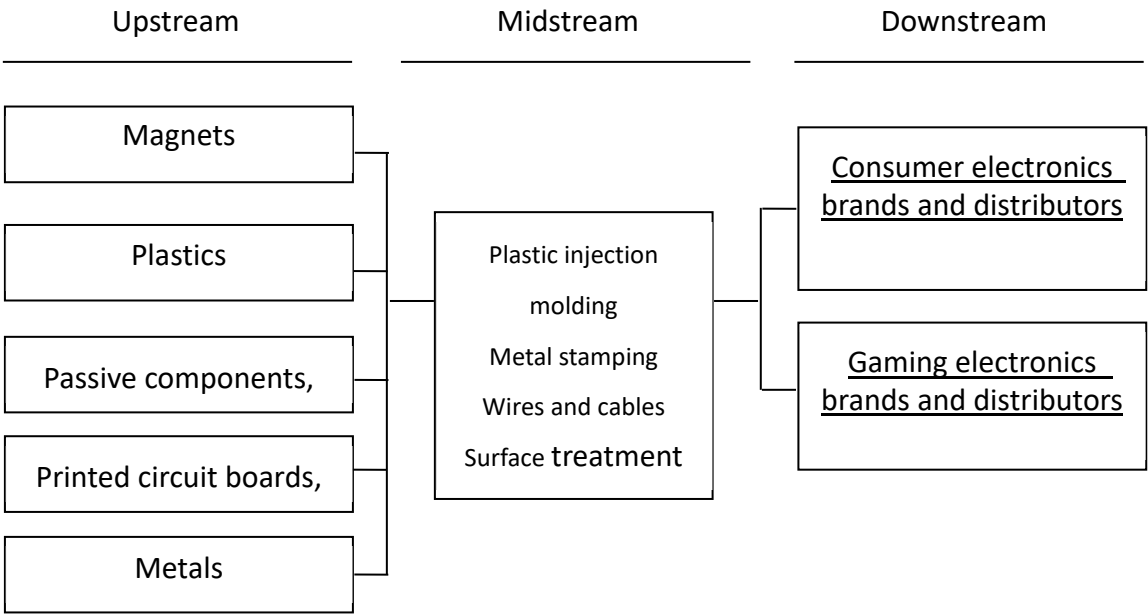
Figure 2: Global Sales Revenue of TWS True Wireless Earphones (Unit: USD Billion)



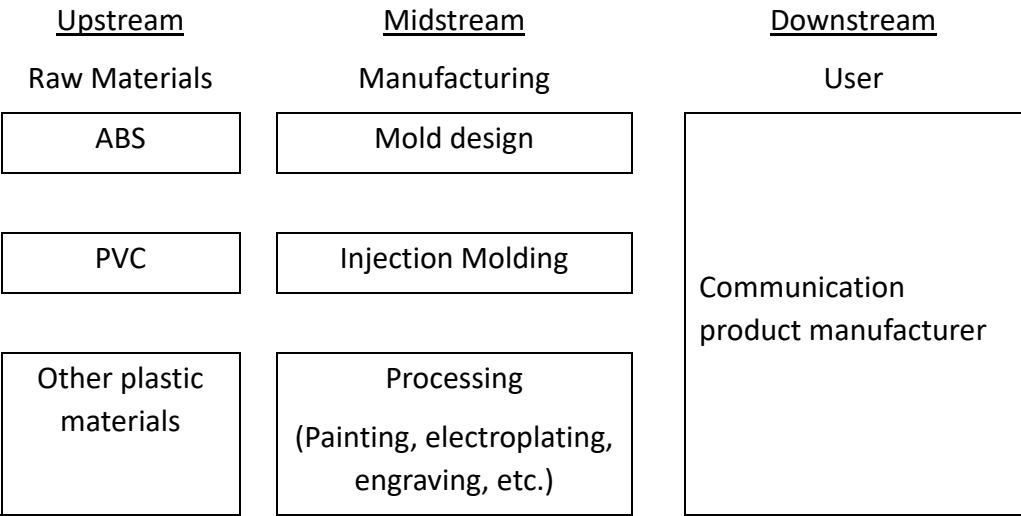
Source: https://www.technavio.com/report/true-wireless-stereo-earbuds-market-analysis?utm_source=prnewswire&utm_medium=pressrelease&utm_campaign=t_2023_dcs_wk40_2023_020_rep&utm_content=IRTNTR76192

2. Interrelationships among Upstream, Midstream, and Downstream Industries

A. Headphone products



B. Plastic components



3. Various Product Development Trends and Competition Status

Due to the increasing prevalence of mobile devices and the shift towards wireless audio solutions, headphone products have experienced significant growth. Furthermore, advancements in technologies such as noise cancellation, extended battery life, and high-quality audio have also propelled market expansion. Our company continues to refine its products in the areas of noise cancellation, high-fidelity audio, and aesthetically appealing designs. The development of individual products in the gaming, communication, and smart headphone categories is as

follows:

- A. Gaming Earphones: Made of metal material, high cost-performance ratio, better sound quality and clear microphone effect, low power consumption, with a trendy and eye-catching appearance including ARGB effects, attracting young consumers. The material is breathable and comfortable for long-term use, conducive to extended wearing.
- B. TWS True Wireless Earphones: Aimed at high quality sound and calls, lightweight and streamlined form factor, micro-electro-sensory integration and longer usage time and more comfortable fit.
- C. Smart Earphones: Voice control, adaptive noise cancellation, AI-driven environmental noise reduction, spatial audio, integration with cloud for personalized features leveraging big data, and health monitoring applications.

4. Product Competition Status

The Company is a professional earphone manufacturer, with major competitors predominantly based in Taiwan, Hong Kong, and mainland China. However, the Company possesses high vertical integration capabilities. In addition to upstream production capabilities for plastic molds and cables, we are also moving towards in-house production of acoustic components (speakers). Our production and supply chain are well-segmented, enabling us to enhance overall earphone manufacturing technology. Moreover, the Company boasts a R&D team skilled in product styling design, mechanics, software, electronics, and acoustic design. This comprehensive expertise has earned recognition from world-renowned brand customers for product development and manufacturing quality. Leveraging our extensive experience in product development and production, the Company has established a solid foundation for competitive and sustainable growth.

In recent years, the Company has taken steps to assist customers in reducing manufacturing risks and enhancing product competitiveness. In response to the international trade war and tariff increases imposed by the United States in 2019, we expanded our production footprint beyond Taiwan and mainland China by establishing a complete production base in Vietnam. This move allowed us to smoothly scale up production and shipments, positioning us ahead of the industry curve. Vietnam, having signed free trade agreements with ASEAN, the European Union, and other nations, offers competitive advantages over mainland China in terms of labor costs. This strategic move not only strengthens our foothold in the market but also enhances our ability to compete for European and American clients. At the same time, we are also able to provide customers with superior and reassuring

services.

(3) Technology and R&D Overview

1. Technical Level of Business, Research and Development

There is a wide variety of earphone products available in the market, including in-ear, over-ear, wired, wireless, Bluetooth, noise-cancelling, low-latency wireless earphones, true wireless earbuds, and others, to meet consumer needs. In order to achieve the goal of independent design, the Company has conducted comprehensive planning for the technological requirements of earphones, including design, mechanical engineering, electronic engineering, software development, acoustic design, and packaging design. We are recruiting talents with relevant backgrounds and integrating various simulation software analyses to shorten the development time and improve the efficiency of product development.

For products with higher technology level such as 3D earphone, spatial audio earphone, Bluetooth HD earphone, noise cancellation earphone and low latency wireless earphone in the market, the Company develops them together with the major suppliers in the industry and maintains the leading position, and launches the spatial audio Bluetooth HD earphone earlier than the industry, and launches the dual-mode wireless noise cancellation earphone for the e-sports and commercial markets.

As for the popularity of music earphones in daily life, the Company has also actively invested in R&D for high-definition sound quality earphones, in-depth R&D of speakers, diaphragms, as well as the structure of the cavity and materials, etc., which not only improves the sound quality of the earphones for the benefit of the consumers, but also deepens the Company's independent R&D capabilities.

2. The R&D expenses invested in the most recent fiscal year and up to the date of the annual report printing are as follows:

Unit: NT\$ 1,000

Items	Year	Year 2023	As of March 31, 2024
R&D Expense (A)		174,943	39,957
Operating Income Net Amount (B)		3,861,301	1,144,829
Revenue Proportion to Net Revenue (A)/(B)		4.53%	3.49%

3. Successfully Developed Technologies or Products

Year	Successfully Developed Technologies or Products
2014	<ul style="list-style-type: none"> ● 40mm/50mm Dynamic Coil Corded Gaming Earphone
2015	<ul style="list-style-type: none"> ● Successfully Developed LED Wireless Earphone for Xbox/PS4 with Variable Lighting Effects
2016	<ul style="list-style-type: none"> ● Successfully Developed the World's First Smart Active Noise Cancellation in-ear Lightning Earphones With Apple LAM2 Module ● Successfully Developed the World's First Apple Lightning Personal Smart Conference Speaker
2017	<ul style="list-style-type: none"> ● Successfully Integrated Head Gyro Sensor + Waves NX Sound Effect + Bluetooth + USB + 3.5mm Plug Platform Technology ● Successful Development of Hi-Res USB-C Earphones ● Successful Development of Hi-Res Bluetooth Earphones
2018	<ul style="list-style-type: none"> ● Successful Development of High-quality Wireless Gaming Earphones With 3D Head Tracking Using Tablet Speaker Technology ● Wireless Dual Mode 2.4G + BT Gaming Headset Successfully Developed ● Wireless Dual Mode 2.4G + BT ANC Earphone Successfully Developed
2019	<ul style="list-style-type: none"> ● Developed Coaxial Dual Diaphragm Driver ● Dual-mode MacInnis + BT ANC Technology Successfully Developed
Year 2020	<ul style="list-style-type: none"> ● Ultra Low Power True Wireless Earphones ● Ultra-low Power Microcomputer Inductive Integrated True Wireless Earphone ● Ultra-low Power Consumption and Ultra-low Latency for New Generation Gaming Earphones
Year 2021	<ul style="list-style-type: none"> ● Low Power Consumption TWS with Voice Control and Head Sensor Detection ● Bluetooth Low Power & Low Latency New Generation Gaming & Gaming Earphones ● Simulation of 7.1.4 Spatial Audio Earphones
Year 2022	<ul style="list-style-type: none"> ● Integration of TWS with gaming earphones featuring Mimi functionality: Customized audio experience tailored to individual users' unique hearing profiles. ● Bluetooth TWS Single MIC ENC Noise Canceling Earphones ● Bluetooth TWS Hybrid ANC Noise Canceling Earphones ● LDAC High-Fidelity Audio Playback Gaming Earphones ● Dolby Atmos Neck-hook Earphones

Year	Successfully Developed Technologies or Products
Year 2023	<ul style="list-style-type: none"> ● Gaming Headphones with Dolby Audio Support for Head Tracking Features ● Headphones Supporting Bluetooth LE Audio (Low Energy Audio) ● High-Speed Audio-Visual Interface HDMI 8K Image and Sound Switching Platform Testing Technology

(4) Long and Short-term Business Development Plans

In response to industry developments and overall economic trends, our company has formulated long and short-term plans to strategically guide the future direction of the group and enhance competitiveness. The following is an overview of our company's short and long-term plans:

(1) Short-Term Development Plans

- A. Research and Development: Continuously develop new feature products through the electronic and product design departments, collaborating with competitive suppliers to launch niche products that lead the market. Actively cultivate talents and strengthen R&D capabilities to meet diverse customer needs.
- B. Marketing: Focus on combining entertainment gaming earphones with customized products, offering customers a variety of choices to secure orders from domestic and international major manufacturers and increase market share.
- C. Production: Comprehensive upgrade of production line specifications, development of automated equipment, PLM system upgrade to effectively improve production efficiency, enhance product quality and stability, and reduce product costs.
- D. Operations and Finance: Guided by market information, consider product production efficiency from the R&D design stage based on customer requirements, implement integrated management to improve product yield, reduce production costs, and enhance market competitiveness.

2. Long-Term Development Plans

- A. Research and Development: Establish a team targeting major customers to jointly develop future new products, seek government resources and industry-academia cooperation, and recruit talents in the earphone industry to build a new generation R&D team.
- B. Marketing: Closely observe industry dynamics and market trends, plan products with vision and in line with the company's core competitiveness,

differentiate products in the market with high-quality and high-price products, and establish long-term partnerships with customers to maintain international status.

- C. Production: Replan and introduce production line processes to enhance production line automation. Maintain close and good co-operation with suppliers, master the source of raw materials and disperse the goods from different manufacturers to ensure that the source of supply is not in danger.
- D. Operations and Finance: Establish robust management systems to implement the company's management philosophy and achieve the vision of sustainable business operations. Utilize stable fundraising channels in the capital market to strengthen the financial structure and corporate resilience. This will fortify long-term development capabilities, positioning the company towards becoming an international enterprise.

2. Market and Production & Marketing Overview

(1) Market Analysis

1. The sales (provision) regions of our company's main products/services

Unit: NT\$ 1,000

Sales Region \ Year	Year 2022		Year 2023	
	Amount	Percentage	Amount	Percentage
America	2,677,901	53.01	2,349,607	60.85
Europe	1,425,637	28.22	781,664	20.24
Asia	948,433	18.77	730,030	18.91
Total	5,051,971	100.00	3,861,301	100.00

2. Sales Growth Rate

The Company is principally engaged in the R&D, production and sales of e-sports and music earphones and related products. Customer base is dominated by high market share brands in Europe, the United States and India, and sales include gaming headsets and true wireless headsets. Net sales in 2023 will be NT\$3,861,301 thousand, a decline of 23.57% from NT\$5,051,971 thousand in 2022.

3. Future Market Supply & Demand Situation and Growth

Due to the portable, personal, wireless requirements and multi-scene applications gave birth to the birth of different performance earphones, new earphones in addition to communication, games, audio and video and other commonly used functions, but also with the collection and analysis of data and other intelligent functions; at the same time, in order to match the use of the scene (indoors, walking, airplanes / high-speed railroad) active noise cancellation or even

temporary active noise cancellation and other advanced technologies are also gaining popularity, and the above factors are driving the development of earphones. As the public's entertainment life becomes richer and richer, devices such as PCs, Nintendo Switches, Playstation, tablets, and smartphones are also developing rapidly, and online and offline applications are booming, which has led to the expansion of the earphone market as well. Products tailored to customer needs, including true wireless earphones, sports earphones, fashion earphones, gaming earphones, and noise-cancelling earphones, have been developed to satisfy the needs of different users and continue to grow the earphone market.

According to the Industry Research on the Headset Market, global headphone sales are predicted to reach USD 7,219.03 million by 2027.

According to Grand View Research, the overall headphone market is expected to maintain a steady growth with a compound annual growth rate (CAGR) of 31.2% from 2023 to 2030. In the midst of this steady growth in global demand, the Company will continue to increase its market share based on the competitiveness of the Company as a whole, and share the fruits of growth with its shareholders and customers.

<http://www.precisionreports.co>

<https://www.grandviewresearch.com/industry-analysis/headset-market>

4. Competitive Niches

A.Experienced R&D Team

The Company has a complete and professional R&D team in product design, mechanism, software, electronics, RF and acoustics, and the ability to independently design various types of earphone products such as noise cancellation, intelligent and 3D, and has a close relationship and technology sharing with key components suppliers of earphones and brand customers, so that we have an advantage in product development to meet the needs of customers for various types of products in the market.

B. Highly Self-manufacturing Capability and Vertically Integrated Supply Chain

The Company operates with seamless collaboration among various departments, from product development to production. Key components such as speaker units, plastic parts, metal parts, and cables are all produced in-house. Both motherboard testing and product assembly testing are conducted in our own factory. Efficient resource integration not only assists brand clients in achieving rapid and superior product launches but also, through vertical integration from development to manufacturing, helps reduce product costs. In addition to our Taiwan headquarters, our production bases extend to mainland China and Vietnam. This not only enables large-scale shipments but also allows us to accommodate customer demands for production and shipments from

multiple locations. This helps reduce customer risks and mitigate the impact of tariffs resulting from trade tensions, such as those in the United States.

C. Growing Demand for Wearable Smart Devices and E-Sports Industries

As the penetration rate of wearable smart devices and gaming products continues to increase each year, this trend will continue to drive demand for related products. Additionally, due to the growth in demand from the gaming industry, gamers have higher expectations for the comfort and stability of various peripherals. The Company has been cultivating the gaming market for many years and is well-positioned to align with market growth momentum. Furthermore, we are continuously developing a more diverse range of earphone products to meet customer needs.

5. Beneficial and Unfavorable Factors in the Development Prospect and Countermeasures

(1) Beneficial Factors

(A) Demand for Handheld Smart Devices Grows in Gaming Industry

As the public's demand for audio-visual entertainment becomes increasingly diversified and handheld devices such as smartphones and tablet PCs become more abundant and popular, the functions of audio-visual and gaming entertainment on mobile phones are also increasing. The development and popularisation of handheld devices will drive the development of the earphone market.

(B) The Spread of 5G Bandwidth and the Next Generation of Chips

The bandwidth and performance of the chip have led to a diversification of software applications, stimulating consumers to replace their earphones every one to two years. The increase in bandwidth has led to a rapid diversification of service offerings. Chip innovation, also makes the performance and application of the product towards the consumer's expectations, these factors multiply, for the replacement of the earphone peripheral products and growth, continue to inject vitality.

(C) Vertical Integration of the Supply Chain and the Advantages of Multi-location Production

In addition to investing in professional R&D staff at the product development stage to provide customers with the most optimal product design, the Company also masters the design and production of key components to shorten the product development time, through vertical integration, product yields, and to stabilize the quality and cost of the Company's products. In addition, the Company has the advantage of multi-country and multi-location production, which effectively solves the problem of international trade tariff barriers.

(D) High-quality R&D Team to Meet Customized Requirements

The Company's R&D team has been engaged in the core industry for many years, accumulating rich professional experience. Moreover, the technical backgrounds and extensive experiences of our key R&D personnel contribute to our competitive advantage. In the face of industry competition, we continuously enhance product optimization techniques and develop new products, allowing us to accumulate strong R&D capabilities and establish a solid foundation for long-term development.

(2) Unfavorable Factors and Coping Strategies

(A) Numerous Competitors in the Market Engaging in Price Competition

The use of cheap raw materials by some substandard manufacturers in the production of earphones has led to serious price-cutting competition and disrupted the overall market order, hindering the healthy development of the market.

Countermeasures: Strengthening supply chain cooperation and effective vertical integration management, enhancing product customization capability and patent design, and considering design based on customer needs and overall assembly and matching to increase the difficulty of counterfeiting, and highlighting the Company's product differentiation with technologically advanced products.

(B) Rapid Changes in Consumer Electronics Products

With the rapid development of the electronics market, evolving consumer trends, and the constant innovation of electronic products, our company's product designs must align with consumer tastes and demands to meet market trends effectively.

Countermeasures: The Company's sales and R&D staffs keep an eye on the relevant market demands and work closely with various brand manufacturers to provide the latest market demands and fashion trends, so as to grasp the market opportunities and develop newer and more advanced product technologies as well as design techniques to minimize the risks caused by the changes in the demand for consumer electronic products.

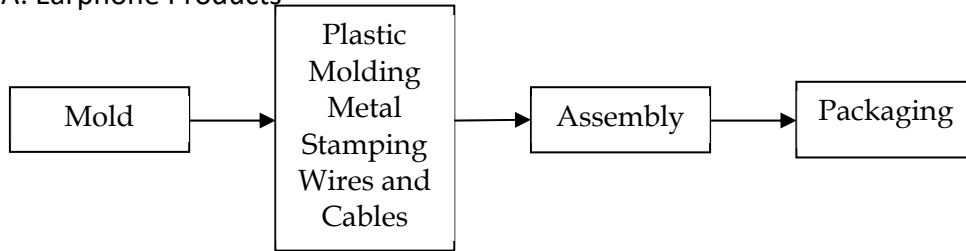
(2) Main Functions of Products and Manufacturing Processes:

1. Important uses of our main products

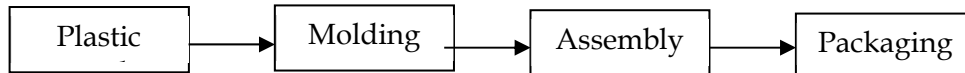
Product	Important Uses
Consumer Electronics Products	Design product specifications according to different customer needs, mainly providing wired and wireless earphone products for listening to music on smart devices or for use in gaming.
Plastic Components	Provide plastic enclosures or components for routers, such as top and bottom covers, cooling devices, and other plastic parts.

2. Manufacturing process of the main products

A. Earphone Products



B. Plastic Components



(3) Supply Status of Primary Raw Materials

All of the Company's production factories have a long-term and stable relationship with raw material suppliers, who are able to provide goods at the most competitive prices and in the most favorable manner, so as to enable the Company to maintain a long-term advantage in the cost of products and to provide the best service to our customers.

(4) The name of the customer that has accounted for more than 10% of the total amount of goods purchased (sold) in any of the recent two years and the amount and proportion of the goods purchased (sold), and the reasons for the increase or decrease:

1. The names of suppliers that accounted for 10% or more of the total purchases in any of the last two years, the amount and percentage of purchases, and the changes in the amount and percentage of purchases, and the reasons for the increase or decrease:

Unit: NT\$ 1,000

Items	Year 2022				Year 2023				Year-to-Date as of Q1 of 2024			
	Name	Amount	Ratio %	Relationship with the Issuer	Name	Amount	Ratio %	Relationship with the Issuer	Name	Amount	Ratio %	Relationship with the Issuer
1	Others (Note)	2,896,916	100.00	None	Supplier A	278,911	12.74	None	Supplier A	128,462	13.35	None
					Other	1,910,613	87.26	None	Other	833,895	86.65	None
	Net Purchase	2,896,916	100.00		Net Purchase	2,189,524	100.00		Net Purchase	962,357	100.00	

Note: No single supplier accounted for more than 10% of total purchases.

Analysis of the reasons for the changes:

In 2023, there was an increase in the proportion of purchases from Supplier A, mainly due to an increase in demand for their integrated circuits (ICs).

2. Sales data for any one of the past two years in which sales from a customer accounted for more than 10% of the total sales:

Unit: NT\$ 1,000

Items	Year 2022				Year 2023				Year-to-Date as of Q1 of 2024			
	Name	Amount	Ratio %	Relationship with the Issuer	Name	Amount	Ratio %	Relationship with the Issuer	Name	Amount	Ratio %	Relationship with the Issuer
1	Customer A	1,546,379	30.61	None	Customer B	1,093,715	28.32	None	Customer B	300,826	26.28	None
2	Customer B	980,511	19.40	None	Customer A	880,601	22.80	None	Customer D	247,743	21.64	None
3	Customer C	831,180	16.45	None	Customer D	496,716	12.86	None	Customer A	193,923	16.94	None
	Other	1,693,901	33.54	None	Other	1,390,269	36.02	None	Other	402,337	35.14	None
	Net Sales	5,051,971	100.00		Net Sales	3,861,301	100.00		Net Sales	1,144,829	100.00	

Analysis of the reasons for the changes:

1. In 2023, there was a decrease in the proportion of sales to Customer A, primarily due to product transitions by the customer and a decrease in order quantities.
2. In 2022, there was a decrease in the proportion of sales to Customer C, mainly due to model transitions and inventory destocking by the customer.
3. In 2022, there was an increase in the proportion of sales to Customer D, primarily due to the mass production of new models.

(5) Production value for the past two years.

Unit: Thousand units; NTD thousand

Year	Year 2022			Year 2023		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Consumer Electronics Products	18,672	14,147	4,644,224	15,598	8,246	3,280,259
Plastic Components	26,965	17,819	370,430	21,561	12,321	295,158
Total	45,637	31,966	5,014,654	37,159	20,567	3,575,417

(6) Yearly Sales Volume in the Last Two Years

Unit: Thousand units; NTD thousand

Year Sales Volume Main Product	Year 2022				Year 2023			
	Domestic Sales		Overseas Sales		Domestic Sales		Overseas Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Consumer Electronics Products	1,554	3,564	14,203	4,674,292	-	-	8,705	3,567,677
Plastic Components	Note	5,931	17,804	368,184	Note	9,226	12,321	284,398
Total	1,554	9,495	32,007	5,042,476	-	9,226	21,026	3,852,075
Note: Since the content pertains to the mold and sample projects, the quantity is not included.								

3. Employee Data

The employee data for the past two years and as of the date of the annual report printing are listed as follows:

Unit: Person

Year		Year 2022	Year 2023	113 Years As of end of April
Number of Employees	Direct Staff	1,102	1,369	1,482
	Indirect Staff	1,089	1,101	1,440
	Total	2,191	2,470	2,922
Average Age		31	31	30
Average Years of Service		2.8	2.9	2.5
Education Distribution	Doctorate	0.04	0.04	0.03
	Master's Degree	1.37	1.01	1.1
Percentage %	University/College	15.90	16.00	14.17
	Senior High School	34.41	35.87	34.53
	Under Senior High School	48.28	47.08	50.17

4. Environmental Expenditure Information

In the most recent year and up to the publication date of the annual report, the losses caused by environmental pollution (including compensation and violations of environmental laws and regulations as a result of environmental inspection, the punishment date, punishment name, violation of provisions of laws and regulations, and violation of contents of laws and regulations) shall be listed, and disclose the estimated amounts and countermeasures that may occur now and in the future, If it cannot be reasonably estimated, it shall state the fact that it cannot be reasonably estimated: None.

5. Labor Management Relations

(1) Listing of employee welfare measures, training and development, retirement systems, and their implementation, as well as agreements between labor and management and the implementation of employee rights protection measures.

1. Employee Welfare Measures and Implementation:

(1) Services provided by the company:

A. Employees are enrolled in labor insurance, group insurance, and overseas travel insurance from the date of employment.

B. Regular Health Checkups: Conduct free annual health checkups for employees.

C. On-site medical services provided by medical staff for health consultations.

D. Provision of congratulatory gifts and condolences for weddings, funerals, and celebrations.

E. Festival Bonuses, Maternity Bonuses, Childcare Allowance, Birthday Leave

F. Taiwan taxi services to ensure safe transportation for employees returning home at night.

G. Overtime dinner subsidies, fuel subsidies, flexible working hours.

H. Annual Leave and Compensatory Leave can be deferred, with new employees hired before July 1st receiving advance annual leave.

I. Occasional afternoon tea and departmental dinner subsidies.

J. Subsidies for Children's Education Fund

K. Year-end Bonuses, Annual Salary Adjustments: Issued based on company performance, environmental factors, and individual performance

(2) Welfare measures implemented by the company's Employee Welfare Committee:

A. Discounts provided by contracted stores.

B. Distribution of birthday bonuses and holiday bonuses.

C. Distribution of department store vouchers.

2. Employee Education and Training:

Talent is the cornerstone of Ampacs' success. In order to ensure the long-term development of the company, enhance employee quality and job performance, and strengthen the transfer of professional knowledge and skills, the company has established an education and training management system to promote learning and development within the company and talent training. To achieve the company's talent development goals, various training courses are designed to not

only enhance the knowledge and skills required for individuals and their work but also to develop employees' long-term professional capabilities. We adjust the regulations of procedural manuals in accordance with regulatory requirements and analyze the functions of relevant positions and professional personnel to provide necessary training arrangements. In addition to formulating annual education and training plans based on the company's development goals, each department also executes internal and external training. Employees can also request external training based on job requirements to participate in various vocational training or certification courses to enhance their professional abilities, tailored to the specific professional competencies required for different job natures. Newly hired employees are required to undergo at least one hour of orientation training within their first three months of employment. This training covers topics such as welfare systems, internal leave regulations, explanation of work rules, integrity policies, and ISO policy promotion. In addition to providing internal and external education and training, we also offer assistance to employees transitioning into new roles. Each year, each factory submits education and training plans according to the needs of their respective units. Periodically, courses are arranged to enhance employees' skills, such as external training courses related to job functions like Creo 3D drawing, 3D basic modeling, or collaborating with external educational training institutions to provide employees with diverse learning channels.

3. Retirement System and Implementation:

Since July 1, 2005, in compliance with the Labor Pension Act regulations, all employees of the company have been enrolled in the new labor retirement system. Under this system, 6% of each employee's monthly salary is deducted and deposited into an individual retirement account established by the Labor Insurance Bureau. Employees also have the option to voluntarily contribute additional funds to their retirement savings, beyond the mandatory 6% deduction from their monthly salary. The retirement fund allocation for the fiscal year 2023 was NT\$6,862,186.

The Company follows the applicable provisions of the Labor Pension Act as follows:

1. Voluntary Retirement: An employee may voluntarily retire if they meet any of the following conditions: (For those who choose to apply the Labor Pension Act, the retirement process will be conducted in accordance with the provisions of the same Act)

(1) Those aged 55 or older with at least fifteen years of service.

(2) Those with at least twenty-five years of service.

(3) Those aged 60 or older with at least ten years of service.

2. Mandatory Retirement: The Company may not enforce retirement on an employee unless they meet one of the following conditions:

(1) Those aged 65 or older.

(2) Those who are mentally incapacitated or physically disabled and incapable of performing their duties. For employees holding positions with special characteristics such as danger or requiring strong physical stamina, the Company may request approval from the competent central authority to adjust the age limit specified in the preceding clause. However, the age limit shall not be less than 55 years old.

3. Retirement Benefits Standards:

(1) For employees with seniority both before and after the application of the Labor Standards Act, who choose to continue applying the retirement benefit provisions of the Labor Standards Act or retain the seniority before the application of the Labor Pension Act, their retirement benefits shall be calculated according to Article 84-2 and Article 55 of the Labor Standards Act.

(2) Employees with the seniority specified above who are mandatorily retired according to Article 35, Paragraph 1, Clause 2, and whose mental incapacitation or physical disability is due to the performance of their duties, shall receive an additional 20% according to the provisions of Article 15, Paragraph 1, Clause 2 of the Labor Standards Act.

(3) For employees covered by the retirement benefit provisions of the Labor Pension Act, the Company shall monthly contribute 6% of their salary to the employee's individual retirement account.

4. Agreements Between Labor and Management and Measures to Protect Employee Rights

The Company adheres to the regulations stipulated in the Labor Standards Act to safeguard employee rights. Regular labor-management meetings are held to discuss various company policies and issues through open and two-way communication channels. The aim is to foster a harmonious relationship and interaction between labor and management, ensuring that employees' rights are handled fairly and reasonably. For instance, the Company has established employee suggestion boxes and complaint channels to provide avenues for employees to voice their opinions and concerns regarding management and welfare systems. This facilitates a deeper understanding of employee perspectives and fosters ongoing positive labor-management relations.

(1) As of the latest annual and interim report printing date, the Company has incurred losses due to labor disputes (including violations of labor laws as indicated by labor inspection results, with details such as date of penalty, penalty reference number, violated legal provisions, the nature of violations, and the penalty imposed). The Company also discloses the estimated amounts and

measures to address current and potential future losses. If reasonable estimation is not possible, the Company should explain the factual basis for the inability to provide such estimation: None.

6. Information Security Management

- (1) Describe the information security risk management framework, information security policy, specific management plans, and resources invested in information security management.

1. Information Security Risk Management Framework

The Information Department, as an independent department separate from user units, is responsible for planning and implementing information security policies, advocating for information security, raising employee awareness of information security, and collecting and improving the effectiveness of information-related technologies or procedures. It executes management tasks such as network security, information file security, information data center management, email security control, and access control for information system permissions. Internal and external audits conduct at least one annual review of the internal information security implementation status.

2. Information Security Policy

The Company adheres to the principles of mutual benefit, pragmatism, and fulfilling social responsibilities to create value for customers and shareholders. In December 2022, the Company implemented the ISO/IEC 27001 Information Security Management System and obtained certification. It also established an Information Security Team and an incident reporting and response procedure to ensure the stable provision of information services and the continuous operation of business activities. This includes safeguarding the confidentiality, integrity, and availability of stored information assets and ensuring the privacy of personnel data. Furthermore, the Company has established a plan for the sustainable operation of information business and conducts information business activities in compliance with relevant laws and regulations.

3. Specific Management Plan and Allocation of Resources for Information Security Management

- (1) Specific Management Plan: Currently, the main measures and implementation status for information security risk management are as follows, effectively protecting information security.

Number	Items	Specific Management Measures
--------	-------	------------------------------

1	Firewall Protection	Firewall settings include connection rules.
		Special connection requirements require additional approval before opening.
2	Antivirus Software	Utilize antivirus software and automatically update virus definitions to reduce the risk of virus infections.
3	Operating System Updates	Major and security updates for the operating system are centrally managed by an automatic update system, which automatically distributes and installs updates to company computers.
4	Email Security Control	Email settings include automatic scanning and filtering of threats. Before users receive emails, unsafe attachments, phishing emails, spam, and malicious links are blocked.
5	Data Backup Mechanism	Important information system databases are backed up daily, with offsite backup configurations in place.
6	Upload Important Files to Servers	Important files from various departments within the company are stored on servers for centralized storage.

(2) Information Security Management:

(A) Data Protection Strategy

Examples include firewall policies, antivirus system updates, patching of vulnerabilities in hosts and network devices, detection of phishing and spam emails, and computer room security management. Regular system audits and improvements are conducted, and new technologies are periodically introduced to strengthen data protection.

(B) Cybersecurity Education and Training

New employees receive cybersecurity education and training on their first day of work to ensure understanding of relevant cybersecurity regulations. Periodic cybersecurity education and training sessions are conducted for all colleagues through emails or meetings. Periodic announcements regarding cybersecurity controls and major cybersecurity events are made to raise awareness and strengthen internal and external network attack prevention.

(2) Set forth the losses, possible effects and responses to major information and communications security incidents suffered in the most recent year and up to the date of the publication of the annual report, and state the fact that it cannot be reasonably estimated if it cannot be reasonably estimated:

There have been no significant cybersecurity incidents resulting in business losses so far. Periodic cybersecurity meetings will be held to discuss relevant issues, and the implementation of information security management policy objectives will continue. Regular drills for recovery plans will also be conducted to protect the security of important company systems and data.

7. Significant Contracts :

Nature of Contract	The Principal	Contract Start/End Date	Main Content	Restricted Content
Land Use Rights Principle Agreement	BECAMEX IDC CORP.	2019/3/29~2057/6/30	Vietnamese land use rights	None
Land Use Rights Principle Agreement	BECAMEX IDC CORP.	2021/03/19~2066/4/26	Vietnamese land use rights	None
Credit Agreement	CTBC Bank	2023/11/30~2024/11/30	Comprehensive Credit Agreement	None
Credit Agreement	BANK SINOPAC	2023/9/20~2024/9/30	Comprehensive Credit Agreement	None
Credit Agreement	E.SUN Bank	2023/10/4~2024/10/4	Comprehensive Credit Agreement	None
Credit Agreement	Bank of Taiwan	2023/6/5~2024/6/5	Comprehensive Credit Agreement	None
Credit Agreement	Chang Hwa Bank	2023/6/1~2024/4/30	Comprehensive Credit Agreement	None
Credit Agreement	Mega Bank	2023/2/24~2024/2/23	Comprehensive Credit Agreement	None
Credit Agreement	Far Eastern Bank	2023/3/24~2024/3/24	Comprehensive Credit Agreement	None
Credit Agreement	DBS Bank	2023/9/25~2024/6/30	Comprehensive Credit Agreement	None
Credit Agreement	International Bills	2023/3/31~2024/3/30	Comprehensive Credit Agreement	None
Credit Agreement	Hua Nan Bank	2023/5/4~2024/5/4	Comprehensive Credit Agreement	None
Credit Agreement	Cathay United Banking	2023/11/30~2024/11/30	Comprehensive Credit Agreement	None
Credit Agreement	Shin Kong Commercial Bank	2023/3/24~2024/3/24	Comprehensive Credit Agreement	None
Credit Agreement	Entie Commercial Bank	2023/4/26~2024/4/26	Comprehensive Credit Agreement	None
Credit Agreement	Taichung Bank	2023/6/19~2024/6/19	Comprehensive Credit Agreement	None

Nature of Contract	The Principal	Contract Start/End Date	Main Content	Restricted Content
Credit Agreement	Taishin International Bank	2023/7/7~2024/6/30	Comprehensive Credit Agreement	None
Credit Agreement	Taipei Fubon Bank	2023/2/22~2024/2/24	Comprehensive Credit Agreement	None
Credit Agreement	VCB Bank	2023/3/27~2024/3/27	Comprehensive Credit Agreement	None
Credit Agreement	INDOVINA BANK	2023/3/8~2024/3/8	Comprehensive Credit Agreement	None
Credit Agreement	Kunshan Rural Commercial Bank	2023/9/24~2024/9/24	Comprehensive Credit Agreement	None
Joint Venture Agreement	Ability Enterprise CO LTD	2022/4/28~Termination of Agreement	Establishment of Joint Venture Taiwanese Company Investing in Vietnam to Establish a New Company	None

Chapter 6. Financial Overview

1. Summary Balance Sheets and Comprehensive Income Statements for the Past Five Years

(1) Summary Balance Sheets and Comprehensive Income Statements

1. Consolidated Financial Information

(1) Consolidated Summary Balance Sheets - International Financial Reporting Standards

Unit: NT\$ 1,000

Unit: NT\$ 1,000

Year Items		Financial Information for the Most Recent 5 Years (Note 1)					Financial Information as of March 31, 2024 (Note 2)
		2019	Year 2020	Year 2021	Year 2022	Year 2023	
Current Asset		1,468,019	4,333,339	4,864,148	3,645,986	3,721,623	4,318,728
Real Estate, Plant, and Equipment		1,434,371	2,015,088	3,520,462	3,480,417	3,121,141	3,102,805
Intangible Assets		117,339	111,557	107,200	114,535	112,804	116,829
Other Assets		387,585	599,023	599,403	883,336	1,142,835	1,153,413
Total Assets		3,407,314	7,059,007	9,091,213	8,124,274	8,098,403	8,691,775
Current Liability	Before Distribution	1,227,637	3,429,336	5,432,118	4,464,016	4,708,027	5,327,504
	After Distribution	1,274,797	3,629,336	5,505,868	4,537,766	4,634,277 (Note 4)	Undistributed
Non-Current Liability		569,813	414,287	895,371	848,396	717,306	693,584
Total Liabilities	Before Distribution	1,797,450	3,843,623	6,327,489	5,312,412	5,425,333	6,021,088
	After Distribution	1,844,610	4,043,623	6,401,239	5,386,162	5,351,583 (Note 4)	Undistributed
Equity Attributable to Owners of Parent Company		1,441,769	3,204,294	2,752,441	2,799,731	2,662,552	2,659,865
Share Capital		1,048,000	1,220,000	1,500,000	1,500,000	1,500,000	1,500,000
Capital Surplus	Before Distribution	300,909	1,446,762	1,161,362	1,097,937	1,044,837	1,044,837
	After Distribution	212,229	1,161,362	1,097,937	1,044,837	984,362 (Note 4)	Undistributed
Retained Earnings	Before Distribution	233,851	711,954	468,109	531,114	503,647	465,314
	After Distribution (Note 2)	223,371	517,354	457,784	510,464	490,372 (Note 4)	Undistributed
Other Equities		(140,991)	(174,422)	(191,736)	(144,026)	(200,638)	(164,992)
Treasury Stock		-	-	(185,294)	(185,294)	(185,294)	(185,294)
Non-Controlling Interest		168,095	11,090	11,283	12,131	10,518	10,822
Total Equity	Before Distribution	1,609,864	3,215,384	2,763,724	2,811,862	2,673,070	2,670,687

Year Items	Financial Information for the Most Recent 5 Years (Note 1)					Financial Information as of March 31, 2024 (Note 2)
	2019	Year 2020	Year 2021	Year 2022	Year 2023	
After Distribution (Note 2)	1,562,704	3,015,384	2,689,974	2,738,112	2,599,320 (Note 4)	Undistributed

Note 1: The financial information for the years 2019 to 2023 has been audited and certified by the accounting firm.

Note 2: The financial information of March 31, 2024 has been reviewed by the CPAs.

Note 3: The distribution of earnings for the fiscal years 2019 to 2022 has been approved by the shareholders' meeting.

Note 4: The cash dividend amount of NT\$13,275,000 and the distribution of cash from capital surplus of NT\$60,475,000 were resolved by the board of directors on April 25, 2024, for the fiscal year 2023.

(2) Consolidated Summary Comprehensive Income Statement - International
Financial Reporting Standards

Unit: NT\$ 1,000

(Except Earnings (Loss) per Share, which is in NT\$)

Year Items	Financial Information for the Most Recent 5 Years (Note 1)					Financial Information as of March 31, 2024 (Note 2)
	2019	Year 2020	Year 2021	Year 2022	Year 2023	
Operating Income	2,327,439	4,998,255	5,678,706	5,051,971	3,861,301	1,144,829
Operating Margin	581,560	1,245,058	670,882	685,898	729,605	190,064
Operating (Loss) Profit	132,865	673,173	(18,928)	94,730	175,887	43,524
Non-Operating Income and Expenses	(2,040)	(68,568)	(57,538)	19,081	(168,490)	(78,406)
Net Profit Before Tax	130,825	604,605	(76,466)	113,811	7,397	(34,882)
Continuing Operations Net Income	97,619	495,059	(46,191)	74,014	(8,231)	(38,222)
Loss from Discontinued Operations	-	-	-	-	-	-
Current Net Profit (Loss)	97,619	495,059	(46,191)	74,014	(8,231)	(38,222)
Other Comprehensive Gain (Loss) (After-Tax Net Amount)	(84,028)	(28,310)	(17,374)	47,874	(56,811)	35,839
Total comprehensive profit(loss) for this reporting period	13,591	466,749	(63,565)	121,888	(65,042)	(2,383)
Net Income Attributable to Owners of Parent Company	104,999	488,583	(49,245)	73,330	(6,817)	(38,333)
Net Profit (Loss) Attributable to Non-Controlling Interests	(7,380)	6,476	3,054	684	(1,414)	111
Total Comprehensive Profit (Loss) Attributable to the Parent Company	26,207	459,894	(66,559)	121,040	(63,429)	(2,687)

Total Comprehensive Profit (Loss) Attributable to Non-controlling Interests	(12,616)	6,855	2,994	848	(1,613)	304
Earnings Per Share (Losses)	0.80	3.58	(0.33)	0.5	(0.05)	(0.26)

Note 1: The financial information for the years 2019 to 2023 has been audited and certified by the accounting firm.

Note 2: The financial data for the fiscal year ending March 31, 2024, was reviewed by the accountant.

2. Individual Financial Information

(1) Individual Summary Balance Sheet - International Financial Reporting Standards

Unit: NT\$ 1,000

<div>Year</div> <div>Items</div>		Financial Information for the Most Recent 5 Years (Note 1)				
		2019	Year 2020	Year 2021	Year 2022	Year 2023
Current Asset		854,777	3,825,840	4,164,427	3,422,771	2,783,032
Real Estate, Plant, and Equipment		438,068	438,110	1,396,955	1,322,768	1,309,367
Intangible Assets		7,281	8,900	8,246	5,563	3,930
Other Assets		1,879,897	1,959,874	1,337,974	1,362,807	2,223,950
Total Assets		3,180,023	6,232,724	6,907,602	6,113,909	6,320,279
Current Liability	Before Distribution	1,228,776	2,646,136	3,293,998	2,540,459	2,965,127
	After Distribution	1,275,936	2,846,136	3,367,748	2,614,209 (Note 3)	2,891,377 (Note 3)
Non-Current Liability		376,902	509,478	382,294	861,163	692,600
Total Liabilities	Before Distribution	1,738,254	3,028,430	4,155,161	3,314,178	3,657,727
	After Distribution	1,785,414	3,228,430	4,228,911	3,387,928 (Note 3)	3,583,977 (Note 3)
Share Capital		800,000	1,048,000	1,220,000	1,500,000	1,500,000
Capital Surplus	Before Distribution	300,909	1,446,762	1,161,362	1,097,937	1,044,837
	After Distribution	212,229	1,161,362	1,097,937	1,044,837 (Note 3)	984,362 (Note 3)
Retained Earnings	Before Distribution	233,851	711,954	468,109	531,114	503,647
	After Distribution (Note 2)	223,371	517,354	457,784	510,464 (Note 3)	490,372 (Note 3)
Other Equities		(62,199)	(140,991)	(174,422)	(191,736)	(200,638)
Treasury Stock		-	-	-	(185,294)	(185,294)
Total Equity	Before Distribution	1,441,769	3,204,294	2,752,441	2,799,731	2,662,552
	After Distribution (Note 2)	1,394,609	3,004,294	2,678,691	2,725,981 (Note 3)	2,588.802 (Note 3)

Note 1: The financial information for the years 2019 to 2023 has been audited and certified by the accounting firm.

Note 2: The distribution of earnings for the fiscal years 2019 to 2022 has been approved by the shareholders' meeting.

Note 3: The cash dividend amount of NT\$13,275,000 and the distribution of cash from capital surplus of NT\$60,475,000 were resolved by the board of directors on April 25, 2024, for the fiscal year 2023.

(2) Individual Summary Comprehensive Income Statement - International Financial

Unit: NT\$ 1,000

(Except Earnings (Loss) per Share, which is in NT\$)

Items \ Year	Financial Information for the Most Recent 5 Years (Note 1)				
	2019	Year 2020	Year 2021	Year 2022	Year 2023
Operating Income	2,147,163	4,842,188	5,549,875	4,928,989	3,774,424
Operating Margin	280,560	1,099,887	942,814	325,066	297,135
Operating (Loss) Profit	61,343	816,681	689,125	72,748	45,188
Non-Operating Income and Expenses	69,720	(205,973)	(698,207)	34,104	(46,683)
Net Profit Before Tax	131,063	610,708	(9,082)	106,852	(1,495)
Continuing Operations Net Income	104,999	488,583	(49,245)	73,330	(6,817)
Loss from Discontinued Operations	-	-	-	-	-
Current Net Profit (Loss)	104,999	488,583	(49,245)	73,330	(6,817)
Other Comprehensive Gain (Loss) (After-Tax Net Amount)	(78,792)	(28,689)	(17,314)	47,710	(56,612)
Total comprehensive profit(loss) for this reporting period	26,207	459,894	(66,559)	121,040	(63,429)
Earnings Per Share	0.80	3.58	(0.33)	0.5	(0.05)

Note: The financial information for the years 2018 to 2023 has been audited and certified by the accounting firm.

(2) Audit Firm Name and Audit Opinion for the Latest Five Years

Year	Name of CPA Firm	Audit Partners' Names	Opinion
2019	Deloitte Taiwan	Cai Zhencai and Qiu Mengjie	Unqualified Opinion
Year 2020	Deloitte Taiwan	Qiu Mengjie and Cai Zhencai	Unqualified Opinion
Year 2021	Deloitte Taiwan	Qiu Mengjie and Cai Zhencai	Unqualified Opinion
Year 2022	Deloitte Taiwan	Liu Ming-Xian and Chen Yan-Jun	Unqualified Opinion
Year 2023	Deloitte Taiwan	Wang Jun-Yu, Liu Ming-Xian	Unqualified Opinion

2. Financial Analysis for the Last Five Years

(1) Consolidated Financial Analysis - International Financial Reporting Standards

<div> <div>Year</div> <div>Analysis Items (Note 4)</div> </div>		Financial Analysis for the Latest Five Years (Note 1)					Financial Information as of March 31, 2024
		2019	Year 2020	Year 2021	Year 2022	Year 2023	
Financial Structure	Ratio of Liabilities to Assets	52.75	54.45	69.60	65.39	66.99	69.27
	(%) Ratio of Long-Term Capital to Real Estate, Plant, and Equipment	151.96	180.12	103.94	105.17	108.63	108.43
Solvency	Current Ratio	119.58	126.36	89.54	81.68	79.05	81.23
	(%) Quick Ratio	77.80	83.66	43.69	37.84	38.71	41.00
	Interest Coverage Ratio	10.18	23.68	(0.66)	2.07	1.04	0.19
Operating Capacity	Receivables Turnover Rate (Times)	4.11	5.31	3.64	3.65	3.72	3.74
	Average Collection Days	89	69	101	100	99	98
	Inventory Turnover Rate (Times)	3.64	4.36	2.95	2.13	1.66	1.93
	Payables Turnover Rate (Times)	3.89	4.90	3.75	3.29	3.16	3.58
	Average Days for Sales	100	84	124	171	220	189
	Real Estate Plant, and Equipment Turnover Rate (Times)	2.06	2.90	2.05	1.44	1.17	1.47
	Total Asset Turnover Rate (Times)	0.75	0.96	0.70	0.59	0.48	0.55
Profitability Capacity	Rate of Return on Assets (%)	3.52	9.87	(0.12)	1.85	1.54	(0.19)
	Rate of Return on Equity (%)	6.52	20.52	(1.55)	2.65	(0.30)	(5.72)
	Net Pretax Profit to Paid-in Capital Ratio (%)	12.48	49.56	(5.10)	7.59	0.49	(9.30)
	Profit Margin (%)	4.19	9.90	(0.81)	1.47	(0.21)	(3.34)
	Earnings Per Share (NT\$) (Note 3)	0.80	3.58	(0.33)	0.5	(0.05)	(0.26)
Cash flow	Cash Flow Ratio (%)	3.99	Note 2	Note 2	25.45	0.71	Note 2
	Cash Flow Adequacy Ratio (%)	72.62	39.06	13.22	29.02	18.79	24.27
	Cash Flow Reinvestment Ratio (%)	Note 2	Note 2	Note 2	26.94	Note 2	Note 2
Degree of Leverage	Degree of Operating Leverage	5.04	2.65	(82.92)	16.79	8.95	10.30
	Degree of Financial Leverage	1.12	1.04	0.29	(8.13)	19.08	65.16
The reasons for the changes in financial ratios in the most recent years: (analysis is not necessary if the increase or decrease is not up to 20%)							

1. Interest coverage ratio decreased mainly due to the increase in interest expenses resulting from the interest rate hike in the fiscal year 2023.
2. Decrease in inventory turnover and increase in average days of sales mainly due to the clearance of consumer electronics inventory in 2023, leading to reduced revenue and costs.
3. Decrease in return on equity, decrease in ratio of pre-tax net income to paid-in capital, decrease in net profit margin, decrease in earnings per share (EPS), and decrease in EPS mainly due to the clearance of consumer electronics inventory in 2023, resulting in reduced revenue and profitability.
4. Decrease in cash flow ratio and decrease in cash flow adequacy ratio mainly due to the collection of accounts receivable and clearance of inventory in 2022.
5. Decrease in operating leverage mainly due to the end of the pandemic in 2023, resulting in improved factory efficiency and increased gross profit margin.
6. Increase in financial leverage mainly due to the increase in interest expenses resulting from the interest rate hike in the fiscal year 2023.

Note 1: The financial data for the aforementioned fiscal years has been audited and certified by the accountant.

Note 2: Cash flow analysis: Refers to net cash inflows from operating activities. Net cash outflows are not included in the calculation.

Note 3: Refers to basic earnings per share.

Note 4: At the end of this table of the annual report, the following calculation formula should be listed:

1. Financial Structure

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

(2) Long-Term Capital to Property, Plant, And Equipment Ratio = (Total Equity + Non-Circulating Liability) / Net Amount of Property, Plant and Equipment.

2. Solvency

(1) Current Ratio = Circulating Asset / Circulating Liability.

(2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities.

(3) Interest Coverage Ratio = Net Profit Before Income Tax and Interest Expense / Current Interest Expenditure

3. Operating Performance

(1) Accounts Receivable (including receivable and bills receivable arising from business operations) Turnover Rate = Net Sales / Balance of Average Receivable in Various Periods (including accounts receivable and bills receivable arising from business operations).

(2) Average Collection Days = 365 / Receivables Turnover Rate.

(3) Inventory Turnover Rate = Cost of Sales / Average Inventory Value.

(4) Accounts Payable (including payable and bills payable arising from business operations) Turnover Rate = Cost of Sales / Balance of Average Payable in Various Periods (including accounts payable and bills payable arising from business operations).

Bills Payable

(5) Average Days of Sales = 365 / Inventory Turnover Rate.

(6) Property, Plant and Equipment Turnover Rate = Net Sales / Average Net Amount of Property, Plant and Equipment.

(7) Total Asset Turnover Rate = Net Sales / Average Total Assets.

4. Profitability Capacity

(1) Return on Asset = [Post-Tax Profit or Loss + Interest Expense (1-Tax Rate)] / Average Total Assets.

(2) Return on Equity = Post-Tax Profit or Loss / Average Total Equity.

(3) Profit Margin = Post-Tax Profit or Loss / Net Sales.

(4) Earnings Per Share = (Gain or Loss Attributable to Owners of the Parent Company – Preference Dividend) / Weighted Average Number of Issued Shares.

5. Cash Flow

(1) Cash Flow Ratio = Net Cash Flow from Operating Activities / Circulating Liability.

(2) Net Cash Flow Coverage Ratio = Average Operating Cash Flow of the Latest 5 Years / (Capital Expenditure + Increase in Inventory + Cash Dividends of the Latest 5 Years).

(3) Cash Reinvestment Ratio = (Operating Cash Flow - Cash Dividends) / (Gross Fixed Assets + Long-term Investments + Other Non-current Assets + Working Capital)

(Note 6)

6. Degree of Leverage:

(1) Degree of Operating Leverage = (Net Operating Income - Variable Operating Costs and Expenses) / Operating Profit

(2) Degree of Financial Leverage = Operating Profit / (Operating Profit - Interest Expense).

Note 5: The above formula for earnings per share shall be calculated with special attention to the following matters

1. The weighted average is based on the number of ordinary shares, not the number of issued shares at the end of the year.

2. Traders with cash additions or treasury stocks shall calculate the weighted average shares, taking into account their period of circulation.

3. Where there is surplus to capital increase or capital reserve to capital increase, when calculating the earnings per share of previous years and half years, it shall be retroactively adjusted according to the proportion of capital increase, and it is not necessary to consider the issuance period of such capital increase.

4. If the preferred stocks are non-convertible accumulated special stocks, the current year dividend (whether or not issued) shall be deducted from the net after-tax profit or increased net after-tax loss.

If the preferred stocks are non-cumulative in nature, the dividend of the preferred stocks shall be deducted from the net after-tax profit if there is net after-tax profit; If it is a loss, it needs not be adjusted.

Note 6: The cash flow analysis shall be calculated with special attention to the following matters:

1. Net cash flow of operating activities refers to the net cash inflow of operating activities in the cash flow table.
2. Capital expenditure refers to the annual cash outflow from capital investment.
3. The goods on hand increase is only recorded when the ending balance is greater than the opening balance. If the inventory decreases at the end of the year, it will be counted as zero.
4. Cash dividends include cash dividends for ordinary shares and preferred stocks.
5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before the deduction of accumulated depreciation.

(2) Individual Financial Analysis - International Financial Reporting Standards (Individual Financial Statements)

<div> <div>Year</div> <div>Analysis Items (Note 4)</div> </div>		Financial Analysis for the Latest Five Years (Note 1)				
		2019	Year 2020	Year 2021	Year 2022	Year 2023
Financial Structure (%)	Ratio of Liabilities to Assets	54.66	48.59	60.15	54.21	57.87
	Ratio of Long-Term Capital to Real Estate, Plant, and Equipment	445.42	818.65	258.68	270.15	256.24
Solvency (%)	Current Ratio	69.56	144.58	126.42	134.73	93.86
	Quick Ratio	67.38	136.39	125.48	132.4	92.90
	Interest Coverage Ratio	13.28	30.44	0.71	2.39	0.99
Operating Capacity	Receivables Turnover Rate (Times)	4.43	5.58	3.75	3.77	3.89
	Average Collection Days	83	66	98	97	94
	Inventory Turnover Rate (Times)	209.62	211.17	272.06	305.9	346.29
	Payables Turnover Rate (Times)	2.76	4.66	5.95	11.13	12.34
	Average Days for Sales	2	2	2	2	2
	Real Estate Plant, and Equipment Turnover Rate (Times)	4.94	11.05	6.05	3.62	2.87
	Total Asset Turnover Rate (Times)	0.72	1.03	0.84	0.76	0.61
Profitability Capacity	Rate of Return on Assets (%)	3.80	10.73	(0.37)	2.07	1.40
	Rate of Return on Equity (%)	7.48	21.03	(1.65)	2.64	(0.25)
	Net Pretax Profit to Paid-in Capital Ratio (%)	12.51	50.06	(0.61)	7.12	(0.10)
	Profit Margin (%)	4.89	10.09	(0.89)	1.49	(0.18)
	Earnings Per Share (NT\$) (Note 3)	0.80	3.58	(0.33)	0.5	(0.05)
Cash flow	Cash Flow Ratio (%)	Note 2	Note 2	Note 2	27.05	20.82
	Cash Flow Adequacy Ratio (%)	90.80	94.84	28.64	76.89	85.45
	Cash Flow Reinvestment Ratio (%)	Note 2	Note 2	Note 2	17.14	16.13
Degree of Leverage	Degree of Operating Leverage	4.57	1.35	1.37	4.47	6.58
	Degree of Financial Leverage	1.21	1.03	1.05	(18.75)	(0.63)
<p>Explanation of the changes in various financial ratios for the past two years (increase or decrease of less than 20% is exempted)</p> <p>Current ratio and quick ratio: The increase in borrowing in the fiscal year 2023.</p> <p>2. Interest coverage ratio increased: The increase in 2023 was primarily due to the interest rate hike, resulting in increased interest expenses.</p>						

3. Lower turnover rate of real estate, plant and equipment, lower return on assets, lower return on equity, lower ratio of net profit before tax to paid-in capital, lower net profit ratio, lower earnings per share (Yuan), lower earnings per share: mainly due to the reduction of 2023 consumer electronics inventory, lower revenue and lower profit and loss.

4. Increase in cash flow ratio: Mainly due to the collection of accounts receivable and clearance of inventory in 2022.

5. Increase in operating leverage: Mainly due to the clearance of consumer electronics inventory in 2023, resulting in reduced gross profit and increased operating leverage.

6. The decrease in financial leverage was primarily due to an increase in interest expenses resulting from interest rate hikes in the fiscal year 2023.

Note 1: The financial data for the aforementioned fiscal years has been audited and certified by the accountant.

Note 2: Cash flow analysis: Refers to net cash inflows from operating activities. Net cash outflows are not included in the calculation.

Note 3: Refers to basic earnings per share.

Note 4: At the end of this table of the annual report, the following calculation formula should be listed:

1. Financial Structure

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

(2) Long-Term Capital to Property, Plant, And Equipment Ratio = (Total Equity + Non-Circulating Liability) / Net Amount of Property, Plant and Equipment.

2. Solvency

(1) Current Ratio = Circulating Asset / Circulating Liability.

(2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities.

(3) Interest Coverage Ratio = Net Profit Before Income Tax and Interest Expense / Current Interest Expenditure

3. Operating Performance

(1) Accounts Receivable (including receivable and bills receivable arising from business operations) Turnover Rate = Net Sales / Balance of Average Receivable in Various Periods (including accounts receivable and bills receivable arising from business operations).

(2) Average Collection Days = 365 / Receivables Turnover Rate.

(3) Inventory Turnover Rate = Cost of Sales / Average Inventory Value.

(4) Accounts Payable (including payable and bills payable arising from business operations) Turnover Rate = Cost of Sales / Balance of Average Payable in Various Periods (including accounts payable and bills payable arising from business operations).

Bills Payable

(5) Average Days of Sales = 365 / Inventory Turnover Rate.

(6) Property, Plant and Equipment Turnover Rate = Net Sales / Average Net Amount of Property, Plant and Equipment.

(7) Total Asset Turnover Rate = Net Sales / Average Total Assets.

4. Profitability Capacity

(1) Return on Asset = [Post-Tax Profit or Loss + Interest Expense (1-Tax Rate)] / Average Total Assets.

(2) Return on Equity = Post-Tax Profit or Loss / Average Total Equity.

(3) Profit Margin = Post-Tax Profit or Loss / Net Sales.

(4) Earnings Per Share = (Gain or Loss Attributable to Owners of the Parent Company – Preference Dividend) / Weighted Average Number of Issued Shares.

5. Cash Flow

(1) Cash Flow Ratio = Net Cash Flow from Operating Activities / Circulating Liability.

(2) Net Cash Flow Coverage Ratio = Average Operating Cash Flow of the Latest 5 Years / (Capital Expenditure + Increase in Inventory + Cash Dividends of the Latest 5 Years).

(3) Cash Reinvestment Ratio = (Operating Cash Flow - Cash Dividends) / (Gross Fixed Assets + Long-term Investments + Other Non-current Assets + Working Capital)

(Note 6)

6. Degree of Leverage:

(1) Degree of Operating Leverage = (Net Operating Income - Variable Operating Costs and Expenses) / Operating Profit

(2) Degree of Financial Leverage = Operating Profit / (Operating Profit - Interest Expense).

Note 5: The above formula for earnings per share shall be calculated with special attention to the following matters

1. The weighted average is based on the number of ordinary shares, not the number of issued shares at the end of the year.

2. Traders with cash additions or treasury stocks shall calculate the weighted average shares, taking into account their period of circulation.

3. Where there is surplus to capital increase or capital reserve to capital increase, when calculating the earnings per share of previous years and half years, it shall be retroactively adjusted according to the proportion of capital increase, and it is not necessary to consider the issuance period of such capital increase.

4. If the preferred stocks are non-convertible accumulated special stocks, the current year dividend (whether or not issued) shall be deducted from the net after-tax profit or increased net after-tax loss.

If the preferred stocks are non-cumulative in nature, the dividend of the preferred stocks shall be deducted from the net after-tax profit if there is net after-tax profit; If it is a loss, it needs not be adjusted.

Note 6: The cash flow analysis shall be calculated with special attention to the following matters:

1. Net cash flow of operating activities refers to the net cash inflow of operating activities in the cash flow table.

2. Capital expenditure refers to the annual cash outflow from capital investment.

3. The goods on hand increase is only recorded when the ending balance is greater than the opening balance. If the inventory decreases at the end of the year, it will be counted as zero.

4. Cash dividends include cash dividends for ordinary shares and preferred stocks.

5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before the deduction of accumulated depreciation.

3. Audit Committee Audit Report on the Latest Annual Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements and Earnings Distribution Proposal. Transcend Corporation's Financial Statements have been audited and certified by Mr. Chun-Yu Wang and Mr. Ming- Hsien Liu, the CPA of the Deloitte & Touche. The Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the audit committee of Transcend Corporation. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

2024 Annual Meeting of Shareholders of Ampacs Corporation

Chairman of the Audit Committee: Chen, Kai

March 14, 2024

4. Consolidated Financial Statements Audited and Certified by the CPA for the Most Recent Year: Please refer to Appendix 1 on page 151

5. Individual Financial Statements Audited and Certified by the CPA for the Most Recent Year: Please refer to Appendix 2 on page 220

6. The Impact on the Financial Position of the Company Shall Be Stated in the Event of Financial Turnover Difficulties in the Most Recent Year and Up to the Date of Publication of the Annual Report of the Company and Its Affiliated Enterprises: None.

Chapter 7. Review Analysis and Risk Assessment of Financial Status and Financial Performance

1. Financial Position

Unit: NT\$ 1,000				
Items \ Year	December 31, 2023	December 31, 2022	Differences	
			Amount	%
Current Asset	3,721,623	3,645,986	75,637	2.07%
Real Estate, Plant, and Equipment	3,121,141	3,480,417	(359,276)	-10.32%
Intangible Assets	112,804	114,535	(1,731)	-1.51%
Other Assets	1,142,835	883,336	259,499	29.38%
Total Asset	8,098,403	8,124,274	(25,871)	-0.32%
Current Liability	4,708,027	4,464,016	244,011	5.47%
Non-Current Liability	717,306	848,396	(131,090)	-15.45%
Total Liabilities	5,425,333	5,312,412	112,921	2.13%
Share Capital	1,500,000	1,500,000	0	0.00%
Capital Surplus	1,044,837	1,097,937	(53,100)	-4.84%
Retained Earnings	503,647	531,114	(27,467)	-5.17%
Other Equities	(200,638)	(144,026)	(56,612)	-39.31%
Treasury Stock	(185,294)	(185,294)	0	0.00%
Equity Attributable to Owners of Parent Company	2,662,552	2,799,731	(137,179)	-4.90%
Non-Controlling Interest	10,518	12,131	(1,613)	-13.30%
Total Equity	2,673,070	2,811,862	(138,792)	-4.94%
Increase and Decrease Analysis by Percentage Change: (Changes of 20% or more with amounts exceeding NT\$10 million)				
(1) Other assets: The increase in 2023 was primarily due to an increase in long-term investments.				
(2) Other equity: The increase in 2023 was mainly due to exchange rate fluctuations, resulting in increased translation losses on the financial statements of overseas operating entities.				

2. Financial Performance

(1) Analysis of Operating Results for the Past Two Years

Unit: NT\$ 1,000

Items \ Year	Year 2023	Year 2022	Increased (Decreased) Amount	Percentage of Change (%)
Operating Income Net Amount	3,861,301	5,051,971	(1,190,670)	-24%
Operating Cost	3,131,696	4,366,073	(1,234,377)	-28%
Operating Margin	729,605	685,898	43,707	6%
Operating Expenses	553,718	591,168	(37,450)	-6%
Operating profit	175,887	94,730	81,157	86%
Total Non-Operating Income and Expenses	(168,490)	19,081	(187,571)	-983%
Net Profit Before Tax	7,397	113,811	(106,414)	-94%
Income tax(expense) benefits	(15,628)	(39,797)	24,169	61%
Current Net Profit (Loss)	(8,231)	74,014	(82,245)	-111%
Total Other Comprehensive Income (Net of Tax) for the Period	(56,811)	47,874	(104,685)	-219%
Total Comprehensive Income for the Period	(65,042)	121,888	(186,930)	-153%

An analysis of the main reasons for significant changes in operating revenues, operating income and net income before income tax for the last two years.

Increase and Decrease Analysis by Percentage Change: (Changes of 20% or more with amounts exceeding NT\$10 million)

- (1) Net sales and operating costs: In 2023, the clearance of consumer electronics inventory resulted in a decrease in revenue and a decrease in costs.
- (2) Operating (loss) profit: The end of the pandemic in 2023 led to improved factory efficiency and an increase in gross profit margin.
- (3) Non-operating income and expenses: The increase in 2022 was primarily due to the appreciation of the US dollar, resulting in increased gains from currency exchange.
- (4) Profit before tax: The increase in 2022 was primarily due to the appreciation of the US dollar, resulting in increased gains from currency exchange.
- (5) Income tax (expense) benefit: The higher profitability in 2022 resulted in the generation of income tax expenses.
- (6) Current net (loss) profit: The increase in interest rates in 2023 led to an increase in interest expenses.

Items	Year	Year 2023	Year 2022	Increased (Decreased) Amount	Percentage of Change (%)
(7) Current other comprehensive income (net of tax): The increase in 2023 was primarily due to exchange rate fluctuations, resulting in increased translation losses on the financial statements of overseas operating entities.					
(8) Current total other comprehensive income: The increase in 2023 was due to exchange rate fluctuations, resulting in gains and losses on the translation of the financial statements of overseas operating entities.					

(2) Expected Sales Quantity and the References

The Company and its subsidiaries set sales targets based on industry and market conditions and the Company's past operating results. In FY2023, it is expected that the trend of sales growth will be maintained in the coming years.

(3) Possible Impact on the Company's Future Financial Operations and Contingency Plans

There is no material impact on the Company's future financial operations.

3. Cash Flow

(1) Analysis and Explanation of Changes in Cash Flows for the Recent Year

Unit: NT\$ 1,000

Items	Year	Cash Inflows (Outflows)		Increase/(Decrease) in Change	
		Year 2023	Year 2022	Amount	%
Operating Activities		33,409	1,136,051	(1,102,642)	-97%
Investment Activities		(441,912)	(328,482)	(113,430)	-35%
Financing Activities		302,793	(751,284)	1,054,077	140%
Analysis of Changes in Proportions: (Explanation of changes exceeding 20% between periods)					
1. The decrease in net cash inflow from operating activities compared to the previous period was mainly due to the collection of accounts receivable and the clearance of inventory in 2022.					
2. The increase in net cash outflow from investing activities compared to the previous period was primarily due to the increase in long-term investments.					
3. The increase in net cash inflow from financing activities compared to the previous period was mainly due to the increased borrowings.					

(2) Improvement Plan for Insufficient Liquidity: The company does not currently face any

issues of insufficient liquidity.

(3) Analysis for the Coming Year

Unit: NT\$ 1,000

Beginning Cash Balance	Projected Net Cash Flow from Operating Activities for the Entire Year	Projected Cash Inflow (Outflow) Volume from Investing and Financing Activities Cash Flow (Outflow) Inflow	Expected Cash Surplus (Shortfall) Amount Surplus/(Deficit)	Expected Measures to Remedy Any Cash Shortfall	
				Investment Plan	Financial Plan
149,957	1,200,233	(764,132)	586,058	-	-

(1) Analysis of Expected Cash Flow Changes

- ① Operating Activities: The expected net cash inflow from operating activities for the upcoming fiscal year is primarily due to the increase in profit before tax, resulting in a net cash inflow.
- ② Investing and Financing Activities: It is expected that there will be a net cash outflow from investing and financing activities for the upcoming fiscal year, primarily due to the repayment of bank loans.

(2) Remedial Measures for Expected Cash Shortfalls and Liquidity Analysis: Not applicable.

4. The Impact of Recent Material Capital Expenditures on Financial Operations

Utilization of Significant Capital Expenditure and Funding Sources: None

5. Investment Policy, Profit or Loss Reasons, Improvement Plans, and Future Investment Plans for the Recent Year:

April 28, 2022, the Company, through a resolution passed by the Board of Directors, approved a joint venture with Ability Enterprise CO LTD to establish a new company in Vietnam, the investee company, which is an unlisted company with low stock liquidity. On December 27, 2023, the Group signed a share purchase agreement with other shareholders of Ability Technologies Co., Ltd., the purchaser, and agreed to purchase 2,000 thousand shares of Ability Technologies Co., Ltd.'s stock held by the Group by June 2024 and complete the delivery. Therefore, the equity-method investment was

reclassified as non-current assets held for sale.

The Company will continue to focus on the growth of its core business in the future. Investments will primarily be directed towards businesses related to the Company's core operations, and non-core projects will be disposed of as appropriate.

6. Risk Assessment and Analysis of the Following Matters for the Most Recent Fiscal Year and up to the Printing Date of the Annual Report

(1) Impacts on interest rate, fluctuation in exchange and inflation on corporate gains and losses and future countermeasures:

1. Impact of Interest Rate Fluctuations and Future Measures:

The Company arranges bank loans from banking institutions to support operational needs and investment in offices, factories, and equipment. As a result, it incurs interest expenses from these bank loans. The interest expenses for the years 2022 and 2023 were NT\$105,228 thousand and NT\$165,400 thousand, respectively. They accounted for 2.08% and 4.28% of the net consolidated operating income, respectively. These percentages are relatively small, and interest rate fluctuations are not expected to have a significant adverse impact on the Company's revenue and profits. Additionally, the Company maintains good and stable relationships with various banks and continuously monitors the impact of changes in financial market interest rates on its funds. Furthermore, as the Company's operational scale and profitability increase, its own funds become more abundant. Therefore, the impact of interest rate fluctuations on the Company's revenue and profits is limited.

2. Impact of Exchange Rate Fluctuations and Future Measures

The Company's export rates for the years 2022 and 2023 were 99.81% and 99.90% respectively. Export receipts are primarily in US dollars, although some raw material purchases are paid in US dollars, complete hedging effectiveness is still not achieved. The Company's net exchange (loss) gains for the years 2022 and 2023 were NT\$132,238 thousand and (NT\$28,479) thousand, respectively. They accounted for 2.62% and (0.74)% of the net consolidated operating income, respectively. The impact proportion is relatively low and is not expected to have a significant adverse effect on the Company's revenue and profits. However, with the growth of the Company's operations, exchange rate fluctuations still have potential effects on its operations. Therefore, the Company's finance department maintains close relationships with financial institutions, continuously monitors exchange rate fluctuations, and fully understands international exchange rate trends and changes to respond promptly to the effects of exchange rate volatility.

3. Impact of Inflation on the Company's Profit and Loss, and Measures Taken:

In the recent fiscal year and up to the printing date of the annual report, the Company's revenue and profits have not been significantly affected by inflation. If inflation leads to increased procurement costs, the Company will appropriately adjust prices and monitor changes in the prices of upstream raw materials and key components to minimize the impact of inflation-induced changes in product costs on the Company's profits.

- (2) Policies on high-risk, highly leveraged investments, capital loans for others, endorsements, and derivative transactions, major causes of profits or losses and future countermeasures:

The Company focuses on its core business operations and adheres to a conservative financial policy. It does not engage in high-risk or highly leveraged investments. Furthermore, the Company has established operating procedures such as the "Management Regulations for Lending Funds to Others," "Management of Endorsement and Guarantee," and "Regulations Governing the Acquisition or Disposal of Assets" as guidelines for the Company's related activities. The Company, on April 27, 2023, and August 11, 2022, respectively, obtained approval from the Board of Directors for the following matters: the extension of funds from Brilliance Investment Development Ltd. to Richmake International Limited, the funds lending case from Dong Guan Yi Zhuo Electronics Co., Ltd to Sunlight Ocean Holding Limited, and the endorsement and guarantee case by MODERN PIONEER(KUNSHAN)CO., LTD for the Company. Additionally, the Company does not engage in derivative trading.

- (3) Future Research and Development Plans and Expected Research and Development Expenses:

The Company focuses on the R&D of earphones, with a product range that includes low, medium, and high end models. In addition to meeting customers' product needs and keeping an eye on industry trends, the Company expects to play the role of a professional supplier and grow together with its customers.

1. Future R&D Plan

The Company's earphone products are oriented toward thin, light and small, free wireless, development from the appearance of the design, structural design, electronic hardware design, antenna design, firmware integration, digital signal processing, acoustic tuning, to meet customer needs and provide a complete range of services.

Based on e-sports earphones, the Company has expanded its product range to include music earphones, business earphones, true wireless earphones, noise-canceling earphones, and smart earphones, all of which are geared toward the

product standards of low power consumption, high transmission distance, and low latency. Vertical integration, in-depth professional field and independent R&D of speaker drivers, diaphragms, cavities, ear cushions material, imported professional simulation software to do all kinds of material and structure analysis.

2. Estimated R&D Expenses

The Company's competitiveness stems from its ability for independent R&D. Every year, the Company continues to invest in R&D expenses for various research units to conduct research or procure research equipment. These investments are also utilized for training outstanding R&D talents. R&D expenses are allocated item by item based on the progress of product development. In the future, the investment amount in R&D expenses will be adjusted based on the progress and results of R&D, aiming to expand the Company's operational scale and enhance competitiveness.

(4) The impact of important domestic and foreign policies and laws on the company's financial business and countermeasures:

The Company conducts its daily operations in compliance with relevant domestic and international laws and regulations. It constantly monitors trends in domestic and international policy developments and changes in regulations, collecting relevant information to provide decision-making references for the management team, and adjusting the Company's operational strategies accordingly. In the recent fiscal year and up to the printing date of the annual report, the Company has not been affected by significant domestic or international policy changes or legal developments that would impact its financial operations.

(5) The impact of technological change (including information security risk) and industrial change on the company's financial business and corresponding measures:

The Company's R&D team possesses considerable capabilities in product development. In addition to ensuring that each research and development project does not infringe upon others' patents, the team actively develops innovative technologies to maintain the Company's position as a leading provider in technology. The Company continuously monitors technological changes, market dynamics, and the evolution of technical developments. It regularly collects and analyzes the overall environmental changes affecting the Company's operations, devising relevant response strategies to plan and implement appropriate measures. The Company also aims to enhance its innovative technological capabilities to remain competitive. Therefore, there are currently no significant technological changes or industry shifts that have had a major impact on the Company's financial operations.

(6) Impact of corporate image change on corporate crisis management and countermeasures:

The Company has been pursuing the spirit of "Innovation, Efficiency, and Social Responsibility", striving for business development and creating more shareholders' value in the midst of stability. The Company indeed adheres to relevant laws and regulations in its operations, emphasizing corporate image and risk management. As of the printing date of the public disclosure document, the Company has not experienced any significant changes in its corporate image that would necessitate crisis management.

(7) Anticipated benefit, possible risks of the merger and acquisition and countermeasures:

In the recent fiscal year and up to the printing date of the annual report, the Company did not have any plans for acquiring other companies. If there are any merger and acquisition matters in the future, the Company will adhere to its operational regulations and approach them with a cautious attitude. It will conduct benefit assessments and risk management measures to ensure the protection of the Company's interests and shareholders' rights.

(8) Anticipated efficiency, possible risks of the expanded plants and countermeasures:

On November 12, 2020, the Board of Directors of the Company approved the signing of a land use rights agreement between Ampacs International Company Limited and Becamex IDC Corp. in Vietnam to meet future business growth demands. As of the printing date of the public disclosure document, the related expansion plans and expected benefits are still under assessment and planning.

(9) The risks in centralized purchases and sales, and corresponding strategies:

1. Risks and Countermeasures Faced by Centralized Procurement:

The Company and its subsidiaries had purchases from the largest supplier accounting for less than 10% of the total purchases in both 2022 and 2023, with percentages of 10% and 12.74%, respectively. There were no instances of excessive concentration in purchases. Furthermore, the Company maintains multiple suppliers for key raw materials to ensure procurement flexibility and diversification of sources. This approach aims to ensure that materials meet customer requirements in terms of quality, technology, price, and delivery time. Over the long term, the Company has established robust cooperative relationships with its suppliers. The quality and delivery time of each supplier are normal, and there have been no incidents of material shortages or interruptions.

2. Risks and Countermeasures Faced by Centralized Sales.

The Company is primarily engaged in the design, production, and sale of headphone products, with its sales mainly to international headphone brand manufacturers. In the fiscal years 2022 and 2023, the sales to the largest customer accounted for 30.61% and 28.32% of the total sales respectively, indicating a concentration of sales. This is primarily due to the Company's long-standing expertise in the headphone industry, which has earned the trust of its end customers. Historically, the Company has focused on the development of gaming headphones, resulting in a concentration of sales to this particular customer. However, the Company continues to actively develop diversified products and customer bases to mitigate sales concentration risk.

- (10) The impact and risk of a substantial transfer or replacement of the shares of directors, or major shareholders holding more than 10% of the shares on the company, and countermeasures:

As of the latest fiscal year and up to the date of printing of the public disclosure document, there have been no significant impacts on the Company's operations due to the transfer or replacement of shares held by directors or shareholders holding more than ten percent of the Company's shares.

- (11) Impact of the change of management right on the company, risks and countermeasures:

As of the latest fiscal year and up to the date of printing of the annual report, there have been no changes in the Company's ownership or management control.

- (12) The company and its directors, general managers, substantial heads, major shareholders holding more than 10% of the shares of the company and its subsidiaries shall be listed in the litigation or non-litigation or administrative disputes in which the company has determined or is still in possession. Where the outcome may have a material impact on shareholders' equity or securities prices, it shall disclose the facts of the dispute, the target amount, the commencement date of the lawsuit, the major litigants involved and the disposition as of the date of publication of the annual report: **None**

- (13) Other important risks and countermeasures: **None.**

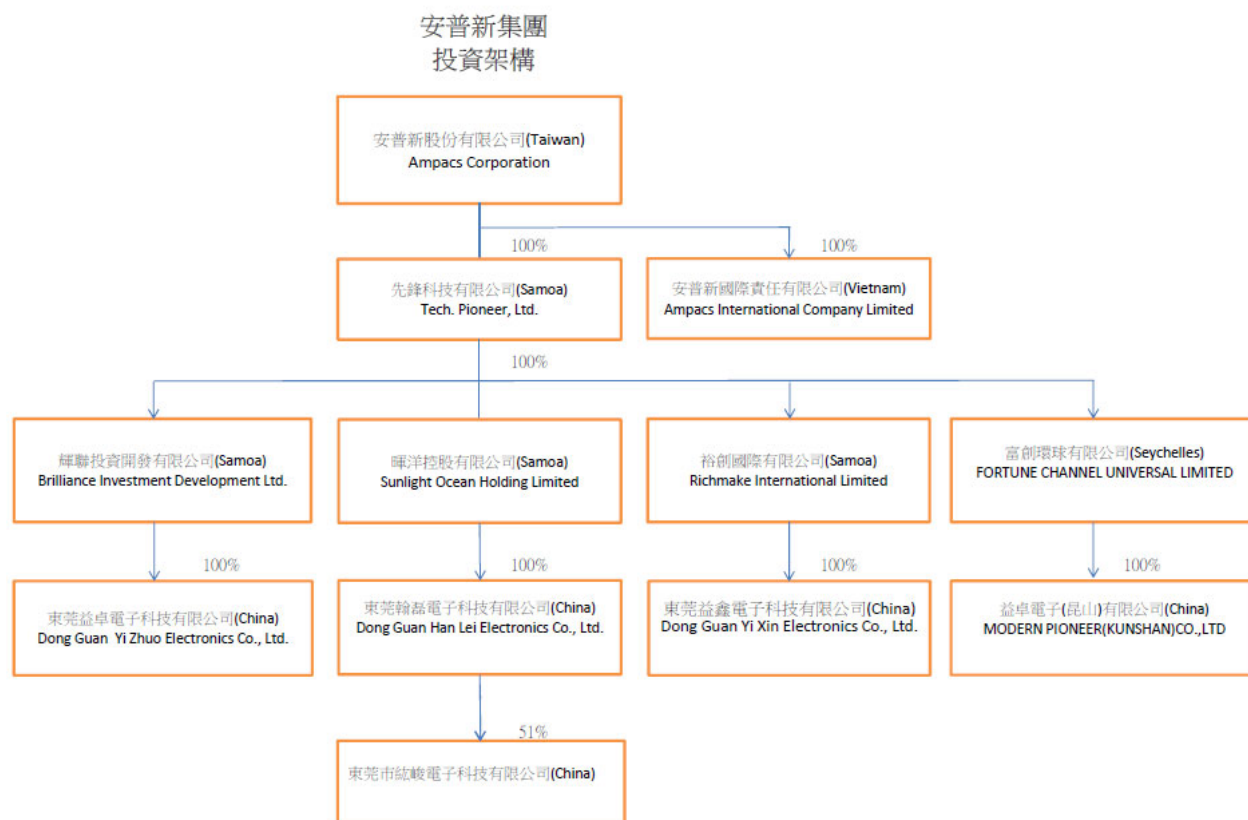
7. Other important matters to report: None.

Chapter 8. Special Notes

1. Related Information on Affiliated Enterprises

(1) Consolidated Business Report of Related Companies

1. Organizational Chart of Related Companies



2. Basic Information of Each Related Company

December 31, 2023; Unit: NT\$1,000

Company Name	Date of Establishment	Address	Paid-Up Capital	Major Business or Production Items
Tech. Pioneer, Ltd.	2004.4.15	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	USD21,780 HKD 9,500	General Investment Business
Ampacs International Company Limited	2019.5.10	Lot B7_H_CN, Bau Bang Industrial Park, Lai Uyen Town, Bau Bang District, Binh Duong Province, Vietnam	USD50,000	Manufacturing and Trading of Plastic Products and Consumer Electronics
Brilliance Investment Development Ltd.	2005.10.21	2nd Floor, Building B, SNPF Plaza, Savalalo, P.O. Box 3271, Apia, Samoa	USD1,050	General Investment and Trading of Plastic Products
Sunlight Ocean Holding Limited	2009.12.2	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD850	General Investment Business

Company Name	Date of Establishment	Address	Paid-Up Capital	Major Business or Production Items
Richmake International Limited	2004.1.8	Ground Floor NPF Building, Beach Road, Apia, Samoa	HKD 9,500	General Investment and Consumer Electronics Trading
Fortune Channel Universal Limited	2015.1.7	F20, 1st Floor, Eden Plaza, Eden Island, Seychelles	USD16,000	General Investment and Trading of Plastic Products
Dong Guan Yi Zhuo Electronics Co., Ltd	2006.5.9	Yangkentang Industrial Dist., Dalang Town, Dongguan City ,GuangDong Province,China	USD 1,050	Manufacture and Trading of Plastic Products
Dong Guan Han Lei Electronics Co., Ltd	2010.3.15	Da Jiao Ling Industrial Zone, Dalang, Dongguan City	USD 850	Manufacturing and Trading of Plastic Products and Consumer Electronics
Dong Guan Yi Xin Electronics CO LTD	2004.5.9	Yangkentang Industrial Dist., Dalang Town, Dongguan City ,GuangDong Province,China	HKD 9,500	Manufacturing and Trading of Plastic Products and Consumer Electronics
MODERN PIONEER(KUNSHAN)CO., LTD	2015.8.10	No.389,XinNan W.Rd.Yushan Town,KunShan City,JiangSu,P.R.C.	USD 13,500	Manufacture and Trading of Plastic Products
Dongguan Qijun Electronics Technology Co., Ltd	2018.11.21	Area B, 1st Floor, No. 84, Jingfu West Road, Yangkengtang Village, Dalang Town, Dongguan City	CNY 2,000	Manufacture and Trading of Earphone Cables

3. Identical Shareholder Information of Presumed Controlling and Subsidiary Relationships: None.

4. Scope of Business Operations Covered by Related Parties and Division of Transactions.

(1) The scope of business operations covered by the Company and its related parties is detailed in the "Names of Related Parties, Establishment Dates, Addresses, Paid-in Capital, and Main Business or Production Items" as mentioned above.

(2) The transactions and division of labor among related parties with interconnected business operations are as follows:

The Company and its related parties adopt a professional division of labor model, where the Company is responsible for overall operational planning, while manufacturing and processing are handled by factories in Vietnam and mainland China. Through the allocation and integration of regional resources between the Company and its related parties, synergistic effects are fully leveraged to achieve complementary benefits.

5. Director and General Manager Information of Each Related Company

December 31, 2023; Unit: NT\$ 1,000; share; %

Enterprise Name	Job Title	Name or Representative	Shares Held	
			Capital Contribution / Number of Shares	Share holding Ratio
Tech. Pioneer, Ltd.	Director	Huang, Chang-qing	-	-
Ampacs International Company Limited	Director	Huang Haosheng	-	-
Brilliance Investment Development Ltd.	Director	Huang, Chang-qing	-	-
Richmake International Limited	Director	Huang, Chang-qing	-	-
Sunlight Ocean Holding Limited	Director	Huang, Chang-qing	-	-
Fortune Channel Universal Limited	Director	Huang, Chang-qing	-	-
Dong Guan Yi Xin Electronics CO LTD	Executive Director Supervisor	Sun Pei Chang Ji Huan Shen	-	-
Dong Guan Yi Zhuo Electronics Co., Ltd	Executive Director Supervisor	He Yong Tang Ji Huan Shen	-	-
Dong Guan Han Lei Electronics Co., Ltd	Executive Director Supervisor	He Yong Tang He Yong Xin	-	-
Dongguan Qijun Electronics Technology Co., Ltd	Executive Director Supervisor	He Yong Xin Ji Huan Shen	-	-
MODERN PIONEER(KUNSHAN)CO.,LTD	Director/General Manager Supervisor	Zhang Yanli He Yong Tang	-	-

6. Operational Overview of Each Related Company

December 31, 2023; Unit: NT\$1,000

Enterprise Name	Paid-In Capital	Total Assets	Total Liabilities	Net Value	Operating Income	Operating (Loss) Profit	Current Profit (Loss) (After Tax)	Earnings (Loss) Per Share (NTD) (After Tax)
Tech. Pioneer, Ltd.	706,189	980,560	112,233	868,327	265,339	-	(18,280)	N/A
Ampacs International Company Limited	1,535,500	4,150,008	3,131,108	1,018,900	2,916,024	135,717	40,838	N/A
Brilliance Investment Development Ltd.	32,246	391,870	117,365	274,505	742	36	(751)	N/A
Sunlight Ocean Holding Limited	26,104	64,642	-	64,642	-	-	7,587	N/A
Richmake International Limited	37,326	454,857	324,241	130,616	520,295	2,047	(26,149)	N/A

Enterprise Name	Paid-In Capital	Total Assets	Total Liabilities	Net Value	Operating Income	Operating (Loss) Profit	Current Profit (Loss) (After Tax)	Earnings (Loss) Per Share (NTD) (After Tax)
Fortune Channel Universal Limited	491,360	543,589	141,425	402,164	240,981	(77)	3,813	N/A
Dong Guan Yi Zhuo Electronics Co., Ltd	32,246	129,477	952	128,525	-	(4,364)	(39,630)	N/A
Dong Guan Han Lei Electronics Co., Ltd	26,104	117,225	55,523	61,702	118,917	8,377	7,619	N/A
Dong Guan Yi Xin Electronics CO LTD	37,326	718,978	522,084	196,894	659,322	(22,057)	(34,798)	N/A
MODERN PIONEER(KUNSHAN)CO.,LTD	414,585	390,082	148,616	241,466	281,611	18,916	11,003	N/A
Dongguan Qijun Electronics Technology Co., Ltd	8,660	35,006	13,144	21,862	34,341	(2,896)	(2,886)	N/A

(2) Consolidated Statement of Affiliated Enterprises: For the fiscal year 2023, the Company is aligned with the “Regulations Governing the Preparation of Consolidated Financial Statements and Related Reports of Related Companies in Business Combination Reports of Related Companies” and the International Financial Reporting Standard No. 10, in which companies required to prepare related party consolidated financial statements are the same. Furthermore, the relevant information required to be disclosed in related party consolidated financial statements has already been disclosed in the aforementioned consolidated financial statements of subsidiaries, thus there is no need for separate preparation of related party consolidated financial statements.

(3) Relationship Report: N/A.

2. Handling of Private Offering of Marketable Securities for the Most Recent Year and up to the Date of Publication of the Annual Report: None.

3. The Holding or Disposal of the Company’s Stocks by Subsidiaries of the Company in the Most Recent Year Up Until the Publication Date of the Annual Report: None.

4. Other necessary supplementary notes: None.

5. For the Most Recent Year and Up to the Date of Publication of the Annual Report, in the Event of Any Matter That Has a Material Impact on Shareholders' Equity or on Securities Prices as Provided for in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

AMPACS Corporation and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

AMPACS CORPORATION

By

CHANG CHING HUANG
Chairman

March 14, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
AMPACS Corporation

Opinion

We have audited the accompanying consolidated financial statements of AMPACS 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 notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”)

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), 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, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 forming our opinion thereon, and we

do not provide a separate opinion on these matters.

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

The Occurrence of Sales Revenue

The sales revenue of the Group mainly comes from consumer electronics products and plastic components used in network communication products, and its changes mainly come from certain clients and products. Because certain sales revenue has a significant impact on financial performance, the occurrence of sales revenue from certain clients and products of AMPACS Group is considered as a key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding of the internal control systems and operating procedures related to sales transaction processes, evaluated the design and implementation of relevant internal controls and performed internal control testing to obtain sufficient and appropriate audit evidence on the effectiveness of relevant control implementation.
2. We determined the appropriate methods of sampling and sample sizes, audited external and internal vouchers to support the fact of shipments, and we confirmed the actual occurrence of certain sales revenue transactions.
3. We inspected the cash receipt records and vouchers. We evaluated the amounts entered into the accounts and confirmed that the recipients of the remittances were consistent with the recipients of the shipments to prove the occurrence of the sales transaction.

Other Matter

We did not audit the financial statements of Ability Technologies Co., Ltd., an associate included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the investments accounted for using the equity method, is based solely on the reports of other auditors. The investments accounted for using the equity method were NT\$0 and NT\$14,968 thousand as of December 31, 2023 and 2022, representing 0% and 0.18% of the consolidated total assets, respectively. The Group's share of profit of associate accounted for using the equity method was NT\$(2,383) and NT\$(4,442) thousand for the year then ended, representing 3.66% and (3.64%) of the consolidated total comprehensive income and loss, respectively.

We have also audited the parent company only financial statements as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with other matter paragraph.

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, 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 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 part 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. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial

statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient 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 audits resulting in this independent auditors' report are Chun-Yu Wang and Ming-Hsien Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 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 statements have been translated into English from the original 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.

AMPACS CORPORATION AND SUBSIDIARIES

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 149,957	2	\$ 238,224	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	11,461	-
Financial assets at amortized cost (Notes 4, 9 and 30)	411,261	5	424,082	5
Trade receivables, net (Notes 10 and 29)	1,086,280	13	985,307	12
Other receivables (Note 29)	161,808	2	30,102	1
Inventories, net (Notes 4 and 12)	1,821,263	23	1,873,754	23
Non-current assets held for sale (Notes 4 and 11)	13,020	-	-	-
Other current assets	78,034	1	83,056	1
Total current assets	3,721,623	46	3,645,986	45
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	30,710	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	255,361	3	3,043	-
Investments accounted for using the equity method (Notes 4 and 13)	-	-	14,968	-
Property, plant and equipment, net (Notes 4, 15 and 30)	3,121,141	39	3,480,417	43
Right-of-use assets, net (Notes 4, 16 and 30)	503,441	6	585,338	7
Investment property, net (Notes 4, 17 and 30)	86,782	1	90,521	1
Intangible assets, net (Notes 4 and 18)	112,804	2	114,535	2
Deferred tax assets (Notes 4 and 25)	155,140	2	161,559	2
Prepayments for business facilities	97,572	1	15,238	-
Other non-current assets	13,829	-	12,669	-
Total non-current assets	4,376,780	54	4,478,288	55
TOTAL	\$ 8,098,403	100	\$ 8,124,274	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 19 and 30)	\$ 3,090,062	38	\$ 2,632,725	32
Short-term bills payable (Notes 4, 19 and 30)	250,000	3	100,000	1
Trade payables	873,500	11	1,108,246	14
Other payables (Note 20)	229,462	3	167,365	2
Current tax liabilities (Notes 4 and 25)	101,853	1	144,374	2
Lease liabilities (Notes 4 and 16)	40,100	1	47,152	1
Current portion of long-term borrowings (Notes 4, 19 and 30)	91,484	1	240,993	3
Other current liabilities	31,566	-	23,161	-
Total current liabilities	4,708,027	58	4,464,016	55
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 19 and 30)	689,829	9	770,145	9
Lease liabilities (Notes 4 and 16)	24,706	-	74,678	1
Guarantee deposits	2,771	-	3,573	-
Total non-current liabilities	717,306	9	848,396	10
Total liabilities	5,425,333	67	5,312,412	65
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Ordinary shares	1,500,000	18	1,500,000	18
Capital surplus	1,044,837	13	1,097,937	14
Retained earnings				
Legal reserve	182,782	2	175,449	2
Special reserve	144,026	2	191,736	3
Unappropriated earnings	176,839	2	163,929	2
Total retained earnings	503,647	6	531,114	7
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(172,611)	(2)	(115,816)	(2)
Unrealized loss of financial assets at fair value through other comprehensive loss	(27,872)	-	(28,210)	-
Equity directly associated with non-current assets classified as held for sale	(155)	-	-	-
Total other equity	(200,638)	(2)	(144,026)	(2)
Treasury shares	(185,294)	(2)	(185,294)	(2)
Total equity attributable to owners of the Company	2,662,552	33	2,799,731	35
NON-CONTROLLING INTERESTS	10,518	-	12,131	-
Total equity (Note 22)	2,673,070	33	2,811,862	35
TOTAL	\$ 8,098,403	100	\$ 8,124,274	100

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

AMPACS 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 (Loss) Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 29)	\$ 3,861,301	100	\$ 5,051,971	100
OPERATING COSTS (Notes 12 and 24)	<u>(3,131,696)</u>	<u>(81)</u>	<u>(4,366,073)</u>	<u>(86)</u>
GROSS PROFIT	<u>729,605</u>	<u>19</u>	<u>685,898</u>	<u>14</u>
OPERATING EXPENSES (Note 24)				
Selling and marketing expenses	(78,476)	(2)	(86,001)	(2)
General and administrative expenses	(300,614)	(8)	(288,636)	(6)
Research and development expenses	(174,943)	(5)	(217,176)	(4)
Expected credit reversed gain (Note 10)	<u>315</u>	<u>-</u>	<u>645</u>	<u>-</u>
Total operating expenses	<u>(553,718)</u>	<u>(15)</u>	<u>(591,168)</u>	<u>(12)</u>
OPERATING PROFIT	<u>175,887</u>	<u>4</u>	<u>94,730</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)				
Other income	29,024	1	18,961	-
Other gains or losses	(24,496)	(1)	116,143	2
Finance costs	(170,635)	(4)	(111,581)	(2)
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	<u>(2,383)</u>	<u>-</u>	<u>(4,442)</u>	<u>-</u>
Total non-operating income and expenses	<u>(168,490)</u>	<u>(4)</u>	<u>19,081</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	7,397	-	113,811	2
INCOME TAX EXPENSE (Note 25)	<u>(15,628)</u>	<u>-</u>	<u>(39,797)</u>	<u>(1)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(8,231)</u>	<u>-</u>	<u>74,014</u>	<u>1</u>

(Continued)

AMPACS 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 (Loss) Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 22 and 25)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (57,584)	(2)	\$ 50,053	1
Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	338	-	(1,589)	-
Exchange differences on the translation of financial statements of affiliated companies and joint venture foreign operating institutions	<u>435</u>	<u>-</u>	<u>(590)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(56,811)</u>	<u>(2)</u>	<u>47,874</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (65,042)</u>	<u>(2)</u>	<u>\$ 121,888</u>	<u>2</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (6,817)	-	\$ 73,330	1
Non-controlling interests	<u>(1,414)</u>	<u>-</u>	<u>684</u>	<u>-</u>
	<u>\$ (8,231)</u>	<u>-</u>	<u>\$ 74,014</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ (63,429)	(2)	\$ 121,040	2
Non-controlling interests	<u>(1,613)</u>	<u>-</u>	<u>848</u>	<u>-</u>
	<u>\$ (65,042)</u>	<u>(2)</u>	<u>\$ 121,888</u>	<u>2</u>
EARNINGS (LOSS) PER SHARE (Note 26)				
Basic	<u>\$ (0.05)</u>		<u>\$ 0.50</u>	
Diluted	<u>\$ (0.05)</u>		<u>\$ 0.50</u>	

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

AMPACS CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										
	Share Capital (Note 22)		Capital Surplus (Note 22)	Retained Earnings (Note 22)			Other Equity (Note 22)	Treasury Shares (Note 22)	Total	Non-controlling Interests (Note 22)	Total Equity
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2022	150,000	\$ 1,500,000	\$ 1,161,362	\$ 175,449	\$ 174,422	\$ 118,238	\$ (191,736)	\$ (185,294)	\$ 2,752,441	\$ 11,283	\$ 2,763,724
Appropriation of the 2021 earnings											
Special reserve	-	-	-	-	17,314	(17,314)	-	-	-	-	-
Cash dividends distributed by the Company- \$0.07 per share	-	-	-	-	-	(10,325)	-	-	(10,325)	-	(10,325)
Other changes in capital surplus											
Issuance of cash dividends from capital surplus - \$0.43 per share	-	-	(63,425)	-	-	-	-	-	(63,425)	-	(63,425)
Net profit for the year ended December 31, 2022	-	-	-	-	-	73,330	-	-	73,330	684	74,014
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	47,710	-	47,710	164	47,874
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	73,330	47,710	-	121,040	848	121,888
BALANCE AT DECEMBER 31, 2022	150,000	1,500,000	1,097,937	175,449	191,736	163,929	(144,026)	(185,294)	2,799,731	12,131	2,811,862
Appropriation of the 2022 earnings											
Legal reserve	-	-	-	7,333	-	(7,333)	-	-	-	-	-
Special reserve	-	-	-	-	(47,710)	47,710	-	-	-	-	-
Cash dividends distributed by the Company - \$0.14 per share	-	-	-	-	-	(20,650)	-	-	(20,650)	-	(20,650)
Other changes in capital surplus											
Issuance of cash dividends from capital surplus - \$0.36 per share	-	-	(53,100)	-	-	-	-	-	(53,100)	-	(53,100)
Net loss for the year ended December 31, 2023	-	-	-	-	-	(6,817)	-	-	(6,817)	(1,414)	(8,231)
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(56,612)	-	(56,612)	(199)	(56,811)
Total comprehensive loss for the year ended December 31, 2023	-	-	-	-	-	(6,817)	(56,612)	-	(63,429)	(1,613)	(65,042)
BALANCE AT DECEMBER 31, 2023	<u>150,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,044,837</u>	<u>\$ 182,782</u>	<u>\$ 144,026</u>	<u>\$ 176,839</u>	<u>\$ (200,638)</u>	<u>\$ (185,294)</u>	<u>\$ 2,662,552</u>	<u>\$ 10,518</u>	<u>\$ 2,673,070</u>

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

AMPACS 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 income tax	\$ 7,397	\$ 113,811
Adjustments for reconciliation of profit (loss):		
Depreciation expenses	494,139	454,270
Amortization expenses	3,140	4,351
Expected credit loss reversed on trade receivables	(315)	(645)
Finance costs	170,635	111,581
Interest income	(7,185)	(2,949)
Share of profit of associates and join ventures	2,383	4,442
Net (gain) loss on disposal of property, plant and equipment	1,447	(600)
Write-down and obsolescence (reversal) of inventories	(10,130)	629
Net loss on foreign currency exchange	4,575	39,388
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(20,556)	(11,461)
Trade receivables	(139,129)	774,895
Other receivables	(136,698)	31,853
Inventories	10,707	250,500
Other current assets	5,761	38
Trade payables	(212,884)	(440,082)
Other payables	67,134	(63,398)
Other current liabilities	8,405	(5,007)
Cash generated from operations	248,826	1,261,616
Interest received	7,185	2,949
Finance costs paid	(167,538)	(103,940)
Income tax paid	(55,064)	(24,574)
Net cash generated from operating activities	<u>33,409</u>	<u>1,136,051</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(265,340)	-
Purchase of financial assets at amortized cost	-	(87,708)
Proceeds from redemption of financial assets at amortized cost	10,713	-
Purchase of investment in long-term equity by using the equity method	-	(20,000)
Purchase of property, plant and equipment	(110,888)	(363,379)
Proceeds from disposal of property, plant and equipment	9,462	19,766
Increase in refundable deposits	-	(4,250)
Decrease in refundable deposits	197	-
Purchase of intangible assets	(1,419)	(970)

Increase in other non-current assets	(2,303)	-
Increase in prepayments for equipment	(82,334)	-
Decrease in prepayments for equipment	<u>-</u>	<u>128,059</u>
Net cash used in investing activities	<u>(441,912)</u>	<u>(328,482)</u>
		(Continued)

AMPACS 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 FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 510,738	\$ -
Decrease in short-term borrowings	-	(790,677)
Increase in short-term bills payable	150,000	100,000
Proceeds from long-term borrowings	150,000	150,000
Payment for long-term borrowings	(379,825)	(89,525)
Increase in guarantee deposits received	-	1,502
Decrease in guarantee deposits received	(802)	-
Repayments of lease capital	(53,568)	(48,834)
Payment of cash dividends	<u>(73,750)</u>	<u>(73,750)</u>
Net cash generated from (used in) financing activities	<u>302,793</u>	<u>(751,284)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>17,443</u>	<u>(28,745)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(88,267)	27,540
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>238,224</u>	<u>210,684</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 149,957</u>	<u>\$ 238,224</u>

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

AMPACS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

AMPACS Corporation (the “Company”) was founded in July 1998. The Company is mainly engaged in the design and manufacture of consumer electronics and the development of plastic components and molds. The Company’s shares were listed and have been trading on the Taiwan Stock Exchange since December 14, 2020.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Group’s board of directors on March 14, 2024.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Lease 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 IFRS Accounting Standards will be 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: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced 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 IFRS Accounting Standards 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.

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.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. 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 IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- 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.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., 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 of the Group.

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 this results in 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 14, Table 7 and Table 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., 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 denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is 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 cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

f. Inventories

Inventories consist of raw materials, supplies, work in progress and finished goods and are stated at the lower of cost and net realizable value. 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 the weighted-average cost on the balance sheet date.

g. Investments in associates and joint ventures

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. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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

Under the equity method, investments in an associate and a joint venture 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 associates and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint venture.

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 and a joint venture 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 Company subscribes for additional new shares of an associate and a joint venture 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 associates and joint venture. 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 and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced

due to its additional subscription of the new shares of the associates and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture are 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 investments 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 and a joint venture equals or exceeds its interest in that associate and joint venture (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 and joint venture), 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 obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its 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 and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate 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 associates and joint venture, profits and losses resulting from the transactions with the associates and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associates and joint venture that are not related to the Group.

h. Property, plant and equipment

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment 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.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. 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 is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment and right-of-use assets to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) 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 loss. 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.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use, assets investment properties and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets and intangible assets, excluding goodwill, 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.

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.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

n. 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.

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are 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 and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition mismatch that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value. Fair value is determined in the manner described in Note 28: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

Subsequent to initial recognition, financial assets at amortized cost, including cash, trade receivables at amortized cost and other receivables (including related parties), 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:

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and investments in debt instrument that are measured at FVOCI.

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 considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than one year 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 FVOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) 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. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

o. 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.

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

p. Revenue recognition

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

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic goods. Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

q. Lease

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

1) 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.

2) 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 by 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, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are 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.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments, less any lease incentives receivable. 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 lessee's incremental borrowing rate will be used.

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, 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. Lease liabilities are presented on a separate line in the consolidated balance sheets.

r. 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 related to income are recognized as a reduction of the related costs on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend 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.

s. Employee benefits

1) 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.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

t. Taxation

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

1) Current tax

Income tax payable (refundable) 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 Act 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.

2) 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 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, 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 recognized only 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 such temporary differences 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 assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized 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.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, 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.

When developing material accounting estimates, the estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH

	December 31	
	2023	2022
Cash on hand	\$ 1,813	\$ 1,185
Checking accounts and demand deposits	<u>148,144</u>	<u>237,039</u>
	<u>\$ 149,957</u>	<u>\$ 238,224</u>

Interest rate ranges for bank deposits on the balance sheet date were as follows:

	December 31	
	2023	2022
Bank deposits	0.01%-1.45%	0.01%-1.05%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
RMB wealth investment product (1)	<u>\$ -</u>	<u>\$ 11,461</u>
<u>Financial assets - non-current</u>		
Gains or losses on equity instruments mandatorily measured at fair value		
Other financial assets (2)	<u>\$ 30,710</u>	<u>\$ -</u>

- a. In 2022, The Group signed a financial investment product contract with the bank. The entire contract was recognized as financial asset at fair value through profit or loss upon initial recognition.
- b. In 2023, The Group acquired financial assets containing stock options. The entire contract recognized as financial asset at fair value through profit or loss upon initial recognition.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
<u>Non-current</u>		
Investments in equity instruments	\$ 245,680	\$ -
Investments in debt instruments	<u>9,681</u>	<u>3,043</u>
	<u>\$ 255,361</u>	<u>\$ 3,043</u>

a. Investments in equity instruments at FVTOCI

	December 31	
	2023	2022
<u>Non-current</u>		
Foreign unlisted shares	\$ 284,697	\$ 26,835
Adjustments for change in value of investment	<u>(39,017)</u>	<u>(26,835)</u>
	<u>\$ 245,680</u>	<u>\$ -</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments at FVTOCI

	December 31	
	2023	2022
<u>Non-current</u>		
Foreign investments		
Corporate bonds - Ford Motor Company (1)	\$ 3,522	\$ 3,043
Corporate bonds - Pfizer Inc. (2)	<u>6,159</u>	<u>-</u>
	<u>\$ 9,681</u>	<u>\$ 3,043</u>

1) In February 2021, the Group bought 26-year corporate bonds issued by Ford Motor Company with a coupon rate of 5.291% and an effective interest rate of 4.70%.

2) In August 2023, the Group bought 10-year corporate bonds issued by Pfizer Inc. with a coupon rate of 4.75% and an effective interest rate of 4.63%.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Pledged demand deposits	\$ 208,868	\$ 236,548
Pledged time deposit	182,393	187,534
Pledged repurchase agreements collateralized by bonds	<u>20,000</u>	<u>-</u>
	<u>\$ 411,261</u>	<u>\$ 424,082</u>

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

10. TRADE RECEIVABLES, NET

	December 31	
	2023	2022
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,087,276	\$ 986,605
Allowance for impairment loss	<u>(996)</u>	<u>(1,298)</u>
	<u>\$ 1,086,280</u>	<u>\$ 985,307</u>

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 follow-up action is taken to recover past due receivables. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default records of the customer, the customer's current financial position and economic condition of the industry in which the customer operates. Since the credit loss historical experience of the Group shows that there is no significant difference in the loss of different customer bases, the expected credit loss rate is only determined by the number of days overdue accounts receivable without further distinguishing customer groups.

The Group recognizes adequate loss allowance when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, whichever occurs earlier. For loss allowance that has been recognized adequate, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging of trade receivables is as follows:

	December 31	
	2023	2022
Up to 30 Days	\$ 1,056,402	\$ 969,703
31 to 120 Days	25,385	12,845
121 to 240 Days	3,932	2,172
241 to 360 Days	561	43
Over 360 Days	<u>996</u>	<u>1,842</u>
	<u>\$ 1,087,276</u>	<u>\$ 986,605</u>

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

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 1,298	\$ 1,916
Expected credit reversed gain	(315)	(645)
Foreign exchange gains and losses	<u>13</u>	<u>27</u>
Balance at December 31	<u>\$ 996</u>	<u>\$ 1,298</u>

Refer to Note 28(g) for details of the factoring agreements for trade receivables.

Refer to Note 30 for information on the part of trade receivables pledged as security.

11. NON-CURRENT ASSETS HELD FOR SALE

	December 31	
	2023	2022
Non-current assets held for sale	<u>\$ 13,020</u>	<u>\$ -</u>

The Group invested in Ability Technologies Co., Ltd., the investee company, which is an unlisted company with low stock liquidity. On December 27, 2023, the Group signed a share purchase agreement with other shareholders of Ability Technologies Co., Ltd., the purchaser, and agreed to purchase 2,000 thousand shares of Ability Technologies Co., Ltd.'s stock held by the Group by June 2024 and complete the delivery. Therefore, the equity-method investment was reclassified as non-current assets held for sale.

12. INVENTORIES, NET

	December 31	
	2023	2022
Raw materials	\$ 942,647	\$ 969,847
Work in progress	24,902	98,544
Semi-finished goods	298,203	289,998
Finished goods	<u>555,511</u>	<u>515,365</u>
	<u>\$ 1,821,263</u>	<u>\$ 1,873,754</u>

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs related to inventory	\$ 3,141,826	\$ 4,365,444
Write-down and obsolescence (reversal) loss	<u>(10,130)</u>	<u>629</u>
	<u>\$ 3,131,696</u>	<u>\$ 4,366,073</u>

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	For the Year Ended December 31	
	2023	2022
Associate and venture that is not individually material		
Ability Technologies Co., Ltd.	\$ <u>-</u>	\$ <u>14,968</u>

The joint venture that are not individually material is as follows:

Company Name	Nature of Activities	Principal Places of Business	Rights Held and Voting Right Ratio	
			For the Year Ended December 31	
			2023	2022
Ability Technologies Co., Ltd.	Manufacturing of computer peripheral equipment, photographic equipment, electronic components and trading	New Taipei City	-	40%

In April 2022, the Company signed an agreement with Ability Technologies Co., Ltd. to establish Ability Technologies Co., Ltd. for the amount of \$20,000 thousand in cash, with a shareholding ratio of 40% but did not obtain substantial control.

As of December 31, 2023, the Group has reclassified its equity-method investment in Ability Technologies Co., Ltd. as a non-current asset held for sale; refer to Note 11.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income or loss for the Group were calculated based on the audited financial statements.

Aggregate information of associates that are not individually material

	December 31	
	2023	2022
Summary information that is not individually material share of the associate and joint venture		
Net loss for current	\$ (2,383)	\$ (4,442)
Other comprehensive loss	<u>435</u>	<u>(590)</u>
Total comprehensive loss	\$ <u>(1,948)</u>	\$ <u>(5,032)</u>

14. SUBSIDIARIES

a. The entities included in the consolidated financial statements are listed below:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2023	2022	
Ampacs Corporation, Ltd. (parent company)	Tech. Pioneer, Ltd.	Investment activities	100.00	100.00	-
	Ampacs International company Limited	Production and sale of plastic products and consumer electronics	100.00	100.00	Note
Tech. Pioneer, Ltd.	Brilliance Investment Co., Ltd.	Investment activities and the sale of plastic products	100.00	100.00	-
	Sunlight Ocean Holding Limited	Investment activities	100.00	100.00	-

(Continued)

			Proportion of Ownership (%)		
Investor	Investee	Nature of Activities	December 31		Remark
			2023	2022	
Brilliance Investment Co., Ltd. Sunlight Ocean Holding Limited	Richmake International Limited	Investment activities and the sale consumer electronics	100.00	100.00	-
	Fortune Channel Universal Limited	Investment activities and sale of plastic products	100.00	100.00	-
	Dong Guan Yi Zhuo Electronics Co., Ltd.	Production and sale of plastic products	100.00	100.00	-
	Dong Guan Han Lei Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	100.00	100.00	-
	Dong Guan Yi Xing Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	100.00	100.00	-
	Modern Pioneer (Kunshan) Co., Ltd.	Production and sale of plastic products	100.00	100.00	-
Dong Guan Han Lei Electronics Co., Ltd.	Dongguan Shi Hong Jun Electronics Co., Ltd.	Production and sale of headphone cables	51.00	51.00	-
(Concluded)					

(Concluded)

Note: On December 29, 2022, the Company's board of directors resolved to increase its capital in the subsidiary Ampacs International Company Limited in the amount of US\$20,000 thousand, and the Company's shareholding increased 100% after the acquisition. As of December 31, 2023, the Company had paid US\$20,000 thousand for the capital increase.

b. Subsidiaries excluded from consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests: None.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under construction	Total
Cost								
Balance at January 1, 2022	\$ 1,206,525	\$ 934,872	\$ 1,611,029	\$ 18,815	\$ 56,077	\$ 486,457	\$ 3,427	\$ 4,317,202
Additions	-	4,234	310,708	572	1,742	35,095	8,723	361,074
Disposals	-	-	(76,282)	(20)	(9,282)	(41,529)	(244)	(127,357)
Reclassifications	-	(85,000)	119,744	(1,254)	14,487	(3,586)	(10,160)	34,231
Effects of foreign currency exchange differences	-	44,056	67,623	591	1,995	16,262	214	130,741
Balance at December 31, 2022	<u>\$ 1,206,525</u>	<u>\$ 898,162</u>	<u>\$ 2,032,822</u>	<u>\$ 18,704</u>	<u>\$ 65,019</u>	<u>\$ 492,699</u>	<u>\$ 1,960</u>	<u>\$ 4,715,891</u>
Accumulated depreciation								
Balance at January 1, 2022	\$ -	\$ 144,251	\$ 423,378	\$ 12,624	\$ 25,663	\$ 190,824	\$ -	\$ 796,740
Depreciation expenses	-	44,459	252,770	1,219	4,814	90,091	-	393,353
Disposals	-	-	(60,475)	(18)	(9,219)	(38,479)	-	(108,191)
Reclassifications	-	(4,247)	82,638	(448)	25,662	28,921	-	132,526
Effects of foreign currency exchange differences	-	6,683	8,936	300	415	4,712	-	21,046
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 191,146</u>	<u>\$ 707,247</u>	<u>\$ 13,677</u>	<u>\$ 47,335</u>	<u>\$ 276,069</u>	<u>\$ -</u>	<u>\$ 1,235,474</u>
Carrying amount at December 31, 2022	<u>\$ 1,206,525</u>	<u>\$ 707,016</u>	<u>\$ 1,325,575</u>	<u>\$ 5,027</u>	<u>\$ 17,684</u>	<u>\$ 216,630</u>	<u>\$ 1,960</u>	<u>\$ 3,480,417</u>
Cost								
Balance at January 1, 2023	\$ 1,206,525	\$ 898,162	\$ 2,032,822	\$ 18,704	\$ 65,019	\$ 492,699	\$ 1,960	\$ 4,715,891
Additions	-	4,090	94,884	5,146	375	22,970	2,420	129,885
Disposals	-	-	(116,390)	(1,984)	(21,625)	(88,754)	-	(228,753)
Reclassifications	-	(52)	(104,806)	-	(12,252)	(5,531)	726	(121,915)
Effects of foreign currency exchange differences	-	(22,255)	(52,552)	(504)	(515)	(9,709)	(160)	(85,695)
Balance at December 31, 2023	<u>\$ 1,206,525</u>	<u>\$ 879,945</u>	<u>\$ 1,853,958</u>	<u>\$ 21,362</u>	<u>\$ 31,002</u>	<u>\$ 411,675</u>	<u>\$ 4,946</u>	<u>\$ 4,409,413</u>

(Continued)

	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under construction	Total
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	\$ -	\$ 191,146	\$ 707,247	\$ 13,677	\$ 47,335	\$ 276,069	\$ -	\$ 1,235,474
Depreciation expenses	-	43,300	279,541	1,423	10,060	89,227	-	423,551
Disposals	-	-	(102,991)	(1,590)	(21,587)	(91,676)	-	(217,844)
Reclassifications	-	-	(104,806)	-	(11,666)	(2,606)	-	(119,078)
Effects of foreign currency exchange differences	-	(4,740)	(22,444)	(287)	(313)	(6,047)	-	(33,831)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 229,706</u>	<u>\$ 756,547</u>	<u>\$ 13,223</u>	<u>\$ 23,829</u>	<u>\$ 264,967</u>	<u>\$ -</u>	<u>\$ 1,288,272</u>
Carrying amount at December 31, 2023	<u>\$ 1,206,525</u>	<u>\$ 650,239</u>	<u>\$ 1,097,411</u>	<u>\$ 8,139</u>	<u>\$ 7,173</u>	<u>\$ 146,708</u>	<u>\$ 4,946</u>	<u>\$ 3,121,141</u>

(Concluded)

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

Buildings	20-50 years
Machinery equipment	2-10 years
Transportation equipment	4-10 years
Office equipment	3-10 years
Other equipment	2-10 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 30.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amount</u>		
Land use rights	\$ 439,335	\$ 464,267
Buildings	61,271	114,089
Transportation equipment	<u>2,835</u>	<u>6,982</u>
	<u>\$ 503,441</u>	<u>\$ 585,338</u>
<u>For the Year Ended December 31</u>		
	<u>2023</u>	<u>2022</u>
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 376,394</u>
Depreciation charge for right-of-use assets		
Land use rights	\$ 12,153	\$ 7,956
Buildings	51,540	47,175
Transportation equipment	<u>4,084</u>	<u>4,108</u>
	<u>\$ 67,777</u>	<u>\$ 59,239</u>

The amount of the right-of-use assets that set as loan guarantee, please refer to Note 30.

b. Lease liabilities

	December 31	
	2023	2022
Current	<u>\$ 40,100</u>	<u>\$ 47,152</u>
Non-current	<u>\$ 24,706</u>	<u>\$ 74,678</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.32%-2.85%	1.32%-2.85%
Transportation equipment	1.43%-2.85%	1.43%-2.85%

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	<u>\$ 4,715</u>	<u>\$ 6,799</u>
Total cash outflow for leases	<u>\$ 59,551</u>	<u>\$ 56,794</u>

The Group's leases of certain office equipment qualify as short-term and low-value asset 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.

17. INVESTMENT PROPERTY (OTHER NON-CURRENT ASSETS OF THE ACCOUNT)

	December 31, 2023
<u>Cost</u>	
Balance at January 1, 2023	\$ 96,677
Net exchange differences	<u>(1,101)</u>
Balance at December 31, 2023	<u>\$ 95,576</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ 6,156
Depreciation expense	2,811
Net exchange differences	<u>(173)</u>
Balance at December 31, 2023	<u>\$ 8,794</u>
Carrying amount at December 31, 2023	<u>\$ 86,782</u>

(Continued)

**December 31,
2023**

Cost

Balance at January 1, 2022	\$ -
Property, plant, equipment and right-of-use asset	96,402
Net exchange differences	<u>275</u>
Balance at December 31, 2022	<u>\$ 96,677</u>

Accumulated amortization

Balance at January 1, 2022	\$ -
Depreciation expense	1,678
Property, plant, equipment and right-of-use asset	4,447
Net exchange differences	<u>31</u>
Balance at December 31, 2022	<u>\$ 6,156</u>

Carrying amount at December 31, 2022	<u>\$ 90,521</u> (Concluded)
--------------------------------------	---------------------------------

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

Buildings	20-50 years
Right-of-use asset	45 years

The Group's investment properties are located in Vietnam. Because the transaction price of similar real estate in the adjacent area is negotiated by both parties, and the market transaction price is hard to obtain, it is impossible to obtain a reliable alternative fair value estimate, so it is impossible to reliably determine the fair value.

The fair values of investment properties located in Taipei were not evaluated by an independent valuer but valued by the Group's management refers to the market evidence of similar properties transaction prices. The fair value from the evaluation is as follows:

	<u>December 31</u>	
	2023	2022
Fair value	<u>\$ 432,045</u>	<u>\$ 432,295</u>

The investment properties pledged as collateral for bank borrowings are set out in Note 30.

18. INTANGIBLE ASSET, NET

	For the Year Ended December 31	
	2023	2022
Goodwill	\$ 108,404	\$ 108,404
Cost of computer software	3,428	5,386
Others	<u>972</u>	<u>745</u>
	<u>\$ 112,804</u>	<u>\$ 114,535</u>

The above intangible assets with finite useful lives are amortized using straight-line method 1-19 years.

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
<u>Secured borrowings (Note 30)</u>		
Bank loans	\$ 2,139,463	\$ 1,815,772
Trade receivables	<u>488,166</u>	<u>549,417</u>
	<u>2,627,629</u>	<u>2,365,189</u>
<u>Unsecured borrowings</u>		
Bank loans	<u>462,433</u>	<u>267,536</u>
	<u>\$ 3,090,062</u>	<u>\$ 2,632,725</u>
Interest rate range	2.00%-7.304%	1.72%-8.41%

b. Short-term bills payable

	December 31	
	2023	2022
Commercial notes payable (Note 30)	<u>\$ 250,000</u>	<u>\$ 100,000</u>
Interest rate range	1.558%-2.733%	2.258%

c. Long-term borrowings

	December 31	
	2023	2022
<u>Secured borrowings (Note 30)</u>		
Bank loans	\$ 743,813	\$ 951,138
Less: Current portion	<u>(61,484)</u>	<u>(210,993)</u>
	<u>682,329</u>	<u>740,145</u>
<u>Unsecured borrowings</u>		
Line of credit borrowings	37,500	60,000
Less: Current portion	<u>(30,000)</u>	<u>(30,000)</u>
	<u>7,500</u>	<u>30,000</u>
Long-term borrowings	<u>\$ 689,829</u>	<u>\$ 770,145</u>
Interest rate range	2.050%-2.350%	1.925%-2.224%

20. OTHER PAYABLES

	December 31	
	2023	2022
Payables for salaries and bonuses	\$ 87,426	\$ 87,614
Payables for equipment	31,293	12,296
Payables for interest	14,677	11,580
Payables for professional services	4,147	3,640
Others (Note)	<u>91,919</u>	<u>52,235</u>
	<u>\$ 229,462</u>	<u>\$ 167,365</u>

Note: Mainly including testing service fee, utilities fee and shipping fee, etc.

21. RETIREMENT BENEFIT PLANS

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Some subsidiaries, which are mainly investment holding companies, have no staff. Such subsidiaries have no pension plans; thus, they do not contribute to pension funds and do not recognize pension costs.

Except for such subsidiaries, the remaining subsidiaries all contribute to pension funds and recognize pension costs based on the regulations of their local governments.

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	500,000	500,000
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	150,000	150,000
Shares issued	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Share premiums	\$ 1,039,175	\$ 1,092,275
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,481	2,481
Treasury share transactions	<u>801</u>	<u>801</u>
	<u>1,042,457</u>	<u>1,095,557</u>
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries (2)	<u>2,380</u>	<u>2,380</u>
	<u>\$ 1,044,837</u>	<u>\$ 1,097,937</u>

1) 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 to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's amended articles of incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, and setting aside or reversing a special reserve in accordance with the laws and regulations. If the Company distribute its earnings in the form of cash, it shall be approved by the board of directors in their meeting; if the earnings are distributed in the form of new shares, it shall be approved by the shareholders in their meeting.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 24-f.

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 deficits. 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.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The distribution of dividends to shareholders of the Company can be made in cash or shares, the distribution is dependent on the Company's current and future investment environment, capital needs, domestic and international competition and capital budget, etc., taking into account the interests of shareholders, balance of dividends and long-term financial planning of the Company. The Company's dividend distribution shouldn't be less than 10% of the accumulated retained earnings for each year should be distributed as shareholder dividends., however, that if the accumulated retained earnings is less than 10% of the capital paid up, the Company may not declare dividends. If the Company decides to distribute dividends to shareholders, the proportion of cash dividends should not be less than 10% of the total dividends.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2022	2022	2022	2022
Legal reserve	\$ 7,333	\$ -	\$ -	\$ -
(Reversal) special reserve	(47,710)	17,314	-	-
Cash dividends	20,650	10,325	0.14	0.07
Share dividends	-	-	-	-
Cash dividends from capital surplus	53,100	63,425	0.36	0.43
Share dividends from capital surplus	-	-	-	-

The above appropriations of earnings as cash dividends were resolved by the Company's board of directors on April 27, 2023 and April 28, 2022, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on June 16, 2023 and July 14, 2022, respectively.

As of the date of approval of the consolidated financial report, the Company's board of directors has not yet proposed the appropriation of earnings of 2023.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 191,736	\$ 174,422
Appropriations in respect of (Reversed) recognized special reserve	<u>(47,710)</u>	<u>17,314</u>
Balance at December 31	<u>\$ 144,026</u>	<u>\$ 191,736</u>

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (115,816)	\$ (165,115)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(57,385)	49,889
Share of associates and joint venture joint venture for using the equity method	(435)	(590)
Reclassification adjustments		
Equity directly associated with non-current assets classified as held for sale	<u>155</u>	<u>-</u>
Other comprehensive income recognized for the year	<u>(56,795)</u>	<u>49,299</u>
Balance at December 31	<u>\$ (172,611)</u>	<u>\$ (115,816)</u>

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (28,210)	\$ (26,621)
Recognized for the year		
Unrealized profit and loss		
Debt instruments	<u>338</u>	<u>(1,589)</u>
Other comprehensive income recognized for the year	<u>338</u>	<u>(1,589)</u>
Balance at December 31	<u>\$ (27,872)</u>	<u>\$ (28,210)</u>

3) Equity directly associated with non-current assets classified as held for sale

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ -	\$ -
Exchange differences on translation of the financial statements of foreign operations	<u>(155)</u>	<u>-</u>
Balance at December 31	<u>\$ (155)</u>	<u>\$ -</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 12,131	\$ 11,283
Net income (loss)	(1,414)	684
Other comprehensive income (loss)		
Exchange differences on translating foreign operations	<u>(199)</u>	<u>164</u>
Balance at December 31	<u>\$ 10,518</u>	<u>\$ 12,131</u>

g. Treasury shares

Purpose of Buy-back	2023	2022
Number of shares at January 1 and December 31 (in thousand shares)	<u>2,500</u>	<u>2,500</u>

In August 2022, the Company's board of directors approved to buy back treasury shares and intend to transfer shares to the employees.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

23. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Consumer electronics	\$ 3,567,677	\$ 4,677,856
Plastic components	<u>293,624</u>	<u>374,115</u>
	<u>\$ 3,861,301</u>	<u>\$ 5,051,971</u>

24. NET PROFIT (LOSS)

a. Other income

	For the Year Ended December 31	
	2023	2022
Interest income	\$ 7,185	\$ 2,949
Rental income	<u>21,839</u>	<u>16,012</u>
	<u>\$ 29,024</u>	<u>\$ 18,961</u>

b. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange (loss) gains	\$ (28,479)	\$ 132,238
Gain (loss) on disposal of property, plant and equipment	(1,447)	600
Depreciation expense of investment property	(2,811)	(1,678)
Others	<u>8,241</u>	<u>(15,017)</u>
	<u>\$ (24,496)</u>	<u>\$ 116,143</u>

c. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on loans	\$ 165,400	\$ 105,228
Interest on lease liabilities	1,268	1,161
Fees on pledged trade receivables	<u>3,967</u>	<u>5,192</u>
	<u>\$ 170,635</u>	<u>\$ 111,581</u>

d. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 399,492	\$ 348,143
Operating expenses	91,836	104,449
Other gains and losses	<u>2,811</u>	<u>1,678</u>
	<u>\$ 494,139</u>	<u>\$ 454,270</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 3,140</u>	<u>\$ 4,351</u>

e. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	\$ 982,082	\$ 1,154,778
Other employee expenses	12,070	13,854
Post-employment benefits		
Defined contribution plans (Note 21)	<u>42,812</u>	<u>40,409</u>
Total employee benefits expense	<u>\$ 1,036,964</u>	<u>\$ 1,209,041</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 741,702	\$ 907,388
Operating expenses	<u>295,262</u>	<u>301,653</u>
	<u>\$ 1,036,964</u>	<u>\$ 1,209,041</u>

f. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues the compensation of employees and remuneration of directors and supervisors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. However, if the Company has accumulated losses, it should offset the losses in advance.

Because of a net loss in 2023, the Company did not appropriate an amount for employees' compensation and remuneration to directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2022, which were approved by the Company's board of directors on March 22, 2023 is as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Compensation of employees	-	1%
Remuneration of directors and supervisors	-	1%

Amount

	<u>For the Year Ended December 31</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Cash</u>	<u>Shares</u>	<u>Cash</u>	<u>Shares</u>
Compensation of employees	\$ -	\$ -	\$ 1,090	\$ -
Remuneration of directors	-	-	1,090	-

The Company did not estimate and allocate compensation of employees and remuneration of directors for the year ended December 31, 2023 because of the net loss.

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.

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

Information on the compensation of employees 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.

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Current tax		
In respect of the current year	\$ 1,546	\$ 40,196
Income tax on unappropriated earning	4,575	-
Adjustments for prior year	<u>6,495</u>	<u>(7,316)</u>
	<u>12,616</u>	<u>32,880</u>
Deferred tax		
In respect of the current year	<u>3,012</u>	<u>6,917</u>
Income tax expense recognized in profit or loss	<u>\$ 15,628</u>	<u>\$ 39,797</u>

A reconciliation of accounting profit (loss) and income tax expense (benefit) is as follows:

	For the Year Ended December 31	
	2023	2022
Profit (loss) before tax from continuing operations	\$ 7,397	\$ 113,811
Income tax expense (benefit) calculated at the statutory rate	\$ (6,484)	\$ 28,966
Income tax on unappropriated earnings	4,575	-
Unrecognized deductible temporary differences	10,201	17,671
Nondeductible expenses in determining taxable income	841	476
Adjustments for prior years' tax	6,495	(7,316)
Income tax expense (benefit) recognized in profit or loss	\$ 15,628	\$ 39,797

According to the Law on Corporate Income Tax approved by the government of Vietnam, local subsidiaries are eligible for tax exemption in the first two years and a 50% deduction in the following four years since the first profit-earning year should they have investments in the industrial park.

b. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Unrealized losses on foreign currency exchange	\$ 2,879	\$ 1,440	\$ -	\$ (55)	\$ 4,264
Loss on impairment of inventories	5,091	(945)	-	(79)	4,067
Short-term warranties provisions	3,162	1,898	-	-	5,060
Gain on investments accounted for using the equity method	30,744	4,173	-	11	34,928
Others	1,404	(758)	-	(8)	638
	43,280	5,808	-	(131)	48,957
Tax losses	118,279	(8,820)	-	(3,276)	106,183
	<u>\$ 161,559</u>	<u>\$ (3,012)</u>	<u>\$ -</u>	<u>\$ (3,407)</u>	<u>\$ 155,140</u>

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Unrealized losses on foreign currency exchange	\$ 7,571	\$ (4,721)	\$ -	\$ 29	\$ 2,879
Loss on impairment of inventories	6,006	(1,008)	-	93	5,091
Short-term warranties provisions	3,018	144	-	-	3,162
Gain on investments accounted for using the equity method	39,310	(4,184)	(4,382)	-	30,744
Others	888	509	-	7	1,404
	56,793	(9,260)	(4,382)	129	43,280
Tax losses	114,766	(1,592)	-	5,105	118,279
	<u>\$ 171,559</u>	<u>\$ (10,852)</u>	<u>\$ (4,382)</u>	<u>\$ 5,234</u>	<u>\$ 161,559</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Gain on investments accounted for using the equity method	\$ 3,870	\$ (3,928)	\$ -	\$ 58	\$ -
Unrealized gains on foreign currency exchange	<u>7</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,877</u>	<u>\$ (3,935)</u>	<u>\$ -</u>	<u>\$ 58</u>	<u>\$ -</u>

c. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised of:

Unused Amount	Expiry Year
\$ 44,564	2026
378,800	2027
136,422	2028
<u>9,935</u>	2032
<u>\$ 569,721</u>	

d. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities. The Group has no material discrepancy with the approved content.

26. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic (loss) earnings per share	<u>\$ (0.05)</u>	<u>\$ 0.50</u>
Diluted (loss) earnings per share	<u>\$ (0.05)</u>	<u>\$ 0.50</u>

The (loss) earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit (Loss) for the Year

	For the Year Ended December 31	
	2023	2022
Earnings (loss) used in the computation of basic and diluted earnings (loss) per share	<u>\$ (6,817)</u>	<u>\$ 73,330</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	147,500	147,500
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>-</u>	<u>30</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>147,500</u>	<u>147,530</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. Since the compensation of employees are anti-dilutive in the computation of diluted losses per share in 2023, they are excluded from the computation.

27. CAPITAL MANAGEMENT

The Group conducts capital management to ensure the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

There is no material change in the overall strategy of the Group.

The Group must maintain its capital to support equipment upgrades. The capital management of the Group is to make sure that the Group has sufficient and necessary financial resources and operating plans to be able to provide the required funds for operating capital, capital expenditure, research and development expenses, repayment of debts, and payment of dividends.

28. FINANCIAL INSTRUMENTS

a. The fair value of financial instruments at amortized cost

The management of the Group considered that the carrying amount of financial assets and financial liabilities at amortized cost in the financial statement is close to the fair value.

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

Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Other financial assets	\$ -	\$ -	\$ 30,710	\$ 30,710
Financial assets at FVTOCI				
Foreign unlisted shares	\$ -	\$ -	\$ 245,680	\$ 245,680
Investments in debt instruments	9,681	-	-	9,681
	<u>\$ 9,681</u>	<u>\$ -</u>	<u>\$ 245,680</u>	<u>\$ 255,361</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
RMB wealth investment product	\$ -	\$ -	\$ 11,461	\$ 11,461
Financial assets at FVTOCI				
Investments in debt instruments	\$ 3,043	\$ -	\$ -	\$ 3,043

There were no transfers between Levels 1 and 2 in 2023 and 2022.

c. Reconciliation of Level 3 fair value measurements of financial instruments

December 31, 2023

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1	\$ -	\$ -	\$ -
Increase in currently	32,017	257,862	289,879
Recognized in profit or loss (included in other gains and losses)	<u>(1,307)</u>	<u>(12,182)</u>	<u>(13,489)</u>
Balance at December 31	<u>\$ 30,710</u>	<u>\$ 245,680</u>	<u>\$ 276,390</u>

December 31, 2022

	Financial Assets at FVTPL Financial Products of RMB
Financial Assets	
Balance at January 1	\$ -
Increase in currently	<u>11,461</u>
Balance at December 31	<u>\$ 11,461</u>

d. Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of unlisted equity instruments is estimated based on the most recent trading price of the investee and the valuation multiplier of comparable companies, etc., and is not based on assumptions supported by prices or interest rates in an observable market. The remaining financial assets were based on the Group use counterparty quotations as evaluation techniques and significant unobservable input values to calculate the expected return from the investment.

e. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
Financial assets mandatorily classified as at FVTPL	\$ 30,710	\$ 11,461
Financial assets at amortized cost (1)	1,820,576	1,689,389
Financial assets at FVTOCI	255,361	3,043
<u>Financial liabilities</u>		
Measured at amortized cost (2)	5,227,108	5,023,047

- 1) The balances include financial assets at amortized cost, which comprise cash, financial assets at amortized cost, receivables, other receivables and refundable deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, trade payables, other payables, current portion of long-term borrowings, long-term borrowings and guarantee deposits received.

f. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables, lease liabilities, short-term and long-term borrowings. The Group'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 Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The management routinely monitors foreign currency risk and would take necessary measures in response to significant foreign currency fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 31.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar, Chinese Yuan and Vietnamese dong (the functional currency) against the U.S. dollar. The sensitivity analysis included only outstanding foreign currency denominated monetary items, financial assets at fair value through profit or loss and investment in debt instruments at fair value through other comprehensive income. A negative number below indicates an decrease in pre-tax profit associated with the New Taiwan dollar weakening 1% against the U.S. dollar. For a 1% strengthening of the New Taiwan dollar against the U.S. dollar, there would be an equal and opposite impact on profit or loss, and the balances below would be positive.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ (781)	\$ (9,866)

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrows funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets (i)	\$ 202,393	\$ 187,534
Financial liabilities (ii)	314,806	221,830
Cash flow interest rate risk		
Financial assets (iii)	356,879	473,454
Financial liabilities (iv)	3,871,375	3,643,863

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased by \$35,145 thousand and \$31,704 thousand, respectively, which was mainly a result of variable-rate bank deposits and variable-rate borrowings. If interest rates had been 100 basis points lower, there would be an equal and opposite impact on pre-tax profit, and the balances would be negative.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments.

If equity prices had been 10% higher/lower, other comprehensive income for the year ended December 31, 2023 would have increased/decreased by \$24,568 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

The Group was exposed to debt instrument price risk through its investments in debt instrument. The main purpose of the Group is to collect the cash flow of debt instruments and evaluate to sell if necessary.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheet.

The Group's accounts receivable is mainly from the sale of wireless headsets, game headsets, and plastic products in various geographic regions. The Group continuously evaluates the financial status of its accounts receivable customers. The Group's credit risk is concentrated in the Americas and Asia.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities set out in (2) below.

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year.

December 31, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Variable interest rate liabilities	\$ 3,206,620	\$ 295,595	\$ 447,718
Fixed interest rate liabilities	250,000	-	-
Non-interest bearing	1,083,265	-	-
Lease liabilities	<u>40,676</u>	<u>24,829</u>	<u>-</u>
	<u>\$ 4,580,561</u>	<u>\$ 320,424</u>	<u>\$ 447,718</u>

December 31, 2022

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Variable interest rate liabilities	\$ 2,890,272	\$ 342,528	\$ 490,208
Fixed interest rate liabilities	100,000	-	-
Non-interest bearing	1,196,466	-	-
Lease liabilities	<u>57,093</u>	<u>79,084</u>	<u>-</u>
	<u>\$ 4,243,831</u>	<u>\$ 421,612</u>	<u>\$ 490,208</u>

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities:		
Amount used	\$ 499,933	\$ 327,536
Amount unused	<u>274,652</u>	<u>342,404</u>
	<u>\$ 774,585</u>	<u>\$ 669,940</u>
Secured bank overdraft facilities:		
Amount used	\$ 3,621,442	\$ 3,416,327
Amount unused	<u>4,846,764</u>	<u>5,227,569</u>
	<u>\$ 8,468,206</u>	<u>\$ 8,643,896</u>

g. Transfers of financial assets

During the years ended December 31, 2023 and 2022, the Group discounted the derecognized trade receivables with an aggregate carrying amount of \$565,830 thousand and \$628,004 thousand, respectively, to banks for cash proceeds of related debt of \$488,166 thousand and \$549,417 thousand, respectively. According to the contract, if these trade receivables are not recoverable at maturity, banks have the right to request that the Group pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognize the full carrying amounts of these trade receivables and treats these trade receivables that have been transferred to banks as collateral for borrowings (see Note 30).

29. 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 as follows.

a. Related party name and category

Related Party Name	Related Party Merged Company
Ability Technology Co., Ltd.	Other related parties

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Sales	Ability Technology Co., Ltd.	<u>\$ 20,489</u>	<u>\$ -</u>

The Group's sales price and collection period to related parties are the same as those to regular customers.

c. Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Trade receivables	Ability Technology Co., Ltd.	\$ 5,789	\$ -
Other receivables	Ability Technology Co., Ltd.	<u>847</u>	<u>1,256</u>
		<u>\$ 6,636</u>	<u>\$ 1,256</u>

The outstanding receivables from related parties are unsecured. For the year ended December 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

d. Lease arrangements

Operating lease

In 2023, the Group leases the factory to its associates, Ability Technology Co., Ltd. as the operating lease with the lease term of five year, and the rent is referred to the similar assets' rental level, and a fixed payment is received monthly according to the lease agreement. As of December 31, 2023 and 2022, the total amount of future lease receivable were \$13,093 thousand and \$16,664 thousand, respectively. For the years ended December 31, 2023 and 2022, the lease income recognized were \$6,249 thousand and \$1,181 thousand, respectively.

e. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 19,582	\$ 25,006
Post-employment benefits	<u>322</u>	<u>322</u>
	<u>\$ 19,904</u>	<u>\$ 25,328</u>

The remuneration of directors and key executives is based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	December 31	
	2023	2022
Property, plant and equipment (including construction in progress)	\$ 2,639,696	\$ 2,179,332
Trade receivables	565,830	628,004
Pledged demand deposits (classified as financial assets at amortized cost)	391,261	424,082
Right-of-use assets	174,356	64,828
Investment property	86,782	90,521
Pledged repurchase agreements collateralized by bonds (classified as financial assets at amortized cost)	<u>20,000</u>	<u>-</u>
	<u>\$ 3,877,925</u>	<u>\$ 3,386,767</u>

The above assets were provided as collateral for bank borrowings.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 111,696	30.71 (USD:TWD)	\$ 3,430,183
USD	17,346	7.0973 (USD:CNY)	<u>532,691</u>
			<u>\$ 3,962,874</u>
Non-monetary items			
Non-derivative financial assets			
USD	9,315	30.71 (USD:TWD)	<u>\$ 286,071</u>
<u>Financial liabilities</u>			
Monetary items			
USD	47,436	30.71 (USD:TWD)	\$ 1,466,049
USD	84,364	24,667 (USD:VND)	2,590,824
USD	8,801	7.0973 (USD:CNY)	<u>270,271</u>
			<u>\$ 4,327,144</u>

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 107,427	30.71 (USD:TWD)	\$ 3,299,091
USD	23,117	6.9669 (USD:CNY)	<u>709,924</u>
			<u>\$ 4,009,015</u>
Non-monetary items			
Non-derivative financial assets			
USD	99	30.71 (USD:TWD)	<u>\$ 3,043</u>

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 47,797	30.71 (USD:TWD)	\$ 1,467,853
USD	103,092	23,899 (USD:VND)	3,165,950
USD	11,881	6.9669 (USD:CNY)	<u>364,854</u>
			<u>\$ 4,998,657</u>
			(Concluded)

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were \$(28,479) thousand and \$132,238 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (None)
- 10) Information on investees (Table 7)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) 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 (Tables 1, 2, 5 and 6)

d. Intercompany relationships and significant intercompany transactions (Table 9)

- e. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

33. 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. Specifically, the Group's reportable segments were the manufacture, process and sale of audio electronic devices, computer peripherals and plastic products. For the purposes of financial statement presentation, these individual operating segments have been aggregated into a single operating segment given that the Group centrally manages the manufacture and sale of products.

TABLE 1

AMPACS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED 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 (Note 5)	Ending Balance (Note 5)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Brilliance Investment Co., Ltd.	Richmake International Limited	Other receivables from related parties	Yes	\$ 270,248 (US\$ 8,800)	\$ 270,248 (US\$ 8,800)	\$ 246,794 (US\$ 8,036)	-	Short-term financing	\$ -	Operational needs	\$ -	None	\$ -	\$ 316,127 (US\$ 10,293)	\$ 316,127 (US\$ 10,293)	Note 3
2	Dong Guan Yi Zhuo Electronics Co., Ltd.	Brilliance Investment Co., Ltd.	Other receivables from related parties	Yes	154,778 (US\$ 5,040)	154,778 (US\$ 5,040)	112,629 (US\$ 3,668)	-	Short-term financing	-	Operational needs	-	None	-	151,500 (CNY 34,988)	151,500 (CNY 34,988)	Note 4

Note 1: The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: The amount was calculated using the spot rate on December 31, 2023 (US\$1=NT\$30.71; CNY1=NT\$4.33).

Note 3: The aggregate financing limit and financing limit for each borrower of Brilliance Investment Co., Ltd., calculated based on the Group’s policy, were both 120% of the Company’s net asset value.

Note 4: The aggregate financing limit and financing limit for each borrower of Dong Guan Yi Zhuo Electronics Co., Ltd., calculated based on the Group’s policy, were both 120% of the Company’s net asset value.

Note 5: The highest balance and ending balance for the period are the financing limits approved by the lender’s board of directors.

Note 6: All intercompany financing transactions have been eliminated upon consolidation.

AMPACS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Amount Borrowed (Note 3)	Amount Endorsed/ Guaranteed by Collateral (Note 3)	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
1	Modern Pioneer (Kunshan) Co., Ltd.	AMPACS Corporation	b	\$ 237,193 (CNY 54,779)	\$ 199,615 (US\$ 6,500)	\$ 199,615 (US\$ 6,500)	\$ 184,260 (US\$ 6,000)	\$ 26,035 (CNY 6,017)	7.50	\$ 237,193 (CNY 54,779)	N	Y	N	

Note 1: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

- a. Business relationship.
- b. A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.
- c. An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.

Note 2: a. The aggregate amount of guarantees/endorsements by Modern Pioneer (Kunshan) Co., Ltd. and for any single entity should not exceed 100% of its net worth.

b. The net worth is based on the latest audited financial statements.

Note 3: The amount was calculated using the spot rate on December 31, 2023 (US\$1=NT\$30.71; CNY1=NT\$4.33).

TABLE 3

AMPACS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AMPACS Corporation	<u>Bounds</u>							
	Ford Motor Company	-	Financial assets at FVTOCI - non-current	US\$ 130	\$ 3,522	-	\$ 3,522	
	Corporate bonds - Pfizer Inc.	-	Financial assets at FVTOCI - non-current	US\$ 200	6,159	-	6,159	
	Government bonds	-	Financial assets at amortized cost	\$ 20,000	20,000	-	20,000	
	<u>Other financial assets</u>							
	4EST INC.	-	Financial assets at fair value through profit or loss - non-current	-	30,710	-	30,710	
Richmake International Limited	Substrate Manufacturing Corporation	-	Financial assets at FVTOCI - non-current	2,247	245,680	-	245,680	
	<u>Ordinary shares</u>							
	Iota Communications, Inc.	-	Financial assets at FVTOCI - non-current	2,478,000	-	1.26	-	Note 1

Note 1: The carrying values of financial instruments were all assessed for impairment.

Note 2: The number of units of the bonds is the face value of the bonds.

TABLE 4

AMPACS CORPORATION AND

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
AMPACS Corporation	Ampacs International Company Limited	Investments accounted for using the equity method (Note 1)	Ampacs International Company Limited (Note 2)	Subsidiaries	-	\$ 382,402	-	\$ 624,803	-	\$ -	\$ -	\$ -	-	\$ 1,002,791

Note 1: Investments accounted for under the equity method have been eliminated in the consolidated financial statements.

Note 2: The Company increased capital for its 100% owned subsidiary.

TABLE 5

AMPACS CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
AMPACS Corporation	Ampacs International Company Limited	Subsidiary	Purchase	\$ (2,923,055)	(84)	About 120 days	Contract price	No significant difference	\$ -	-	
	Richmake International Limited	Subsidiary	Purchase	(488,247)	(7)	About 120 days	Contract price	No significant difference	-	-	
	Fortune Channel Universal Limited	Subsidiary	Purchase	(239,254)	(7)	About 120 days	Contract price	No significant difference	(118,153)	(37)	
Tech. Pioneer, Ltd.	AMPACS Corporation	Parent company	Purchase	(263,744)	(100)	About 120 days	Contract price	No significant difference	(64,857)	(100)	
Richmake International Limited	Dongguan Yi Xing Electronics Co., Ltd.	Subsidiary	Purchase	(527,987)	(100)	About 180 days	Contract price	No significant difference	(21,023)	(31)	
Fortune Channel Universal Limited	Modern Pioneer (Kunshan) Co., Ltd.	Subsidiary	Purchase	(239,254)	(100)	About 180 days	Contract price	No significant difference	(148,440)	(100)	
Ampacs International Company Limited	Dongguan Yi Xing Electronics Co., Ltd. AMPACS Corporation	Subsidiary	Purchase	(133,683)	(5)	About 180 days	Contract price	No significant difference	(195,499)	(7)	
		Parent company	Sale	2,923,055	99	About 120 days	Contract price	No significant difference	-	-	
Richmake International Limited	AMPACS Corporation	Parent company	Sale	488,247	95	About 120 days	Contract price	No significant difference	-	-	
Fortune Channel Universal Limited	AMPACS Corporation	Parent company	Sale	239,254	100	About 120 days	Contract price	No significant difference	118,153	100	
AMPACS Corporation	Tech. Pioneer, Ltd.	Subsidiary	Sale	263,744	7	About 120 days	Contract price	No significant difference	64,857	6	
Modern Pioneer (Kunshan) Co., Ltd.	Fortune Channel Universal Limited	Subsidiary	Sale	239,254	85	About 120 days	Contract price	No significant difference	148,440	93	
Dongguan Yi Xing Electronics Co., Ltd.	Richmake International Limited	Subsidiary	Sale	527,987	80	About 180 days	Contract price	No significant difference	21,023	10	
	Ampacs International Company Limited	Sister company	Sale	133,683	20	About 180 days	Contract price	No significant difference	195,499	29	

Note: All intercompany gains and losses from investment have been eliminated upon consolidation.

TABLE 6

AMPACS CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance of Trade Receivables	Ending Balance of Other Receivables	Turnover Rate	Past Due		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Action Taken		
Dongguan Yi Xing Electronics Co., Ltd.	Ampacs International Company Limited	Sister company	\$ 195,499	\$ -	0.63	\$ -	-	\$ 30,710	\$ -
Dong Guan Yi Zhuo Electronics Co., Ltd.	Brilliance Investment Co., Ltd.	Sister company	-	112,629	Note 2	-	-	-	-
AMPACS Corporation	Ampacs International Company Limited	Subsidiary	-	378,047	Note 1	-	-	176,356	-
Brilliance Investment Co., Ltd.	Richmake International Limited	Sister company	-	246,794	Note 2	-	-	-	-
Modern Pioneer (Kunshan) Co., Ltd.	Fortune Channel Universal Limited	Subsidiary	148,440	-	2.27	-	-	30,710	-
Fortune Channel Universal Limited	AMPACS Corporation	Parent company	118,153	-	3.69	-	-	30,710	-

Note 1: The other receivables are purchased raw materials.

Note 2: Financing.

Note 3: All intercompany gains and losses from investment have been eliminated upon consolidation.

TABLE 7

AMPACS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
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		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2023	December 31, 2022	Number of Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
AMPACS Corporation	Tech. Pioneer, Ltd.	Samoa	Investment activities	US\$ 21,780	US\$ 21,780	23,003	100	\$ 833,322	\$ (18,280)	\$ (18,280)	Subsidiary
	Ampacs International company Limited	Vietnam	Production and sale of plastic products and consumer electronics	HK\$ 9,500	HK\$ 9,500	-	100	1,002,791	(US\$ -587)	40,838	Subsidiary
	Ability Technology Co., Ltd.	Taipei	Computer peripheral equipment, photographic equipment and electronic components and trading	US\$ 50,000	US\$ 30,000	-	100	-	(VND 31,780,420)	(2,383)	Note 2
Tech. Pioneer, Ltd.	Brilliance Investment Co., Ltd.	Samoa	Investment activities and the sale of plastic products	\$ -	\$ 20,000	2,000	40	-	(5,959)	(2,383)	Note 2
	Sunlight Ocean Holding Limited	Samoa	Investment activities	US\$ 1,050	US\$ 1,050	1,050	100	263,440	(751)	(751)	Subsidiary
	Richmake International Limited	Samoa	Investment activities and the sale of consumer electronics	US\$ 850	US\$ 850	850	100	62,036	(US\$ -24)	7,587	Subsidiary
	Fortune Channel Universal Limited	Seychelles	Investment activities and the sale of plastic products	US\$ 9,500	HK\$ 9,500	1,224	100	125,351	(US\$ 244)	(26,149)	Subsidiary

Note 1: Refer to Table 8 for information on investments in mainland China.

Note 2: The Company has transferred Ability Technologies Co., Ltd. to non-current assets for sale on December 31, 2023.

Note 3: All intercompany gains and losses from investment have been eliminated upon consolidation.

TABLE 8

AMPACS 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	Total Amount of Paid-in Capital (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023 (Note 3)	Investment of Flows (Note 2)		Accumulated Outflow of Investment from Taiwan as of December 31, 2023 (Note 3)	Net Income (Loss) of the Investee (Note 4)	Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 4)	Carrying Amount as of December 31, 2023 (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Dongguan Yi Zhao Electronics Co., Ltd.	Production and sale of plastic products	\$ 32,246 (US\$ 1,050)	Note 1	\$ 32,246 (US\$ 1,050)	\$ -	\$ -	\$ 32,246 (US\$ 1,050)	\$ (39,630) (CNY -9,015)	100	\$ (39,630) (US\$ -1,272)	\$ 126,184 (US\$ 4,019)	\$ -
Dongguan Han Lei Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	26,104 (US\$ 850)	Note 1	26,104 (US\$ 850)	-	-	26,104 (US\$ 850)	7,619 (CNY 1,733)	100	7,619 (US\$ 245)	60,578 (US\$ 1,973)	-
Dongguan Yi Xing Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	37,326 (HK\$ 9,500)	Note 1	37,326 (HK\$ 9,500)	-	-	37,326 (HK\$ 9,500)	(34,798) (CNY -7,916)	100	(34,798) (US\$ -1,117)	193,307 (US\$ 6,295)	-
Modern Pioneer (Kunshan) Co., Ltd.	Production and sale of plastic products	414,585 (US\$ 13,500)	Note 1	414,585 (US\$ 13,500)	-	-	414,585 (US\$ 13,500)	11,003 (CNY 2,503)	100	3,890 (US\$ 125)	397,936 (US\$ 12,958)	-
Dongguan Shi Hong Jun Electronics Co., Ltd.	Production and sale of headphone wire	8,660 (CNY 2,000)	Note 2	Note 2	-	-	Note 2	(2,886) (CNY -657)	51	(1,472) (CNY -335)	10,953 (CNY 2,529)	-

Accumulated Investment in Mainland China as of December 31, 2023 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment
\$ 510,261 (US\$ 15,400) (HK\$ 9,500)	\$ 510,261 (US\$ 15,400) (HK\$ 9,500)	\$ 1,603,842 (Note 5)

Note 1: The companies were invested through regions outside of Taiwan and mainland China (the third region).

Note 2: The capital of Dongguan Shi Hong Jun Electronics Co., Ltd. is remitted out with the self-owned fund of Dongguan Han Lei Electronics Co., Ltd.

Note 3: The amount was calculated using the spot rates on December 31, 2023 (US\$1=NT\$30.71; HK\$1=NT\$3.929; CNY1=NT\$4.33).

Note 4: The amount was calculated using the yearly average rates on 2023 (US\$1=NT\$31.155; HK\$1=NT\$3.98; CNY1=NT\$4.396).

Note 5: The amount was calculated based on 60% of the Group's net worth.

Note 6: All intercompany gains and losses from investment have been eliminated upon consolidation.

TABLE 9**AMPACS 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)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			% of Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statement Item	Amount	Terms	
0	AMPACS Corporation	Ampacs International company Limited	1	Other receivables	\$ 378,047	Mutual agreement	5
		Ampacs International company Limited	1	Advance payment	823,780	Mutual agreement	10
		Richmake International Limited	1	Advance payment	78,979	Mutual agreement	1
		Tech. Pioneer, Ltd.	1	Sales	263,744	Mutual agreement	7
1	Ampacs International Company Limited	AMPACS Corporation	2	Sales	2,923,055	Mutual agreement	76
2	Richmake International Limited	AMPACS Corporation	2	Sales	488,247	Mutual agreement	13
3	Fortune Channel Universal Limited	AMPACS Corporation	2	Sales	239,254	Mutual agreement	6
		AMPACS Corporation	2	Accounts receivable	118,153	Mutual agreement	1
4	Brilliance Investment Co., Ltd.	Richmake International Limited	3	Other receivables	246,794	Financing provided	3
5	Dongguan Yi Xing Electronics Co., Ltd.	Richmake International Limited	3	Sales	527,987	Mutual agreement	14
		Ampacs International company Limited	3	Sales	133,683	Mutual agreement	3
		Ampacs International company Limited	3	Accounts receivable	195,499	Mutual agreement	2
6	Modern Pioneer (Kunshan) Co., Ltd.	Fortune Channel Universal Limited	3	Sales	239,254	Mutual agreement	6
		Fortune Channel Universal Limited	3	Accounts receivable	148,440	Mutual agreement	2
7	Dongguan Yi Zhao Electronics Co., Ltd.	Brilliance Investment Co., Ltd.	3	Accounts receivable	112,629	Financing provided	1

Note 1: The Company and its subsidiaries are coded as follows:

- The Company is coded “0”.
- The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- From the Company to its subsidiary.
- From a subsidiary to its parent company.
- Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item’s period-end balance was shown as a percentage to consolidated total assets as of December 31, 2023. For profit or loss items, the cumulative amounts were shown as a percentage to consolidated total operating revenues for the year ended December 31, 2023.

Note 4: The above table only discloses each of the related-party transactions which material amount of total revenue or total assets, while the reverse flow of transactions are not additionally disclosed.

Note 5: The intercompany transactions have been eliminated upon consolidation.

TABLE 10

AMPACS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Huang, Chang-Ching	27,671,900	18.44
Lung An Investment Co., Ltd.	11,907,304	7.93
Chang An Investment Co., Ltd.	11,681,569	7.78
Hsiao, Hsiu-Ju	9,562,545	6.37

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the TWSE.

Ampacs Corporation

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

Address: 3F., No.19-3, Sanchong Rd., Nangang Dist.,
Taipei City 115601, TAIWAN
Telephone: (02)2655-2798

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
AMPACS Corporation

Opinion

We have audited the accompanying parent company only financial statements of AMPACS Corporation, which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income or loss, parent company only statements of changes in equity and parent company only statements of cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policies information (collectively referred to as the “parent company only financial statements”).

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the parent company only financial statements for the year ended December 31, 2023 is described as follows:

The Occurrence of Sales Revenue

The sales revenue of the Ampacs Corporation mainly comes from consumer electronics products and plastic components used in network communication products, and its changes mainly come from certain clients and products. Because certain sales revenue has a significant impact on financial performance, the occurrence of sales revenue from certain clients and products of AMPACS Group is considered as a key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding of the internal control systems and operating procedures related to sales transaction processes, evaluated the design and implementation of relevant internal controls and performed internal control testing to obtain sufficient and appropriate audit evidence on the effectiveness of relevant control implementation.
2. We determined the appropriate methods of sampling and sample sizes, audited external and internal vouchers to support the fact of shipments, and we confirmed the actual occurrence of certain sales revenue transactions.
3. We inspected the cash receipt records and vouchers. We evaluated the amounts entered into the accounts and confirmed that the recipients of the remittances were consistent with the recipients of the shipments to prove the occurrence of the sales transaction.

Other Matter

We did not audit the financial statements of Ability Technologies Co., Ltd., an associate included in the parent company only financial statements, but such statements were audited by other auditors. Our opinion, insofar as it relates to the investments accounted for using the equity method, is based solely on the reports of other auditors. The investments accounted for using the equity method were NT\$0 and NT\$14,968 thousand as of December 31, 2023 and 2022, representing 0% and 0.24% of the total assets, respectively. The Group's share of profit of associate accounted for using the equity method was NT\$(2,383) and NT\$(4,442) thousand for the year then ended, representing 3.76% and (3.67%) of the total comprehensive income and loss, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent company only financial statements. As part 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. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our 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 audits resulting in this independent auditors' report are Chun-Yu Wang and Ming-Hsien Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 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 statements have been translated into English from the original 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.

Ampacs Corporation
Balance Sheets
31 December 2023 and 2022

Unit: NT\$1,000

C o d e	A s s e t s	December 31, 2023		December 31, 2022	
		A m o u n t	%	A m o u n t	%
	Current Assets				
1100	Cash (Note 4 & 6)	\$ 86,384	2	\$ 79,162	1
1136	Financial Assets Measured at Amortized Cost (Note 4, 9, & 28)	333,433	5	358,608	6
1170	Accounts Receivable - Net Amount (Note 4, 10, & 28)	967,389	15	873,241	14
1180	Net Accounts Receivable - Net Value of Related Parties (Note 27)	64,857	1	37,008	1
1200	Other Accounts Receivable	-	-	319	-
1210	Other Accounts Receivable - Related Parties (Note 27)	386,692	6	478,299	8
130X	Inventory - Net Amount (Note 4 & 12)	5,357	-	14,727	-
1421	Prepayments for Purchases (Note 27)	925,900	15	1,577,907	26
1460	Non-Current Assets Held for Sale - Net Amount (Note 4 & 11)	13,020	-	-	-
1470	Other Current Assets	-	-	3,500	-
11XX	Total Current Assets	<u>2,783,032</u>	<u>44</u>	<u>3,422,771</u>	<u>56</u>
	Non-Current Asset				
1510	Financial Assets Measured at Fair Value Through Profit or Loss Non-Current (Note 4 & 7)	30,710	-	-	-
1517	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current (Note 4 & 8)	255,361	4	3,043	-
1550	Acquisition of Investments Accounted for Using the Equity Method (Note 4 & 13)	1,836,113	29	1,261,105	20
1600	Real Estate, Plant, and Equipment - Net Amount (Note 4, 14 & 28)	1,309,367	21	1,322,768	22
1760	Investment Real Estate - Net Amount (Note 4 & 15)	57,898	1	59,125	1
1780	Intangible Assets - Net Amount (Note 4 & 16)	3,930	-	5,563	-
1840	Deferred Tax Assets (Note 4 & 23)	43,485	1	39,151	1
1990	Other non-current assets	383	-	383	-
15XX	Total Non-Current Assets	<u>3,537,247</u>	<u>56</u>	<u>2,691,138</u>	<u>44</u>
1XXX	Total Assets	<u>\$ 6,320,279</u>	<u>100</u>	<u>\$ 6,113,909</u>	<u>100</u>
	L i a b i l i t y a n d E q u i t y				
	Current Liabilities				
2100	Short-Term Loans (Note 4 & 17)	\$ 2,119,411	33	\$ 1,742,348	28
2110	Short-Term Notes Payable (Note 4 & 17)	250,000	4	100,000	2
2170	Accounts Payable	204,794	3	230,292	4
2180	Accounts Payable - Related Party (Note 27)	118,153	2	10,529	-
2200	Other Accounts Payable (Note 18)	45,277	1	49,595	1
2230	Current Income Tax Liabilities (Note 4 & 23)	100,452	2	143,751	2
2320	Long-Term Liabilities Due Within One Year (Note 4 & 17)	91,484	1	240,993	4
2399	Other Current Liabilities	35,556	1	22,951	-
21XX	Total Current Liabilities	<u>2,965,127</u>	<u>47</u>	<u>2,540,459</u>	<u>41</u>
	Non-Current Liability				
2540	Long-Term Loans (Note 4 & 17)	689,829	11	770,145	13
2645	Guarantee Deposits Received	2,771	-	3,574	-
25XX	Total Non-Current Liabilities	<u>692,600</u>	<u>11</u>	<u>773,719</u>	<u>13</u>
2XXX	Total Liabilities	<u>3,657,727</u>	<u>58</u>	<u>3,314,178</u>	<u>54</u>
	Equity (Note 20)				
3110	Common Stock	<u>1,500,000</u>	<u>24</u>	<u>1,500,000</u>	<u>24</u>
3200	Capital Surplus	<u>1,044,837</u>	<u>16</u>	<u>1,097,937</u>	<u>18</u>
	Retained Earnings				
3310	Legal Surplus Reserve	182,782	3	175,449	3
3320	Special Surplus Reserve	144,026	2	191,736	3
3350	Undistributed Retained Earnings	176,839	3	163,929	3
3300	Total Retained Earnings	<u>503,647</u>	<u>8</u>	<u>531,114</u>	<u>9</u>
	Other Equities				
3410	Exchange Differences on Conversion of the Financial Statements of Foreign Operation	(172,611)	(3)	(115,816)	(2)
3420	Unrealized Valuation of Financial Assets (Losses) and Profits Measured at Fair Value Through Other Comprehensive Income	(27,872)	-	(28,210)	-
3470	Equities Directly Related to the Non-Current Assets Held for Sale	(155)	-	-	-
3400	Total Other equity	(200,638)	(3)	(144,026)	(2)
3500	Treasury Stock	(185,294)	(3)	(185,294)	(3)
3XXX	Total equity	<u>2,662,552</u>	<u>42</u>	<u>2,799,731</u>	<u>46</u>
	Total liabilities and equity	<u>\$ 6,320,279</u>	<u>100</u>	<u>\$ 6,113,909</u>	<u>100</u>

The accompanying notes are an integral part of these individual financial statements.
(Please refer to the audit report of Deloitte Taiwan, dated March 14, 2024)

Chairman: Huang Changqing Manager: Huang Changqing Accounting Supervisor: Lin Renjie

Ampacs Corporation
Statements of Comprehensive Income
For The Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands, except the earning (deficit)
per share in 1.00 NTD

C o d e		Year 2023		Year 2022	
		A m o u n t	%	A m o u n t	%
4000	Operating Income (Note 4, 21 & 27)	\$ 3,774,424	100	\$ 4,928,989	100
5000	Operating Cost (Note 12. 22 & 27)	(3,477,289)	(92)	(4,603,923)	(94)
5900	Operating Margin	297,135	8	325,066	6
	Operating Expenses (Note 22)				
6100	Selling Expenses	(49,040)	(1)	(40,610)	(1)
6200	Administration Expenses	(87,223)	(3)	(97,785)	(2)
6300	Research and				
	Development Expenses	(115,999)	(3)	(113,923)	(2)
6450	Expected Credit				
	Impairment Reversal				
	Interest (Note 10)	315	-	-	-
6000	Total Operating Expenses	(251,947)	(7)	(252,318)	(5)
6900	Operating Net Profit	45,188	1	72,748	1
	Non-Operating Income and Expenses (Note 22)				
7010	Other Revenue	21,196	1	16,571	-
7020	Other Profits and Losses	33,219	1	197,048	4
7050	Financial Cost	(121,273)	(3)	(81,820)	(1)
7070	Share of Profits and				
	Losses of Subsidiaries				
	and Affiliated				
	Enterprises by Equity				
	Method	20,175	-	(97,695)	(2)
7000	Total Non-Operating Income and Expenses	(46,683)	(1)	34,104	1
7900	Net Profit (Loss) Before Tax	(1,495)	-	106,852	2
7950	Income Tax Expense (Note 4 & 23)	(5,322)	-	(33,522)	(1)
8200	Net Profit (Loss)	(6,817)	-	73,330	1

(Continue on next page)

(Continued from previous page)

C o d e		Year 2023		Year 2022	
		A m o u n t	%	A m o u n t	%
	Other Comprehensive Profit or Loss (Note 20)				
	Items That May Be Subsequently Reclassified as Profit or Loss				
8361	Exchange Differences on Conversion of the Financial Statements of Foreign Operation	(\$ 57,385)	(2)	\$ 49,889	1
8367	Unrealized Gains or Losses on Debt Instrument Investments Measured at Fair Value Through Other Comprehensive Income	338	-	(1,589)	-
8371	Exchange Differences on the Translation of Financial Statements of Foreign Operations of Associated Companies and Joint Ventures	435	-	(590)	-
8360		(56,612)	(2)	47,710	1
8300	Other Comprehensive Profit and Loss	(56,612)	(2)	47,710	1
8500	Comprehensive (Loss) Income	(\$ 63,429)	(2)	\$ 121,040	2
	Earnings (Loss) Per Share (Note 24)				
9750	Basic	(\$ 0.05)		\$ 0.50	
9850	Diluted	(\$ 0.05)		\$ 0.50	

The accompanying notes are an integral part of these individual financial statements.

(Please refer to the audit report of Deloitte Taiwan, dated March 14, 2024)

Chairman: Huang Chang Qing, Manager: Huang Chang Qing, Accounting Supervisor: Lin
Ren Jie.

Ampacs Corporation
Statement of Changes in Equity
For The Years Ended December 31, 2023 and 2022

Unit: Unless otherwise specified,
, NT\$ 1,000.

C o d e		S h a r e C a p i t a l (N o t e 2 0)		Capital Surplus	R e t a i n e d E a r n i n g s (N o t e 2 0)			Other Equities	Treasury Stock	Total Equity
		Number of Shares (1000 Shares)	A m o u n t	(N o t e 2 0)	Legal Surplus R e s e r v e	Special Surplus R e s e r v e	Undistributed Retained Earnings	(N o t e 2 0)	(N o t e 2 0)	
A1	Balance as of January 1, 2022	150,000	\$ 1,500,000	\$ 1,161,362	\$ 175,449	\$ 174,422	\$ 118,238	(\$ 191,736)	(\$ 185,294)	\$ 2,752,441
	Distribution of earnings for the year 2021									
B3	Appropriation to special earnings reserve	-	-	-	-	17,314	(17,314)	-	-	-
B5	Cash dividends - NT\$0.07 per share	-	-	-	-	-	(10,325)	-	-	(10,325)
	Other changes in capital surplus:									
C15	Distribution of Cash dividends from capital surplus - NT\$0.43 per share.	-	-	(63,425)	-	-	-	-	-	(63,425)
	Total Comprehensive Profit and Loss in 2022									
D1	Net income in 2022	-	-	-	-	-	73,330	-	-	73,330
D3	Other comprehensive benefits in 2022	-	-	-	-	-	-	47,710	-	47,710
D5	Total Comprehensive Income for the Year 2022	-	-	-	-	-	73,330	47,710	-	121,040
Z1	Balance as of December 31, 2022	150,000	1,500,000	1,097,937	175,449	191,736	163,929	(144,026)	(185,294)	2,799,731
	Distribution of Earnings for the Year 2021									
B1	Appropriation to legal reserve	-	-	-	7,333	-	(7,333)	-	-	-
B5	Cash Dividends - NT\$0.14 Per Share	-	-	-	-	-	(20,650)	-	-	(20,650)
B17	Special Surplus Reserve Reversal	-	-	-	-	(47,710)	47,710	-	-	-
	Other Changes in Capital Surplus:									
C15	Capital Surplus Distribution in Cash - NT\$0.36 Per Share	-	-	(53,100)	-	-	-	-	-	(53,100)
	Total Comprehensive Profit and Loss in 2023									
D1	Net Loss in 2023	-	-	-	-	-	(6,817)	-	-	(6,817)
D3	Other Comprehensive Loss in 2023	-	-	-	-	-	-	(56,612)	-	(56,612)
D5	Total Comprehensive Profit and Loss in 2023	-	-	-	-	-	(6,817)	(56,612)	-	(63,429)

Z1	December 31, 2023 Balance	<u>150,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,044,837</u>	<u>\$ 182,782</u>	<u>\$ 144,026</u>	<u>\$ 176,839</u>	<u>(\$ 200,638)</u>	<u>(\$ 185,294)</u>	<u>\$ 2,662,552</u>
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The accompanying notes are an integral part of these individual financial statements.
(Please refer to the audit report of Deloitte Taiwan, dated March 14, 2024)

Chairman: Huang Chang Qing, Manager: Huang Chang Qing, Accounting Supervisor: Lin Ren Jie.

Ampacs Corporation
Statements of Cash Flows
For The Years Ended December 31, 2023 and 2022

Unit: NT\$1,000

C o d e		Year 2023	Year 2022
	Cash Flow from Operating Activities		
A10000	Net Profit (Loss) Before Tax	(\$ 1,495)	\$ 106,852
A20010	Items of Income and Expenses		
A20100	Depreciation Expenses	14,777	16,209
A20200	Amortization Expenses	3,052	3,653
A20300	Expected Credit Impairment		
	Reversal Profits	(315)	-
A20900	Financial Cost	121,273	81,820
A21200	Interest Revenue	(5,605)	(1,741)
A22400	Share of Profit or Loss From		
	Subsidiaries Accounted for		
	Using the Equity Method	(20,175)	97,695
A24100	Unrealized Foreign Exchange		
	Loss	17,223	23,751
A30000	Net Changes in Operating Assets and		
	Liabilities		
A31115	Financial Assets Forced to Be		
	Measured at Fair Value		
	Through Profit and Loss	(32,017)	-
A31150	Accounts receivable	(131,647)	765,305
A31160	Accounts receivable - related		
	parties	(29,750)	9,419
A31180	Other Accounts Receivable	319	(149)
A31190	Other accounts receivable -		
	related parties	90,871	1,533,381
A31200	Inventories	9,370	647
A31230	Prepayments for purchases	652,007	(1,509,459)
A31240	Other Current Assets	3,500	(85)
A32150	Accounts Payable	(25,498)	(167,012)
A32160	Accounts Payable - Related		
	Parties	111,890	(179,761)
A32180	Other Accounts Payable	(8,380)	5,852
A32230	Other Current Liabilities	12,605	(3,226)
A33000	Cash Inflow From Operations	782,005	783,151
A33100	Interests Received	5,605	1,741
A33300	Financial Cost Paid	(117,211)	(76,571)
A33500	Income Tax Paid	(52,955)	(21,049)
AAAA	Net Cash Inflow From Operating		
	Activities	617,444	687,272

Cash Flow From Investment Activities

B00010	Acquisition of financial assets at fair value through other comprehensive income	(265,340)	-
B00040	Obtain Financial Assets Measured at Amortized Cost		25,175	(82,918)

(Continue on next page)

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<u>C o d e</u>		<u>Year 2023</u>	<u>Year 2022</u>
B01800	Acquisition of Long-term Equity Investments Accounted for by the Equity Method	\$ -	(\$ 20,000)
B02700	Purchase of Real Estate, Plant, and Equipment	(149)	(1,336)
B04500	Purchase of Intangible Assets	(1,419)	(970)
BBBB	Net Cash Outflow From Investment Activities	(241,733)	(105,224)
	Cash Flow from Financing Activities		
C00100	Short-Term Loan Increased	410,692	-
C00200	Short-Term Loan Decreased	-	(680,791)
C00500	Short-Term Notes Payable Increased	150,000	100,000
C01600	Long-Term Loan Borrowed	150,000	150,000
C01700	Long-Term Loan Repaid	(379,825)	(89,525)
C03100	Guarantee Deposits Received		
	Decreased	(803)	-
C03000	Guarantee Deposits Received		
	Increased	-	1,503
C04500	Distribution of Cash Dividend	(73,750)	(73,750)
C05400	Acquisition of Equity in Subsidiary	(624,803)	-
CCCC	Net Cash Outflows From Fundraising Activities	(368,489)	(592,563)
EEEE	Net Increase (Decrease) in Cash	7,222	(10,515)
E00100	Beginning cash balance	79,162	89,677
E00200	Ending cash balance	\$ 86,384	\$ 79,162

The accompanying notes are an integral part of these individual financial statements.

(Please refer to the audit report of Deloitte Taiwan, dated March 14, 2024)

Chairman: Huang Chang Qing, Manager: Huang Chang Qing, Accounting Supervisor:
Lin Ren Jie.

Ampacs Corporation
Notes To Financial Statements

For The Years Ended December 31, 2023 and 2022

(Unless otherwise indicated, amounts are expressed in thousands of New Taiwan Dollars.)

1. Company History

Ampacs Corporation (hereinafter referred to as "the Company") was established in July 1998, primarily engaged in the design and manufacture of plastic components and earphone products for consumer electronics. The Company's stock has been listed on the Taiwan Stock Exchange since December 14, 2020.

The financial statements of the Company are presented in New Taiwan dollars, which is the functional currency of the Company.

2. Date and procedure of approval of the financial report

The individual financial report was approved by the board of directors on March 14, 2024.

3. Application of Newly Issued or Revised Accounting Standards and Interpretations

- (1) The initial adoption of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations (IFRICs), and Standing Interpretations Committee (SICs) endorsed and issued by the Financial Supervisory Commission (FSC) (referred to as "IFRS Accounting Standards").

The application of revised IFRS Accounting Standard approved and issued by the Financial Supervisory Commission (FSC) that become effective will not result in significant changes to the Company's accounting policies.

- (2) IFRS Accounting Standard Approved by the FSC Applicable in 2024

<u>Applicability of newly issued / revised /amended s t a n d a r d s a n d i n t e r p r e t a t i o n s</u>	<u>Effective Date Published by I A S B (N o t e 1)</u>
Amendment to IFRS 16 "Lease Liabilities Arising from Sale and Leaseback Transactions"	January 1, 2024 (Note 2)
Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendment to IAS 1 "Non-Current Liabilities with Contractual Maturities"	January 1, 2024
Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the above new/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

Note 2: The seller and lessee should retrospectively apply the amendments to IFRS 16 for sale and leaseback transactions entered into after the initial application of IFRS 16.

Note 3: Exemption from certain disclosure requirements upon initial application of this amendment.

As of the date of issuance of this individual financial report, the Company has assessed that any other amendments or interpretations of standards would not have a significant impact on the financial position and financial performance.

(3) IFRS Accounting Standard issued by the IASB but not yet approved and effective by FSC

<u>Applicability of newly issued / revised /amended standards and interpretations</u>	<u>Effective Date Published by IASB (Note 1)</u>
Amendment to IFRS 10 and IAS 28 "Sales or Contributions of Assets between an Investor and its Associates or Joint Ventures"	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the above new/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2025. Upon initial application of this amendment, the impact on the figures shall be recognized in retained earnings as of the date of initial application. When a consolidated company uses a non-functional currency as its presentation currency in consolidated financial statements, adjustments shall be made to the translation differences of foreign operations under equity at the date of initial application.

As of the date of issuance of these individual financial statements, the Company is still assessing the impact of the above standards and the amendments to the interpretations thereof on the financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

This parent company only financial report is prepared in accordance with Regulations Governing Preparation of Financial Reports by Securities Issuers.

(2) Preparation Foundation

Except for financial instruments measured at fair value, the individual financial statements of the entity are prepared on a historical cost basis.

Fair value measurement is classified into Level 1 to Level 3 according to the observability and significance of relevant inputs:

1. The input values of the first level refer to the quoted prices for identical assets or liabilities in active markets on the measurement date (without adjustment).
2. Level 2 input value: the observable input value of an asset or liability, either directly (that is, price) or indirectly (that is, derived from price), other than a Level 1 offered price.
3. Level 3 input value: the unobservable input value of an asset or liability.

The Company applies the equity method in accounting for investments in subsidiaries or joint ventures when preparing its individual financial statements. To ensure that the profit or loss, other comprehensive income and equity for the current year presented in the individual financial statements are the same as those presented in the consolidated financial statements attributed to the owners of the Company, certain accounting treatment differences between the individual basis and consolidated basis are adjusted for "investments accounted for using the equity method," "share of profit or loss from subsidiaries, associated enterprises, and joint ventures accounted for using the equity method," "other comprehensive income from subsidiaries, associated enterprises, and joint ventures accounted for using the equity method" and related equity items.

(3) Classification of Assets and Liabilities as Current or Non-current.

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash (excluding that which is restricted for exchange or settlement of liabilities beyond 12 months after the balance sheet date).

Current Liability includes:

1. Primarily held for the purpose of trading;
2. Liabilities due for settlement within 12 months after the balance sheet date.
3. Liabilities that cannot be unconditionally postponed beyond 12 months after the balance sheet date.

Non-current assets or liabilities are classified as such if they do not meet the criteria for current assets or liabilities mentioned above.

(4) Foreign Currency

When the Company conducts transactions in currencies other than its functional currency, the transactions are recorded in the functional currency using the exchange rate on the transaction date.

Foreign currency monetary items are translated into the functional currency using the closing exchange rate on each balance sheet date. Exchange differences arising from settlement of foreign currency monetary items or translation of foreign currency monetary items are recognized in profit or loss in the year in which they arise.

Foreign currency non-monetary items that are measured at fair value are translated into the functional currency using the exchange rate on the date when the fair value was determined. The exchange differences arising from this translation are recognized in profit or loss in the year in which they arise, except for those recognized in other comprehensive income as part of the fair value gain or loss.

Foreign currency non-monetary items that are measured at historical cost are translated into the functional currency using the exchange rate on the transaction date and are not re-measured.

In preparing the financial statements of the individual entity, the assets and liabilities of foreign operating entities (including subsidiaries operating in countries or using currencies different from the Company) are translated into New Taiwan Dollars at the exchange rates on each balance sheet date. The items of revenue and expenses are translated at the average exchange rates for the year, and the resulting exchange differences are recorded in other comprehensive income (allocated to the Company's owners and non-controlling interests separately).

(5) Inventories

Inventories consist of merchandise inventory. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, individual items are assessed, and net realizable value refers to the estimated selling price under normal conditions, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is determined using the weighted average method.

(6) Investment in Subsidiaries

The Company adopts the equity method to account for investments in subsidiaries.

A subsidiary is an individual controlled by the Company.

Under the Equity Method, the original cost recognition invested in shall be based on the profit and loss of the subsidiaries and other comprehensive income shares and profit distribution enjoyed by the Company. In addition, changes in the Company's other subsidiary interests are recognized according to the shareholding ratio.

Where the change of ownership interest of the Company in the subsidiary does not result in the loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received shall be directly recognized as equity.

When the Company's share of losses in a subsidiary equals or exceeds its equity investment, the losses are continued to be recognized based on the proportion of shareholding.

If the cost of investment exceeds the identifiable net assets' fair value of the subsidiary attributable to the business acquired by the Company at the acquisition date, the excess amount is recognized as goodwill. This goodwill is included in the investment's carrying amount and is not amortized. If the identifiable net assets' fair value exceeds the cost of investment, the excess amount is recognized as income for the current year.

When assessing impairment, the Company considers the overall financial report and compares the cash generating units' recoverable amount with their carrying amount. Subsequently, if the recoverable amount of an asset increases, the recovery of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset recovered from the impairment loss shall not exceed the carrying amount of the asset to be amortized if the impairment loss is not recognized. Impairment loss attributable to goodwill may not be reversed during subsequent periods.

When control over a subsidiary is lost, the remaining investment in the former subsidiary is premeasured at its fair value at the date when control is lost, and any difference between the fair value of the remaining investment and the carrying amount of the investment on the date control is lost, as well as any proceeds from the disposal of the investment, is recognized in the income statement for the current period. Furthermore, any amounts recognized in other comprehensive income related to the subsidiary are accounted for on the same basis as required for the disposal of assets or liabilities directly related to the Company.

The unrealized gain or loss of the downstream transactions between the Company and its subsidiaries are eliminated in the individual financial reports. The gains and losses arising from the countercurrent and side current transactions between the Company and its subsidiaries shall be recognized in the individual financial report only to the extent not related to the Company's equity in the subsidiaries.

(7) Investments in Associates and Joint Ventures

Associates refer to enterprises in which the Company has significant influence but are not subsidiaries or joint ventures. Joint ventures refer to agreements between the Company and other parties for the joint control of net assets.

The Company uses the equity method for investments in associates and joint ventures.

Under the equity method, investments in associates and joint ventures are initially recognized at cost, and subsequently adjusted for the Company's share of gains and losses, as well as other comprehensive income and profit distributions from the associates and joint ventures. Furthermore, changes in the equity of associated companies and joint ventures are recognized based on the percentage of ownership.

When the acquisition cost exceeds the identifiable net assets of associated companies and joint ventures, the excess is recognized as goodwill, which is included in the carrying amount of the investment and cannot be amortized. If the identifiable net assets of associated companies and joint ventures exceed the acquisition cost, the excess is recognized in the current period's profit or loss.

If the company does not subscribe to newly issued shares of associated companies and joint ventures based on its percentage of ownership, resulting in a change in ownership interest and a corresponding change in the carrying amount of the investment, the change is adjusted against the capital reserve, the change in ownership interest, and the investment accounted for using the equity method. However, if the company does not subscribe to or acquire shares based on its percentage of ownership, resulting in a reduction in its ownership interest in associated companies and joint ventures, the amount recognized in other comprehensive income related to the associated companies and joint ventures is reclassified based on the decrease in proportion. The accounting treatment is based on the same principles as when associated companies and joint ventures directly dispose of related assets or liabilities. If the adjustment requires a debit to the capital reserve and the balance of the capital reserve resulting from the investment accounted for using the equity method is insufficient, the difference is debited to retained earnings.

When the company's share of losses in an associated company or joint venture equals or exceeds its equity (including the carrying amount of investments in associated companies or joint ventures under the equity method and other long-term equity components that essentially form part of the company's net investment in the

associated company or joint venture), no further losses shall be recognized. The company recognizes additional losses and liabilities only within the scope of statutory obligations, presumed obligations, or payments made on behalf of associated companies or joint ventures.

When assessing impairment, the company regards the entire carrying amount of the investment (including goodwill) as a single asset and compares the recoverable amount to the carrying amount in conducting an impairment test. Any impairment loss recognized is not allocated to any asset forming part of the carrying amount of the investment, including goodwill. Any reversal of the impairment loss shall be recognized within the subsequent increase in the recoverable amount of the investment.

From the date when the company no longer applies the equity method to an associated company or joint venture, the company measures any remaining interest in the associated company or joint venture at fair value, and the difference between the fair value and the carrying amount of the investment as of the date when the equity method is no longer applied, as well as the disposal proceeds, is recognized in profit or loss for the current period. In addition, the basis for accounting for all amounts related to associated companies or joint ventures recognized in other comprehensive income is the same as the basis that must be followed when directly disposing of assets or liabilities related to associated companies or joint ventures. If the investment in an associate becomes an investment in a joint venture or vice versa, the Company will continue to apply the equity method and will not reassess the carrying amount of the retained interest.

The gains and losses arising from upstream, downstream, and lateral transactions between the Company and its associates and joint ventures will only be recognized in the individual financial statements to the extent that they are not related to the Company's interests in the associates and joint ventures.

(8) Real Estate, Plant and Equipment

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

Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets, except for freehold land, and is allocated to each significant part of an asset separately. The Company shall, at least on the terminal date of each fiscal year, examine the estimated useful life, residual cost and depreciation method and defer the impact of changes in the applicable accounting estimates.

When real estate, factories, and equipment are disposed of, the difference between the net proceeds and the book value of the asset shall be recognized in the income statement.

(9) Investment Real Estate

Investment properties are real estate (including right-of-use assets that meet the definition of investment properties) held for the purpose of earning rental income or capital appreciation, or both. Investment properties also include land held for future use, the intended use of which has not yet been determined.

Investment properties owned by the company are initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation for investment properties is calculated on a straight-line basis.

Real estate that was previously classified as property, plant and equipment or as right-of-use assets are transferred to investment properties at the carrying amount when it ceases to be used by the company.

When investment properties are disposed of, the difference between the net proceeds and the carrying amount of the asset shall be recognized in the income statement.

(10) Intangible Assets

1. Individually acquired

Intangible assets with limited useful lives acquired individually are initially measured at cost, and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives, the Company shall, at least on the terminal date of each fiscal year, examine the estimated useful life, residual cost and amortization method and defer the impact of changes in the applicable accounting estimates.

2. Disposal

When intangible assets are disposed of, the difference between the net disposal proceeds and the carrying amount of the assets is recognized in profit or loss for the year.

(11) Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets

The Company assesses at each reporting date whether there is any indication that property, plant and equipment, investment property, and intangible assets may be impaired. If any indicator of impairment exists, then the recoverable amount of the asset is estimated. Where it is impossible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value less costs to sell and its use value. If the recoverable amount of an individual asset or cash generating unit is lower than its carrying amount, the carrying amount of the asset or cash generating unit shall be reduced to its recoverable amount, and the impairment loss shall be recognized as gain or loss.

When an impairment loss is reversed in a subsequent period, the carrying amount of the asset or cash-generating unit is increased to its revised recoverable amount, but not exceeding the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in previous years. The reversal of impairment loss is recognized in the statement of income.

(12) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale must be available for immediate sale in their current condition, and the sale must be highly probable. When the appropriate level of management commits to a plan to sell the asset, and the sale is expected to be completed within one year from the date of classification, it is considered highly probable.

When the committed sale plan involves disposing of all or part of an investment in an associate or joint venture, only the equity interests that meet the criteria for classification as held for sale are reclassified as held for sale, and the equity method is discontinued for that portion.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

(13) Financial Instrument

Financial assets and financial liabilities are recognized on the individual balance sheet when the Company becomes a party to the terms of the instrument.

In the initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through gain or loss, they are directly attributable to the transaction cost measurement of acquiring or issuing financial assets or financial liabilities at fair value. The transaction cost of a financial asset or financial liability that is directly attributable to the acquisition or issuance of a financial asset or financial liability at fair value through profit or loss is immediately recognized as gain or loss.

1. Financial Assets

The customary transactions of financial assets are recognized and derecognized on the accounting date of the transaction.

(1) Measurement Type

The types of financial assets held by the Company include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, and equity instrument investments measured at fair value through other comprehensive income.

A. Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss on a mandatory basis and financial assets designated as at fair value through profit or loss. Financial assets subject to mandatory fair value measurement through profit and loss include equity instrument investments not designated to be measured at fair value through other comprehensive income, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are

measured at fair value. For the determination of the fair value, please refer to Note 26.

B. Financial Assets Measured at Amortized Cost

If the Company's investment financial assets meet the following two conditions simultaneously, they are classified as financial assets measured by amortized cost:

- a. It is held under a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized cost (including cash, receivables measured at amortized cost, and other receivables (including related parties)) are measured at the amortized cost using the effective interest method less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following two situations, interest income is calculated as the product of the effective interest rate and the total carrying amount of financial assets:

- a. For the purchased or originated credit-impaired financial asset, the interest income is calculated by multiplying the credit-adjusted effective interest rate by the cost of amortization of financial assets.
- b. For financial assets that are not purchased or originated with credit impairments, but subsequently become credit-impaired, interest income shall be calculated by multiplying the amortized cost of the financial asset by the effective interest rate from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to financial assets whose issuers or debtors have experienced significant financial difficulties, default, are likely to file for bankruptcy or other financial restructuring, or whose active market for financial assets has disappeared due to financial difficulties.

C. Debt instruments measured at fair value through other comprehensive income in the financial statements.

If the company's debt instrument investments meet the following two conditions at the same time, they shall be classified as financial assets measured at fair value through other comprehensive income:

- a. The financial assets are held under a business model where the objective is to generate cash flows from collecting contractual cash flows and selling the financial assets; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Investments in debt instruments measured at fair value through other comprehensive income are measured at fair value, and changes in their carrying amount including interest income computed using the effective interest method, foreign exchange gains or losses, impairment losses or reversals thereof, are recognized in profit or loss, while other changes are recognized in other comprehensive income. Upon disposal of the investments, amounts previously recognized in other comprehensive income are reclassified to profit or loss.

D. Measured at Fair Value Through Other Comprehensive Income for the Equity Instrument Investment

At the time of the original recognition, the Company may make an irrevocable choice to invest in an equity instrument that is not held for trading and is not recognized as a consideration by a business combination acquirer, specifying that it be measured at fair value through other comprehensive income.

The equity instrument investment measured by other comprehensive income at fair value is measured by fair value, and subsequent changes in fair value are reported to other comprehensive income and accumulated in other equities. In the case of investment disposal, accumulated gains and losses are transferred directly to retained earnings and are not reclassified as gains and losses.

A share invested in an equity instrument at fair value through other comprehensive income shall be recognized in the gains or losses at the time of establishment of the right to collect money of the Company, unless the dividend clearly represents a recovery of part of the investment cost.

(2) Impairment of Financial Assets

The Company recognizes impairment losses on financial assets (including accounts receivable) measured at amortized cost and debt instruments measured at fair value through other comprehensive income based on expected credit losses evaluated at each balance sheet date.

Allowance for impairment losses is recognized on accounts receivable based on the expected credit losses over their respective periods of existence. For other financial assets, the Company first assesses whether there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, the Company recognizes allowance for impairment losses based on 12-month expected credit losses. If there has been a significant increase, the Company recognizes allowance for impairment losses based on the expected credit losses over the respective periods of existence.

Expected credit losses are weighted average credit losses based on the risk of default. 12-month expected credit losses are the expected credit losses arising from the default of the financial instrument within 12 months after the reporting date. The expected credit losses during the term of duration represents the expected credit losses caused by all possible defaults of the financial instrument during the period of the expected duration.

For the purpose of internal credit risk management, and without considering the collateral held, the Company determines that a financial asset has defaulted under the following circumstances:

- A. There is internal or external information indicating that the debtor is unlikely to repay the debt.

B. The debt is overdue by more than one year, unless there is reasonable and verifiable information indicating that the criteria for delayed default are more appropriate.

The impairment loss for all financial assets is reduced by adjusting their carrying amount through the provision account. However, the provision for impairment loss on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce their carrying amount.

(3) Disposal of Financial Assets

The Company only derecognizes financial assets when the rights to receive cash flows from the financial asset have expired or the Company has transferred the financial asset and has transferred substantially all risks and rewards of ownership to another entity.

When financial assets measured at amortized cost are derecognized as a whole, any difference between the carrying amount and the consideration received is recognized in profit or loss. When equity investments measured at fair value through other comprehensive income are derecognized as a whole, any difference between the carrying amount and the consideration received, plus any cumulative gain or loss previously recognized in other comprehensive income, is recognized in profit or loss.

2. Equity Instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity instruments in accordance with the substance of the contractual agreement and the definitions of financial liabilities and equity instruments.

The equity instruments issued by the Company shall be recognized on the basis of the proceeds obtained after deducting the direct distribution cost.

Treasury shares held by the Company are recognized in equity and deducted from equity, and their carrying amount is calculated on a weighted average basis by type of share. Purchase, sale, issuance, or cancellation of the Company's own equity instruments are not recognized in the income statement.

3. Financial Liabilities

(1) Subsequent Measure

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of Financial Liabilities

When financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the income statement.

(14) Liabilities for provisions

The amount recognized as a liability reserve is the best estimate of the expenditure required to meet the obligation at the balance sheet date, taking into account the risk and uncertainty of the settlement obligation. Liability reserve is measured by the discounted present value of the estimated cash flow of the settlement obligation.

The warranty obligation for guaranteed products that meet the agreed specifications is recognized at the time of revenue recognition based on the best estimate of the expenditure required to settle the Company's obligations.

(15) Revenue Recognition

After identifying the performance obligation of the customer contract, the Company will allocate the transaction price to each performance obligation, and recognize the revenue when each performance obligation is met.

Sale Income

Revenue from sales of goods is generated from the sale of products. As the customer has established a price and the right to use the product upon delivery to the specified location, and bears the primary responsibility of resale and the risk of obsolescence, the company recognizes revenue and accounts receivable at that point in time.

(16) Leases

At the contract inception date, the Company evaluates whether the contract is or contains a lease.

1. The Company is a Lessor

If a lease transfers substantially all of the risks and rewards of ownership of an asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases. All other leases are classified as operating leases.

The initial direct costs incurred to acquire an operating lease are capitalized to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term. The direct incremental costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset, and recognized as expenses on a straight-line basis over the lease term.

2. The Company as a lessee

Lease payments for leases of low-value assets and short-term leases that qualify for recognition exemptions are recognized as expenses on a straight-line basis over the lease term.

(17) Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants related to revenue are recognized as other income on a systematic basis over the periods in which the related costs for which the grant is intended to compensate are recognized as expenses. °

If a government grant is used to compensate for expenses or losses that have already occurred or to provide immediate financial assistance to the Company without any future related costs, it should be recognized in the period in which it is receivable in the income statement.

(18) Employee Benefits

1. Short-Term Employee Benefits

The related liabilities for short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Benefits After Retirement

The determined amount of retirement benefits to be provided under the retirement plan should be recognized as expenses during the period in which the employees provide services.

(19) Income Taxes

Income tax expense is the sum of current income tax and deferred income tax.

1. Current Income Tax

The company determines current income based on tax regulations and calculates the income tax payable accordingly.

The income tax surcharge calculated in accordance with the Taiwan Income Tax Act on the undistributed earnings is recognized annually upon resolution by the shareholders' meeting.

Adjustment for prior-year income tax payable has been included in the current year income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amounts of assets and liabilities and the tax bases used for calculating taxable income.

Deferred income tax liabilities are generally recognized for all temporary differences that are taxable, while deferred income tax assets are recognized when it is probable that there will be taxable income available against which the temporary differences and tax loss can be offset.

Taxable temporary differences relating to investment subsidiaries are recognized as deferred income tax liabilities, except where the Company can control the point at which the temporary difference reverses and where it is likely that the temporary difference will not reverse in the foreseeable future. The deductible temporary difference relating to such investment shall be recognized as a deferred income tax asset only to the extent that it is likely to have sufficient taxable income to realize the temporary difference and to the extent that it is expected to reverse in the foreseeable future.

The carrying amount of the deferred income tax assets shall be re-examined on each balance sheet date and reduced in respect of those assets for which there is no longer likely to be sufficient tax to recover all or part of the assets. Where deferred income tax assets are not previously recognized as assets, they are also re-examined on each balance sheet date and there is a high probability of future taxation to allow them to recover all or part of their assets and to increase their carrying amounts.

Deferred income tax assets and liabilities are measured by the tax rate of expected settlement of liabilities or realization of assets in the current period. The tax rate is based on the tax rate and tax law enacted or substantially enacted on the balance sheet date. The deferred income tax liabilities and assets measurement is to reflect the tax consequences of the way the Company is

expected to recover or repay the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and Deferred Income Taxes

Current and deferred income tax are recognized in profit or loss, except for items related to current and deferred income tax that are recognized in other comprehensive income or directly in equity, in which case the current and deferred income tax are separately recognized in other comprehensive income or directly in equity.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

When adopting accounting policies, the management of the Company must make judgments, estimates and assumptions based on historical experience and other relevant factors for items that are not readily obtainable from other sources. Actual results may differ from these estimates.

Management reviews estimates and underlying assumptions on an ongoing basis as the Company develops critical accounting estimates.

6. Cash

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash in Treasury	\$ 200	\$ 200
Bank checks and demand deposits.	<u>86,184</u>	<u>78,962</u>
	<u>\$ 86,384</u>	<u>\$ 79,162</u>

Interest rate range of bank deposits as of the balance sheet date:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank deposit	0.51%-1.45%	0.385%-1.05%

7. Financial Instruments at Fair Value Through Profit or Loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial Assets - Non-Current</u>		
Equity Instruments Mandatorily Measured at Fair Value Through Profit or Loss		
Other Financial Assets	<u>\$ 30,710</u>	<u>\$ -</u>

When the Company acquires a financial asset containing stock options, the Company recognizes the contract in its entirety as a financial asset at fair value through profit or loss at the time of original recognition.

8. Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-Current</u>		
Investment of Equity Instrument	\$ 245,680	\$ -
Debt Securities Investment	<u>9,681</u>	<u>3,043</u>
	<u>\$ 255,361</u>	<u>\$ 3,043</u>

(1) Investment of Equity Instrument

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-Current</u>		
Foreign TWSE-Listed (OTC- Listed) Stocks	\$ 257,862	\$ -
Valuation Adjustment	<u>(12,182)</u>	<u>-</u>
	<u>\$ 245,680</u>	<u>\$ -</u>

The Company invests in the above investments in foreign equity instruments for medium- to long-term strategic purposes and expects to realize profits from these investments over the long term. In the opinion of the management of the Company, if the short-term fair value fluctuations of the investment are included in the gain or loss, it is not consistent with the foregoing permanent investment plan. Therefore, the management of the merged company chooses to designate the investment as measured by the fair value through other comprehensive income.

(2) Debt Securities Investment

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-Current</u>		
Foreign Investments		
Ford Motor Company		
Bonds (1)	\$ 3,522	\$ 3,043
Pfizer Inc. Bonds (2)	<u>6,159</u>	<u>-</u>
	<u>\$ 9,681</u>	<u>\$ 3,043</u>

1. In February 2021, the Company purchased 26-year corporate bonds issued by Ford Motor Company with a face value interest rate of 5.291% and a yield rate of 4.70%.

2. In August 2023, the Company purchased 10-year corporate bonds issued by Pfizer Inc. with a face value interest rate of 4.75% and a yield rate of 4.63%.

9. Financial assets measured at amortized cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Pledged Demand Deposit	\$ 180,045	\$ 207,191
Pledged Time Deposit	133,388	151,417

Pledged Bonds with Repurchase	20,000	-
	<u>\$ 333,433</u>	<u>\$ 358,608</u>

Information on financial assets pledged at amortized cost is disclosed in Note 28.

10. Net Accounts Receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts Receivable</u>		
Measured at Amortized Cost		
Total Carrying Amount	\$ 967,389	\$ 873,525
Loss Allowance	<u>-</u>	<u>(284)</u>
	<u>\$ 967,389</u>	<u>\$ 873,241</u>

To mitigate credit risk, the management of the Company has assigned a dedicated team to make decisions on credit limits, credit approvals, and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, as of the balance sheet date, the Company has conducted a review of the recoverable amount of each receivable to ensure that adequate impairment losses have been provided for any unrecoverable receivables. Based on this, the management of the Company believes that the credit risk of the Company has significantly decreased.

The Company recognizes the provision for credit losses on accounts receivable based on the expected credit losses over the life of the receivables. The expected credit losses over the life of the receivables are determined by considering the customer's past default history and current financial condition, as well as the industry and economic situation. Since the Company's historical credit loss experience shows no significant difference in loss patterns among different customer groups, the Company did not further classify customer groups and only determined the expected credit loss rate based on the number of days the accounts receivable is past due.

If there is evidence that the counterparty is facing severe financial difficulties and the Company is unable to reasonably estimate the recoverable amount, the Company will fully provide for the allowance for doubtful accounts, but will continue its collection efforts, and the amount recovered will be recognized in profit or loss.

The aging analysis of accounts receivable is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Within 30 days	\$ 943,749	\$ 865,962
31-120 days	18,874	5,286
121-240 days	4,206	1,993
241-360 days	560	-

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Over 360 days	<u>-</u>	<u>284</u>
	<u>\$ 967,389</u>	<u>\$ 873,525</u>

The above is an aging analysis based on overdue days.

Changes in the allowance for loss for accounts receivables:

	<u>Year 2023</u>	<u>Year 2022</u>
Year Beginning Balance	\$ 284	\$ 284
Expected credit turnover benefits.	(315)	-
Foreign Currency Translation	<u>31</u>	<u>-</u>
Year End Balance	<u>\$ -</u>	<u>\$ 284</u>

Please refer to Note 26(5) for information on the amounts and terms of the company's sold and assigned receivables.

The company has also pledged some of its receivables as collateral for borrowings, please refer to Note 28.

11. Non-Current Assets Held for Sale - Net Amount

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-Current Assets Held for Sale	<u>\$ 13,020</u>	<u>\$ -</u>

The Company's investment in Ability Enterprise CO LTD is in an unlisted company with low liquidity of its stock. On December 27, 2023, the Company entered into a share purchase agreement with other shareholders (the buyer) of the company, agreeing to repurchase 2,000,000 shares of Ability Technology CO LTD held by the Company and complete the delivery by June 2024. Therefore, the investment accounted for using the equity method is reclassified as non-current assets held for sale.

12. Inventory - Net Amount

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commodities	<u>\$ 5,357</u>	<u>\$ 14,727</u>

The nature of cost of goods sold is as follows:

	<u>Year 2023</u>	<u>Year 2022</u>
Operating Costs Related to Inventory	<u>\$ 3,477,289</u>	<u>\$ 4,603,923</u>

13. Investments Accounted for Using Equity Method

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Investments in Subsidiaries	\$ 1,836,113	\$ 1,246,137
Investment in associates and joint ventures.	<u>-</u>	<u>14,968</u>
	<u>\$ 1,836,113</u>	<u>\$ 1,261,105</u>

(1) Investment in subsidiaries

<u>December 31, 2023</u>	<u>December 31, 2022</u>
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Tech. Pioneer, Ltd.	\$ 833,322	\$ 863,735
Ampacs International Company Limited	<u>1,002,791</u>	<u>382,402</u>
	<u>\$ 1,836,113</u>	<u>\$ 1,246,137</u>

S u b s i d i a r y N a m e	Percentage of Ownership Interests and V o t i n g R i g h t s	
	December 31, 2023	December 31, 2022
Tech. Pioneer, Ltd. (1)	100%	100%
Ampacs International Company Limited (1) & (2)	100%	100%

1. The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method for the years 2023 and 2022 are recognized based on the audited financial reports of those companies for the same periods.
2. The Board of Directors of the Company resolved on December 29, 2022, to increase the capital of its subsidiary, AMP New International Limited, by USD 20,000 thousand. The Company increased its investment in proportion to its ownership of 100%. As of December 31, 2023, the Company has paid the capital increase amounting to USD 20,000 thousand.

(2) Individually insignificant associated companies and joint ventures

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Individually insignificant associated companies and joint ventures		
Ability Technology CO LTD	<u>\$ -</u>	<u>\$ 14,968</u>

Individually insignificant associated companies and joint ventures as follows:

C o m p a n y N a m e	Nature of Business	Primary business v e n u e	Ownership equity and voting percentage	
			December 31, 2023	December 31, 2022
Ability Technology CO LTD	Manufacturing and trading of computer peripherals, photographic equipment, and electronic components	New Taipei City	-	40%

In April 2022, the Company signed an agreement with Canon Inc. to establish a joint venture named Ability Technology CO LTD with a 40% equity interest by investing cash of NT\$20,000 thousand. The Company does not have substantive control over the joint venture.

The Company reclassified its investment in Ability Technology CO LTD, accounted for using the equity method, as non-current assets held for sale as of December 31, 2023. Please refer to Note 11 for details.

The investments accounted for using the equity method, and the Company's share of their profit or loss and other comprehensive income are recognized based on the audited financial statements for the same period.

Summary Information on Individually Immaterial Affiliated Companies and Joint Ventures

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Share Enjoyed by the Company		
Net Loss for the Current Year	(2,383)	(4,442)
Other Comprehensive Profit and Loss	435	(590)
Total Comprehensive Profit and Loss	(\$ 1,948)	(\$ 5,032)

14. Property, Plant and Equipment - Net Amount

	<u>L a n d</u>	<u>Buildings and Structures</u>	<u>O f f i c e Equipment</u>	<u>Machinery Equipment</u>	<u>T e s t Equipment</u>	<u>O t h e r Equipment</u>	<u>T o t a l</u>
<u>Cost</u>							
Balance as of January 1, 2022	\$ 1,206,525	\$ 149,562	\$ 13,506	\$ 446	\$ 52,154	\$ 11,791	\$ 1,433,984
Add	-	-	-	-	650	497	1,147
Reclassify	-	(61,321)	-	-	-	-	(61,321)
Balance as of December 31, 2022	\$ 1,206,525	\$ 88,241	\$ 13,506	\$ 446	\$ 52,804	\$ 12,288	\$ 1,373,810
<u>Accumulated Depreciation</u>							
Balance as of January 1, 2022	\$ -	\$ 5,375	\$ 9,389	\$ 328	\$ 15,473	\$ 6,464	\$ 37,029
Depreciation Expenses	-	1,968	2,055	37	9,127	1,999	15,186
Reclassify	-	(1,173)	-	-	-	-	(1,173)
Balance as of December 31, 2022	\$ -	\$ 6,170	\$ 11,444	\$ 365	\$ 24,600	\$ 8,463	\$ 51,042
Net at December 31, 2022	\$ 1,206,525	\$ 82,071	\$ 2,062	\$ 81	\$ 28,204	\$ 3,825	\$ 1,322,768
<u>Cost</u>							
Balance as of January 1, 2023	\$ 1,206,525	\$ 88,241	\$ 13,506	\$ 446	\$ 52,804	\$ 12,288	\$ 1,373,810
Add	-	-	47	-	-	102	149
Disposal	-	-	(1,414)	-	-	(90)	(1,504)
December 31, 2023 Balance	\$ 1,206,525	\$ 88,241	\$ 12,139	\$ 446	\$ 52,804	\$ 12,300	\$ 1,372,455
<u>Accumulated Depreciation</u>							
Balance as of January 1, 2023	\$ -	\$ 6,170	\$ 11,444	\$ 365	\$ 24,600	\$ 8,463	\$ 51,042
Depreciation Expenses	-	1,764	1,575	37	8,570	1,604	13,550
Disposal	-	-	(1,414)	-	-	(90)	(1,504)
December 31, 2023 Balance	\$ -	\$ 7,934	\$ 11,605	\$ 402	\$ 33,170	\$ 9,977	\$ 63,088
Net Amount as of December 31, 2023	\$ 1,206,525	\$ 80,307	\$ 534	\$ 44	\$ 19,634	\$ 2,323	\$ 1,309,367

Depreciation expenses are recognized on a straight-line basis over the following useful lives:

Buildings and Structures	50 years
Office Equipment	3 - 6 years
Machinery Equipment	3 - 5 years
Test Equipment	3 - 10 years
Other Equipment	2 to 5 Years

Refer to Note 28 for the amount of real estate, plant, and equipment set as collateral for borrowings.

15. Investment Real Estate

	Investment Real E s t a t e
<u>Cost</u>	
Balance as of January 1, 2023	\$ 61,321
Add	<u>-</u>
December 31, 2023 Balance	<u>\$ 61,321</u>
<u>Accumulated Depreciation</u>	
Balance as of January 1, 2023	\$ 2,196
Depreciation Expenses	<u>1,227</u>
December 31, 2023 Balance	<u>\$ 3,423</u>
Net Amount as of December 31, 2023	<u>\$ 57,898</u>
<u>Cost</u>	
Balance as of January 1, 2022	\$ -
From Property plant, and equipment	<u>61,321</u>
Balance as of December 31, 2022	<u>\$ 61,321</u>
<u>Accumulated Depreciation</u>	
Balance as of January 1, 2022	\$ -
Depreciation Expenses	<u>1,023</u>
From Property Plant, and Equipment	<u>1,173</u>
Balance as of December 31, 2022	<u>\$ 2,196</u>
Net at December 31, 2022	<u>\$ 59,125</u>

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
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The fair value of investment properties located in the Taipei area that the Company holds has not been assessed by independent appraisers. The assessment of their fair values is based on market evidence of transactions for similar properties and is provided by the management of the Company. The fair values obtained are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fair Value	<u>\$432,045</u>	<u>\$432,295</u>

Note 28 of the financial statements contains the amount of investment properties that have been designated as collateral for borrowings.

16. Intangible Assets - Net Amount

	<u>P a t e n t</u>	<u>Trademarks</u>	<u>C o s t o f c o m p u t e r s o f t w a r e</u>	<u>T o t a l</u>
<u>Cost</u>				
Balance as of January 1, 2022	\$ 2,326	\$ 520	\$ 21,217	\$ 24,063
Acquisition	<u>-</u>	<u>-</u>	<u>970</u>	<u>970</u>
Balance as of December 31, 2022	<u>\$ 2,326</u>	<u>\$ 520</u>	<u>\$ 22,187</u>	<u>\$ 25,033</u>
<u>Accumulated</u>				
<u>Amortization</u>				
Balance as of January 1, 2022	\$ 1,580	\$ 433	\$ 13,804	\$ 15,817
Amortization	<u>55</u>	<u>33</u>	<u>3,565</u>	<u>3,653</u>
Balance as of December 31, 2022	<u>\$ 1,635</u>	<u>\$ 466</u>	<u>\$ 17,369</u>	<u>\$ 19,470</u>
Net at December 31, 2022	<u>\$ 691</u>	<u>\$ 54</u>	<u>\$ 4,818</u>	<u>\$ 5,563</u>
<u>Cost</u>				
Balance as of January 1, 2023	\$ 2,326	\$ 520	\$ 22,187	\$ 25,033
Acquisition	-	-	1,419	1,419
Disposal	(1,441)	(193)	(5,404)	(7,038)
December 31, 2023	<u>\$ 885</u>	<u>\$ 327</u>	<u>\$ 18,202</u>	<u>\$ 19,414</u>
<u>Accumulated</u>				
<u>Amortization</u>				
Balance as of January 1, 2023	\$ 1,635	\$ 466	\$ 17,369	\$ 19,470
Amortization	<u>56</u>	<u>24</u>	<u>2,972</u>	<u>3,052</u>
Disposal	(1,441)	(193)	(5,404)	(7,038)
December 31, 2023	<u>\$ 250</u>	<u>\$ 297</u>	<u>\$ 14,937</u>	<u>\$ 15,484</u>
Net Amount as of December 31, 2023	<u>\$ 635</u>	<u>\$ 30</u>	<u>\$ 3,265</u>	<u>\$ 3,930</u>

Depreciation expenses are recognized on a straight-line basis and calculated based on the following estimated useful lives:

Patent	1 to 19 Years
Trademarks	10 Years
Cost of Computer Software	2 to 10 Years

Amortization expenses are aggregated by function:

<u>Year 2023</u>	<u>Year 2022</u>
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Research and Development Expenses	\$ 2,809	\$ 3,582
Administration Expenses	<u>243</u>	<u>71</u>
	<u>\$ 3,052</u>	<u>\$ 3,653</u>

17. Loans

(1) Short-Term Loan

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Secured Loans (Note 28)		
Bank Warranty Loan	\$ 1,211,664	\$ 969,817
Receivables-Backed Loans	<u>445,314</u>	<u>504,995</u>
	<u>1,656,978</u>	<u>1,474,812</u>
<u>Unsecured Loans</u>		
Bank Loans	<u>462,433</u>	<u>267,536</u>
	<u>\$ 2,119,411</u>	<u>\$ 1,742,348</u>
Interest Rate Collars	<u>2.00%~7.30%</u>	<u>1.718%~6.818%</u>

(2) Short-Term Notes Payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial Paper Payable	<u>\$ 250,000</u>	<u>\$ 100,000</u>
Interest Rate Collars	<u>1.558%~2.733%</u>	<u>2.258%</u>

(3) Long-term borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Secured Loans (Note 28)		
Bank Warranty Loan	\$ 743,813	\$ 951,138
Less: Portion due within 1 year	(<u>61,484</u>)	(<u>210,993</u>)
	<u>682,329</u>	<u>740,145</u>
<u>Unsecured Loans</u>		
Credit Loan	37,500	60,000
Less: Portion due within 1 year	(<u>30,000</u>)	(<u>30,000</u>)
	<u>7,500</u>	<u>30,000</u>
	<u>\$ 689,829</u>	<u>\$ 770,145</u>
Interest Rate Collars	<u>2.050%~2.350%</u>	<u>1.925%~2.224%</u>

18. Other Payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accrued Salaries and Bonuses	\$ 20,913	\$ 23,331
Interest Payable	12,468	8,406
Labor Fees Payable	3,563	3,211
Others (Note)	<u>8,333</u>	<u>14,647</u>
	<u>\$ 45,277</u>	<u>\$ 49,595</u>

Note: Other expenses are mainly sample fees, miscellaneous purchase and transportation costs.

19. Benefits After Retirement Plan

The retirement scheme adopted by the Company is governed by the Labor Retirement Pension Act, which is a government-managed defined contribution retirement plan. Retirement funds are allocated at a rate of 6% of employees' monthly salaries and deposited into individual accounts with the Labor Insurance Bureau.

20. Equity

(1) Capital Stock

Common Stock

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Authorized Stock Number (1,000 shares)	<u>500,000</u>	<u>500,000</u>
Authorized Capital Stock	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of Shares Issued and Fully Paid (1,000 shares)	<u>150,000</u>	<u>150,000</u>
Issued Capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

(2) Capital Surplus

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
May be used to cover losses, release cash or replenish share capital (1)		
Share issuance premium	\$ 1,039,175	\$ 1,092,275
Differences between actual acquisition or disposal price of subsidiary shares and their book values.	2,481	2,481
Repurchase Stock Trading	<u>801</u>	<u>801</u>
	<u>1,042,457</u>	<u>1,095,557</u>
<u>It Can Only Be Used to Cover Losses</u>		
Number of Changes in Ownership Interests Recognized in Subsidiaries (2)	<u>2,380</u>	<u>2,380</u>
	<u>\$ 1,044,837</u>	<u>\$ 1,097,937</u>

1. Such capital surplus may be used to offset losses and, when the company has no losses, it may be used for cash distribution or capitalization, subject to a certain percentage of the paid-up capital when capitalizing.

2. The impact of equity transactions related to changes in subsidiary equity is recognized in this capital surplus when the Company does not actually acquire or dispose of subsidiary equity.

(3) Retained Earnings and Dividend Policy

In accordance with the Company's articles of incorporation, when there is a surplus in the annual financial statements, an estimate should be made for the provision of taxes and donations, offsetting losses as required by law, allocation to legal reserve funds, and the allocation or reversal of special reserve funds according to relevant laws and regulations. For the distribution of surplus in cash, it shall be determined by the Board of Directors. When distribution is made through the issuance of new shares, it shall be resolved by the shareholders' meeting as stipulated.

For the Company's policies on employee and director remuneration distribution, please refer to Note 22(6) Employee and Director Remuneration Explanation.

The appropriated as legal capital reserve shall be set aside until the balance reaches the total paid-up capital stock of the company. The appropriated as legal capital reserve may be used to cover deficiencies. When the legal reserve fund exceeds 25% of the total paid-up capital and there are no losses, the excess amount may be distributed in cash in addition to capitalization.

When allocating to the special reserve fund from the net balance of other accumulated comprehensive income in previous periods, if the undistributed earnings from previous periods are insufficient for allocation, the amount will be allocated from the current year's retained earnings, including items other than the current year's net profit after tax, into the undistributed earnings of the current period.

The Company may distribute dividends in the form of cash dividends or stock dividends, but this decision must take into account factors such as the current and future investment environment, capital requirements, domestic and international competitive conditions, and capital budgeting. The Company also considers shareholder interests, balance dividends, and long-term financial and business planning. Each year, at least 10% of distributable profits may be allocated for shareholder dividends. However, dividends may not be distributed if the accumulated distributable profits are less than 10% of the issued share capital. If the Company decides to distribute dividends to shareholders, the proportion of cash dividends distributed should not be less than 10% of the total dividend amount.

Earnings Distribution for the Years 2022 and 2021:

	Earnings Distribution Plan		Dividends Per Share (NT\$)	
	Year 2022	Year 2021	Year 2022	Year 2021
Legal Surplus				
Reserve	\$ 7,333	\$ -	\$ -	\$ -
(Reversal)				
Appropriation to Special Retained Earnings	(47,710)	17,314	-	-
Cash Dividends	20,650	10,325	0.14	0.07
Stock Dividends	-	-	-	-
Capital Surplus				
Distributi on				
Cash Dividends	53,100	63,425	0.36	0.43
Capital Surplus				
Distributi on				
Stock				
Divide nds	-	-	-	-

The cash dividends mentioned above were distributed on April 27, 2023, and April 28, 2022, respectively, as resolved by the Board of Directors. The remaining earnings distribution items were also resolved by the Shareholders' Meeting on June 16, 2023, and June 14, 2022.

As of the date of this Individual financial report, the Board of Directors has not yet proposed the earnings distribution plan for the year 2023.

(4) Special Surplus Reserve

	Year 2023	Year 2022
Year Beginning Balance	\$ 191,736	\$ 174,422
(Reversal) Appropriation to Special Retained Earnings	(47,710)	17,314
Year End Balance	<u>\$ 144,026</u>	<u>\$ 191,736</u>

(5) Other Equity Items

1. Exchange Differences on Conversion of the Financial Statements of Foreign Operation

	Year 2023	Year 2022
Year Beginning Balance	(\$ 115,816)	(\$ 165,115)
Produced in the Current Year		

Conversion Difference of Foreign Operations	(57,385)	49,889
Share of Associates and Joint Ventures Accounted for Using the Equity Method	435	(590)
Reclassification Adjustment		
Reclassification Related to Equity Directly Associated With Non-current Assets Held for Sale	<u>155</u>	<u>-</u>
Other consolidated gains and losses for the year	(<u>56,795</u>)	<u>49,299</u>
Year End Balance	(<u>\$ 172,611</u>)	(<u>\$ 115,816</u>)

2. Unrealized Gains (Losses) of Financial Assets Are Measured at Fair Value Through
Other Comprehensive Income

	<u>Year 2023</u>	<u>Year 2022</u>
Year Beginning Balance	(\$ 28,210)	(\$ 26,621)
Produced in the Current Year		
Unrealized Gains and Losses		
Debt Securities Investment	<u>338</u>	(<u>1,589</u>)
Other Consolidated Gains and Losses for the Year	<u>338</u>	(<u>1,589</u>)
Year End Balance	(<u>\$ 27,872</u>)	(<u>\$ 28,210</u>)

3. Equities Directly Related to the Non-Current Assets Held for Sale

	<u>Year 2023</u>	<u>Year 2022</u>
Year Beginning Balance	\$ -	\$ -
Exchange Differences on Conversion of the Financial Statements of Foreign Operation		
Reclassification	(<u>155</u>)	<u>-</u>
Year End Balance	(<u>\$ 155</u>)	<u>\$ -</u>

(6) Treasury Stock

<u>Year 2023</u>	<u>Year 2022</u>
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Year Beginning and the End Number of Shares (1000 Shares)	<u>2,500</u>	<u>2,500</u>
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In August 2021, the company's Board of Directors approved the repurchase of treasury shares for the purpose of transferring them to employees.

The treasury shares held by the company are subject to regulations under the Securities and Exchange Act, which prohibit pledging and restrict the rights to receive dividends and exercise voting rights.

21. Income

	<u>Year 2023</u>	<u>Year 2022</u>
Customer contract revenue		
Consumer Electronics		
Products	\$ 3,523,530	\$ 4,643,508
Plastic Components	<u>250,894</u>	<u>285,481</u>
	<u>\$ 3,774,424</u>	<u>\$ 4,928,989</u>

22. Net Profit (Loss)

(1) Other Income

	<u>Year 2023</u>	<u>Year 2022</u>
Interest Revenue	\$ 5,605	\$ 1,741
Rental Revenue	<u>15,591</u>	<u>14,830</u>
	<u>\$ 21,196</u>	<u>\$ 16,571</u>

(2) Other Profits and Losses

	<u>Year 2023</u>	<u>Year 2022</u>
Net Foreign Exchange Profit	\$ 35,652	\$ 208,004
Depreciation Expense of		
Investment Properties	(1,227)	(1,023)
Others	<u>(1,206)</u>	<u>(9,933)</u>
	<u>\$ 33,219</u>	<u>\$ 197,048</u>

(3) Finance costs

	<u>Year 2023</u>	<u>Year 2022</u>
Interest expenses of bank		
borrowings	\$ 117,305	\$ 76,628
Pledge Receivables Handling		
Fee	<u>3,968</u>	<u>5,192</u>
	<u>\$ 121,273</u>	<u>\$ 81,820</u>

(4) Depreciation and Amortization

<u>Year 2023</u>	<u>Year 2022</u>
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Depreciation Expenses Are
Summarized by Function

Operating Expenses	\$ 13,550	\$ 15,186
Other Profits and Losses	<u>1,227</u>	<u>1,023</u>
	<u>\$ 14,777</u>	<u>\$ 16,209</u>

Amortization Expenses
Summarized by Functional
Category in Operating
Expenses

Operating Expenses	<u>\$ 3,052</u>	<u>\$ 3,653</u>
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(5) Employee Benefits Expenses

	<u>Year 2023</u>	<u>Year 2022</u>
Short-Term Employee Benefits	\$ 164,659	\$ 174,251
Benefits After Retirement		
Defined Contribution Plan	6,862	7,091
Other Employee Benefits	<u>2,221</u>	<u>3,037</u>
Total Employee Benefits		
Expenses	<u>\$ 173,742</u>	<u>\$ 184,379</u>
Functional Consolidation:		
Operating Expenses	<u>\$ 173,742</u>	<u>\$ 184,379</u>

(6) Employee and Director Remuneration

In accordance with the company's articles of incorporation, the company is required to allocate a portion of the pre-tax income, excluding employee and director compensation, for the payment of employee compensation, which shall not be less than 1%, and director compensation, which shall not exceed 3%. However, in the event of accumulated losses, they shall be offset first.

Due to a net loss in the fiscal year 2023, no provision was made for employee compensation and director remuneration. The employee compensation and director remuneration for the fiscal year 2022 were resolved by the Board of Directors on March 22, 2023, as follows:

Itemize Ratio

	<u>Year 2023</u>	<u>Year 2022</u>
Employee Consideration	-	1%
Director Consideration	-	1%

Amount

<u>Year 2023</u>	<u>Year 2022</u>
<u>C a s h S t o c k s</u>	<u>C a s h S t o c k s</u>

Employee	\$	-	\$	-	\$	1,090	\$	-
Consideration								
Director		-		-		1,090		-
Consideration								

If there is any change in the amount after the publication of the annual individual financial report, it shall be treated according to the change of accounting estimation and be recorded in the next year.

The actual amount of employee and director compensation distributed in the year 2022 was consistent with the recognized amount in the individual financial statements for the same period.

For information on employee remuneration and directors' remuneration resolved by the Board of Directors of the Company, please visit the Taiwan Stock Exchange Public Information Observatory.

23. Income Tax

(1) The main components of income tax expense recognized in profit or loss

	Year 2023	Year 2022
Current Income Tax		
Generated During the Year	\$ -	\$ 36,167
Surtax on Undistributed Retained Earnings	4,575	-
Income Tax Adjustments for Previous Years	5,081	(7,388)
Deferred Income Tax		
Generated During the Year	(4,334)	4,743
Income Tax Expenses Recognized in Gain or Loss	<u>\$ 5,322</u>	<u>\$ 33,522</u>

The adjustment between profit (loss) before tax and income tax expense is as follows:

	Year 2023	Year 2022
Net Profit (Loss) Before Tax	(<u>\$ 1,495</u>)	<u>\$ 106,852</u>
Income Tax (Interest) Expense Calculated at Statutory Tax Rate for Net Profit Before Tax	(\$ 299)	\$ 21,370
Surtax on Undistributed Retained Earnings	4,575	-
Temporary differences may be deducted if not recognized	(4,035)	19,540

Income Tax Adjustments for Previous Years	<u>5,081</u>	(<u>7,388</u>)
Income Tax Expenses Recognized in Gain or Loss	<u>\$ 5,322</u>	<u>\$ 33,522</u>

(2) Deferred Tax Assets and Liabilities

Changes in deferred tax assets and liabilities are as follows:

Year 2023

	Year Beginning B a l a n c e	Recognized in Profit or Loss	Recognized in O t h e r Consolidated Profit or Loss	Year End B a l a n c e
<u>Deferred Income Tax Assets</u>				
Temporary Differences				
Unrealized Exchange Loss	\$ 725	\$ 449	\$ -	\$ 1,174
Provision for short-term liabilities for warranty	3,162	1,898	-	5,060
Investments Accounted for Using the Equity Method	34,928	-	-	34,928
Asset Impairment Losses	22	-	-	22
Non-Leave Bonus	<u>314</u>	<u>-</u>	<u>-</u>	<u>314</u>
	39,151	2,347	-	41,498
Deficiency Deduction	<u>-</u>	<u>1,987</u>	<u>-</u>	<u>1,987</u>
	<u>\$ 39,151</u>	<u>\$ 4,334</u>	<u>\$ -</u>	<u>\$ 43,485</u>

Year 2022

	Year Beginning B a l a n c e	Recognized in Profit or Loss	Recognized in O t h e r Consolidated Profit or Loss	Year End B a l a n c e
<u>Deferred Income Tax Assets</u>				
Temporary Differences				
Unrealized Exchange Loss	\$ 5,612	(\$ 4,887)	\$ -	\$ 725
Provision for short-term liabilities for warranty	3,018	144	-	3,162
Investments Accounted for Using the Equity Method	39,310	-	(4,382)	34,928
Asset Impairment Losses	22	-	-	22
Non-Leave Bonus	<u>314</u>	<u>-</u>	<u>-</u>	<u>314</u>
	<u>\$ 48,276</u>	<u>(\$ 4,743)</u>	<u>(\$ 4,382)</u>	<u>\$ 39,151</u>

(3) Information on Unused Loss Carryforwards

Information on the utilization of accumulated losses as of December 31, 2023, is as follows:

Remaining Balance
o f L o s s
Carryforwards
\$ 9,935

Last Year of
U t i l i z a t i o n
122 Years

(4) Income Tax Assessment

The corporate income tax for the Company's profit-making business has been assessed by the tax authorities for cases up to the fiscal year ended 2021.

24. Earnings (Loss) Per Share

Unit: NT\$ Per Share

	Year 2023	Year 2022
Basic Earnings (Loss) Per Share	(\$ 0.05)	\$ 0.50
Dilution Earnings (Loss) Per Share	(\$ 0.05)	\$ 0.50

The earnings (loss) and weighted average number of ordinary shares used to compute earnings (loss) per share are as follows:

Net Profit (Loss)

	Year 2023	Year 2022
The Net (Loss) Profit Used to Calculate Basic and Diluted Earnings (Loss) Per Share	(\$ 6,817)	\$ 73,330

Number of Shares Unit: 1000 shares

	Year 2023	Year 2022
Is used to calculate the weighted average number of ordinary shares of basic earnings per share.	147,500	147,500
The impact of potential ordinary shares with dilutive effect:		
Employee Consideration	-	30
The weighted average number of common shares used to calculate Diluted earnings per share	<u>147,500</u>	<u>147,530</u>

If the Company may choose to pay its employees in stock or cash, when calculating the diluted earnings per share, it is assumed that the employee bonus will be paid in stock, and the weighted average number of outstanding shares in circulation will be included when the potential ordinary shares have dilutive effect, so as to calculate the diluted

earnings per share. The dilutive effect of these ordinary common shares will also be taken into account in the calculation of earnings per diluted share prior to the resolution of employee bonus in the following year. However, for the calculation of diluted loss per share for the year 2023, the potential common shares related to employee compensation are not included as they would have an anti-dilutive effect.

25. Capital Risk Management

The Company conducts capital management to ensure that the Company is able to make commitments prior to continuing operations by maximizing shareholder returns by optimizing debt and equity balances. There have been no material changes to the Company's overall strategy.

The Company is required to maintain capital to meet the needs of upgrading equipment. Therefore, the Company's capital management is to ensure that the necessary financial resources and operating plans are in place to meet the working capital, capital expenditure, research and development expenses, debt repayment and dividend expenses required for the next 12 months.

26. Financial Instrument

(1) Measure the fair value of financial instruments at amortized cost

The Company's management considers that the carrying amount of financial assets and financial liabilities measured at amortized cost in these financial statements is approaching their fair value.

(2) Fair Value Information - Financial instruments measured at fair value on a repetitive basis

1. Fair Value Hierarchy

December 31, 2023

	<u>L e v e l 1</u>	<u>L e v e l 2</u>	<u>L e v e l 3</u>	<u>T o t a l</u>
<u>Financial Assets at Fair Value Through Profit or Loss</u>				
Other Financial Assets	\$ -	\$ -	\$ 30,710	\$ 30,710
<u>Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss</u>				
Foreign TWSE-Listed (OTC-Listed) Stocks	\$ -	\$ -	\$ 245,680	\$ 245,680
Debt Securities Investment	9,681	-	-	9,681
Total	<u>\$ 9,681</u>	<u>\$ -</u>	<u>\$ 245,680</u>	<u>\$ 255,361</u>

December 31, 2022

	<u>L e v e l 1</u>	<u>L e v e l 2</u>	<u>L e v e l 3</u>	<u>T o t a l</u>
<u>Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss</u>				

Debt Securities Investment	<u>\$ 3,043</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,043</u>
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There were no transfers between Level 1 and Level 2 fair value measurements during the periods from January 1 to December 31 in 2023 and 2022.

2. Adjustment for financial instruments measured at Level 3 fair value.

Year 2023

	Measured at Fair Value Through Gain or Loss E q u i t y I n s t r u m e n t	Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss E q u i t y I n s t r u m e n t	T o t a l
Financial Assets			
Year Beginning Balance	\$ -	\$ -	\$ -
Increase This Year	32,017	257,862	289,879
Recognized in Profit or Loss (Other Gains and Losses)	(1,307)	(12,182)	(13,489)
Year End Balance	<u>\$ 30,710</u>	<u>\$ 245,680</u>	<u>\$ 276,390</u>

(3) Categories of Financial Instrument

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial Assets</u>		
Mandatorily Measured at Fair Value Through Gain or Loss	\$ 30,710	\$ -
Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	255,361	3,043
Measured at Amortized Cost (Note 1)	1,838,828	1,826,710
<u>Financial Liabilities</u>		
Measured at Amortized Cost (Note 2)	3,521,719	3,147,476

Note 1: The balance includes cash, financial assets measured at amortized cost (including related parties), accounts receivable (including related parties), other receivables (including related parties), and deposits paid measured at amortized cost.

Note 2: The balance includes short-term borrowings, accounts payable (including related parties), other payables, long-term borrowings (including the portion due within one year), and deposits received measured at amortized cost.

(4) Valuation techniques and input values for Level 3 fair value measurement

The fair value estimation of unlisted equity instruments is based on recent transaction prices of comparable companies and valuation multiples, rather than assumptions supported by observable market prices or rates. The remaining financial assets are evaluated based on counterparty quotations as valuation techniques and significant unobservable inputs to calculate expected returns that may be obtained from the investments.

(5) Financial Risk Management Objectives and Policies

The Company's primary financial instruments include accounts receivable, short-term notes payable, accounts payable, and long- and short-term borrowings. The financial management department of the Company provides services to the business units, coordinates the operation of the domestic and international financial market, and supervises and manages the financial risks related to the operation of the Company by analyzing the internal risk reports of the risks according to the degree and breadth of risks. These risks include market risk (including foreign exchange risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market Risk

The main financial risks that the company is exposed to as a result of its operations are foreign exchange rate risk (as described in (1) below) and interest rate risk (as described in (2) below).

There have been no changes in the Company's exposure to market risk for financial instruments and how it manages and measures such exposure.

(1) Exchange Rate Risk

The company engages in sales and purchases denominated in foreign currencies, thereby exposing the company to foreign exchange rate fluctuations. The company's management regularly monitors foreign exchange risk, and necessary measures will be considered to address significant exchange rate risks and manage the risks arising from foreign exchange fluctuations.

The amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are disclosed in Note 29.

Sensitivity Analysis

The company is primarily affected by fluctuations in the USD exchange rate.

The following table provides a detailed sensitivity analysis of the company's response to a 1% increase or decrease in the exchange rate between the New Taiwan Dollar (functional currency) and the US Dollar. The sensitivity analysis includes only foreign currency monetary items, financial assets measured at fair value through profit or loss, equity and debt investment instruments measured at fair value through other comprehensive income. Positive figures in the table indicate the amount by which pretax profit will increase when the US dollar strengthens by 1% against the New Taiwan Dollar; negative figures represent the impact on pretax profit when the US dollar depreciates by 1% against the New Taiwan Dollar, with the impact being of the same magnitude.

	Year 2023	Year 2022
profit (loss)	<u>\$ 13,630</u>	<u>\$ 18,343</u>

(2) Interest Rate Risk

Due to the company's borrowing of funds at floating interest rates, interest rate exposure arises. The company manages interest rate risk by maintaining an appropriate portfolio of floating interest rates.

As of the balance sheet date, the financial assets and financial liabilities subject to interest rate exposure are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fair value interest rate risk		
Financial Assets	\$ 153,387	\$ 151,417
Financial Liabilities	250,000	100,000
Fair value with cash flow rate risk - financial assets		
Financial Assets	266,097	286,020
Financial Liabilities	2,900,724	2,753,486

Sensitivity Analysis

The following sensitivity analyses are based on the interest rate exposures of derivative and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the outstanding liabilities on the balance sheet date remain outstanding throughout the reporting period. The management reports on interest rates to the key management personnel using a rate fluctuation of ± 100 basis points, which represents the assessed reasonable range of interest rate fluctuations by the management.

If the interest rates increase by 100 basis points, with all other variables held constant, the company's pre-tax income for the years 2023 and 2022 would decrease by NT\$26,346 thousand and NT\$24,675 thousand, respectively. Conversely, if the interest rates decrease by 100 basis points, the impact on pre-tax income would be the same amount but in negative. This is primarily due to the company's floating rate bank deposits and borrowings.

(3) Other price risks.

The Company experiences equity price risk due to its investments in equity securities. The equity investments are held for strategic purposes rather than for trading, and the Company does not actively trade these investments.

If equity prices were to rise/fall by 10%, the pre-tax other comprehensive income for the year 2023 would increase/decrease by NT\$24,568 thousand due to the increase/decrease in the fair value of

financial assets measured at fair value through other comprehensive income.

The company is exposed to price risk of debt instruments due to its investments in debt instruments. The primary objective of the company is to collect cash flows from bond instruments and evaluate their potential sale when necessary.

2. Credit Risk

Credit risk refers to the risk of the counterparty defaulting on contractual obligations, resulting in financial losses for the Company. As of the balance sheet date, the maximum credit risk exposure arising from counterparties' non-performance of obligations is primarily derived from the carrying amount of financial assets recognized on the balance sheet.

The Company's accounts receivable primarily consists of sales of wireless earphones, gaming earphones, and plastic products to various geographic regions. The Company continuously evaluates the financial condition of accounts receivable customers. The credit risk specific to different regions is primarily concentrated in the Americas and Asia.

3. Liquidity Risk

The company manages and maintains sufficient cash positions to support its operations and mitigate the impact of cash flow fluctuations. The management oversees the utilization of bank financing facilities and ensures compliance with loan agreement terms.

Bank loans are an important source of liquidity of the Company. See (2) below for a description of the Company unused financing as of 31 December 2023 and 2022.

(1) Liquidity and Interest Rate Risk of Non-Derivative Financial Liabilities Table

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on the earliest possible repayment date for the Company, using undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, bank borrowings that may be required to be repaid immediately are listed within the earliest period in the table, without considering the probability of the

bank exercising that right immediately. Other non-derivative financial liabilities are analyzed based on their contractual repayment dates.

The undiscounted interest amounts for interest cash flows paid at floating interest rates are derived based on the yield curve at the balance sheet date.

December 31, 2023

	<u>Within 1 Year</u>	<u>1 - 5 years</u>	<u>Over 5 Years</u>
<u>Non-Derivative</u>			
<u>Financial Liabilities</u>			
Non-Interest-Bearing			
Liabilities	\$ 355,756	\$ -	\$ -
Fixed Interest Rates			
instrument	250,000	-	-
Floating rate			
instruments	<u>2,233,759</u>	<u>295,595</u>	<u>447,718</u>
	<u>\$ 2,839,515</u>	<u>\$ 295,595</u>	<u>\$ 447,718</u>

December 31, 2022

	<u>Within 1 Year</u>	<u>1 - 5 years</u>	<u>Over 5 Years</u>
<u>Non-Derivative</u>			
<u>Financial Liabilities</u>			
Non-Interest-Bearing			
Liabilities	\$ 282,010	\$ -	\$ -
Fixed Interest Rates			
instrument	100,000	-	-
Floating Interest Rate			
Instrument	<u>2,002,857</u>	<u>342,528</u>	<u>490,208</u>
	<u>\$ 2,384,867</u>	<u>\$ 342,528</u>	<u>\$ 490,208</u>

The amounts of non-derivative financial assets and liabilities relating to floating-rate instruments mentioned above may vary due to differences between the floating interest rates and the estimated rates on the balance sheet date.

(2) Credit limit

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unsecured bank borrowing lines		
	\$	
- Amount spent	\$ 499,933	\$ 327,536
- Unspent amount	<u>274,652</u>	<u>342,404</u>

	<u>\$ 774,585</u>	<u>\$ 669,940</u>
Secured Bank Loan Line		
- Utilized Amount	\$ 2,650,791	\$ 2,525,950
- Unutilized Amount	<u>2,275,542</u>	<u>2,323,904</u>
	<u>\$ 4,926,333</u>	<u>\$ 4,849,854</u>

(6) Information on the Transfer of Financial Assets

The company entered into agreements with banks at the end of 2023 and 2022 to sell uncollected receivables, with amounts of NT\$512,266 thousand and NT\$569,835 thousand, respectively. The company also received related liabilities from the banks in the amounts of NT\$445,314 thousand and NT\$504,995 thousand. According to the contract, if the receivables cannot be collected upon maturity, the banks have the right to request the company to pay the outstanding balance. Therefore, the company has not transferred the significant risks and rewards associated with these receivables. The company continues to recognize all receivables and uses the transferred receivables as collateral for borrowings. Please refer to Note 28 for further details.

27. Related Party Transaction

Except as disclosed in other notes, the transactions between the Company and related parties are as follows:

(1) Related Party Names and Relationships

<u>N a m e o f R e l a t e d P a r t i e s</u>	<u>R e l a t i o n s h i p s w i t h t h e C o m p a n y</u>
Ampacs International Company Limited	Subsidiary
Brilliance Investment Development Ltd.	Subsidiary
Richmake International Limited	Subsidiary
Fortune Channel Universal Limited	Subsidiary
Dong Guan Yi Xin Electronics CO LTD	Subsidiary
Tech. Pioneer, Ltd.	Subsidiary
Dong Guan Han Lei Electronics Co., Ltd	Subsidiary

(2) Operating Income

<u>Related Person Category/Name</u>	<u>Year 2023</u>	<u>Year 2022</u>
Subsidiary		
Tech. Pioneer, Ltd.	\$ 263,744	\$ 217,686
Ampacs International Company Limited	<u>1,063</u>	<u>-</u>
	<u>\$ 264,807</u>	<u>\$ 217,686</u>

(3) Purchase

<u>Related Person Category/Name</u>	<u>Year 2023</u>	<u>Year 2022</u>
Subsidiary		
Ampacs International Company Limited	\$ 2,923,055	\$ 3,093,200
Richmake International Limited	488,247	1,216,982
Fortune Channel Universal Limited	<u>239,254</u>	<u>265,024</u>
	<u>\$ 3,650,556</u>	<u>\$ 4,575,206</u>

The purchasing terms with related parties are determined through mutual negotiations, as there are no comparable transactions available for reference.

(4) Accounts Receivable

<u>Related Person Category/Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary		
Tech. Pioneer, Ltd.	<u>\$ 64,857</u>	<u>\$ 37,008</u>

Outstanding receivables from related parties are not guaranteed. No allowance for doubtful accounts has been recognized for receivables from related parties for the years 2023 and 2022.

(5) Accounts payable

<u>Related Person Category/Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary		
Fortune Channel Universal Limited	<u>\$ 118,153</u>	<u>\$ 10,529</u>

The balance of the amount payable to related parties in circulation is not guaranteed.

(6) Other receivables (excluding loans to related parties)

<u>Related Person Category/Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary		
Ampacs International Company Limited	\$ 378,047	\$ 478,299
Richmake International Limited	<u>8,645</u>	<u>-</u>
	<u>\$ 386,692</u>	<u>\$ 478,299</u>

Other receivables are mainly purchases and advances on behalf of related parties.

(7) Prepayments for purchases

<u>Related Person Category/Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
-------------------------------------	--------------------------	--------------------------

Subsidiary		
Ampacs International		
Company Limited	\$ 823,780	\$ 1,519,365
Richmake International		
Limited	78,979	-
Others	-	17,004
	<u>\$ 902,759</u>	<u>\$ 1,536,369</u>

(8) Advance receipts (accounting for other current liabilities)

<u>Related Person Category/Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary		
Brilliance Investment		
Development Ltd.	\$ 299	\$ 299
Fortune Channel Universal		
Limited	4,382	-
	<u>\$ 4,681</u>	<u>\$ 299</u>

The advance payment is mainly the advance payment received from the related party for the purchase.

(9) Remuneration of key management

	<u>Year 2023</u>	<u>Year 2022</u>
Short-Term Employee Benefits	\$ 19,582	\$ 25,006
Benefits After Retirement	322	322
	<u>\$ 19,904</u>	<u>\$ 25,328</u>

The remuneration of directors and other key management levels shall be determined with individual performance and market trend.

28. Collateralized Asset

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts Receivable	\$ 512,266	\$ 569,835
Real Estate, Plant, and Equipment	1,286,832	1,288,596
Pledged Bank Deposits (Financial		
Assets Measured at Amortized		
Cost)	313,433	358,608
Investment Real Estate	57,898	59,125
Pledged Bonds with Repurchase		
(Financial Assets Measured at		
Amortized Cost)	20,000	-
	<u>\$ 2,190,429</u>	<u>\$ 2,276,164</u>

29. Information on Foreign Currency Assets and Liabilities with Significant Influence

The following information is presented in summary form for foreign currencies other than the Company's functional currency, and the exchange rates disclosed represent the

rates at which such foreign currencies are translated into the functional currency. Foreign Currency Assets with Significant Influence Areas and Liabilities Follows:

December 31, 2023

	<u>F o r e i g n</u>	<u>E x c h a n g e</u>	<u>R a t e</u>	<u>C a r r y i n g</u>
<u>Foreign Currency</u>	<u>C u r r e n c y</u>			<u>A m o u n t</u>
<u>A s s e t s</u>				
<u>Monetary Items</u>				
USD	\$ 82,511	30.71 (USD:NTD)		<u>\$ 2,533,912</u>
<u>Non-Monetary</u>				
<u>Items</u>				
Investments				
Using Equity				
Method				
USD	27,135	30.71 (USD:NTD)		\$ 833,322
Vietnam	805,454,697	0.0012 (VND:NTD)		1,002,791
Non Derivative				
instruments				
USD	9,315	30.71 (USD:NTD)		286,071
				<u>\$ 2,122,184</u>
<u>Foreign currency</u>				
<u>l i a b i l i t i e s</u>				
<u>Monetary Items</u>				
USD	47,444	30.71 (USD:NTD)		<u>\$ 1,457,009</u>

December 31, 2022

	<u>F o r e i g n</u>	<u>E x c h a n g e</u>	<u>R a t e</u>	<u>C a r r y i n g</u>
	<u>C u r r e n c y</u>			<u>A m o u n t</u>
Foreign Currency				
<u>A s s e t s</u>				
<u>Monetary Items</u>				
USD	\$ 107,427	30.71 (USD:NTD)		<u>\$ 3,299,091</u>
<u>Non-Monetary</u>				
<u>Items</u>				
Investments				
Using Equity				
Method				
USD	28,126	30.71 (USD:NTD)		\$ 863,735
Vietnam	297,589,278	0.0013 (VND:NTD)		382,402
Non Derivative				
Instruments				
USD	99	30.71 (USD:NTD)		<u>3,043</u>
				<u>\$ 1,249,180</u>
Foreign Currency				
<u>L i a b i l i t i e s</u>				
<u>Monetary Items</u>				
USD	47,797	30.71 (USD:NTD)		<u>\$ 1,467,853</u>

In the fiscal year 2023, the Company recorded foreign exchange gains (realized and unrealized) of NT\$35,652 thousand, while in the fiscal year 2022, the foreign exchange gains amounted to NT\$208,004 thousand.

30. Additional Disclosure Items

(1) Information on material transactions and (2) reinvestment companies:

1. Funds to be lent to others: Schedule 1.
2. Endorsement Warranties for Others: Schedule 2.
3. Summary of held marketable securities (excluding investments in subsidiaries and affiliated enterprises): Refer to Schedule 3.
4. Cumulative purchases or sales of the same marketable securities amount to NT\$ 300 million or more than 20% of paid-in capital: Schedule 4.
5. Acquisition of real estate amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.
6. Disposal of real estate amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.
7. The amount of import and sales reaches NTD 100 million or more than 20% of paid-up capital with the affiliates: Schedule 5.

8. Amounts due from related parties amounting to NT\$100 million or more, or exceeding 20% of the paid-in capital: Refer to Schedule 6.
9. Engagement in derivative instrument transactions: None.
10. Information on invested companies: Refer to Schedule 7.

(3) Investment information on Mainland China:

1. Mainland China Invested Companies - Includes the names of the mainland China invested companies, their main business activities, paid-in capital, investment methods, fund inflow/outflow status, ownership percentages, investment gains/losses, year-end investment book values, repatriated investment gains/losses, and investment limits in mainland China: Schedule 8.
2. Significant Transactions with Mainland China Invested Companies - Includes significant transactions with mainland China invested companies, whether directly or indirectly through a third region, along with their prices, payment terms, and unrealized gains/losses: Schedule 1, 2, 5, and 6.

(4) Information on major shareholders: Names of shareholders with an equity interest of 5% or more, number and percentage of shares held: Schedule 9.

Ampacs Corporation and its investment holding companies
Capital Loan to Others
From January 1 to December 31, 2023

Schedule I

Unit: Unless otherwise specified, for
NTD and Foreign Currency Thousand

Number (Note 1)	C o m p a n y Providing the L o a n	L o a n O b j e c t	Transaction I t e m s	A Related Party or N o t	Current Maximum B a l a n c e (N o t e 5)	Ending Balance (N o t e 5)	Actual Dealing A m o u n t	Interest R a t e Collars	Capital Loan and Total Ceiling Nature	Business Dealings Amount	Reasons for Short- term L o a n	Itemized Allowance Amount for Bad Debts Amount of bad d e b t s	C o l l a t e r a l s		Capital Loan and Ceiling to Each Individual Funding Limit for L o a n s	Capital Loan and Total Ceiling	N o t e
													N a m e	V a l u e			
1	Brilliance Investment Development Ltd.	Richmake International Limited	Other Accounts Receivabl e Related Parties	Yes	\$ 270,248 (USD 8,800)	\$ 270,248 (USD 8,800)	\$ 246,794 (USD 8,036)	-	Short- Term Financing Capital	\$ -	Operating Turnover	\$ -	-	\$ -	\$ 316,127 (USD 10,293)	\$ 316,127 (USD 10,293)	Note 3
2	Dong Guan Yi Zhuo Electronics Co., Ltd	Brilliance Investment Development Ltd.	Other Accounts Receivabl e Related Parties	Yes	154,778 (USD 5,040)	154,778 (USD 5,040)	112,629 (USD 3,668)	-	Short- Term Financing Capital	-	Operating Turnover	-	-	-	151,500 (CNY 34,988)	151,500 (CNY 34,988)	Note 4:

Note 1: The numbering columns are described below: Invested companies are numbered sequentially by company type, starting from Arabic numeral 1.

Note 2: The foreign currency amounts mentioned above are converted based on the exchange rates of US\$1 = \$30.71 and CNY\$1 = \$4.33 as of the end of the year 2023.

Note 3: The total amount of funds lent to others is limited to 120% of the audited net worth at the end of the most recent financial statements of Hui Lian Investment Development Corporation. The limit for a single entity is 120% of its audited net worth at the end of the reporting period.

Note 4: The total amount of funds lent to others is limited to 120% of the audited net worth at the end of the most recent financial statements of Dongguan YiZhuo Electronic Technology CO LTD The limit for a single entity is 120% of its audited net worth at the end of the reporting period.

Note 5: The highest balance and the ending balance for the period are determined by the board of directors of the lending company as approved "credit limits."

Ampacs Corporation and its investment holding companies

Endorsement for Others

From January 1 to December 31, 2023

Schedule 2

Unit: Unless otherwise specified, for
NTD and Foreign Currency Thousand

Number	Name of the Endorser	The Subject of Endorsement		Endorsement Guarantee Ceiling for a S i n g l e E n t e r p r i s e (N o t e 3) : Endorsement Guarantee Ceiling (Note 2)	The Maximum Endorsement Guarantee Balance for the Current Period (N o t e 4) Guaranteed B a l a n c e (N o t e 3)	T h e Endorsement Guarantee Balance at the End of the Period (Note 3) Guaranteed B a l a n c e (N o t e 3)	Actual Dealing A m o u n t (N o t e 3)	The Amount of Endorsement Guarantee Secured by Endorsement Guarantee A m o u n t (N o t e 3)	The Ratio (%) o f t h e Cumulative Endorsement Amount to the Net Value of the Most R e c e n t Financial Statement	Endorsement Guarantee Maximum C e i l i n g (N o t e 2)	Endorsement Guarantee Provided by the Parent Company to Its Subsidiar i e s	Endorsement Guarantee Provided by Subsidiar ies to the Parent Company	Endorsement Guarantee Related o Mainland C h i n a	N o t e
		C o m p a n y N a m e	R e l a t i o n s h i p (N o t e 1)											
1	MODERN PIONEER(KUNSH AN)CO.,LTD	Ampacs Corporation	2	\$ 237,193 (CNY 54,779)	\$ 199,615 (USD 6,500)	\$ 199,615 (USD 6,500)	\$ 184,260 (USD 6,000)	\$ 26,035 (CNY 6,017)	7.50%	\$ 237,193 (CNY 54,779)	N	Y	N	

Note 1: The relationship between the endorser and the endorsed party is as follows:

1. Companies with business relationships.
2. Companies in which more than 50% of the company's voting shares are held directly or indirectly.
3. Companies in which more than 50% of the voting shares are held directly or indirectly.

Note 2: 1. According to the "Procedure for Handling Capital Loans and Endorsement Guarantees" established by the Company, the total amount of endorsement guarantees and the limit of endorsement guarantees to a single enterprise shall not exceed 100% of the Company's net worth as stated in the most recent annual financial statements.

2. The aforementioned net worth is based on the most recent audited financial statements prepared by the accountant.

Note 3: Calculated based on the exchange rates of US\$1 = \$30.71 and CNY\$1 = \$4.33 as of the end of December 2023.

Ampacs Corporation and its investment holding companies
End-of-Period Securities Holdings Statement.
As of December 31, 2023

Schedule 3

Unit: NTD and foreign currency thousand

H e l d C o m p a n i e s	Type and Name of Marketable S e c u r i t i e s	Relationship with the Marketable Securities I s s u e r	A c c o u n t i n g S u b j e c t s	E n d i n g				N o t e
				Number of Shares / Units (N o t e 2)	Carrying A m o u n t	Shareholding Percentage %	Fair Value	
Ampacs Corporation	<u>Bond</u> Ford Motor Company Bonds	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	USD 130	\$ 3,522	-	\$ 3,522	
	Pfizer Inc. Bonds	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	USD 200	6,159	-	6,159	
	Government Bonds	—	Financial Assets Measured at Amortized Cost	\$ 20,000	20,000	-	20,000	
	<u>Other Financial Assets</u> 4EST INC.	—	Financial Assets at Fair Value Through Profit or Loss - Non-Current	-	30,710	-	30,710	
	Substrate Manufacturing Corporation	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	2,247	245,680	-	245,680	
Richmake International Limited	<u>Stock</u> Iota Communications, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	2,478,000	-	1.26%	-	Note 1

Note 1: After assessment, unrealized losses on financial assets will be fully provisioned for.

Note 2: The unit of measurement for bonds is their face value.

Ampacs Corporation and its investment holding companies

Cumulative purchases or sales of the same marketable securities amount to NT\$ 300 million or more than 20% of paid-in capital.

From January 1 to December 31, 2023

Schedule 4

Unit: Unless otherwise specified,
amounts are in NT\$ 1,000.

Purchase/Sale Companies	Type and Name of Marketable Securities Types and names	Accounting Subjects	Counterparty	Relationship	Year Beginning		Purchases		Sales				Year End	
					Shares	Amount	Shares	Amount	Shares	Selling Price	Book Cost	Profit/Loss Disposal	Shares	Amount
Ampacs Corporation	Ampacs International Company Limited	Investments Accounted for Using Equity Method	Ampacs International Company Limited (Note 1)	Subsidiary	-	\$ 382,402	-	\$ 624,803	-	\$ -	\$ -	\$ -	-	\$ 1,002,791

Note 1: This refers to capital injections by the Company into its wholly-owned subsidiary, amounting to 100%.

Ampacs Corporation and its investment holding companies

The amount of import and sales of NT\$ 100 million or more than 20% of paid-up capital with the affiliates.

From January 1 to December 31, 2023

Schedule 5

Unit: NT\$1,000

Company Engaged in the Sale (Purchase) of Goods	C o u n t e r p a r t y	Relationship	T r a n s a c t i o n S t a t u s				Situations and Reasons Where the Trading Conditions Differ from Normal Transactions		Accounts and Notes Receivable (P a y a b l e)		N o t e
			Goods Sold (Purchased)	A m o u n t	The Ratio (%) of Total Goods Sold (Purchased)	Credit Period	Unit Price	Credit Period	B a l a n c e	The Ratio of B i l l s a n d A c c o u n t s R e c e i v a b l e (P a y a b l e)	
Ampacs Corporation	Ampacs International Company Limited	Subsidiary	Purchase	(\$ 2,923,055)	(84%)	Approx. 120 days	At the Agreed Price	No Material Difference	\$ -	-	
	Richmake International Limited	Subsidiary	Purchase	(488,247)	(7%)	Approx. 120 days	At the Agreed Price	No Material Difference	-	-	
	Fortune Channel Universal Limited	Subsidiary	Purchase	(239,254)	(7%)	Approx. 120 days	At the Agreed Price	No Material Difference	(118,153)	(37%)	
Tech. Pioneer, Ltd.	Ampacs Corporation	The Company	Purchase	(263,744)	(100%)	Approx. 120 days	At the Agreed Price	No Material Difference	(64,857)	(100%)	
Richmake International Limited	Dong Guan Yi Xin Electronics CO LTD	Subsidiary	Purchase	(527,987)	(100%)	Approx. 180 days	At the Agreed Price	No Material Difference	(21,023)	(31%)	
Fortune Channel Universal Limited	MODERN PIONEER(KUNSHAN)CO .,LTD	Subsidiary	Purchase	(239,254)	(100%)	Approx. 180 days	At the Agreed Price	No Material Difference	(148,440)	(100%)	
Ampacs International Company Limited	Dong Guan Yi Xin Electronics CO LTD	Subsidiary	Purchase	(133,683)	(5%)	Approx. 180 days	At the Agreed Price	No Material Difference	(195,499)	(7%)	
Ampacs International Company Limited	Ampacs Corporation	The Company	Sale	2,923,055	99%	Approx. 120 days	At the Agreed Price	No Material Difference	-	-	
Richmake International Limited	Ampacs Corporation	The Company	Sale	488,247	95%	Approx. 120 days	At the Agreed Price	No Material Difference	-	-	
Fortune Channel Universal Limited	Ampacs Corporation	The Company	Sale	239,254	100%	Approx. 120 days	At the Agreed Price	No Material Difference	118,153	100%	
Ampacs Corporation	Tech. Pioneer, Ltd.	Subsidiary	Sale	263,744	7%	Approx. 120 days	At the Agreed Price	No Material Difference	64,857	6%	
MODERN PIONEER(KUNSHAN)C O.,LTD	Fortune Channel Universal Limited	Subsidiary	Sale	239,254	85%	Approx. 120 days	At the Agreed Price	No Material Difference	148,440	93%	
Dong Guan Yi Xin Electronics CO LTD	Richmake International Limited	Subsidiary	Sale	527,987	80%	Approx. 180 days	At the Agreed Price	No Material Difference	21,023	10%	
	Ampacs International Company Limited	Intercompan y	Sale	133,683	20%	Approx. 180 days	At the Agreed Price	No Material Difference	195,499	29%	

Ampacs Corporation and its investment holding companies
Receivables from affiliates amount to NT\$ 100 million or more than 20% of paid-in capital.
As of December 31, 2023

Table 6

Unit: Unless otherwise specified,
amounts are in NT\$ 1,000.

Companies That Account for R e c e i v a b l e s	Name of Transaction Object	Relationship	B a l a n c e o f A c c o u n t s Receivable from Related Parties Remaining Balance	Other Receivables from Related P a r t i e s Remaining Balance	Turnover R a t e	Overdue Receivables from Related P a r t i e s		Amount to Be Collected After the P e r i o d o f Receivables from Related Parties	Itemized Allowance Amount for Bad D e b t s L o s s a m o u n t
						A m o u n t	Handling Method		
Dong Guan Yi Xin Electronics CO LTD	Ampacs International Company Limited	Intercompany	\$ 195,499	\$ -	0.63	-	—	\$ 30,710	-
Dong Guan Yi Zhuo Electronics Co., Ltd	Brilliance Investment Development Ltd.	Intercompany	-	112,629	Note 2	-	—	-	-
Ampacs Corporation	Ampacs International Company Limited	Subsidiary	-	378,047	Note 1	-	—	176,356	-
Brilliance Investment Development Ltd.	Richmake International Limited	Intercompany	-	246,794	Note 2	-	—	-	-
MODERN PIONEER(KUNSHAN)CO .,LTD	Fortune Channel Universal Limited	Subsidiary	148,440	-	2.27	-	—	30,710	-
Fortune Channel Universal Limited	Ampacs Corporation	Parent Company	118,153	-	3.69	-	—	30,710	-

Note 1: This other receivable is for the purchase of raw materials.

Note 2: It was a loan of funds.

Ampacs Corporation and its investment holding companies
Information on investees, location, etc.
From January 1 to December 31, 2023

Schedule 7

Unit: Unless otherwise specified, for
NTD and Foreign Currency Thousand

Name of Investment C o m p a n y	Name of Investee Company	L o c a t i o n	Main Business Items	Original Investment Amount		E n d - o f - P e r i o d H o l d i n g s			Investee's Net Income/(Loss) for the Period	Investment Gain (L o s s) Recognized in this Period	N o t e
				E n d i n g	B e g i n n i n g	Number of Shares (1000 S h a r e s)	Percentag e	C a r r y i n g A m o u n t			
Ampacs Corporation	Tech. Pioneer, Ltd.	Samoa	General Investment Business	USD 21,780	USD 21,780	23,003	100.00	\$ 833,322	(\$ 18,280)	(\$ 18,280)	Subsidiary
				HKD 9,500	HKD 9,500				(USD 587)	-	
	Ampacs International Company Limited	Vietnam	Manufacturing and Trading of Plastic Products and Consumer Electronics	USD 50,000	USD 30,000	-	100.00	1,002,791	40,838 (VND 31,780,420)	40,838	Subsidiary
	Ability Technology CO LTD	Taipei	Manufacturing and Trading of Computer Peripherals, Photographic Equipment, and Electronic Components	TWD -	TWD 20,000	2,000	40.00	-	(5,959)	(2,383)	Note 2
Tech. Pioneer, Ltd.	Brilliance Investment Development Ltd.	Samoa	General Investment Industry and Sale of Plastic Products	USD 1,050	USD 1,050	1,050	100.00	263,440	(751) (USD -24)	(751)	Subsidiary
	Eversunny Marine Technology CO LTD	Samoa	General Investment Business	USD 850	USD 850	850	100.00	62,036	7,587 (USD 244)	7,587	Subsidiary
	Richmake International Limited	Samoa	General Investment and Consumer Electronics Trading	HKD 9,500	HKD 9,500	1,224	100.00	125,351	(26,149) (USD 839)	(26,149)	Subsidiary
	Fortune Channel Universal Limited	Seychelles	General Investment Industry and Sale of Plastic Products	USD 16,000	USD 16,000	16,000	100.00	385,951	3,813 (USD 122)	3,813	Subsidiary

Ampacs Corporation and its subsidiaries
Investment Information on Mainland China
From January 1 to December 31, 2023

Schedule VIII

Unit: NTD and foreign currency thousand

Investee Company Name in Mainland C h i n a	Main Business Items	Paid-Up Capital (N o t e 3)	Investment Method	R e m i t t h e A c c u m u l a t e d Investment Amount From Taiwan at the Beginning of Current Period (N o t e 3)	Amount of Investment Remitted or Recovered in the Current Period		Aggregate Amount at the End the Remitted from T a i w a n (N o t e 3)	Investee's Net Income/(Loss) for the P e r i o d Income or Loss for the P e r i o d (N o t e 4)	Shareholding Ratio of the Consolidated Company's Direct or Indirect Investments	Investment Profit a n d L o s s Recognized in Current Period (N o t e 4)	Ending Book Value of Investments (N o t e 3)	Investment Income Remitted to Taiwan as of the Current P e r i o d Repatriated Income from Investment
					R e m i t t e d	R e c o v e r e d						
Dong Guan Yi Zhuo Electronics Co., Ltd	Manufacture and trading of plastic products	\$ 32,246 (USD 1,050)	Note 1	\$ 32,246 (USD 1,050)	\$ -	\$ -	\$ 32,246 (USD 1,050)	(\$ 39,630) (CNY -9,015)	100%	(\$ 39,630) (USD -1,272)	\$ 126,184 (USD 4,019)	\$ -
Dong Guan Han Lei Electronics Co., Ltd	Manufacturing and Trading of Plastic Products and Consumer Electronics	26,104 (USD 850)	Note 1	26,104 (USD 850)	-	-	26,104 (USD 850)	7,619 (CNY 1,733)	100%	7,619 (USD 245)	60,578 (USD 1,973)	-
Dong Guan Yi Xin Electronics CO LTD	Manufacturing and Trading of Plastic Products and Consumer Electronics	37,326 (HKD 9,500)	Note 1	37,326 (HKD 9,500)	-	-	37,326 (HKD 9,500)	(34,798) (CNY -7,916)	100%	(34,798) (USD -1,117)	193,307 (USD 6,295)	-
MODERN PIONEER(KUN SHAN)CO.,LTD	Manufacture and trading of plastic products	414,585 (USD 13,500)	Note 1	414,585 (USD 13,500)	-	-	414,585 (USD 13,500)	11,003 (CNY 2,503)	100%	3,890 (USD 125)	397,936 (USD 12,958)	-
Dongguan Qijun Electronics Technology Co., Ltd	Manufacture and Trading of Earphone Cables	8,660 (CNY 2,000)	Note 2	Note 2	-	-	Note 2	(2,886) (CNY -657)	51%	(1,472) (CNY -335)	10,953 (CNY 2,529)	-

End-of-period cumulative amount of investment remitted from Taiwan to Mainland China (Note 3)	Investment amount approved by the Investment Commission, Ministry of Economic Affairs (Note 3)	Investment limit for investment in Mainland China as regulated by the Investment Commission, Ministry of E c o n o m i c A f f a i r s
\$ 510,261 (USD 15,400) (HKD 9,500)	\$ 510,261 (USD 15,400) (HKD 9,500)	\$1,603,842 (Note 5)

Note 1: Investment in Mainland China made through establishing companies in third-party regions and further investing in Mainland China companies.

Note 2: The capital of Dongguan Hongjun Electronic Technology CO LTD is remitted from the self-owned funds of Dong Guan Han Lei Electronics CO LTD

Note 3: As of December 31, 2023, the exchange rates used for conversion were US\$1 = \$30.71, HKD\$1 = \$3.929, and CNY\$1 = \$4.33.

Note 4: The average exchange rates used for conversion in the year 2023 were US\$1 = \$31.155, HKD\$1 = \$3.98, and CNY\$1 = \$4.396.

Note 5: The calculation is based on 60% of the consolidated net worth of the Company.

Ampacs Corporation
Major Shareholder Information
As of December 31, 2023

Schedule 9

M a j o r S h a r e h o l d e r N a m e	S h a r e s	
	Number of Shares H e l d	Shareholding Percentage (%)
Huang, Chang-qing	27,671,900	18.44%
Long An Investment CO LTD	11,907,304	7.93%
Chang An Investment CO LTD	11,681,569	7.78%
Xiao, Xiu-ru	9,562,545	6.37%

Note 1: The major shareholders' information in this table is calculated based on the shareholders' ownership of 5% or more of the company's common shares and preferred shares that have completed the delivery of in-kind registration (including treasury shares) as of the last business day of the quarter-end of the current quarter. The recorded share capital in the company's financial report may differ due to variations in calculation bases or other factors impacting the completion of non-physical registration transfers.

Note 2: If the above information belongs to the shareholders who have entrusted their shares to the trust, it is revealed by the trustor who opened a special trust account with the trustee. Regarding shareholders who hold more than 10% of the shares and are required to declare their equity holdings under securities laws and regulations, their holdings include personal holdings and shares held through entrusted custody, with decision-making power over the trust property. For information on the declaration of equity holdings by insiders, please refer to the Public Information Observation System.

§Detailed Table of Important Accounting Items§

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Ampacs Corporation

Cash statement

December 31, 2023

Table 1

Unit: Unless otherwise specified,
, NT\$ 1,000.

<u>N a m e</u>	<u>A m o u n t</u>
Cash in Treasury	\$ 200
Bank Deposit	
Checking Deposit	133
Demand Deposit (Note 1 & 2)	<u>86,051</u>
Total	<u>\$ 86,384</u>

Note 1: Including US\$2,380 thousand and HK\$2,000.

Note 2: The above foreign currencies were translated at the exchange rates of
US\$1=NT\$30.71 and HK\$1=NT\$3.93, respectively.

Ampacs Corporation
Statement of Accounts Receivable
As of December 31, 2023

Table 2

Unit: NT\$1,000

<u>C u s t o m e r N a m e</u>	<u>A m o u n t</u>
Company A	\$ 300,259
Company B	170,960
Company C	85,075
Company D	71,273
Company E	59,745
Company F	58,587
Company G	50,905
Others (Note 1)	<u>170,585</u>
	967,389
Minus: Loss Allowance	<u>-</u>
Net Amount	<u>\$ 967,389</u>

Note 1: None of the customer balances exceeded 5% of the balance of this account.

Ampacs Corporation
Statement of Inventories
As of December 31, 2023

Table 3

Unit: Unless otherwise specified,
amounts are in NT\$ 1,000

	A m o u n t	C o s t	Net Realizable V a l u e
I n v e n t o r y			
Commodities		\$ 5,357	\$ 5,686
Allowance for Inventory Write- Down Losses		-	-
Total		<u>\$ 5,357</u>	<u>\$ 5,686</u>

Ampacs Corporation
Schedule of Prepayments
As of December 31, 2023

Table 4

Unit: NT\$1,000

<u>M a n u f a c t u r e r ' s n a m e .</u>	<u>A m o u n t</u>
Related Party	
Ampacs International Company Limited	\$ 823,780
Richmake International Limited	<u>78,979</u>
	902,759
Non-related party:	
Others (Note)	<u>23,141</u>
Total	<u>\$ 925,900</u>

Note: The balance of each vendor did not exceed 5% of the balance of this item.

Ampacs Corporation
Statement of Changes in Investment Property Accounted for Using the Equity Method
From January 1 to December 31, 2023

Table 5

Unit: Unless otherwise specified,
, NT\$ 1,000.

	B a l a n c e S h e e t														P r o v i d e C o l l a t e r a l O r P l e d g e S t a t u s
	A s s e t s						L i a b i l i t i e s a n d E q u i t y								
	C u r r e n t		N o n - C u r r e n t		T o t a l		L o a n s		S h a r e s		R e s e r v e s		O t h e r		
	N u m b e r o f S h a r e s (1 0 0 0 S h a r e s)	A m o u n t	N u m b e r o f S h a r e s (1 0 0 0 S h a r e s)	A m o u n t	N u m b e r o f S h a r e s (1 0 0 0 S h a r e s)	A m o u n t	N u m b e r o f S h a r e s (1 0 0 0 S h a r e s)	A m o u n t	N u m b e r o f S h a r e s (1 0 0 0 S h a r e s)	A m o u n t	N u m b e r o f S h a r e s (1 0 0 0 S h a r e s)	A m o u n t	N u m b e r o f S h a r e s (1 0 0 0 S h a r e s)	A m o u n t	
Tech. Pioneer, Ltd.	23,003	\$ 863,735	-	\$ -	-	\$ -	(\$ 18,280)	(\$ 12,133)	\$ -	\$ -	23,003	100%	\$ 833,322	\$ 833,322	None
Ampacs International Company Limited	-	382,402	-	624,803	-	-	40,838	(45,252)	-	-	-	100%	1,002,791	1,002,791	None
Ability Technology CO LTD (Note)	2,000	14,968	-	-	2,000	13,020	(2,383)	-	-	435	-	-	-	-	None
Total		\$ 1,261,105		\$ 624,803		\$ 13,020	\$ 20,175	(\$ 57,385)	\$ -	\$ 435			\$ 1,836,113	\$ 1,836,113	

Note: At December 31, 2023, the Company has listed Ability Technology CO LTD as a non-current asset held for sale.

Ampacs Corporation
Statement of Short-Term Loans
From January 1 to December 31, 2023

Table 6

Unit: NTD and foreign currency thousand

	<u>Contract period</u>	<u>Annual interest rate . (%)</u>	<u>Y e a r E n d B a l a n c e</u>	<u>Financing Credit</u>	<u>M o r t g a g e o r C o l l a t e r a l</u>
E.SUN Bank	2023.10.4-2024.10.4	7.05%~7.29%	\$ 319,513	USD 48,000	Receivables-Backed Loans
E.SUN Bank	2023.10.4-2024.10.4	2.40%	60,000	NTD 60,000	Unsecured Loans
CTBC Bank	2023.11.30-2024.11.30	6.84%	18,994	USD 6,000	Receivables-Backed Loans
CTBC Bank	2023.11.30-2024.11.30	6.84%	184,260	USD 6,000	Bank Warranty Loan
CTBC Bank	2023.11.30-2024.11.30	6.998%~7.051%	85,026	USD 6,000	Unsecured Loans
CTBC Bank	2023.11.30-2024.11.30	2.53%	40,000	NTD 50,000	Unsecured Loans
Mega Bank	2023.2.14-2024.2.13	7%~7.3%	152,455	USD 5,000	Bank Warranty Loan
Bank of Taiwan	2023.6.5-2024.6.5	2.11%	80,000	NTD 80,000	Bank Warranty Loan
DBS Bank	2023.9.25-2024.6.30	6.55%-6.59%	49,097	USD 2,000	Bank Warranty Loan
DBS Bank	2023.9.25-2024.6.30	2.9%	150,000	NTD 150,000	Bank Warranty Loan
Chang Hwa Bank	2023.6.1-2024.4.30	2.1%	24,583	NTD 73,750	Bank Warranty Loan
Hua Nan Bank	2023.5.4-2024.5.4	2.4%	80,000	NTD 80,000	Bank Warranty Loan
Taipei Fubon Bank	2023.8.2-2024.2.25	2.25%	50,000	NTD 50,000	Bank Warranty Loan
Entie Commercial Bank	2023.4.26-2024.4.26	6.8%	8,666	USD 1,667	Bank Warranty Loan
Entie Commercial Bank	2023.4.26-2024.4.26	2.36%	100,000	NTD 100,000	Bank Warranty Loan
Shin Kong Commercial Bank	2023.3.24-2024.3.24	6.3%-6.33%	55,603	USD 2,167	Bank Warranty Loan
Shin Kong Commercial Bank	2023.3.24-2024.3.24	6.3%-6.33%	35,000	NTD 35,000	Bank Warranty Loan
Taichung Bank	2023.6.19-2024.6.19	6.8%-7.1%	50,000	NTD 100,000	Unsecured Loans

Taichung Bank	2023.6.19-2024.6.19	2.32%	44,284	USD 2,000	Unsecured Loans
BANK SINOPAC	2023.9.20-2024.3.31	2.38%	106,807	USD 9,000	Receivables-Backed Loans
BANK SINOPAC	2023.9.20-2024.9.30	6.69-6.91%	45,040	USD 3,000	Unsecured Loans
BANK SINOPAC	2023.9.22-2024.9.30	6.83%-7.1%	63,083	USD 2,500	Unsecured Loans

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	<u>Contract period</u>	<u>Annual interest rate . (%)</u>	<u>Y e a r E n d B a l a n c e</u>	<u>Financing Credit</u>	<u>M o r t g a g e o r C o l l a t e r a l</u>
BANK SINOPAC	2023.9.20-2024.9.30	2.1%	\$ 117,000	NTD 117,000	Bank Warranty Loan
BANK SINOPAC	2023.9.20-2024.9.30	2.1%-2.114%	85,000	NTD 85,000	Bank Warranty Loan
BANK SINOPAC	2023.9.20-2024.9.30	2.11%	75,000	NTD 75,000	Unsecured Loans
Taishin International Bank	2023.7.7-2024.6.30	2.66%	<u>40,000</u>	NTD 40,000	Bank Warranty Loan
Total			<u>\$ 2,119,411</u>		

Ampacs Corporation
Statement of Accounts Receivable
As of December 31, 2023

Table 7

Unit: NT\$1,000

<u>C u s t o m e r N a m e</u>	<u>A m o u n t</u>
Related Party	
Fortune Channel Universal Limited	\$ 118,153
	<u>118,153</u>
Non-related party:	
Supplier A	33,648
Supplier B	26,824
Supplier C	24,359
Supplier D	15,535
Supplier E	14,374
Supplier F	11,086
Others (Note 1)	<u>78,968</u>
	<u>204,794</u>
Total	<u>\$ 322,947</u>

Note 1: None of the items have a balance exceeding 5% of the balance of this account.

Ampacs Corporation
Statement of Long-Term Loans
As of December 31, 2023

Table 8

Unit: NT\$1,000

<u>De b e n t u r e B a n k s</u>	<u>B o r r o w i n g A m o u n t</u>	<u>M e t h o d o f R e p a y m e n t</u>	<u>C o n t r a c t P e r i o d</u>	<u>A n n u a l I n t e r e s t R a t e</u>	<u>M o r t g a g e o r C o l l a t e r a l</u>
Warranty Loan					
BANK SINOPAC	\$ 191,980	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2017.7-2024.7	2.13%	Note 1
BANK SINOPAC	455,408	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2021.6-2028.6	2.05%	Note 1
CTBC Bank	96,425	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2022.11-2028.11	2.35%	Note 1
Minus: Part Due within 1 year	(<u>61,484</u>)				
	682,329				
Unsecured Loans					
CTBC Bank	<u>37,500</u>	Repayment of principal and interest will be made in equal installments of three months from the date of loan.	2022.11-2026.11	2.33%	None
Minus: Part Due within 1 year	(<u>30,000</u>)				
Total	<u>\$ 689,829</u>				

Note 1: Provision of own land, buildings and parking spaces as collateral.

Ampacs Corporation
Statement of Operating Revenue
Year 2023

Table 9

Unit: NT\$1,000

<u>I t e m</u>	<u>A m o u n t</u>
Operating Income	
Consumer Electronics Products	\$ 3,523,530
Plastic Components	<u>250,894</u>
Operating Income Net Amount	<u>\$ 3,774,424</u>

Ampacs Corporation
Statement of Operating Costs
Year 2023

Table 10

Unit: NT\$1,000

<u>I t e m</u>	<u>A m o u n t</u>
Operating Cost	
Plus: Year Beginning Commodities	\$ 14,727
Purchases During the Year	3,466,648
Minus: Year End Commodities	(5,357)
Rendered Operating Expenses	(491)
Repair and Maintenance Costs	<u>1,762</u>
Total	<u>\$ 3,477,289</u>

Ampacs Corporation
Statements of Operating Expenses
From January 1 to December 31, 2023

Statement 11

Unit: Unless otherwise specified,
, NT\$ 1,000.

	<u>Sales Expenses</u>	<u>Administration E x p e n s e s</u>	<u>Research and Development E x p e n s e s</u>	<u>E x p e c t e d C r e d i t T u r n o v e r B e n e f i t s</u>	<u>T o t a l</u>
Salary Expenses	\$ 31,146	\$ 53,725	\$ 73,966	\$ -	\$ 158,837
Depreciation	151	3,452	9,947	-	13,550
Insurance Expenses	3,754	4,815	5,973	-	14,542
Travel Expenses	5,987	2,772	4,270	-	13,029
Others (Note)	<u>8,002</u>	<u>22,459</u>	<u>21,843</u>	(<u>315</u>)	<u>51,989</u>
	<u>\$ 49,040</u>	<u>\$ 87,223</u>	<u>\$ 115,999</u>	(<u>\$ 315</u>)	<u>\$ 251,947</u>

Ampacs Corporation
Summary of Employee Benefits, Depreciation, and Amortization Expenses
Year 2023 and Year 2022

Table 12

Unit: NT\$1,000

		Year 2023			Year 2022		
		Operating C o s t	Operating E x p e n s e s	T o t a l	Operating C o s t	Operating E x p e n s e s	T o t a l
Employee Expenses	Benefits						
	Salary Expenses	\$ -	\$144,885	\$144,885	\$ -	\$154,808	\$154,808
	Labor and Health Insurance Expenses	-	12,684	12,684	-	12,626	12,626
	Pension Expenses	-	6,862	6,862	-	7,091	7,091
	Director Consideration	-	7,090	7,090	-	6,817	6,817
	Other Employee Benefits	-	2,221	2,221	-	3,037	3,037
		<u>\$ -</u>	<u>\$173,742</u>	<u>\$173,742</u>	<u>\$ -</u>	<u>\$184,379</u>	<u>\$184,379</u>
Depreciation Expenses		<u>\$ -</u>	<u>\$ 13,550</u>	<u>\$ 13,550</u>	<u>\$ -</u>	<u>\$ 15,186</u>	<u>\$ 15,186</u>
Amortization Expenses		<u>\$ -</u>	<u>\$ 3,052</u>	<u>\$ 3,052</u>	<u>\$ -</u>	<u>\$ 3,653</u>	<u>\$ 3,653</u>

Note:

- The number of employees for the years 2023 and 2022 were 142 and 147 respectively, with the number of non-executive directors who are not concurrently employees being 6 for both years.
- A company whose shares are listed on a stock exchange or traded over-the-counter at Taipei Exchange shall disclose the following additional information:
 - The average employee benefit expense for the current year is NT\$1,225 thousand. The average employee benefit cost in the previous year was NT\$1,259 thousand.
 - For the year ended December 31, 2011, the average employee payroll cost was NT\$1,065 thousand. The average employee payroll cost for the previous year was NT\$1,098 thousand.
 - Change in average staff salary cost adjustment (3.01%).
- The company has adopted an Audit Committee to replace the supervisory board system.
- The company's remuneration policy for directors, executives, and employees is as follows:
 - Directors: Based on the company's articles of incorporation, the Compensation Committee considers the overall performance of the board of directors, company's operational performance, and future operations. It then proposes a distribution plan to the board of directors, taking into account the individual directors' level of involvement and contribution to the company.
 - Managers: Based on industry salary levels, the remuneration of executives is determined by their level of involvement and contribution to the company, as well as their performance. The remuneration proposal is reviewed by the Compensation Committee and then presented to the board of directors for approval.
 - Employees: The company is committed to providing employees with salaries and benefits above the industry

average. The amount allocated to each employee is determined based on their position, contribution, and performance. The proposed remuneration is presented by the highest-level executive unit and approved by the Chairman of the Board.

Ampacs Corporation

**Chairman of the Board:
Huang, Chang-qing**