

Stock code: 6414

Ennoconn Corporation
Individual Financial Statements and Independent
Auditors' Report
2023 and 2022

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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.

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Independent Auditors' Report

Board of Directors, Ennoconn Corporation

Audit Opinions

The balance sheets of Ennoconn Corporation as of December 31, 2023 and the restated balance sheets as of December 31, 2022 and January 1, 2022, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and the restated statements ended December 31, 2022, along with the notes to the parent company only financial statements (including a summary of significant accounting policies), have been audited by us.

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of Ennoconn Corporation as of December 31, 2023, December 31, 2022 (restated), and January 1, 2022 (restated), and its financial performance and cash flows for the years ended December 31, 2023 and 2022 (restated) in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Audit Opinion

The CPA has performed the audit in accordance with the Regulations Governing the Examination and Certification of Financial Statements by Certified Public Accountants and auditing standards. The auditor's responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of our report. The personnel of the accounting firm to which this CPA belongs, who are subject to the independence regulations, have maintained independence from Ennoconn Corporation in accordance with the Code of Professional Ethics for Certified Public Accountants, and have fulfilled their other responsibilities under said Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the individual financial statements of Ennoconn Technology Co., Ltd. for the year ended December 31, 2023. These matters have been addressed in the process of auditing the individual financial statements as a whole and forming an audit opinion, and the auditor does not express an opinion on these matters individually. The key audit matters that the CPA judged should be communicated in the audit report are as follows:

Impairment of investments accounted for using the equity method:

For the accounting policies related to the impairment of investments accounted for using the equity method, please refer to Note 4(12) Impairment of Non-Financial Assets in the Individual Financial Statements. For accounting estimates and assumptions of uncertainty related to investments accounted for using the equity method, please refer to Note 5(3) Impairment Assessment of

Investments Accounted for Using the Equity Method in the Individual Financial Statements. For information related to investments accounted for using the equity method, please refer to Note 6(6) Investments Accounted for Using the Equity Method in the Individual Financial Statements.

Explanation of key audit items:

Ennoconn Corporation's equity method investees, for the purpose of expanding marketing outlets and increasing product lines, the management evaluated the impairment assessment in accordance with International Accounting Standard 36 "Impairment of Assets" and adopted the fair value less costs of disposal as the recoverable amount. As the impairment assessment has a significant impact on the financial statements and involves a high degree of uncertainty in management's measurement and calculation, the impairment assessment of investments accounted for using the equity method is a matter of high importance for the auditors in the audit of the financial statements.

The corresponding audit procedures:

For the above key audit matters, the principal audit procedures performed by the auditors include understanding the design and implementation of relevant internal controls by the management, reviewing, and verifying the accuracy of the calculations for the recoverable amount and carrying value, and performing sensitivity analysis to comprehensively evaluate the reasonableness of the impairment assessment of investments accounted for using the equity method.

Management and Governance Body's Responsibilities for the Individual Financial Statements

Management's responsibility is to prepare individual financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain internal control relevant to the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the individual financial statements, management is also responsible for assessing the Company's ability to continue as a going concern, disclosing related matters, and adopting the going concern basis of accounting unless management intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The governing bodies (including the Audit Committee) of Ennoconn Corporation are responsible for supervising the financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

The objective of an auditor's audit of individual financial statements is to obtain reasonable assurance regarding whether the individual financial statements as a whole, whether due to fraud or error, are free from material misstatement, and to issue an auditor's report. Reasonable assurance is a high level of assurance, however an audit conducted in accordance with the auditing standards does not guarantee that any material misstatement in the financial statements will be detected. Misrepresentation may result from fraud or error. An item is considered material if there is a reasonable expectation that omitting or misstating its individual amount or aggregated amount would influence the economic decisions made by users of these 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 in individual financial statements arising from fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Ennoconn Corporation.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, we conclude whether there is material uncertainty regarding events or circumstances that may cast significant doubt on the ability of Ennoconn Corporation to continue as a going concern based on the appropriateness of management's use of the going concern basis of accounting. If the auditor concludes that a material uncertainty exists, the auditor shall draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify the opinion on the financial statements. 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 its operations.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including related notes), and whether the individual financial statements appropriately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investee companies accounted for using the equity method to express an opinion on the individual financial statements. This Certified Public Accountant is responsible for directing, supervising, and executing the audit engagements, as well as forming the audit opinion on Ennoconn Corporation.

The matters that we communicate with those charged with governance include the planned scope and timing of the audit, as well as significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

The auditor also provides the governance unit with a statement that the personnel of the auditor's firm have complied with relevant ethical requirements regarding independence and communicates with the governance unit all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters for the audit of the individual financial statements of Ennoconn Corporation for the year ended December 31, 2023. 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.

KPMG Taiwan

Certified Public Accountant/CPA

Financial Supervisory Commission,
Approval Letter No.

March 29, 2024

Financial Supervisory Commission
Approval Letter No. 1040003949
Securities and Futures Commission
Approval Letter No. 0920122026

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ENNOCONN CORPORATION

BALANCE SHEET

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

Unit: NT\$ thousand

Asset		2023.12.31		2022.12.31		2022.01.01(Restated)				Liabilities and equity		2023.12.31		2022.12.31(Restated)		2022.01.01(Restated)	
		Amount	%	Amount	%	Amount	%					Amount	%	Amount	%	Amount	%
Current assets:										Current liabilities							
1100	Cash and Cash Equivalents (Note 6(1) and (21))	\$	769,602	3	623,358	2	1,355,059	6	2100	Short-term borrowing (Note 6(11))	\$	1,371,000	4	5,195,000	17	2,300,000	10
1110	Current financial assets measured at fair value through profit or loss (Note 6(2) and (21))		-	-	-	-	4,343	-	2120	Current financial liabilities measured at fair value through profit or loss (Note 6(2) and (21))		-	-	-	-	598	-
1136	Current financial assets measured at amortized cost (Note 6(3) and (21))		4,306	-	4,255	-	4,225	-	2170	Accounts payable (Note 6(21))		469,821	2	515,876	2	246,510	1
1170	Net accounts receivable (Note 6(4), (18) and (21))		726,362	3	855,432	3	540,586	2	2180	Accounts payable - related parties (Note 6(21) and (7))		127,435	-	165,939	-	161,688	1
1180	Accounts receivable - related parties, net (Note 6(4), (18) and (7))		547,072	2	396,692	1	246,805	1	2200	Other payables (including related parties) (Note 6(21) and (7))		602,195	2	462,744	2	403,871	1
130X	Inventories (Note 6(5))		750,926	2	784,767	3	457,845	2	2230	Current tax liabilities (Note 6(15))		329,089	1	41,644	-	32,920	-
1470	Other current assets (Note 6(10) and (7))		124,775	-	1,044,960	3	451,520	2	2280	Current Lease liabilities (Note 6(13) and (21))		6,896	-	6,824	-	-	-
	Total current assets		<u>2,923,043</u>	<u>10</u>	<u>3,709,464</u>	<u>12</u>	<u>3,060,383</u>	<u>13</u>	2321	Current portion of convertible corporate bonds payable within one year or one operating cycle (Notes 6(12) and (21))		800,248	3	-	-	1,137,035	5
Non-Current Assets:									2399	Other Current liabilities (Note 6(18))		<u>314,757</u>	<u>1</u>	<u>426,306</u>	<u>1</u>	<u>162,390</u>	<u>1</u>
1510	Non-Current financial assets measured at fair value through profit or loss (Note 6(2) and (21))		2,209	-	-	-	300	-		Total current liabilities		<u>4,021,441</u>	<u>13</u>	<u>6,814,333</u>	<u>22</u>	<u>4,445,012</u>	<u>19</u>
1550	Investments accounted for using equity method (Note 6(6))		27,087,520	88	26,057,267	85	19,553,143	85		Non-current liabilities:							
1600	Property, plant, and equipment (Note 6(7))		492,339	2	497,107	2	504,566	2	2500	Non-Current financial liabilities measured at fair value through profit or loss (Note 6(2) and (21))		-	-	1,423	-	-	-
1755	Right-of-use assets (Note 6(8))		9,665	-	16,915	-	-	-	2530	Corporate bonds payable (Note 6(12) and (21))		4,684,343	15	7,996,895	26	7,916,900	34
1821	Intangible Assets (Note 6(9))		36,658	-	40,646	-	44,485	-	2570	Deferred income tax Liabilities (Note 6(15))		641	-	653	-	616	-
1840	Deferred income tax assets (Note 6(15))		52,933	-	36,802	-	52,222	-	2580	Lease liabilities -current (Note 6(13) and (21))		2,315	-	9,211	-	-	-
1990	Other non-current assets (Note 6(10) and (14))		45,631	-	306,408	1	1,042	-	2670	Other non-current liabilities		<u>40,556</u>	-	<u>305,658</u>	<u>1</u>	<u>48,861</u>	-
	Total current assets		27,726,955	90	26,955,145	88	20,155,758	87		Total non-current liabilities		<u>4,727,855</u>	<u>15</u>	<u>8,313,840</u>	<u>27</u>	<u>7,966,377</u>	<u>34</u>
	Total assets		<u>\$ 30,649,998</u>	<u>100</u>	<u>30,664,609</u>	<u>100</u>	<u>23,216,141</u>	<u>100</u>		Total liabilities		<u>8,749,296</u>	<u>28</u>	<u>15,128,173</u>	<u>49</u>	<u>12,411,389</u>	<u>53</u>
										Equity (Note 6(16) and (23)) :							
									3110	Share capital		<u>1,319,999</u>	<u>4</u>	<u>1,060,370</u>	<u>4</u>	<u>1,018,120</u>	<u>5</u>
									3200	Capital surplus		<u>14,940,752</u>	<u>49</u>	<u>9,285,324</u>	<u>30</u>	<u>8,865,780</u>	<u>38</u>
										Retained earnings							
									3310	Legal reserve		1,161,514	4	812,521	3	754,561	3
									3320	Special reserve		905,934	3	1,768,490	6	1,010,924	4
									3350	undistributed earnings		<u>4,612,432</u>	<u>15</u>	<u>3,515,665</u>	<u>11</u>	<u>1,157,465</u>	<u>6</u>
										Subtotal retained earnings		<u>6,679,880</u>	<u>22</u>	<u>6,096,676</u>	<u>20</u>	<u>2,922,950</u>	<u>13</u>
									3400	Other equity		<u>(1,039,929)</u>	<u>(3)</u>	<u>(905,934)</u>	<u>(3)</u>	<u>(1,768,490)</u>	<u>(8)</u>
									3500	Treasury shares		-	-	-	-	(233,608)	(1)
										Total equity		<u>21,900,702</u>	<u>72</u>	<u>15,536,436</u>	<u>51</u>	<u>10,804,752</u>	<u>47</u>
										Total liabilities and equity		<u>\$ 30,649,998</u>	<u>100</u>	<u>30,664,609</u>	<u>100</u>	<u>23,216,141</u>	<u>100</u>

December 31, 2023

(Please refer to the notes to the individual financial statements attached)

Chairman: Fu-Chuan Chu

President: Neng-Chi Tsai

Accounting supervisor: Tsung-Hsien Chuang

ENNOCNN CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
 Ended December 31, 2023 and 2022

Unit: NT\$ thousand

		2023		2022 (Restated)	
		Amount	%	Amount	%
4100	Net sales revenue (Note 6(18) and 7)	\$ 5,186,633	100	5,304,930	100
5110	Cost of sales (Note 6(5), (7), (8), (9), (14) and 7)	4,185,994	81	4,518,548	85
5900	Gross Profit	1,000,639	19	786,382	15
5910	Less: Unrealized gross profit/loss on sales	60,139	1	45,975	1
5920	Plus: Realized sales profit and loss	45,975	1	5,842	-
	Gross Operating Profit	986,475	19	746,249	14
	Operating Expenses (Note 6(4), (7), (8), (9), (14) and 7)				
6100	Selling expenses	79,413	1	110,029	2
6200	Management expenses	272,271	5	254,480	5
6300	Research and development expenses	88,072	2	191,340	3
6450	Expected credit losses	(1,077)	-	1,034	-
	Total operating expenses	438,679	8	556,883	10
6900	Net operating income	547,796	11	189,366	4
	Non-operating income and expenses (Note 6(6) and (20)) :				
7100	Interest revenue	49,605	1	11,433	-
7010	Other income	3,808	-	3,144	-
7020	Other gains and losses	51,078	1	90,821	2
7050	Financial costs	(140,925)	(3)	(135,051)	(3)
7070	Share of profit or loss of subsidiaries accounted for using the equity method	2,064,625	40	3,337,821	63
	Total Non-operating Income and Expenses	2,028,191	39	3,308,168	62
7900	Profit before Tax	2,575,987	50	3,497,534	66
7950	Less: Income tax expense (Note 6(15))	315,023	6	42,710	1
8200	Net profit for the period	2,260,964	44	3,454,824	65
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plan	(61)	-	184	-
8330	Share of other comprehensive income of subsidiaries accounted for using the equity method	44,199	1	56,366	1
8349	Less: Income tax relating to items that will not be reclassified	(12)	-	37	-
	Total items not reclassified to profit or loss	44,150	1	56,513	1
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	(246,805)	(5)	842,050	16
8380	Share of other comprehensive income of subsidiaries accounted for using the equity method	(4,380)	-	1,006	-
8399	Less: Income tax relating to items that may be reclassified	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	(251,185)	(5)	843,056	16
8300	Other comprehensive income for the period	(207,035)	(4)	899,569	17
	Total comprehensive income	\$ 2,053,929	40	4,354,393	82
9750	Basic Earnings per Share (Note 6(17))	\$ 19.01		32.62	
9850	Diluted earnings per share (Note 6(17))	\$ 15.42		24.33	

(Please refer to the notes to the individual financial statements attached)

Chairman: Fu-Chuan Chu

President: Neng-Chi Tsai

Accounting supervisor: Tsung-Hsien Chuang

ENNOCONN CORPORATION
STATEMENT OF CHANGES IN EQUITY
 Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	Retained earnings						Exchange differences on translation of foreign financial statements	Other equity items	Total	Treasury shares	Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve	undistributed earnings	Total		Unrealized valuation (losses) gains on financial assets measured at fair value through other comprehensive income			
Balance as of January 1, 2022	\$ 1,018,120	8,865,780	754,561	1,010,924	1,157,171	2,922,656	(1,673,323)	(95,167)	(1,768,490)	(233,608)	10,804,458
Adjusting amount for tracing back the application of new criteria	-	-	-	-	294	294	-	-	-	-	294
Beginning Balance after restatement	1,018,120	8,865,780	754,561	1,010,924	1,157,465	2,922,950	(1,673,323)	(95,167)	(1,768,490)	(233,608)	10,804,752
Net Income (Loss)	-	-	-	-	3,454,824	3,454,824	-	-	-	-	3,454,824
Other comprehensive income for the period	-	-	-	-	37,013	37,013	843,056	19,500	862,556	-	899,569
Total comprehensive income	-	-	-	-	3,491,837	3,491,837	843,056	19,500	862,556	-	4,354,393
Surplus allocation and distribution:											
Provision for legal surplus reserve	-	-	57,960	-	(57,960)	-	-	-	-	-	-
Provision for special surplus reserve	-	-	-	757,566	(757,566)	-	-	-	-	-	-
Cash dividends on common stock	-	(424,148)	-	-	(318,111)	(318,111)	-	-	-	-	(742,259)
Cash capital increase	48,800	1,056,570	-	-	-	-	-	-	-	-	1,105,370
Cancellation of Treasury Stocks	(6,550)	(227,058)	-	-	-	-	-	-	-	233,608	-
Changes in ownership interests in subsidiaries	-	14,180	-	-	-	-	-	-	-	-	14,180
Balance as of December 31, 2022	1,060,370	9,285,324	812,521	1,768,490	3,515,665	6,096,676	(830,267)	(75,667)	(905,934)	-	15,536,436
Net Income (Loss)	-	-	-	-	2,260,964	2,260,964	-	-	-	-	2,260,964
Other comprehensive income for the period	-	-	-	-	(11,366)	(11,366)	(251,185)	55,516	(195,669)	-	(207,035)
Total comprehensive income	-	-	-	-	2,249,598	2,249,598	(251,185)	55,516	(195,669)	-	2,053,929
Allocation and distribution of surplus:											
Provision for legal reserve	-	-	348,993	-	(348,993)	-	-	-	-	-	-
Provision for special reserve	-	-	-	(862,556)	862,556	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(1,604,720)	(1,604,720)	-	-	-	-	(1,604,720)
Arising from the recognition of equity component of convertible corporate bonds issued	-	166,193	-	-	-	-	-	-	-	-	166,193
Convertible corporate bonds convert into common stock	259,629	5,163,632	-	-	-	-	-	-	-	-	5,423,261
Changes in ownership interests in subsidiaries	-	325,603	-	-	-	-	-	-	-	-	325,603
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(61,674)	(61,674)	-	61,674	61,674	-	-
Balance as of December 31, 2023	<u>\$ 1,319,999</u>	<u>14,940,752</u>	<u>1,161,514</u>	<u>905,934</u>	<u>4,612,432</u>	<u>6,679,880</u>	<u>(1,081,452)</u>	<u>41,523</u>	<u>(1,039,929)</u>	<u>-</u>	<u>21,900,702</u>

(Please refer to the notes of the individual financial statements attached)

Chairman: Fu-Chuan Chu

Managers: Neng-Chi Tsai

Accounting supervisor, Tsung-Hsien Chuang

ENNOCONN CORPORATION
STATEMENT OF CASH FLOWS
 Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax for the period	\$ 2,575,987	3,497,534
Adjustments for:		
Income and Expense Items		
Depreciation Expense	14,918	11,156
Amortization expenses	3,988	4,035
Expected credit (revolving) loss impairment	(1,077)	1,034
Valuation (gains) losses on financial assets and liabilities at fair value through profit or loss	(5,542)	5,467
Interest expense	140,925	135,051
Interest revenue	(49,605)	(11,433)
Share of profit or loss of subsidiaries and associates accounted for using equity method	(2,064,625)	(3,337,821)
Inventory valuation loss (reversal gain)	52,255	(56,647)
Loss on inventory scrap	3,435	17,377
Unrealized Profit on Sales	60,139	45,975
Sales profits realized	(45,975)	(5,842)
Total of Revenue and Expense Items	(1,891,164)	(3,191,648)
Changes in assets/liabilities related to operating activities:		
Accounts receivable	(48,508)	(491,132)
Inventories	(21,848)	(287,653)
Other current assets	912,048	(587,348)
Accounts payable	(72,880)	282,212
Other payables	150,085	127,720
Other current liabilities	(107,243)	263,915
Total Item Adjustments	(1,079,510)	(3,883,934)
Cash flow from (used in) operations	1,496,477	(386,400)
Interest received	57,371	11,433
Interest paid	(74,875)	(118,664)
Income taxes paid	(43,710)	(18,269)
Net cash flows from operating activities	1,435,263	(511,900)
CASH FLOWS FROM INVESTING ACTIVITIES		
Obtain financial assets measured at amortized cost	(51)	(30)
Acquisition of investments accounted for using equity method	-	(3,102,589)
Acquisition of property, plant and equipment	(2,900)	(1,805)
Margin deposit	262,754	(305,177)
Acquisitions of Intangible assets	-	(196)
Obtain right-of-use assets	-	(1,077)
Dividends received	1,138,825	809,755
Net cash flow from (used in) investing activities	1,398,628	(2,601,119)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings	(3,824,000)	2,895,000
Issuing of convertible corporate bonds	3,009,450	-
Repayment of convertible corporate bonds	-	(1,139,508)
Deposit margin	(265,102)	256,797
Repayment of the principal portion of lease liabilities	(6,960)	(2,900)
Cash dividends distribution	(1,604,720)	(742,259)
Cash capital increase	-	1,105,370
Net cash (outflow) inflow from financing activities	(2,691,332)	2,372,500
Effect of exchange rate changes on cash and cash equivalents	3,685	8,818
Increase (decrease) in cash and cash equivalents for the period	146,244	(731,701)
Beginning balance of cash and cash equivalents	623,358	1,355,059
Ending balance of cash and cash equivalents	\$ 769,602	623,358

(Please refer to the notes to the individual financial statements attached)

Chairman: Fu-Chuan Chu

Managers: Neng-Chi Tsai

Accounting supervisor, Tsung-Hsien Chuang

ENNOCONN CORPORATION
NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
2023 and 2022

(Unless otherwise specified, all amounts are in NT\$ thousand)

1. Company History

Ennoconn Corporation (“the Company”) was established on July 12, 1999 after approval from the Ministry of Economic Affairs, and registered at 3F-6F, No. 10, Jiankang Road, Zhonghe District, New Taipei City. The main business items are the manufacturing and sales of data storage, processing equipment and industrial motherboards.

The Company’s initial public offering was conducted on November 21, 2012. On December 18 of the same year, its emerging stocks were traded at Taipei Exchange (TPEX) and its stocks were listed at the Taiwan Stock Exchange Corporation on March 28, 2014.

2. Financial Statements' Approval Dates and Procedures

The Individual Financial Statements were approved by the Board of Directors and authorized for issue on March 29, 2024.

3. Application of newly released and revised guidelines and interpretations

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

The Company adopts the amendments to the International Financial Reporting Standards (IFRS) from January 1, 2022, with the impacts described as follows:

1. Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction.”

The amendments limit the scope of the recognition exemption for deferred tax assets and liabilities arising from the initial recognition of an asset or liability in a transaction that is not a business combination, to transactions that do not give rise to equal taxable and deductible temporary differences upon initial recognition. Examples include leases and decommissioning liabilities. An entity is required to recognize deferred tax on such temporary differences and can no longer offset them. Regarding lease and decommissioning liabilities, according to regulations, they should be applied retrospectively from the beginning date of the earliest comparative period presented in the individual financial statements (January 1, 2022), and the cumulative effects of initially applying these amendments should be recognized as an adjustment to the opening balance of retained earnings on that date. As for all other transactions, only those occurring after January 1, 2022, shall be subject to the amended provisions. The Company's subsidiary recognizes deferred tax assets and liabilities for all deductible

and taxable temporary differences associated with right-of-use assets and lease liabilities as of January 1, 2022. Therefore, the impact of the aforementioned retrospective adjustments on the Company is summarized as follows:

	2023.12.31	2022.12.31	2022.01.01
Investments accounted for using equity method	\$ 20,768	2,202	294
Retained earnings	\$ 20,768	2,202	294
		2023	2022
Share of profit or loss of associates accounted for using equity method		\$ 18,566	1,908

2. Others

The following amended standards are also effective from January 1, 2023, but have no material impact on the Company's individual financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

Furthermore, the Company has applied the amendments to International Accounting Standard 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" retrospectively since May 23, 2023, which provides a temporary exemption from accounting for deferred taxes on the initial recognition of certain transactions and has added disclosures related to the income tax exposure under Pillar Two starting from the annual reporting period beginning on January 1, 2023. However, as of December 31, 2022, there were no countries where the Company operates that have enacted or substantively enacted laws regarding supplementary tax, and no deferred income tax has been recognized accordingly. Therefore, the retrospective application of such amendments has no impact on the individual financial statements. Our company is closely monitoring the progress of legislation introducing global minimum tax rates in the jurisdictions where we operate.

(2) Effect of not adopting IFRSs recognized by the FSC

The Company adopts the amendments to the International Financial Reporting Standards (IFRS) from January 1, 2024, which did not result in significant changes on the parent company only financial reports.

- Amendment to IAS 1 “The classification of liabilities as current or non-current
- Amendment to IAS 1 “Non-current liabilities with covenants”
- Amendment to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendment to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Company expects that the following newly issued and amended standards but not yet endorsed, which does not result in significant changes on the parent company only financial reports.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 17 "Insurance Contracts", including the amendment regarding the "Initial Application of IFRS 17 and IFRS 9 Comparative Information".
- Amendments to IAS 21 "Lack of Exchangeability"

4. Summary of Significant Accounting Policies

Significant accounting policies adopted during the preparation of the parent company only financial statements are described as follows: The following accounting policies have been consistently applied to all expression periods of this parent company only financial statement.

(1) Statement of Compliance

The Individual Financial Statements have been prepared in conformity with the Regulation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

1. Measurement bases

The Individual Financial Statements have been prepared on the historical cost basis except for significant items in the balance statement:

- (1) Financial assets and liabilities measured at fair value through profit or loss;
- (2) The net defined benefit liability is measured as the present value of the defined benefit obligation, less the fair value of plan assets and the effect of the asset ceiling mentioned in Note 4(14).

2. Functional currency and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which it operates. This parent company only financial report is expressed in the functional currency of the Company, i.e. new Taiwan dollars. Unless otherwise stated, all financial information expressed in New Taiwan Dollars is presented in thousands of New Taiwan Dollars.

(3) Foreign currency

1. Foreign currency transaction

Foreign currency is converted into functional currency according to exchange rate on the date of transaction. At the end of each subsequent reporting period (hereinafter referred to as the Reporting Date), foreign currency monetary items are converted into functional currency at the exchange rate prevailing on that day. Non-monetary items measured at fair value in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of fair value measurement, while non-monetary items measured at historical cost in foreign currency are translated at the exchange rate prevailing on the date of the transaction.

The foreign currency exchange difference resulting from the conversion is recognized to be other comprehensive income excepting for the following situations, otherwise, recognized to be gains and losses:

- (1) Equity instruments designated as measured at fair value through other comprehensive income;
- (2) Financial liabilities designated as hedges of a net investment in a foreign operation to the extent that the hedge is effective; or
- (3) For qualifying cash flow hedges, within the effective portion of the hedge.

2. Foreign operation organization

The assets and liabilities of foreign operating organizations, including goodwill and fair value adjustment during the acquisition, are converted to be TWD according to exchange rate on the report day; gains and losses are converted into TWD according to exchange rate in the current period, and the resultant conversion difference is recognized to be other comprehensive income.

In case of the loss of control, joint control or material influences arising from the disposal of foreign operating organizations, the accumulated conversion differences related to the foreign operating organizations shall be fully reclassified as gains and losses. When a partial disposal involves an investment in an associate that includes a foreign operation, the relevant proportion of the cumulative amount of foreign currency translation differences is reclassified to profit or loss.

As to the receivable and payable monetary items of foreign operating organizations, if without the repayment plan or the possibility of repayment in foreseeable future, the resultant gains and losses from foreign currency conversion shall be regarded as a part of net investments to the foreign operating organizations as recognized as other comprehensive income.

(4) Standards for classifying current and non-current assets and liabilities

Assets meeting one of the following conditions are recognized as current assets, and other assets not belonging to current assets are recognized as non-current assets:

1. Those that are expected to be realized during the normal operating period of the Consolidated Company or intended to be sold or consumed
2. The asset is held primarily for the purpose of transaction
3. It is expected that the liability will be repaid within twelve months after the reporting period, or
4. The asset is cash or a cash equivalent, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than 12 months after the balance sheet date.

Assets meeting one of the following conditions are recognized as current liabilities, and other liabilities not belonging to current liabilities are recognized as non-current liabilities:

1. It is expected that the liability will be settled in the normal operating cycle
2. The liabilities is held primarily for the purpose of transaction
3. It is expected that the liability will be repaid within twelve months after the reporting period, or
4. Liabilities that have an unconditional right to defer settlement for at least twelve months after the reporting period. Liabilities for liquidation arising from the issuing of equity instruments in accordance with the clauses chosen by the transaction counterpart will not affect their classification.

(5) Cash and Cash Equivalents

Cash includes cash on hand, checks on deposit, and demand deposits. Cash equivalents are the investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and short-term high liquidity. Certificate of deposit which satisfy the foregoing definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(6) Financial instruments

Account receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities were initially recognized when the Company became a party to the terms of the financial instrument agreement. Financial assets that are not measured at fair value through profit or loss (except for accounts receivable, which do not contain a significant financial component) or financial liabilities

are measured at fair value plus the transaction cost directly attributable to the acquisition or issuance. Accounts receivable, which do not contain significant financial components, are initially measured at transaction prices.

1. Financial asset

The purchase or sale of financial assets by a conventional trader, the company shall treat all purchases and sales of financial assets classified in the same manner in accordance with the transaction date or the settlement date.

At the time of the initial recognition, financial assets were classified as: financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, equity instrument investments measured at fair value through other comprehensive income, or financial assets measured at fair value through gains and losses. The Company will only change its business model for managing financial assets from the first day of the next reporting period to classify all affected financial assets.

(1) Financial assets at amortized cost

Financial assets are measured at amortized cost when they simultaneously meet the following conditions and are not specified to be measured at fair value through profit or loss:

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

The cumulative amortization of such assets is subsequently calculated by the effective interest method plus or minus the initial amount recognized, and the amortized cost of any loss allowance is adjusted. Interest income, foreign exchange gains and losses and impairment losses are recognized as gains and losses. When derecognized, the profit or loss shall be included in the profit or loss.

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

When the debt instrument investment simultaneously meets the following conditions and is not specified to be measured at fair value through profit and loss, it is measured at fair value through other consolidated profit and loss:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company holds part of the accounts receivable under the “hold to collect and sell” business model to collect and sell the contractual cash flow, so these accounts are measured at fair value through other comprehensive profits and losses. However, it is reported under accounts receivable.

The Company may, at the time of its initial recognition, irrevocably choose to report the subsequent changes in their fair value of its non-tradable equity instrument investments to other consolidated profits and losses. The foregoing selection is made on an item-by-item tool basis.

Debt instrument investors are measured by fair value afterwards. Interest income, foreign exchange gains and losses and impairment losses calculated by the effective interest method are recognized as gains and losses calculated by the effective interest method are recognized as gains and losses, while the remaining net gains or losses are recognized as other comprehensive income. When derecognizing, the accumulated amount of other comprehensive income shall be reclassified into comprehensive income.

Equity instrument investors are measured by fair value afterwards. Dividend income (unless it clearly represents the recovery of a portion of the investment cost) is recognized as a profit or loss. The remaining net benefits or losses are recognized as other comprehensive income and are not reclassified into gains and losses.

Dividend income from equity investments is recognized on the date (usually ex-dividend date) when the Company becomes entitled to receive dividends.

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

Financial assets that are not measured at fair value at the above amortized cost or through other comprehensive income are measured at fair value through gains and losses, including derivative financial assets. The Company intends to sell accounts receivable immediately or in the near term is measured at fair value through profit or loss, but included in accounts receivable. The Company, at initial recognition, irrevocably designates the financial asset as at FVTPL to eliminate or significantly reduce an accounting mismatch that would otherwise arise. Financial assets measured at amortized cost or at fair value through other comprehensive profit or loss are designated as financial assets measured at fair value through profit or loss.

Such assets are subsequently measured at fair value and their net gains or losses (including any dividends and interest income) are recognized as gains or losses.

- (4) Evaluate whether the cash flow of the contract is fully paid for the interest on the payment of the principal and the amount of outstanding principal

For evaluation purposes, the principal is the fair value of the financial asset at the time of its initial recognition, and the interest is made up of the following considerations: the time value of the money, the credit risk associated with the amount of outstanding principal in circulation during a particular period, and other basic lending risks and costs and profit margins.

To evaluate whether the contract cash flow is fully paid for interest on the principal and the outstanding principal amount, the Company considers the terms of the financial instrument contract, including whether the financial asset contains a contract term that can change the point or amount of the cash flow of the contract, causing it to fail to meet this condition. In the evaluation, the Company considers:

- Any contingency that would change the timing or amount of cash flows under the contract,
- the terms of the coupon rate may be adjusted, including the nature of the variable rate,
- the nature of prepayment and extension, and
- claims of the Company are limited to cash flow terms derived from specific assets (e.g. non-recourse nature).

- (5) Impairment of financial assets

The Company recognizes the allowance for credit losses for the financial assets measured at amortized cost (including cash and equivalent cash, financial assets, notes and accounts receivable, other receivables and deposits after measured at amortized cost), the expected credit losses of debt instrument investments, receivables and contract assets measured at fair value through other comprehensive profit or loss.

The following financial assets are measured against losses according to the expected credit loss amount of 12 months, and the rest are measured according to the expected credit loss amount of the existing period:

- determine that the credit risk of the debt securities on the reporting date is low; and
- the credit risk of other debt securities and bank deposits (i.e. the risk of default during the expected life of financial instruments) has not increased significantly since the initial recognition.

The allowance for accounts receivable loss and contract assets is measured in terms of the expected credit loss during the period of existence.

In determining whether credit risk that increased significantly since the initial recognition, the Company considers reasonable and verifiable information (available at no excessive cost or investment), including qualitative and quantitative information, as well as analysis based on the Consolidated Company's historical experience, credit assessment and forward-looking information.

Expected credit loss during the lifetime of a financial instrument refers to the expected credit losses that result from all possible default events over the life of the financial instrument.

12-month expected credit loss refers to the expected credit loss arising from the possible default of the financial instrument within 12 months after the date of the report (or a shorter period, if the expected duration of the financial instrument is shorter than 12 months).

The longest contract period during which the expected credit loss is measured is the longest contract period during which the Company is exposed to credit risk.

The expected credit loss is the probabilistic weighted estimate of the credit loss during the expected life of the financial instrument. Credit losses are measured in terms of the present value of all cash shortfalls, the difference between the cash flows that the Company can collect under the contract and the cash flows that the Company expects to collect. The expected credit loss is discounted at the effective interest rate of the financial asset.

On each reporting date, the Company evaluates whether there is a credit impairment in the debt securities on which financial assets are measured at amortized cost and on which fair value is measured through other comprehensive income. When one or more events have occurred that adversely affect the estimated future cash flow of a financial asset, the financial asset has suffered a credit impairment. Evidence of credit impairment of financial assets includes observable information relating to:

- major financial difficulties of the borrower or issuer;
- default, such as delay or delay
- for economic or contractual reasons related to the borrower's financial difficulties, the Company gives the borrower concessions that the borrower would not have considered;
- the borrower is likely to file for bankruptcy or other financial restructuring;
or

- the active market for the financial asset disappears due to financial difficulties.

The loss allowance for a financial asset measured at its amortized cost is deducted from carrying amount of the asset. The allowance for losses on debt instrument investment is measured at fair value through other comprehensive income. It is adjusted and recognized as other comprehensive income (without reducing the carrying amount of the assets).

When the Company cannot reasonably expect to recover the financial assets as a whole or in part, it will directly reduce the total book amount of its financial assets. For individual accounts, the Company's policy is to write off the total book amount when the financial assets are overdue for more than one year based on the past recovery experience of similar assets. For corporate accounts, the Company shall analyze the date and amount of the write-off on the basis of whether it is reasonable to expect recovery. The Company does not expect a significant reversal of the write-off. However, financial assets that have been written off may still be enforced to comply with the procedures of the Company for recovering overdue amounts.

(6) Derecognition of Financial Assets

When the Company terminates the contractual rights from the cash flow of such assets or has transferred the financial assets and almost all risks and returns of the asset ownership have been transferred to other enterprises, the Company has neither transferred nor retained substantially all the risks and rewards and the control of the financial asset is not retained, the financial assets shall be derecognized.

Transactions in which the Company enters into transfers of financial assets that retain all or substantially all of the risks and rewards of ownership of the transferred assets continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

The debt and equity instruments issued by the Company are classified as financial liabilities or equity according to the contract agreement and the definition of financial liabilities and equity instruments.

(2) Equity transaction

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company shall be recognized at the amount equal to the consideration received less the direct flotation costs.

(3) Treasury shares

When repurchasing the equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury stocks. For subsequent sale or reissue of treasury stocks, the amount received is recognized as an increase in equity, and the surplus or loss generated by the transaction is recognized as capital reserve or retained surplus (if the capital reserve is insufficient to offset).

(4) Compound financial instrument

The compound financial instruments issued by the Company are convertible corporate bonds (denominated in New Taiwan dollars) with the option to be converted into share capital, and the number of shares issued will not vary with the change of their fair value.

The initially recognized amount of the liability component of composite financial instruments is measured by the fair value of similar liabilities excluding equity conversion rights. The initially recognized amount of the equity component is measured by the difference between the fair value of the overall compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liabilities and equity components in proportion to the book value of the initial liabilities and equity.

After the initial recognition, the liability component of compound financial instruments is measured at amortized cost using the effective interest method. The equity components of compound financial instruments shall not be re-measured after the initial recognition.

Interest related to financial liabilities is recognized as profit or loss. Financial liabilities are reclassified as equity at the time of conversion, and the conversion is not recognized as profit or loss.

(5) Financial liability

Financial liabilities are classified as amortized costs or measured at fair value through profit or loss. Financial liabilities which are held for trading, derivatives or specified at the time of their original recognition are classified as being measured at fair value through profit or loss. Financial liabilities, measured at fair value through profit and loss, are measured at fair value, and the associated net benefits and losses, including any interest expense, are recognized as profit and loss.

The effective subsequent interest method for other financial liabilities is measured at the amortized cost. Interest expenses and exchange gains and losses

are recognized as gains and losses. Any benefit or loss at the time of discounting is also considered as profit or loss.

(6) Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when contractual obligations have been fulfilled, canceled or matured. When the terms of a financial liability are modified and the cash flows of the modified liability differ materially, the original financial liability is derecognized and a new financial liability is recognized at fair value based on the modified terms.

When de-recognizing financial liabilities, the difference between carrying amount and the sum of paid or payable considerations (including any transferred non-cash capital or assumed liabilities) shall be recognized as gains and losses.

(7) Offset between financial assets and liabilities

Financial assets and financial liabilities can be offset with each other and represented on the balance sheet with net value only when the Company has legal rights to offset and has the intention to deliver with net value as well as realize capital and liquidate the liabilities.

(8) Financial guarantee contract

Financial guarantee contract refers to a contract in which the issuer must make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to repay according to the terms of the debt instrument.

For financial guarantee contracts issued by the Company and not designated as measured at fair value through profit or loss, the initial measurement is based on its fair value minus the directly attributable transaction costs, and the subsequent measurement is based on the higher of the following: (a) Amount of allowance for loss in accordance with IFRS 9; and (b) where appropriate, the amount initially recognized shall be deducted from the amount of accumulated income recognized in accordance with the following income principles.

3. Derivative financial instruments

Derivative instruments are initially recognized at fair value and subsequently measured at fair value, and the resulting gain or loss is recognized directly in profit or loss.

(7) inventories

Inventory shall be measured with the lower of the costs and net realizable value. The costs include the acquisition, production or processing costs, and other costs incurred in bringing

the inventories to their present location and condition, and are calculated using the weighted average method. The costs of the inventory of finished products and products in process include the manufacturing costs amortized based on normal production capacity according to proper percentage.

Net realizable value refers to the estimated prices under normal operation deducting estimated costs to be needed for estimated completion and estimated costs to be needed for competing selling.

(8) Investment in subsidiaries

When preparing the Individual Financial Statements, the Company adopts the equity method to assess the investee controlled over. Under the equity method, the current gain or loss and other comprehensive income in the Individual Financial Statements shall be the same as the allocation of other comprehensive income attributable to the parent company owners in the consolidated financial report, and the owners' equity in the Individual Financial Statements shall be the same as the equity attributable to the parent company's owners in the consolidated financial report.

Where the charge in the company's ownership interest in the subsidiary does not result in the loss of control, it shall be treated as an equity transaction.

(9) Property, Plant and Equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

Significant components of property, plant and equipment are treated as separate items (major components) when they have different life cycles.

Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenses are capitalized only when it is probable that future economic benefits will flow into the Company.

3. Depreciation

Depreciation is calculated based on the cost of the asset less its residual value and is recognized in profit or loss using the straight-line method over the estimated useful life of each component.

The land is not subject to depreciation.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|---------------------------|------------|
| (1) Buildings | 2~55 years |
| (2) Machinery | 3~15 years |
| (3) Leasehold improvement | 2~9 years |
| (4) Other equipment | 2~10 years |

The Company reviews the method of depreciation, durability and residual value at each reporting date and makes appropriate adjustments as necessary.

(10) Lease

The Company shall assess whether the contract is a lease or includes a lease on the date of formation of the contract. If the contract transfers control over the use of the identified assets for a period of time in exchange for consideration, the contract shall be a lease or includes a lease.

1. Lessee

The Company recognizes the right-of-use assets and lease liabilities on the beginning date of the lease. Right-of-use are initially measured in terms of cost, which includes the initial measured amount of lease liabilities, adjusts the lease beginning date or before payment of any rent payment, and the initial direct costs, and applied to removing the asset and restoring its locating or the estimated cost of the underlying assets. It minuses the charge of any lease incentives at the same time.

Depreciation of right-of-use assets following the commencement of the lease shall be carried out by the straight-line method at the end of the useful life of right-of-use assets or earlier at the end of the lease term. In addition, the Company will periodically evaluate whether there is any loss of right-of-use assets and deal with any loss that has occurred, and adjust the right-of-use assets in the case of lease liabilities.

Lease liabilities are defined as the present value of lease benefits not yet paid at lease commencement date. If the implied lease rate is easy to determine, the discount rate will be that rate, and if not, the incremental borrowing rate of the Company will be used. Generally speaking, the Company adopts its incremental borrowing rate as the discount rate.

Lease benefits measured in lease liabilities include:

- (1) Fixed payments, including substantive fixed payments;
- (2) Depending on the variation of a certain index or rate of rent payment, the index or rate on the commencement date of the lease shall be used as the original measurement;

- (3) The guaranteed amount of salvage value expected to be paid; and
- (4) The price at which the option to exercise the option to purchase or terminate the lease will be reasonably determined or the penalty to be paid.

Lease liabilities is then calculated using effective interest method, and the amount was measured when:

- (1) Changes in the index or rate used to determine lease payments result in changes in future lease payments;
- (2) Changes to the guaranteed amount of salvage value expected to be paid; and
- (3) The evaluation of the underlying asset purchase option has changed;
- (4) The estimate of whether to exercise the option of extension or termination has changed, which leads to the change of the assessment of the lease period;
- (5) Modification of the subject matter, scope or other terms of the lease.

Lease liabilities are remeasured due to the aforementioned changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount, and changes in the evaluation of purchases, extensions or termination options, the book value of right-of-use assets should be adjusted accordingly. When the book value of right-of-use assets is reduced to zero, the remaining re-measured amount is recognized in profit or loss.

For the lease modifications about the reduced coverage, the book amount of right-of-use assets will be reduced to reflect partial or total termination of lease, and the difference between the figure and the remeasured amount of lease liabilities will be included in the profit and loss.

The Company will express the right-of-use assets and lease liabilities that do not conform to the definition of investment real estate in the form of single line items in the balance sheet.

If the agreement includes lease and non lease components, the Company allocates the consideration in the contract to individual lease components based on a relatively separate price. However, when leasing land and buildings, the Company chooses not to distinguish between non-leasing components and treats the leasing components and non-leasing components as a single leasing component.

For short-term leases and asset leases with low value targets, the Company chooses not to recognize the right-of-use assets and lease liabilities, but recognized the relevant lease payments as expenses within the lease period on a straight-line basis.

2. Lessor

The transaction in which the Company is a lessor shall be classified as a financial lease or an operating lease on the date of establishment of the lease, depending on whether or not the lease contract is transferred to almost all the risks and rewards attached to the ownership of the underlying asset. In the evaluation, the Company shall consider certain indicators, including whether the lease term covers the principal part of the underlying asset's economic life.

If the agreement includes lease and non-lease components, the Company applies the provisions of IFRS 15 to apportion the consideration in the contract.

Assets held under finance leases are expressed as finance lease receivables in the amount of net lease investment. The initially direct costs arising from the negotiation and arrangement of the lease are included in the net investment in the lease. Net lease investment is amortized and recognized as interest income during the lease period in a pattern reflecting a constant periodic rate of return in each period. For operating leases, the Company recognizes the lease payments received as rental income on a straight-line basis during the lease period.

(11) Intangible asset

1. Recognition and measurement

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment.

Expenditures related to research activities are recognized as profit or loss as incurred.

Development expenditure is capitalized only when it can be reliably measured, the technical or commercial feasibility of products or processes has been achieved, the future economic benefits are likely to flow into the consolidated company, and the Company intends and has sufficient resources to complete the development and use or sell the assets. Other development expenditures are recognized in profit or loss as incurred. After the initial recognition, the capitalized development expenditure is measured by the amount of its cost less accumulated amortization and accumulated impairment.

Other intangible assets with a limited useful life obtained by the Company, including patent rights and computer software rights, are measured by the amount of cost less accumulated amortization and accumulated impairment.

2. Subsequent expenditure

The subsequent expenditure can be capitalized only when they can increase the future economic benefits of relevant specific assets. All of other expenditures are recognized

as gains and losses when they occur.

3. Amortisation

Amortization is calculated based on the cost of the asset less its estimated residual value, and is recognized in profit or loss using the straight-line method over the estimated useful lives of the intangible assets from a ready-for-use condition.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|----------------------------|-----------|
| (1) Patents | 5 years |
| (2) computer software cost | 3~5 years |

The Company reviews the method for amortization of intangible assets, durability and residual value at each reporting date and makes appropriate adjustments as necessary.

(12) Non-financial asset impairment

The Company evaluates on each reporting date whether there is any indication that the carrying amount of non-financial assets (excluding inventories and deferred tax assets) may be impaired. If any indication exists, the recoverable amount of the asset is estimated. Goodwill is regularly tested for impairment every year.

For the purpose of impairment test, one group of assets whose cash inflow is largely independent of other individual assets or asset groups is regarded as the smallest identifiable asset group.

The recoverable amount is the higher of an asset's or cash generating unit fair value less costs of disposal and its value in use. When assessing the value in use, the estimated future cash flow is converted to the present value at the pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risk of the asset or cash generating unit.

If the recoverable amount of an individual asset or cash generating unit is lower than the book amount, an impairment loss is recognized.

(13) Income recognition

1. Revenue from Contracts with Customers

Income is measured in consideration for the expected entitlement to transfer goods or services. The Company recognizes revenue from the transfer of control of goods or services. The Company's main revenues are from the following items:

(1) the sales revenue of commodities mainly comes from the sales of industrial motherboards, information system integration products and network communication products. The Company recognizes revenue when control of products is transferred to customers. The transfer of control over the product means that the product has been delivered to the customer, the customer has full discretion over the channel and price to sell the products and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(2) Service revenue

The Company provides product maintenance and services, and recognizes relevant income during the financial reporting period of providing services. Fixed price contracts recognize revenue based on the proportion of services actually provided to the total services as of the reporting date. If the situation changes, the estimates of revenue, cost and degree of completion will be revised, and the increase and decrease changes will be reflected in profit and loss during the period when the management is informed of the change and makes the correction.

Under a fixed price contract, the customer pays a fixed amount of money according to the agreed schedule. When the service provided exceeds the payment, it shall be recognized as contract assets; if the payment exceeds the services provided, it shall be recognized as contract liabilities.

If the contract is priced according to the number of hours of providing services, the revenue is recognized based on the amount that the Company has the right to issue invoices. The Company asks for payment from customers every month and can receive consideration after issuing invoices.

(14) Employee benefits

1. Defined contribution plans

The contribution obligation of the defined contribution pension plan is recognized as

an expense in the period in which the employees render service to the Company. The amount of advance appropriation will be recognized as an asset to the extent that it will lead to the return of cash or the reduction of future payments.

2. defined benefit plan

The Company's net obligation to a defined benefit plan is measured by discounting the present value of future benefits earned by the employee's current or prior period of service, less the fair value of the plan assets.

The defined benefit obligation is actuated annually by a qualified actuary using the projected unit benefit method. When the results of the calculation are probable to be favorable to the Company, an asset is recognized to the extent of the present value of any economic benefits that may be obtained by returning a contribution from the plan or reducing future contributions to the plan. Any minimum funding requirement is taken into account in calculating the present value of economic benefits.

The remeasurement of the net defined benefit obligation, including actuarial gains and losses, compensation for plan assets (excluding interest), and any change in the impact of asset limits (excluding interest) is recognized immediately in other comprehensive income and accumulated in retained earnings. The Company determines net interest expense (income) for net defined benefit liabilities (assets) using the net defined benefit liabilities (assets) and discount rate determined at the beginning of the annual reporting period. Net interest expense and other costs for defined benefit plans are recognized in profit or loss.

When a plan is revised or curtailed, changes in benefits related to prior period service costs or curtailment gains or losses are recognized immediately in profit or loss. The Company recognizes gain or loss on the settlement of defined benefit plans when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as an expense when services are provided. If the Company has a present legal or constructive obligation to pay for services rendered by employees in the past and the obligation can be estimated reliably, the amount is recognized as a liability.

(15) Income tax

Income taxes include current and deferred income tax. Except for those related to enterprise consolidation and items directly recognized as equities or other comprehensive income, current tax and deferred income tax asset shall be recognized as gains and losses.

The Company determines that the interest or penalty related to income tax (including uncertain tax treatment) does not meet the definition of income tax, so the accounting

treatment of IAS 37 is applicable.

The Company has determined that the top-up tax payable under the Global Anti-Base Erosion (GloBE) rules falls within the scope of IAS 12 "Income Taxes", and has applied the temporary mandatory exemption from applying deferred tax accounting for the top-up tax. Any actual top-up tax incurred will be recognized as current income tax.

Current income taxes include estimated income taxes payable or refund receivable based on current year taxable income (loss) and any adjustments to prior years' income taxes payable or refund receivable. The amounts that reflect the uncertainty (if any) related to income tax are measured at the best estimate of the amount expected to be paid or received at the statutory or substantive legislative rates in effect on the reporting date.

Deferred income tax is recognized for temporary differences between the carrying amounts of assets and liabilities at the reporting date and their tax bases. In case of any of the following situations, the temporary differences will not be recognized as deferred income tax:

1. Assets or liabilities arising from a transaction that is not a business combination, and at the time of the transaction, (1) does not affect accounting profit or taxable income (loss), and (2) does not create equal taxable and deductible temporary differences.
2. Those temporary differences generated due to investment subsidiary company and joint equities, controlled by the Company and likely to not to be reversed in the foreseeable future; and
3. Taxable temporary differences arising from the original recognition of goodwill.

For unused tax losses and unused income tax credits at the later stage of transfer, and deductible temporary differences, to the extent that there is likely to be future taxable income available for use, they are recognized as deferred income tax assets. It shall be reassessed on each reporting day, and the relevant income tax benefits shall be reduced if they are not likely to be realized; or the reduced amount shall be reversed to the extent that there is likely to be sufficient taxable income.

Deferred income tax is measured at the tax rate when the expected temporary difference is reversed, based on the statutory tax rate or substantive legislative tax rate on the reporting date, and has reflected the uncertainty related to income tax (if any).

Only when the Company meets the following conditions, the deferred income tax can offset the deferred tax liabilities:

1. Having the legal execution right to make the current income tax assets and the current tax liabilities offset with each other; and
2. Deferred income tax assets and deferred tax liabilities are related to one of the subjects

of tax payment from which the same tax authority levies income tax;

- (1) Same subject of tax payment; or
- (2) Different subjects of tax payment, but all subjects intend to liquidate the current tax liabilities and assets based on net amount or at the same time realize assets and liquidate liabilities in each of the future periods when deferred income tax assets of major amounts are expected to be recovered and deferred income tax liabilities expected to be liquidated.

(16) Earnings per share

The Company lists the basic and diluted earnings per share of holders of common stock equity of the Company. The basic earnings per share of the Company shall be calculated with the gains and losses of the holders of common stock equity of the Company divided by the weighted mean of current outstanding common shares. Diluted earnings per share shall be calculated after adjusting the influence of all potential diluted common shares of the gains and losses of the holders of common stock equity of the Company and the weighted mean of current outstanding common shares. The potential diluted common shares of the Company include convertible corporate bonds and stock options for employees.

(17) Segment information

The Company has disclosed segment information in the consolidated financial statements, so no segment information is disclosed in the individual financial statements.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

When the management prepares the Individual Financial Statements, the management is required to make judgments, estimates and assumptions in preparing this Individual Financial Statements, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from estimates.

The management continuously inspects the estimate and undertaking assumption, and accounting changes are recognized both the current revised period and the future period to be influenced.

The uncertainty of the following assumptions and estimates has a significant risk of causing significant adjustments to the book amounts of assets and liabilities in the next financial year, the relevant information is as follows:

(1) Allowance for doubtful accounts receivable

The allowance loss of the Company's accounts receivable is estimated based on the

assumption of default risk and expected loss rate. The Company considers the historical experience, current market conditions and forward-looking estimates on each reporting day to judge the assumptions and selected input values to be used in calculating impairment. For details on the provision for impairment, please refer to Note 6(4).

(2) Subsequent measurement of inventories

Since inventory must be measured at the lower of cost or net realizable value, the Company estimates the reported amount of inventory due to normal wear and tear, obsolescence, or no market sale value on a daily basis and reduces the cost of inventory to net realizable value. The inventory is evaluated mainly based on the product demand in a specific period in the future, and may change significantly due to rapid changes in the industry and the introduction of new products. For details on the valuation of inventories, please see Note 6(5).

(3) Impairment assessment for investments accounted for using the equity method

The impairment assessment process for investments accounted for using the equity method relies on the Company's subjective judgment, including identifying cash-generating units and determining the recoverable amount of the related cash-generating units.

6. Explanation of significant accounts

(1) Cash and Cash Equivalents

	2023.12.31	2022.12.31
Cash on hand	\$ 484	456
Demand deposits and check deposits	603,311	361,867
Deposit account	<u>165,807</u>	<u>261,035</u>
Cash and cash equivalents listed in the cash flow statement	<u>\$ 769,602</u>	<u>623,358</u>

Please refer to Note 6 (21) for the disclosure of interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

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

	<u>2023.12.31</u>	<u>2022.12.31</u>
Financial assets measured mandatorily at fair value through profit and loss:		
Non-hedging derivative instruments		
Redemption right for domestic convertible corporate bond	<u>\$ 2,209</u>	<u>-</u>
	<u>2023.12.31</u>	<u>2022.12.31</u>
Financial liabilities at FVTPL		
Non-hedging derivative instruments		
Redemption and sale rights of domestic convertible corporate bonds	<u>\$ -</u>	<u>1,423</u>

(3) Financial assets at amortized cost

	<u>2023.12.31</u>	<u>2022.12.31</u>
Domestic certificate deposit	<u>\$ 4,306</u>	<u>4,255</u>

The Company's assessment is to hold these assets to the maturity date to collect the contractual cash flow, and the cash flow of these financial assets is entirely the payment of principal and interest on the amount of outstanding principal, so they are reported as financial assets measured at amortized cost. The Company holds time deposits in Taiwan, with weighted average annual interest rates ranging from 5.05% to 5.45% in 2023 and from 3.4% to 4.15% in 2022. For credit risk information, please refer to Note 6(21).

Please refer to note 8 for details of the above financial assets as guarantees for loans and financing lines.

(4) Accounts receivable

	<u>2023.12.31</u>	<u>2022.12.31</u>
Accounts receivable	\$ 787,923	918,070
Accounts receivable – related parties	547,072	396,692
Less: Allowance for loss	<u>(61,561)</u>	<u>(62,638)</u>
	<u>\$ 1,273,434</u>	<u>1,252,124</u>

For all accounts receivable, the Company adopts the simplified approach to estimate expected credit losses, which uses the lifetime expected credit losses. For this purpose, these receivables are assessed by grouping customers based on shared credit risk characteristics that represent the ability to pay all amounts due in accordance with the contractual terms. The Company's expected credit loss analysis for accounts receivable is as follows:

	2023.12.31		
	Carrying amount of accounts receivable	Weighted average expected credit loss rate	Expected credit loss during the allowance
Not past due	\$ 990,259	-	-
1–60 days past due	276,469	-	-
61–150 days past due	6,706	-	-
Over 1 years past due	34,738	100%	34,738
Counterparty with indicator of default event	<u>26,823</u>	100%	<u>26,823</u>
	<u>\$ 1,334,995</u>		<u>61,561</u>

	2023.12.31		
	Carrying amount of accounts receivable	Weighted average expected credit loss rate	Expected credit loss during the allowance
Not past due	\$ 1,132,531	-	-
1–60 days past due	103,604	-	-
61–150 days past due	17,066	6.31%	1,077
Over 1 years past due	34,738	100%	34,738
Counterparty with indicator of default event	<u>26,823</u>	100%	<u>26,823</u>
	<u>\$ 1,314,762</u>		<u>62,638</u>

The change in the credit loss of the Company's accounts receivable is as follows:

	2023	2022
Beginning Balance	\$ 62,638	61,604
Impairment losses recognized	-	1,034
Reversal impairment loss	<u>(1,077)</u>	<u>-</u>
Ending Balance	<u>\$ 61,561</u>	<u>62,638</u>

As of December 31, 2023 and 2022, the Company did not use its accounts receivable asset as collateral on a loan.

Please refer to note 6(24) for other credit risk information.

(5) inventories

	2023.12.31	2023.12.31
raw materials	\$ 470,980	618,202
work in process	185,056	61,905
Semi-finished products	147,273	84,773
Finished good	62,171	82,059
Merchandise inventory	-	11
Stock in transit	-	116
Less: Allowance for inventory market price decline	<u>(114,554)</u>	<u>(62,299)</u>
	<u>\$ 750,926</u>	<u>784,767</u>

The cost of goods sold includes the loss of inventory falling price in 2023 at NT\$52,255 thousand and loss on property retired at NT\$3,435 thousand. The cost of goods sold includes the loss of inventory falling price in 2023 at NT\$56,647 thousand and loss on property retired at NT\$17,377 thousand.

As of December 31, 2023 and 2022, the Company had no inventory used as pledge guarantee.

(6) Investment using the Equity Method:

The investments of the Company using the equity method on the reporting date are listed as follows:

	2023.12.31	2023.12.31
Subsidiary	<u>\$ 27,087,520</u>	<u>26,057,267</u>

Please refer to the consolidated financial statement for the year ended December 31, 2023.

(7) Property, Plant and Equipment

The details of changes in the cost and depreciation of the Company's property, plant and equipment in 2023 and 2022 are as follows:

	Land	Buildings	Machinery	Leasehold improvement	Other equipment	Total
Cost:						
Balance as of January 1, 2023	\$ 251,536	288,190	581	12	67,051	607,370
Additions	-	-	98	-	2,802	2,900
Disposal	-	-	-	-	(4,144)	(4,144)
Balance as of December 31, 2023	<u>\$ 251,536</u>	<u>288,190</u>	<u>679</u>	<u>12</u>	<u>65,709</u>	<u>606,126</u>
Balance as of January 1, 2022	\$ 251,536	288,190	394	12	66,775	606,907
Additions	-	-	187	-	490	677
Disposal	-	-	-	-	(214)	(214)
Balance as of December 31, 2022	<u>\$ 251,536</u>	<u>288,190</u>	<u>581</u>	<u>12</u>	<u>67,051</u>	<u>607,370</u>
Depreciation:						
Balance as of January 1, 2023	\$ -	46,215	352	8	63,688	110,263
Depreciation of the current year	-	5,763	38	3	1,864	7,668
Disposal	-	-	-	-	(4,144)	(4,144)
Balance as of December 31, 2023	<u>\$ -</u>	<u>51,978</u>	<u>390</u>	<u>11</u>	<u>61,408</u>	<u>113,787</u>
Balance as of January 1, 2022	\$ -	40,451	317	5	61,568	102,341
Depreciation of the current year	-	5,764	35	3	2,334	8,136
Acquisition through business combinations	-	-	-	-	(214)	(214)
Balance as of December 31, 2022	<u>\$ -</u>	<u>46,215</u>	<u>352</u>	<u>8</u>	<u>63,688</u>	<u>110,263</u>
Book value:						
December 31, 2023	<u>\$ 251,536</u>	<u>236,212</u>	<u>289</u>	<u>1</u>	<u>4,301</u>	<u>492,339</u>
December 31, 2022	<u>\$ 251,536</u>	<u>241,975</u>	<u>229</u>	<u>4</u>	<u>3,363</u>	<u>497,107</u>

As of December 31, 2023 and 2022, the Company did not provide any of its property, plant and equipment as collateral for long-term borrowings or credit facilities.

(8) Right-of-use asset

The relevant information of the leased houses and buildings of the Company is as follows:

	<u>Buildings</u>
Right-of-use asset costs:	
Balance as of January 1, 2023	\$ 19,935
Balance as of December 31, 2023	<u>\$ 19,935</u>
Balance as of January 1, 2022	\$ -
Additions	19,935
Balance as of December 31, 2022	<u>\$ 19,935</u>
Accumulated depreciation of right-of-use assets:	
Balance as of January 1, 2023	\$ 3,020
Provision for depreciation	7,250
Balance as of December 31, 2023	<u>\$ 10,270</u>
Balance as of January 1, 2022	\$ -
Provision for depreciation	3,020
Balance as of December 31, 2022	<u>\$ 3,020</u>
Book value:	
December 31, 2023	<u>\$ 9,665</u>
December 31, 2022	<u>\$ 16,915</u>

(9) Intangible asset

The details of changes in the cost, amortization and depreciation of the Company's intangible assets in 2023 and 2022 are as follows:

	<u>Patents</u>	<u>Computer software cost</u>	<u>Total</u>
Cost:			
Balance as of January 1, 2023	\$ 42,857	13,341	56,198
Disposal	-	(500)	(500)
Balance as of December 31, 2023	<u>\$ 42,857</u>	<u>12,841</u>	<u>55,698</u>
Balance as of January 1, 2022	\$ 42,857	13,145	56,002
Acquire for period	-	196	196
Balance as of December 31, 2022	<u>\$ 42,857</u>	<u>13,341</u>	<u>56,198</u>
Amortization:			
Balance as of January 1, 2023	\$ 4,511	11,041	15,552
Current amortization	2,461	1,527	3,988
Disposal	-	(500)	(500)
Balance as of December 31, 2023	<u>\$ 6,972</u>	<u>12,068</u>	<u>19,040</u>
Balance as of January 1, 2022	\$ 2,050	9,467	11,517
Current amortization	2,461	1,574	4,035
Balance as of December 31, 2022	<u>\$ 4,511</u>	<u>11,041</u>	<u>15,552</u>
Book value:			
December 31, 2023	<u>\$ 35,885</u>	<u>773</u>	<u>36,658</u>
December 31, 2022	<u>\$ 38,346</u>	<u>2,300</u>	<u>40,646</u>

(10) Other current assets and other non-current assets

	2023.12.31	2022.12.31
Other Receivables	\$ 31,025	42,672
Other receivables – related parties	89,947	956,073
Prepayments	3,803	46,215
Prepayments for business facilities	2,025	-
Guarantee deposits paid	42,715	305,468
Defined benefit assets(Note 6(14))	891	940
	<u>\$ 170,406</u>	<u>1,351,368</u>

(11) short-term debt

	2023.12.31	2022.12.31
Unsecured bank borrowings	<u>\$ 1,371,000</u>	<u>5,195,000</u>
Unused quota	<u>\$ 12,764,250</u>	<u>7,508,250</u>
Interest rate range	<u>1.68%~2.06%</u>	<u>1.67%~2.20%</u>

(12) Bonds payable

The Company has the following balance of corporate bonds payable:

	2023.12.31	2022.12.31
The 3rd domestic unsecured convertible bonds	\$ 800,248	5,560,778
The 1st privately placed unsecured convertible bonds	1,480,973	1,473,913
The 4th domestic unsecured convertible bonds	339,553	962,204
The 5th domestic unsecured convertible corporate bonds	2,863,817	-
Less: parts matured or able to exercise redemption rights within one year	<u>(800,248)</u>	<u>-</u>
Ending balance of corporate bonds payable	<u>\$ 4,684,343</u>	<u>7,996,895</u>

1. To meet the needs of working capital and reinvestment, the Company issued the third domestic unsecured convertible corporate bonds on February 26, 2019. The issuance conditions are as follows:

- (1) Total issuance: NT\$6,000,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%

- (4) Effective interest rate: 1.1542%
- (5) Book value at issuance: NT\$5,665,424 thousand
- (6) Term: 108.02.26~113.02.26
- (7) Conversion Period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the ordinary shares of the Company from the following day after three months of issuance date (May 27, 2019) to the expiration date February 26, 2024, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of ordinary shares is suspended in accordance with the law.
 - B. The Company will negotiate with Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
 - C. The date of capital reduction is cut off one day before the commencement of capital reduction.
 - D. Other suspension periods of stock transfer by law.
- (8) Conversion Price and Its Adjustment:

The conversion price at the time of initial issuance is set at NT\$272.8. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2023, the conversion price was adjusted to NT\$204.4.

- (9) Redemption rights of creditors:

30 days prior to 3 years after the issuance of corporate bonds (February 26, 2022), bondholders may notify the Company in written based on the regulations of corporate bonds conversion method to request the addition of interest charges to face value (1.5075% of corporate bonds face value after 3 years) and redeem convertible corporate bonds in cash.

(10) The Company's Redemption Right

From the day after the issuance of corporate bonds for 3 months (May 27, 2019) to 40 days before the maturity date (January 17, 2024), if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus - stock warrants. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. The measured amount of derivative financial liabilities on December 31, 2023 is NT\$0 thousand at fair value cost and non-derivative financial liabilities on December 31, 2023 is NT\$800,248 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.

Issue proceeds (less transaction costs of NT\$4,852 thousand)	\$ 6,007,148
Equity component	<u>(332,132)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$5,665,424 thousand and financial liabilities at fair value through profit or loss - non-current—NT\$9,592 thousand—have not been reviewed)	5,675,016
Interest calculated at effective interest rate of 1.1542%	283,011
Gain on valuation of financial product	(3,701)
Converting corporate bonds payable into ordinary shares	<u>(5,154,078)</u>
The liability components as of December 31, 2023	<u>\$ 800,248</u>

2. To meet the needs of operating development and planning and introduce long-term strategic investment partners, the Company privately issued the first domestic unsecured convertible corporate bonds on September 2, 2021.

- (1) Total issuance: NT\$1,500,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 0.479%
- (5) Book value at issuance: NT\$1,464,589 thousand
- (6) Term: 110.09.02~115.09.02

(7) Conversion Period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the ordinary shares of the Company from the following day after three months of issuance date (December 3, 2021) to the expiration date September 2, 2026, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of ordinary shares is suspended in accordance with the law.
- B. The period of 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off one day before the commencement of capital reduction.
- D. Other suspension periods of stock transfer by law.

(8) Conversion Price and Its Adjustment:

The conversion price at the time of initial issuance is set at NT\$220.7. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2023, the conversion price was adjusted to NT\$196.7.

(9) Redemption rights of creditors:

30 days prior to the issuance of corporate bonds for three years (September 2, 2024), the bondholders may notify the Company in writing based on the regulations of corporate bonds conversion method to require the Company to redeem the convertible corporate bonds held by them in cash based on the nominal amount of the corporate bonds.

(10) The Company's Redemption Right

From the day after the issuance of corporate bonds for 3 years (December 3, 2024) to 40 days before the maturity date (July 24, 2026), if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

(11) Repayment upon maturity of bonds:

Unless the bonds have been redeemed, repurchased, and written-off or the bondholder has exercised the conversion right, the issuing company will repay the bonds in full in cash on the maturity date according to the nominal amount of the bonds. This convertible corporate bonds comprise liabilities and equity component.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus - stock warrants. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. The measured amount of derivative financial liabilities on December 31, 2023 is NT\$1,050 thousand at fair value cost and non-derivative financial liabilities on December 31, 2023 is NT\$1,480,973 thousand at amortized cost, and its effective interest rate initially recognized is 0.4790%.

Issue proceeds (less transaction costs of NT\$165 thousand)	\$ 1,499,835
Equity component	<u>(35,396)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$1,464,589 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$150 thousand)	1,464,439
Interest calculated at effective interest rate of 0.479%	16,384
Gain on valuation of financial asset	<u>(900)</u>
The liability components as of December 31, 2023	<u><u>\$ 1,479,923</u></u>

3. To meet the needs of working capital and repayment of long-term borrowings, the Company issued the fourth domestic unsecured convertible corporate bonds on November 16, 2021.

- (1) Total issuance: NT\$6,000,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 0.9994%
- (5) Book value at issuance: NT\$951,494 thousand
- (6) Term: November 16, 2021.~November 16, 2026.
- (7) Conversion Period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the ordinary shares of the Company from the following day after three months of issuance date (February 17, 2022) to the expiration date November 16, 2026, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of ordinary shares is suspended in accordance with the law.
- B. The Company will negotiate with Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off one day before the commencement of capital reduction.
- D. Other suspension periods of stock transfer by law.

(8) Conversion Price and Its Adjustment:

The conversion price at the time of initial issuance is set at NT\$221.1. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2023, the conversion price was adjusted to NT\$202.5.

(9) Redemption rights of creditors:

30 days prior to 3 years after the issuance of corporate bonds (November 16, 2024), bondholders may notify the Company in written based on the regulations of corporate bonds conversion method to request redeem convertible corporate bonds in cash by the carrying amount.

(10) The Company's Redemption Right

From the issuance of corporate bonds for 3 months (November 17, 2024) to 40 days before the maturity date (October 7, 2026), if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

(11) Repayment upon maturity of bonds:

Unless the bonds have been redeemed, repurchased, and written-off or the bondholder has exercised the conversion right, the issuing company will repay the bonds in full in cash on the maturity date according to the nominal amount of the bonds. This convertible corporate bonds comprise liabilities and equity component.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus - stock warrants. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. The measured amount of derivative financial liabilities on December 31, 2023 is NT\$559 thousand at fair value cost and non-derivative financial liabilities on December 31, 2023 is NT\$339,553 thousand at amortized cost, and its effective interest rate initially recognized is 0.9994%.

Issue proceeds (less transaction costs of NT\$3,480 thousand)	\$ 1,001,520
Equity component	<u>(49,428)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$951,494 thousand and financial liabilities at fair value through profit or loss - non-current— NT\$598 thousand—have not been reviewed)	952,092
Interest calculated at effective interest rate of 0.9994%	16,966
Gain on valuation of financial product	(849)
Converting corporate bonds payable into ordinary shares	<u>(629,215)</u>
The liability components as of December 31, 2023	<u><u>\$ 338,994</u></u>

4. To meet the needs of working capital and reinvestment, the Company issued the third domestic unsecured convertible corporate bonds on August 16, 2023. The issuance conditions are as follows:

- (1) Total issuance: NT\$3,000,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 1.787%
- (5) Book value at issuance: NT\$2,844,753 thousand
- (6) Term: August 16, 2023~ August 16, 2026
- (7) Conversion Period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the ordinary shares of the Company from the following day after three months of issuance date (November 17, 2023) to the expiration date August 16, 2026, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of ordinary shares is suspended in accordance with the law.
- B. The Company will negotiate with Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off one day before the commencement of capital reduction.
- D. Other suspension periods of stock transfer by law.

(8) Conversion Price and Its Adjustment:

The conversion price at the time of initial issuance is set at NT\$295. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds.

(9) The Company's Redemption Right

From the day after the issuance of corporate bonds for 3 months (November 17, 2023) to 40 days before the maturity date (July 7, 2026), if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

(10) Repayment upon maturity of bonds:

Unless the bonds have been redeemed, repurchased, and written-off or the bondholder has exercised the conversion right, the issuer will repay the bonds in full cash on the maturity date according to the nominal amount of the bonds. These convertible corporate bonds comprise liabilities and equity component.

The equity component is presented in equity as a capital surplus - stock warrants. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. The measured amount of derivative financial liabilities on December 30, 2023 is NT\$600 thousand at fair value cost and non-derivative financial liabilities on December 31, 2023 is NT\$2,863,817 thousand at amortized cost, and its effective interest rate initially recognized is 1.787%.

Issue proceeds (less transaction costs of NT\$5,550 thousand)	\$ 3,009,450
Equity components	<u>(166,194)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$2,844,753 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$1,497 thousand)	2,843,256
Interest calculated at effective interest rate of 1.787%	19,064
Loss from financial product evaluation	<u>897</u>
The liability components as of December 31, 2023	<u><u>\$ 2,863,217</u></u>

(13) lease liabilities

The Company's carrying amount of lease liabilities:

	2023.12.31	2022.12.31
Current	<u>\$ 6,896</u>	<u>6,824</u>
Non-current	<u>\$ 2,315</u>	<u>9,211</u>

Please refer to note 6(21) financial instruments for further information on the maturity analysis of lease liabilities.

Recognized lease profit/loss is below:

	2023	2022
Short-term lease expenses	<u>\$ 326</u>	<u>876</u>
Lease liabilities expenses	<u>\$ 136</u>	<u>78</u>

Recognized lease on the cash flow statement is below:

	2023	2022
Total cash outflow for lease	<u>\$ 7,286</u>	<u>3,776</u>

Buildings

The company leases houses and buildings as factories, with lease terms typically lasting three years. Some leases include an option to extend the lease for an additional period equivalent to the original contract upon expiration. Some contracts also stipulate that the Company will advance the lessor's tax and insurance expenses related to the real estate, which are usually incurred once a year.

Furthermore, the company leases office equipment on a short-term basis, and the company has chosen to apply the exemption and not recognize the related right-of-use assets and lease liabilities.

(14) Employee benefits

1. defined benefit plan

The adjustment between the present value of benefit obligations and the fair value of plan assets determined by the Company is as follows:

	2023.12.31	2022.12.31
Present value of a defined benefit obligation	\$ 1,334	1,239
Fair value of plan assets	(2,225)	(2,179)
	(891)	(940)
Number of assets affected by the limit	-	-
Net defined benefit asset (listed under other non-current assets)	<u>\$ (891)</u>	<u>(940)</u>

The Company's defined benefit plan is contributed to the labor retirement reserve account at the Bank of Taiwan. The payment of the employee's pension is based on the length of service and the average salary of six months before the approved retirement date.

(1) Plan asset composition

The Company contributes the pension fund under the "Labor Standard Act", which is administered by the Bureau of Labor Funds of the Ministry of Labor. In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the annual return of the Fund shall not be lower than the average interest rate of a 2-year-term time deposit of local banks.

As of the reporting date, the balance of the Company's Labor Retirement Reserve Account with Taiwan Bank amounted to NT\$2,225 thousand. Please visit the website of the Bureau of Labor Funds of the Ministry of Labor for the use of labor retirement fund, including fund return and asset allocation.

(2) Changes in the present value of defined benefit obligations

The changes in defined benefit liabilities of the Company in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Defined benefit obligations on January 1	\$ 1,239	1,258
Current service cost and interest	16	9
Remeasurements of the net defined benefit liability (asset)		
— Actuarial gains (losses) - changes in financial assumptions	1	(92)
— Actuarial gains (losses) - experience adjustments	<u>78</u>	<u>64</u>
Defined benefit liabilities on December 31	<u><u>\$ 1,334</u></u>	<u><u>1,239</u></u>

(3) Changes in fair value of plan assets

The changes in the fair value of defined benefit plan of the Company in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets on January 1	\$ 2,179	2,009
Interest revenue	28	14
Remeasurements of the defined benefit asset		
— Plan asset remuneration (excluding current interest)	<u>18</u>	<u>156</u>
Fair value of plan assets on December 31	<u><u>\$ 2,225</u></u>	<u><u>2,179</u></u>

(4) Recognized gain (revenue) expenses

The details of recognized costs of the Company in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Net defined benefit liabilities (assets)	<u><u>\$ (12)</u></u>	<u><u>(5)</u></u>
Administrative expenses	<u><u>\$ (12)</u></u>	<u><u>(5)</u></u>

(5) Remeasurement of net defined benefit assets recognized as other comprehensive income and loss

The remeasured amounts of net defined benefit liabilities reported as other comprehensive income for the Company in 2023 and 2022 were NT\$(61) thousand and NT\$184 thousand, respectively.

(6) Actuarial assumptions

The material actuarial assumptions used by the Company to determine the present value of defined benefit obligations as of the reporting date are as follows:

	2023.12.31	2022.12.31
Discount rate	1.28%	1.29%
Increase in future salary	3%	3%
Mortality Rate	90% of 6th Period Taiwan Life Tables	90% of 6th Period Taiwan Life Tables
Turnover rate	0%~34%	0%~34%

The Company is expected that the amount of appropriation for defined benefit plans within 1 year after the reporting date for the year ended on Dec 31, 2023 is NT\$530 thousand.

The weighted average duration of defined benefit plans is 4 years.

(7) Sensitivity analysis

The effects of changes in the main actuarial assumptions adopted on Dec. 31, 2023 and 2022 on the present value of defined benefit obligations are as follows:

	Effects on defined benefit obligations	
	Increased by 0.25%	Decreased by 0.25%
December 31, 2023		
Discount rate	\$ (36)	38
Increase in future salary	34	(33)
December 31, 2022		
Discount rate	\$ (36)	37
Increase in future salary	34	(33)

The sensitivity analysis above was based on the analysis of the effects of changes in a single hypothesis with other assumptions unchanged. Changes in many assumptions in practice may be interlinked. Sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet. The methodology and assumptions used in the sensitivity analysis are the same.

2. Defined contribution plans

The Company shall contribute the retirement funds of employees to the individual accounts for labor retirement funds of the Bureau of Labor Insurance according to 6% of the monthly salaries of labors under the provisions of Labor Pension Act. Under this plan, after contributing fixed amount to the Bureau of Labor Insurance, the Company will not assume the legal or constructive obligations of paying extra amount.

The pension expense under the defined contribution retirement funds of the Company in the year of 2023 and 2022 are NT\$9,654 thousand and NT\$8,894 thousand respectively, which have been contributed to the Bureau of Labor Insurance.

(15) Income tax

1. Income tax expense

The details of the income tax expense of the Company in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Income tax expenses for the period		
Recognized for the period	\$ 339,725	33,909
Adjustment of the income tax in the previous year	<u>(8,571)</u>	<u>(6,619)</u>
	<u>331,154</u>	<u>27,290</u>
Deferred income tax expenses		
Occurrence and reversal of temporary differences	<u>(16,131)</u>	<u>15,420</u>
income tax expense	<u><u>\$ 315,023</u></u>	<u><u>42,710</u></u>

The details of the income tax expense under other comprehensive income and loss of the Company in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plan	<u><u>\$ (12)</u></u>	<u><u>37</u></u>

The details of income tax expenses under recognized other comprehensive profits/losses of the Company in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Profit Before tax	<u>\$ 2,575,987</u>	<u>3,497,534</u>
Income tax calculated at domestic tax rate	\$ 515,197	699,507
Non-deductible expenses	(139,249)	(243,723)
Changes in unrecognized temporary differences	(172,292)	(406,455)
Adjustment of estimation differences from previous years	(8,571)	(6,619)
Surtax on undistributed retained earnings	<u>119,938</u>	<u>-</u>
income tax expense	<u>\$ 315,023</u>	<u>42,710</u>

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax liabilities

As for the temporary differences related to investment subsidiaries as of December 31, 2023 and 2022, the Consolidated Company can control the time point of the reversal of the temporary differences and is likely not to reverse in the foreseeable future, so the deferred income tax liabilities are not recognized. Related amounts are:

	<u>2023.12.31</u>	<u>2023.12.31</u>
Summary amount of temporary differences related to investment in subsidiaries	<u>\$ 1,111,916</u>	<u>939,624</u>

(2) Recognized deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities:

Deferred income tax liabilities:

	<u>Defined benefit plan</u>
January 1, 2023	\$ 653
Debit/(credit) other comprehensive profit and loss	(12)
December 31, 2023	<u>\$ 641</u>
January 1, 2022	\$ 616
Debit/(credit) other comprehensive profit and loss	37
December 31, 2022	<u>\$ 653</u>

Deferred income tax assets:

	Defined benefit plan	Convertible bond	Inventory evaluation profit and loss	Unrealized gross margin	Others	Total
January 1, 2023	\$ 208	-	12,460	9,195	14,939	36,802
Debit/(credit) income statement	(2)	-	10,451	2,833	2,849	16,131
December 31, 2023	\$ 206	-	22,911	12,028	17,788	52,933
January 1, 2022	\$ 209	14,033	23,789	1,169	13,022	52,222
Debit/(credit) income statement	(1)	(14,033)	(11,329)	8,026	1,917	(15,420)
December 31, 2022	\$ 208	-	12,460	9,195	14,939	36,802

3. Income tax assessments

The approval on the filing of final income tax return of the Company has lasted till the year 2021 as required by the taxing authority.

The Company disagrees with the approved contents of 2016 and 2018, and is currently applying for review. However, the Company has assessed the relevant income tax based on the principle of prudence.

4. The lowest tax burden globally

The new tax laws to be issued in the tax jurisdictions where the Company operates will take effect on January 1, 2024 or have not yet been legislated, therefore as of December 31, 2023, the Company had no impact on current income tax.

The Company recognizes supplementary tax as current income tax when it actually occurs, and for the deferred income tax accounting treatment related to supplementary tax, a temporary mandatory exemption is applied. Please refer to Note 4(15) for the accounting policy.

(16) Capital and other equity

As of December 31, 2023 and 2022, the total authorized share capital of the Company was NT\$2,500,000 thousand with a par value of NT\$10, with 250,000 thousand shares. The total amount of the above-mentioned share capital is ordinary shares, and the issued shares are 132,000 thousand ordinary shares and 106,037 thousand ordinary shares respectively.

1. Issuance of common stock and preferred stock

On Jan 4, 2022, the Consolidated Company adopted the private placement of ordinary share at the special meeting of shareholders. The placement issues 4,880 thousand shares at NT\$226.92 per share. The reference date for capital increase is January 11, 2022, and the relevant legal registration procedures have been completed.

The transfer of the aforementioned private placement of ordinary shares and the subsequently allotted shares without consideration must be handled in accordance with Article 43-8 of the Securities and Exchange Act, and after three years from the delivery date of the private placement of ordinary shares, an application for public offering must be filed with the Financial Supervisory Commission before applying for listing and trading on the stock exchange.

On March 22, 2022, the Company passed a resolution by the board of directors to cancel its treasury shares in accordance with Article 28-2 of the Securities and Exchange Act due to the expiration of 5 years for the repurchase of shares of NT\$233,608 thousand that have not been transferred. The Company also processed a capital reduction of NT\$6,550 thousand and deleted 655 thousand shares. The reference date for capital reduction was May 8, 2022, and the relevant legal registration procedures have been completed. The paid-in capital after the change is NT\$1,060,370 thousand.

In the year 2023, the Company issued 25,963 thousand new shares at par value totaling NT\$259,629 thousand due to the exercise of conversion rights by holders of convertible corporate bonds. The issuance of the aforementioned new shares has completed the statutory registration procedures, and the paid-in capital has been changed to NT\$1,319,999 thousand after the issuance.

2. Capital surplus

The components of the Company's capital reserve are as follows:

	2023.12.31	2022.12.31
Premium of issued shares	\$ 5,039,717	5,039,717
Issuance of new shares for other company's shares	1,372,670	1,372,670
Premium on conversion of convertible corporate bonds	7,260,995	1,797,651
Share options for convertible corporate bonds	263,238	396,757
Expired stock options	385,261	385,261
Changes in percentage of ownership in subsidiaries	<u>618,871</u>	<u>293,268</u>
	<u>\$ 14,940,752</u>	<u>9,285,324</u>

In accordance with the Company Act, the capital surplus is required to cover losses first before new shares or cash can be issued in proportion to the shareholders' original shares. Realized capital surplus referred to in the preceding paragraph includes premiums from the issuance of shares in excess of par value and proceeds from gifts

received. In accordance with the Regulations Governing the Issuer's Offerings and Issuance of Marketable Securities, the aggregate amount of capital surplus that may be capitalized each year shall not exceed 10% of the paid-in capital.

On June 23, 2022, through a resolution of the shareholders' meeting, the Company distributed cash to the capital reserve for issuing ordinary shares at a premium exceeding the par value at NT\$4 per share, with a total of NT\$424,148 thousand.

3. Retained earnings

In accordance with the Company's Articles of Incorporation, the Company shall, after the final settlement of each year's earnings, first complete tax contributions, make up for prior years' deficits and set aside 10% as legal reserve, except when the legal reserve has reached the level of total capital; the Company is required by law to set aside or reverse special reserve. In the case of unappropriated earnings for the same period, the Board of Directors shall put forward a proposal for the distribution of earnings to the shareholders for resolution.

The Company lies in a growth stage of industrial development, and there will be plans to expand production lines and funding needs in the coming years. Therefore, a residual dividend policy is adopted. The remaining surplus shall be paid in the form of cash dividends after the reserve surplus is used to finance the required funds. The percentage of cash dividend for the year should not be less than 10% of the total dividend for the year.

(1) Legal reserve

If the Company has no deficit, it may, by resolution of the shareholders in general meeting, issue new shares or cash out of the legal reserve to the extent that such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

When the Company firstly adopted the IFRS recognized by FSC and selected applied exemption items under IFRS1 First-time Adoption of International Financial Reporting Standards, the unrealized revaluation appreciation, cumulative conversion adjustments (benefits) under the recorded shareholders' equity, and the recorded assets were classified as "investment real estate" on the conversion date, and the retained earnings are increased by taking the fair value on the conversion date as the recognized cost in accordance with the regulations. According to FSC No. 1010012865 order issued on April 6, 2012, the special surplus reserves at the same amount is recognized. When using, disposing or reclassifying relevant assets, the Company may reverse the proportion of the initial special surplus reserve to distribute the surplus. As of Dec 31, 2023 and 2022, the balance of such special reserve was NT\$905,934 thousand and

NT\$1,768,490 thousand.

In accordance with the above order, when distributing the distributable surplus, the Company shall make up the difference between the net deduction of other shareholders' equity in the account in the current year and the balance of the special surplus reserve referred to in the preceding paragraph, and make up the special surplus reserve from the current profit and loss and the undistributed surplus in the previous period. If there is a subsequent reversal in the amount of other decreases in shareholders' equity, the reversal may be distributed in the form of a surplus. If there is a subsequent reversal in the amount of other decreases in shareholders' equity, the reversal may be distributed in the form of a surplus.

(3) Earnings distribution

The transfer of the aforementioned private placement of ordinary shares and the subsequent shares issued through free distribution shall be handled in accordance with Article 43-8 of the Securities and Exchange Act. After three years from the delivery date of the private placement of ordinary shares, an application for public issuance shall be submitted to the Financial Supervisory Commission, and then an application for listing and trading on the stock exchange can be made.

	2022		2021	
	Payout ration (NT\$)	Amount	Payout ration (NT\$)	Amount
Distributed to owners of ordinary shares:				
Cash	\$ 15.00	<u>1,604,720</u>	3.00	<u>318,111</u>

At the board meeting held on March 29, 2024, the Company resolved on the distribution of profits for the fiscal year 2023, with the amount of dividends to be distributed to shareholders as follows:

	2023	
	Payout ration (NT\$)	Amount
Distributed to owners of ordinary shares:		
Cash	\$ 11.41	<u>1,559,072</u>

4. Other equity (net after-tax)

	Exchange differences on translation of foreign financial statements	Unrealized gain or loss on financial assets at FVTOCI	Total
Balance as of January 1, 2023	\$ (830,267)	(75,667)	(905,934)
Exchange differences on translating the net assets of foreign operations	(246,805)	-	(246,805)
Share of associates accounted for using the equity method	(4,380)	233	(4,147)
Unrealized gain or loss on financial assets at FVTOCI	-	55,283	55,283
Disposal in equity instruments at fair value through other comprehensive income	-	61,674	61,674
Balance as of December 31, 2023	<u><u>\$ 1,081,452</u></u>	<u><u>41,523</u></u>	<u><u>(1,039,929)</u></u>
Balance as of January 1, 2022	\$ 1,673,323	(95,167)	(1,768,490)
Exchange differences on translating the net assets of foreign operations	842,050	-	842,050
Share of associates accounted for using the equity method	1,006	487	1,493
Unrealized gain or loss on financial assets at FVTOCI	-	19,013	19,013
Balance as of December 31, 2022	<u><u>\$ 830,267</u></u>	<u><u>(75,667)</u></u>	<u><u>(905,934)</u></u>

(17) Earnings per share

The relevant calculations of the Company's basic earnings per share and diluted earnings per share are as follows:

1. Basic earnings per share

	2023	2022
(1) Net profit attributable to the holders of ordinary share equity of the Company	<u><u>\$ 2,260,964</u></u>	<u><u>3,454,824</u></u>

(2) Weighted average outstanding ordinary shares

	<u>2023</u>	<u>2022</u>
Ordinary shares issued as of January 1	\$ 106,037	101,812
Effects of treasury stock	-	(655)
Effect of conversion bonds	12,908	-
Effect of cash capital increase on the issuance of new shares	<u>-</u>	<u>4,746</u>
Weighted average share outstanding as of Dec 31	<u>\$ 118,945</u>	<u>105,903</u>
Basic earnings per share (NT\$)	<u>\$ 19.01</u>	<u>32.62</u>

2. Diluted earnings per share

	<u>2023</u>	<u>2022</u>
Net profit attributable to the holders of ordinary share equity of the Company (basic)	\$ 2,260,964	3,454,824
After tax interest expenses and financial evaluation gains and losses of convertible corporate bonds	<u>51,255</u>	<u>82,943</u>
Net profit attributable to the holders of ordinary share equity of the Company (diluted)	<u>\$ 2,312,219</u>	<u>3,537,767</u>
Weighted average number of outstanding ordinary shares (basic)	118,945	105,903
Effect of employee remuneration	424	498
Effect of conversion of convertible corporate bonds	<u>30,616</u>	<u>38,977</u>
Weighted average outstanding ordinary shares (diluted) as of December 31	<u>149,985</u>	<u>145,378</u>
Diluted earnings per share (NT\$)	<u>\$ 15.42</u>	<u>24.33</u>

(18) Revenue from Contracts with Customers

1. Income Statement

The income details of the Company are as follows:

	<u>2023</u>	<u>2022</u>
Main products/service lines		
Revenue from sales of goods	\$ 5,175,442	5,304,120
Service revenue	<u>11,191</u>	<u>810</u>
	<u>\$ 5,186,633</u>	<u>5,304,930</u>

2. Balance of contracts

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>111.1.1</u>
Accounts receivable	\$ 1,334,995	1,314,762	848,995
Less: Allowance for loss	<u>(61,561)</u>	<u>(62,638)</u>	<u>(61,604)</u>
Total	<u>\$ 1,273,434</u>	<u>1,252,124</u>	<u>787,391</u>
Contract liability - sales contract (recognized as other current liabilities)	<u>\$ 122,336</u>	<u>115,890</u>	<u>15,691</u>

Please refer to Note 6(2) for the disclosure of accounts receivable and their impairment.

The changes in contract assets and contract liabilities mainly arise from the difference between the time when the Company transfers goods or services to customers to meet performance obligations and the time when customers make payments. The contract liabilities recognized as revenue in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Beginning contract liabilities		
Sales of goods	<u>\$ 115,890</u>	<u>15,691</u>

(19) Employee bonus and director compensation:

In accordance with the Company's Articles of Incorporation, no less than 2% of the Company's annual profits shall be appropriated to the compensation of employees and no more than 2% to the compensation of directors and supervisors. However, where the Company has accumulated losses, the Company shall first reserve certain amount of the profit to recover the losses. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in the controlling and associates who met certain conditions.

For the fiscal years 2023 and 2022, the Company estimated employee compensation of

NT\$85,000 thousand and NT\$89,000 thousand, respectively, and director compensation of NT\$2,600 thousand and NT\$2,850 thousand, respectively. These amounts were estimated based on the Company's profit before tax for each period, before deducting employee and director compensation, multiplied by the ratios for employee and director compensation as stipulated in the Company's Articles of Incorporation. The estimated amounts were recognized as operating expenses for the fiscal years 2023 and 2022. There was no difference between the amount approved by the board of directors for employees and directors' remuneration and the amount estimated in the financial statements for the year 2022 and 2021. The related information is available on the Market Observation Post System (MOPS).

(20) Total Non-Operating Income and Expenses

1. Interest revenue

The details of interest income of the Company in 2022 and 2021 are as follows:

	2023	2022
Bank deposit interest	\$ 32,333	3,609
Other interest income	17,272	7,824
	<u>\$ 49,605</u>	<u>11,433</u>

2. Other income

The details of other income of the Company in 2023 and 2022 are as follows:

	2023	2022
Rent revenue/income	<u>\$ 3,808</u>	<u>3,144</u>

3. Other gains and losses

The details of other gains and losses of the Company in 2023 and 2022 are as follows:

	2023	2022
Gain on foreign exchange	\$ 15,784	55,930
Valuation gains (losses) on financial assets and financial liabilities	5,542	(5,467)
Others	29,752	40,358
Other net gains and losses	<u>\$ 51,078</u>	<u>90,821</u>

4. Financial cost

The details of the financial cost of the Company in 2023 and 2022 are as follows:

	2023	2022
Interest on bank loans	\$ 71,178	36,762
Interest on lease liabilities	136	78
Accrued interest on corporate bonds payable	<u>69,611</u>	<u>98,211</u>
Net financial cost	<u>\$ 140,925</u>	<u>135,051</u>

(21) Financial instruments

1. Credit risk

The carrying amount of a financial asset represents the maximum amount of credit risk.

As the Company has a large customer base, does not significantly concentrate transactions with a single customer, and the sales areas are distributed widely, there is no risk of significant concentration of credit risk of accounts receivable. To reduce credit risk, the policies adopted by the Company are to trade only with well-reputed counterparties, the Company regularly and continuously evaluates the financial status of customers, and obtain sufficient guarantee if necessary, so as to reduce the risk of financial losses caused by default.

Please refer to Note 6(4) for details of credit risk exposure information of notes receivable and accounts receivable.

Other financial assets measured at amortized cost, including other receivables and time deposits, are financial assets with low credit risk, and therefore the allowance for losses is measured at the amount of expected credit losses over the lifetime (please refer to Note 4(6) for the Company's explanation of how it determines low credit risk).

2. Liquidity risk

The contracts of financial liabilities are sorted by their maturity dates as follows. The estimated interests are included, but the effect of net value agreement is excluded.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	More than 1 year
December 31, 2023					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 1,199,451	1,199,451	1,199,451	-	-
Lease liabilities	9,211	9,280	3,480	3,480	2,320
Floating rate instruments	1,371,000	1,371,667	1,371,667	-	-
Instruments with fixed interest rates	<u>5,484,591</u>	<u>5,484,591</u>	<u>800,248</u>	<u>-</u>	<u>4,684,343</u>
	<u>\$ 8,064,253</u>	<u>8,064,989</u>	<u>3,374,846</u>	<u>3,480</u>	<u>4,686,663</u>
December 31, 2022					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 1,144,559	1,144,559	1,144,559	-	-
Lease liabilities	16,035	16,240	3,480	3,480	9,280
Floating rate instruments	5,195,000	5,199,364	5,199,364	-	-
Instruments with fixed interest rates	<u>7,996,895</u>	<u>7,996,895</u>	<u>-</u>	<u>-</u>	<u>7,996,895</u>
	<u>\$ 14,352,489</u>	<u>14,357,058</u>	<u>6,347,403</u>	<u>3,480</u>	<u>8,006,175</u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significant different amounts.

3. Exchange Rate Risks

(1) Exposure to exchange rate risk

The Company's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	December 31, 2023				December 31, 2022		
	Foreign currency	Exchange rate		TWD	Foreign currency	Exchange rate	TWD
<u>Financial asset</u>							
<u>Monetary items</u>							
USD	\$	65,087	30.71	1,998,822	96,630	30.71	2,967,507
<u>Financial liability</u>							
<u>Monetary items</u>							
USD		29,350	30.71	901,339	35,093	30.71	1,077,706

(2) Sensitivity analysis

The foreign exchange risk of the Company's monetary items mainly arises from cash and cash equivalents, accounts receivable and other receivables, borrowings, accounts payable and other payables denominated in foreign currencies, which generate foreign exchange gains or losses upon translation. As of December 31, 2023 and 2022, if NTD had depreciated or appreciated by 1% relative to USD held by the Company and all other factors remained constant, net income would have increased or decreased by NT\$10,975 thousand and NT\$18,898 thousand. The same basis is used for both periods of analysis.

(3) Exchange gains and losses of monetary items

As the Company's operations involve certain foreign currencies, information on exchange gains and losses on monetary items is disclosed using the consolidated method. The foreign currency exchange (losses) gains (including realized and unrealized) for the years 2023 and 2022 were NT\$15,784 thousand and NT\$55,930 thousand, respectively, which were recorded under "Non-operating income and expenses - Other gains and losses."

4. Interest rate risk

The details of the Company's financial assets and financial liabilities exposed to interest rate risks are described in the liquidity risk management of this note.

The following sensitivity analysis is based on the reporting date. For floating rate liabilities, the analysis method assumes that the amount of liabilities outstanding on the reporting date is outstanding throughout the year. The rate of change used by the Company when reporting interest rates to key management personnel is 1% increase or decrease in interest rates, which also represents the management's assessment of the reasonable range of possible changes in interest rates.

If the interest rate increases or decreases by 1%, with all other variables remaining constant, the Company's pre-tax net profit for the years 112 and 111 will decrease or increase by NT\$13,710 thousand and NT\$51,950 thousand, respectively.

5. Other price risk

The Company holds financial assets measured at fair value through profit or loss. If the equity securities prices had changed on the reporting date (the analysis for the two periods is performed on the same basis, and assuming that all other variables remained constant), the impact on profit or loss would have been as follows:

Securities price as of the reporting date	2023		2022	
	Other comprehensive income before tax	Profit before tax	Other comprehensive income before tax	Profit before tax
Increased by 1%	\$ -	22	-	(14)
Decreased by 1%	\$ -	(22)	-	14

6. Fair value information

(1) Classification and fair value of financial instruments

The Company's financial assets and liabilities at fair value through profit or loss are measured at fair value on a recurring basis. Regarding non-FVPL financial assets and liabilities, the Company considers their carrying amounts to be equal to or approximating their fair values, or their fair values cannot be reliably measured. The carrying amounts and fair value hierarchy information of financial assets and liabilities at fair value through profit or loss are listed as follows:

	2023.12.31				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Hybrid instrument - Call option of convertible bonds	\$ 2,209	-	-	2,209	2,209
Total	\$ 2,209	-	-	2,209	2,209

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL					
Hybrid instrument - call and put options of convertible bonds	\$ 1,423	-	-	1,423	1,423
Total	\$ 1,423	-	-	1,423	1,423

(2) Fair value measurement techniques for financial instruments at fair value

A. Derivative financial instruments

It is evaluated based on the evaluation model widely accepted by market players, such as discount method and option pricing model. Structured interest rate derivative financial instruments are priced based on an appropriate option pricing model (e.g. Black-Scholes model).

(3) Quantitative Information on Fair Value Measurement of Significant Unobservable Inputs (Level 3)

The quantitative information of significant unobservable inputs is listed as follows:

Item	Valuation technique	Significant unobservable input	Significant unobservable inputs and their relationship to fair value
Hybrid instrument - call and put options of convertible bonds	Binomial tree valuation model	• Volatility	• The higher the stock price volatility, the higher the fair value.

(22) Financial risk management

1. Overview

The Company is exposed to the following risks the use of financial instruments:

- (1) Credit risk
- (2) Liquidity risk
- (3) Market risk

This note discloses the Company's exposure to the aforementioned risks, as well as the Company's objectives, policies, and procedures for measuring and managing risks. For further quantitative disclosures, please refer to the respective notes to the consolidated financial statements.

2. Risk management structure

The Board of Directors has overall responsibility for establishing and overseeing the Company's risk management framework. The financial management department of the Company provides services to each business unit, coordinates access to domestic and international financial markets, and supervises and manages the financial risks related to the operations of the Company by analyzing exposures by degree and magnitude of risks. The Company must comply with the relevant financial operation procedures on overall financial risk management and segregation of duties. Internal auditors continuously review policy compliance and exposure limits, and regularly report to the Board of Directors on the operation.

3. Credit risk

Credit risk is the risk of financial loss arising from the failure of the Company's customers or trading partners to fulfill their contractual obligations, mainly from the Consolidated Company's accounts receivable from customers and investments in securities.

(1) Accounts receivable and other receivables

The Company has established a credit policy and appointed a dedicated team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that appropriate actions are taken to recover overdue receivables. In addition, the Company reviews the recoverable amount of each receivable at the balance sheet date to ensure that adequate allowance for impairment losses is made for irrecoverable amounts.

The Company does not hold any collateral or other credit enhancement to avoid the credit risk of financial assets.

(2) Investment

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the financial department of the Company. Due to the fact that the counterparties and obligors in the company's transactions are creditworthy banks and corporate organizations, there is no significant doubt about their performance, and thus no significant credit risk.

(3) Guarantee

The company policy stipulates that financial guarantees can only be provided to wholly-owned subsidiaries. Please refer to note 7 for details of endorsements and guarantees provided by the Company as of December 31, 2023 and 2022.

4. Liquidity risk

Liquidity risk refers to the risk that the Consolidated Company is unable to deliver cash or other financial assets to pay off financial liabilities and fails to perform relevant obligations. The Company's method of managing liquidity is to ensure, as far as possible, that the Company always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

5. Market risk

Market risk refers to the risk arisen from market price changes, such as exchange rate, interest rate and equity instrument price changes, which will affect the Consolidated

Company's income or the value of financial instruments held. The market risk management aims to control the market risk within an acceptable level and optimize the return on investment.

(1) Exchange Rate Risks

The Company is exposed to foreign currency risk arising from sales, purchases and borrowings that are denominated in a currency other than the functional currency of the group entities. The functional currency of the group entities is primarily New Taiwan dollars, with some entities using Euros, USD, and RMB. These transactions are traded in NTD, Euro, USA and RMB.

The Company holds cash and accounts receivable denominated in foreign currencies other than the functional currency, and the resulting exchange gains or losses from exchange rate fluctuations are offset by exchange gains or losses from foreign currency-denominated accounts payable. Therefore, the risk exposed to the Company is reduced due to exchange rate.

The Company keeps abreast of changes in exchange rates at all times, takes a stable and conservative exchange rate as the basis for quotation, carefully considers the changes of current and future exchange rates, and uses hedging instruments in a timely manner such as forward foreign exchange to avoid the impact of exchange rate changes.

(2) Interest Rate Risk

The company holds assets and liabilities with floating interest rates and exposes to cash flow interest rate. The details of the company's financial assets and financial liabilities with floating interest rates are described in the liquidity risk management of this note.

(23) Capital Management

Based on the current operational industry characteristics and the company's future development situation, as well as considering factors such as changes in the external environment, the Company plans the operating capital and dividend expenditures needed for the future period to ensure the Company's continued operation and maintain an optimal capital structure, in order to maximize shareholder returns and enhance shareholder value in the long run. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. In addition, the Company is not required to comply with other external capital requirements.

(24) Investment and financing activities of non-cash transactions

The non-cash investing and financing activities of the Company for the years ended December 31, 2023 and 2022 were as follows:

1. Right-of-use assets acquired through leases, please refer to Note 6(8).
2. Convertible corporate bonds convert into common stock, please refer to Note 6(12).

Reconciliation of liabilities arising from financing activities is as follows:

	2023.01.01	Cash flows	Non-cash changes Conversion of bonds	2023.12.31
Lease liabilities	\$ 16,035	(6,824)	-	9,211
Issuance and repayment of bonds	7,996,895	3,009,450	(5,521,754)	5,484,591
Total liabilities from financing activities	<u>\$ 8,012,930</u>	<u>3,002,626</u>	<u>(5,521,754)</u>	<u>5,493,802</u>

	2022.01.01	Cash flows	Non-cash changes Additions	Conversion of bonds	2022.12.31
Lease liabilities	\$ -	(2,823)	18,858	-	16,035
Issuance and repayment of bonds	9,053,935	(1,139,508)	-	82,468	7,996,895
Total liabilities from financing activities	<u>\$ 9,053,935</u>	<u>(1,142,331)</u>	<u>18,858</u>	<u>82,468</u>	<u>8,012,930</u>

7. Related party transaction

(1) Name and relationship of related party

The related parties that had transactions with the Company during the coverage period of these individual financial statements are as follows:

Relationship	Relationship with the Company
American Industrial Systems Inc.	Subsidiary
CASO, Inc.,	Subsidiary
Ennoconn Hungary Kft.	Subsidiary
HighAim Technology Inc.	Subsidiary
Kontron AG	Subsidiary
Kontron America Inc.	Subsidiary
Kontron Asia Pacific Design Sdn. Bhd.	Subsidiary
Kontron Canada Inc.	Subsidiary
Kontron Electronics GmbH, Germany	Subsidiary
Kontron Europe GmbH	Subsidiary
Kontron Modular Computers S.A.S.	Subsidiary
Victor Plus Holdings Ltd.	Subsidiary
Goldtek Technology Co., Ltd.	Subsidiary
Ezoom Information, Inc.	Subsidiary
Highaim Technology Inc.	Subsidiary

Relationship	Relationship with the Company
POSLAB TECHNOLOGY CORPORATION	Subsidiary
Innovative Systems Integration Limited	Subsidiary
Vecow Co., Ltd.	Subsidiary
Renown Information Technology Corp.	Subsidiary
Ennoconn International Investment Co., Ltd.	Subsidiary
EnnoMech Precision Co., Ltd.	Subsidiary
Dexatek Technology Ltd.	Subsidiary
Thecus Technology Corp.	Subsidiary
ENNOWYSE CORPORATION	Subsidiary
Ennoconn (Suzhou) Technology Co., Ltd.	Subsidiary
Fortunebay Technology Pte Ltd.	Associate
Wt Microelectronics Co., Ltd.	Associate(Note)
Jusda International Logistics (Taiwan) Co., Ltd.	Associate
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Associate
Shenzhen Futaihong Precision Industry Co., Ltd.	Associate
Foxconn Technology Group Ltd.(formerly Hongfujin Precision Industry (Shenzhen) Co., Ltd.)	Associate
Fih (Hong Kong) Limited	Associate
Foxconn Global Network	Associate
Chiun Mai Communication Systems, Inc.	Associate
Arbor Technology Corporation	Associate
Ennowell Co., Ltd.	Associate
Hon Hai Precision Industry Co., Ltd.	Associate

Note: WT Microelectronics Co., Ltd. is no longer a related party of the Company from December 2022 onwards.

(2) Significant transactions with related parties

1. Operating revenue

The Company has the following major sales with related parties:

Accounts Item	Category of related party/Name	2023	2022
Sales revenue	Subsidiary:		
	American Industrial Systems, Inc.	\$ 1,366,289	174,832
	Ennoconn Hungary Kft.	177,450	228,467
	Kontron Europe GmbH	50,196	728,162
	Kontron America Inc.	154,156	176,220
	Others	70,824	97,822
	Associates:		
	Others	1,362	652
		<u>\$ 1,820,277</u>	<u>1,406,155</u>

The sales transaction price of the Company to the related parties is determined according to the agreement of both parties, and the collection policy is the payment term of 2 months.

2. Purchase and processing fees

The purchase of the Company from related parties is as follows:

Category of related party/Name	2023	2022
Subsidiary:		
Victor Plus Holdings Ltd.	\$ 1,452,419	2,871,135
American Industrial Systems, Inc.	113,255	46,152
HighAim Technology Inc.	186,600	14,175
Other	12,595	6,076
Associates:		
Others	34,396	47,491
	<u>\$ 1,799,265</u>	<u>2,985,029</u>

The sales transaction price of the Company to the related parties according to the agreement of both parties, and the payment policy is 1-2 months of monthly settlement.

3. Receivables from related parties (excluding loans to related parties)

Details of accounts receivable from related parties of the Company are as follows:

Accounts Item	Category of related party/Name	2023.12.31	2022.12.31
Accounts receivable – related parties	Subsidiary:		
	American Industrial Systems, Inc.	\$ 489,686	171,087
	Ennoconn Hungary Kft.	31,742	139,285
	Kontron Europe GmbH	18	47,464
	Others	25,383	38,779
	Associates:		
	Others	243	77
		<u>\$ 547,072</u>	<u>396,692</u>
Other receivables – related parties	Subsidiary:		
	Victor Plus Holdings Ltd.	\$ 96	265,910
	ENNOWYSE CORPORATION	79,858	79,873
	Others	9,825	25,242
	Associates:		
	Hon Hai Precision Industry Co., Ltd.	168	1,558
		<u>\$ 89,947</u>	<u>372,583</u>

The Company does not receive any guarantee for the accounts receivable from related parties that are outstanding. No allowance for losses was provided for receivables from related parties in 2023 and 2022.

4. Payables to related parties (excluding loans to/from related parties)

Details of the Company's payables to related parties are as follows:

Accounts Item	Category of related party/Name	2023.12.31	2022.12.31
Accounts payable – related parties	Subsidiary:		
	Victor Plus Holdings Ltd.	\$ 41,182	147,778
	HighAim Technology Inc.	80,545	9,874
	Others	428	3,415
	Associates:		
	Others	5,280	4,872
		\$ 127,435	165,939
Expenses payable (classified under other accounts payable)	Subsidiary		
	Victor Plus Holdings Ltd.	\$ 88,082	22,775
	Others	968	5,433
	Associate:	-	-
	Others	426	1,198
		\$ 89,476	29,406

The balance of the outstanding payables to related parties is not guaranteed and will be settled in cash.

5. Other related party transactions

Accounts Item	Category of related party/Name	2023.12.31	2022.12.31
Production expenses	Subsidiary:		
	Victor Plus Holdings Ltd.	\$ 454	7,932
	Others	113	7
	Associate:		
	Hon Hai Precision Industry Co., Ltd.	151	-
		\$ 718	7,939
Operating expenses	Subsidiary:		
	Victor Plus Holdings Ltd.	\$ 1,645	8,993
	Vecow Co., Ltd.	-	8,268
	KONTRON AG	4,790	5,555
	Others	-	973
	Associates:		
	Others	2,066	1,263
		\$ 8,501	25,052

6. Endorsements/guarantees

Category of related party/Name	2023	2022
Ennoconn Hungary kft	\$ 1,074,675	2,149,700
Ennoconn International Investment Co., Ltd.	-	1,000,000
Dexatek Technology Ltd.	-	160,000
Thecus Technology Corp.	-	100,000
Highaim Technology Inc.	-	552,780
HighAim Technology Inc.	-	46,065
POSLAB TECHNOLOGY CORPORATION	-	50,000
	<u>\$ 1,074,675</u>	<u>4,058,545</u>

7. Loans to related parties

The Company's actual expenses for loans to related parties is as follows:

Category of related party/Name	2023.12.31	2022.12.31
Subsidiary:		
Ennoconn (Suzhou) Technology Co., Ltd.	\$ -	184,260
Ennoconn Hungary Kft	-	399,230
	<u>\$ -</u>	<u>583,490</u>

The Company's loans to related parties accrue interest at the average interest rate of the Company's short-term borrowings from financial institutions in the current year. The loans to related parties are unsecured. There are no provisions for impairment loss required after management's assessment.

8. Acquisition of financial assets

(3) Transactions with key management personnel

Remuneration for major managers include:

	2023	2022
Short-term employee benefits	\$ 85,402	29,131
Post-employment benefits	216	193
	<u>\$ 85,618</u>	<u>29,324</u>

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

8. Assets pledged as security

The carrying value of the assets pledged as collateral by the Company was as follows:

Name of asset	Subject of pledge guarantee	2023.12.31	2022.12.31
Financial assets at amortized cost	Tariff guarantee	<u>\$ 4,306</u>	<u>4,255</u>

9. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

10. Losses due to Major Disasters: None.

11. Subsequent events

- (1) On January 18, 2024, the Board of Directors of the Company's subsidiary Kontron AG resolved to acquire Katek SE for a cash consideration of approximately 15 euros per share, with a total price of approximately 128,000,000 euros, representing a shareholding ratio of about 59.4%. As of February 28, 2024, the major closing conditions of the Frankfurt Stock Exchange have been met, and the share transfer started on the next day, while a mandatory tender offer was announced.
- (2) On January 26, 2024, the Board of Directors of the Company's subsidiary Goldtek Technology, based on future operational planning and strategic layout, approved the investment in the ordinary shares of Ennovision Inc. acquiring a 60% stake in Jun Han Intelligent Co., Ltd. for NT\$90,000 thousand to obtain control of the company.
- (3) On March 28, 2024, the Company's subsidiary Kontron AG announced the distribution of a cash dividend for 2023, with a payout of 0.5 euros per share.

12. Others

- (1) Summary of employee benefits, depreciation, and amortization expenses by function for the current period:

By function By nature	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Wages and salaries	-	344,875	344,875	-	348,497	348,497
Labor Insurance and National Health Insurance expenses	-	19,691	19,691	-	16,820	16,820
Pension costs	-	9,642	9,642	-	8,889	8,889
Remuneration to Directors	-	5,990	5,990	-	5,325	5,325
Other Employee Benefit Expenses	-	13,424	13,424	-	13,252	13,252
Depreciation Expense	7,727	7,191	14,918	3,272	7,884	11,156
Amortization expenses	-	3,988	3,988	-	4,035	4,035

Additional information regarding the number of employees and employee benefit expenses of the Company for the years 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Numbers of Employees	<u>189</u>	<u>198</u>
Directors who did not concurrently serve as employees	<u>6</u>	<u>5</u>
Average employee benefits expense	<u>\$ 2,118</u>	<u>2,008</u>
Average employee salary expense	<u>\$ 1,885</u>	<u>1,806</u>
Adjustment to average employee salary expense	<u>4.37%</u>	<u>42.32%</u>
Supervisor remuneration	<u>\$ -</u>	<u>-</u>

The Company's salary and remuneration policies (including directors, supervisors, managers and employees) are as follows:

The Company's salary policy aims to institutionalize the Company's salary. These salary measure is hereby formulated as the basis. The salary of all colleagues employed by the Company shall be determined according to their educational background, experience, skills, potential and the function of the position. At the end of the year, if there is profit, employee remuneration shall be appropriated according to the Company's Articles of Incorporation. The remuneration received by the directors of the Company is determined in accordance with the provisions of the company's articles of incorporation. The Board of Directors proposes a remuneration distribution plan, which is then reported to the shareholders' meeting.

The salaries and remuneration of directors and managers are paid after being reviewed by the Remuneration Committee and approved by the Board of Directors. The remuneration of the Company's managers mainly consists of salaries, bonuses and employee remuneration. Salaries and bonuses are reviewed by the Remuneration Committee and approved by the Board of Directors. Employee remuneration is appropriated according to the Company's operating conditions and the proportion specified in the Articles of Incorporation, and is approved by the Board of Directors and reported to the shareholders' meeting. The assessment items for the remuneration of the Company's directors and managers include target achievement rate, company profitability, contribution, and whether any ethical risk events have occurred.

(2) Seasonality of operation:

The Company's operation is not subject to seasonal or periodical fluctuations.

13. Other disclosures

(1) Information on significant transactions

According to the requirements of the Regulations Governing the Preparation of Financial

Reports by Securities Issuers, the Company should disclose the following information related to material transactions in fiscal year 2023:

1. Loans to others: Please refer to Table 1.
 2. Endorsements and guarantees for others: Please refer to Table 2.
 3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): Please refer to Table 3.
 4. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more: None.
 5. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to Table 4.
 6. Disposal of property reaching NT\$300 million or 20% of paid-in capital or more: None.
 7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
 8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 6.
 9. Engagement in derivative transactions: None.
- (2) Information on investee companies (excluding investee companies in Mainland China): Please refer to Table 7.
- (3) Information on investments in mainland China: None.
1. Information on investee companies in Mainland China, such as name and main business activities: Please refer to Table 8(1).
 2. Ceiling on investments in Mainland China: Please refer to Table 8(2).
 3. Major transactions with investees in mainland China:

Please refer to the explanation of the “Information on Significant Transactions” in the consolidated financial statement for the significant or indirect transactions between the Company and the investees in mainland China in 2022 (already write-off during the preparation of the consolidated report).

(4) Information on major shareholders

Name of Major Shareholders	Shares	Number of shares held Increase (Decrease)	Shareholding ratio
Baoxin International Investments Ltd.		33,178,179	25.14%

Note: (1)The information of main shareholder in this table is calculated by the TDCC on the last business day at the end of each quarter. The total number of common shares and special shares held by the shareholders who have completed the delivery of the company without physical registration (including treasury shares) is more than 5%. As for the share capital recorded in the Company's financial report and the number of shares actually delivered by the company without physical registration may be different due to the calculation basis.

(2)If the aforementioned information on shareholder includes shares that are delivered to trust, it is disclosed as a separate account of client that has set up trust with shareholder in the table. As for shareholders who report insider shareholdings exceeding 10 percent in accordance with securities trading laws and regulations, their shareholdings include their personal shareholdings plus the shares entrusted to the trust over which they have the decision-making power for the use of the trust property. For information on insider shareholding reports, please refer to the Public Information Observation Station.

14. Department information

Please refer to the consolidated financial statement for the year ended December 31, 2023.

ENNOCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

LOANS TO OTHERS:

December 31, 2023

Table 1

Unit: NT\$ thousand

Code	Company providing loan	Borrower	Account item	Whether or not they are related parties	Highest balance for this period	Ending Balance	Actual amount drawn down	Interest rate range	Nature for loan	Amount of business transactions	Reasons for the need for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limit	Maximum amount loanable
													Name	Value		
0	Ennoconn Corporation	Ennoconn (Suzhou) Technology Co., Ltd.	Other receivables due from related parties	Yes	1,200,000	-	-	6.35%	2	-	Operating turnover	-	None	-	2,190,070	8,760,281
0	Ennoconn Corporation	Ennoconn Hungary KFT	Other receivables due from related parties	Yes	767,625	-	-	6.35%	2	-	Operating turnover	-	None	-	2,190,070	8,760,281
1	Caswell Inc.	Apligo GmbH	Other receivables due from related parties	Yes	24,564	24,564	24,564	2.45%	2	-	Operating turnover	-	None	-	340,147	680,293
1	Caswell Inc.	Hawkeye Tech Co., Ltd.	Other receivables due from related parties	Yes	50,000	-	-	1.60%	2	-	Operating turnover	-	None	-	340,147	680,293
2	KonTron AG	Kontron Romania S.R.L., Romania	Other receivables due from related parties	Yes	494,546	336,402	288,830	3.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron Hungary Kft.	Other receivables due from related parties	Yes	237,860	237,860	50,970	3.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron electronics AG	Other receivables due from related parties	Yes	119,610	115,532	105,338	3.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron America Inc.	Other receivables due from related parties	Yes	74,756	-	-	2.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron electronics GmbH (DE)	Other receivables due from related parties	Yes	507,045	413,961	413,961	3.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron Transportation GmbH	Other receivables due from related parties	Yes	723,774	723,774	723,020	1.50%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron Europe GmbH	Other receivables due from related parties	Yes	387,372	339,800	339,800	1.50%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron AIS GmbH	Other receivables due from related parties	Yes	203,880	91,066	57,086	2.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	S&T Medtech S.R.L.	Other receivables due from related parties	Yes	122,138	62,428	33,980	3.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron d.o.o.	Other receivables due from related parties	Yes	221,083	125,726	106,737	1.75%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron Beteiligungs GmbH	Other receivables due from related parties	Yes	883,480	798,530	798,530	2.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Comlab AG	Other receivables due from related parties	Yes	67,960	67,960	67,960	1.50%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron Bulgaria EOOD	Other receivables due from related parties	Yes	237,860	237,860	33,919	1.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron Modular Computers S.A.S.	Other receivables due from related parties	Yes	152,910	152,910	152,910	1.50%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron Electronics Kft.	Other receivables due from related parties	Yes	7,646	3,058	3,058	3.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Kontron Austria GmbH	Other receivables due from related parties	Yes	182,643	135,920	135,920	1.50%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
2	KonTron AG	Iskra Technologies	Other receivables due from related parties	Yes	138,653	93,535	93,535	8.00%	2	-	Operating turnover	-	None	-	2,045,462	8,181,850
3	Kontron Europe GmbH	Kontron Asia Pacific Design sdn. Bhd.	Other receivables due from related parties	Yes	137,238	137,238	137,238	1.20%	2	-	Operating turnover	-	None	-	525,332	2,101,330
4	Techno Precision Co., Ltd.	T-lamma Tech Co.,Ltd.	Other receivables due from related parties	Yes	35,361	-	-	2.00%	2	-	Operating turnover	-	None	-	82,350	164,699
5	Ennoconn Investment Co., Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Other receivables due from related parties	Yes	363,468	363,468	363,468	3.00%	2	-	Operating turnover	-	None	-	613,993	613,993
6	Nanjing Asiatek Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Other receivables due from related parties	Yes	203,369	-	-	0.00%	2	-	Operating turnover	-	None	-	207,331	207,331
6	Nanjing Asiatek Inc.	Ennoconn (Foshan) Investment Holdings Co., Ltd.	Other receivables due from related parties	Yes	173,080	173,080	79,184	3.00%	2	-	Operating turnover	-	None	-	207,331	207,331
7	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Other Receivables	Yes	39,923	-	-	0.00%	2	-	Operating turnover	-	None	-	4,457,312	4,457,312
7	Marketech International Corp.	Marketech International Sdn. Bhd.	Other Receivables	Yes	55,278	24,564	-	4.87%	2	-	Operating turnover	-	None	-	4,457,312	4,457,312
7	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Other Receivables	Yes	122,960	-	-	0.00%	2	-	Operating turnover	-	None	-	4,457,312	4,457,312
7	Marketech International Corp.	Marketech International Corporation USA	Other Receivables	Yes	2,431,875	2,302,875	614,100	5.26%	2	-	Operating turnover	-	None	-	4,457,312	4,457,312
8	Mic-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other Receivables	Yes	53,339	25,961	25,961	4.35%	2	-	Operating turnover	-	None	-	375,159	750,318
9	Marketech Integrated Manufacturing Co., Ltd.	Marketech Integrated Construction Co., Ltd.	Other Receivables	Yes	7,678	-	-	0.00%	2	-	Operating turnover	-	None	-	50,647	101,294
10	Ennomech Precision (Cayman) co.,Ltd	Ennoconn Investment Holdings co., ltd.	Other receivables due from related parties	Yes	12,282	-	-	0.00%	2	-	Operating turnover	-	None	-	725,999	725,999
11	Enga Technology co., Limited	Innovative Systems Integration Limited	Other receivables due from related parties	Yes	107,468	-	-	0.00%	2	-	Operating turnover	-	None	-	7	7
12	Ennoconn International Investment Co., Ltd.	Thecus Technology Corp.	Other receivables due from related parties	Yes	75,000	75,000	75,000	2.20%	2	-	Operating turnover	-	None	-	1,022,006	4,088,026
13	MIC-Tech Viet Nam Co., Ltd.	Marketech Co., Ltd	Other Receivables	Yes	5,240	5,000	5,000	4.50~6.00%	2	-	Operating turnover	-	None	-	174,381	174,381
14	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Other receivables due from related parties	Yes	153,525	153,525	138,173	1.83%	1	551,194	For working capital needs	-	None	-	162,501	162,501
15	Ennoconn Investment Holdings co., ltd.	Ennoconn Hungary KFT	Other receivables due from related parties	Yes	399,165	399,165	300,909	6.45%	2	-	Operating turnover	-	None	-	1,318,534	5,274,137

Note 1: (1) Issuer is filled in as 0.
(2) The invested companies are numbered sequentially with Arabic numerals starting from 1 according to each company.

Note 2: Methods for filling in the nature of financing are as follows:
(1) Business transactions are filled in as 1.
(2) Short-term financing is filled in as 2.

Note 3: The limits for lending of funds approved by the Board of Directors.

ENNOCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TO PROVIDE GUARANTEES AND ENDORSEMENTS FOR OTHERS

December 31, 2023

Table 2

Unit: NT\$ thousand

Code	Endorser/guarantees Company name	Endorsed/guarantee subject		Maximum endorsement/ guarantee amount for an enterprise	Highest balance of endorsement/ guarantee during the period	Ending balance of endorsement/ guarantee	Actual amount drawn down	Amount of property pledged for endorsement/ guarantee	Ratio of accumulated endorsement/ guarantee amount to net worth on the latest financial statements	Maximum amount of endorsement/ guarantee	Endorsement/ guarantee provided by parent company to subsidiary	Endorsement/ guarantee provided by subsidiary to parent company	Endorsement/ guarantee provided to China
		Company name	Relationship										
0	Ennoconn Corporation	Ennoconn Hungary kft	2	32,851,055	2,149,350	1,074,675	647,082	-	4.91%	43,801,406	Y	N	N
0	Ennoconn Corporation	Highaim Technology Inc.	2	32,851,055	199,583	-	-	-	0.00%	43,801,406	Y	N	N
0	Ennoconn Corporation	Highaim Technology Inc.	2	32,851,055	736,920	-	-	-	0.00%	43,801,406	Y	N	Y
0	Ennoconn Corporation	Dexatek Technology Ltd.	2	32,851,055	160,000	-	-	-	0.00%	43,801,406	Y	N	N
		Ennoconn Corporation				1,074,675							
1	KonTron AG	S&T Slovakia s.r.o.	2	9,855,316	135,920	-	-	-	0.00%	19,710,633	Y	N	N
1	KonTron AG	S&T Plus s.r.o.	2	9,855,316	7,232	-	-	-	0.00%	19,710,633	Y	N	N
1	KonTron AG	S&T CZ s.r.o.	2	9,855,316	57,858	-	-	-	0.00%	19,710,633	Y	N	N
1	KonTron AG	Kontron Bulgaria e.o.o.d.	2	9,855,316	32,111	32,111	-	-	0.16%	19,710,633	Y	N	N
1	KonTron AG	Kontron Services Romania SRL	2	9,855,316	452,314	308,186	209,325	-	1.51%	19,710,633	Y	N	N
1	KonTron AG	Kontron Hungary Kft.	2	9,855,316	623,489	446,260	40,469	-	2.18%	19,710,633	Y	N	N
1	KonTron AG	S&T Poland Sp.z.o.o.	2	9,855,316	382,761	-	-	-	0.00%	19,710,633	Y	N	N
1	KonTron AG	S&T Deutschland GmbH	2	9,855,316	13,592	-	-	-	0.00%	19,710,633	Y	N	N
1	KonTron AG	Kontron Europe GmbH	2	9,855,316	169,900	50,970	-	-	0.25%	19,710,633	Y	N	N
1	KonTron AG	S&T Medtech Srl Gada Group Romania Srl)	2	9,855,316	101,940	97,111	97,111	-	0.47%	19,710,633	Y	N	N
1	KonTron AG	RTSoft Project OOO	2	9,855,316	89,681	-	-	-	0.00%	19,710,633	Y	N	N
1	KonTron AG	diverse / Factoring DACH	2	9,855,316	645,620	254,850	-	-	1.25%	19,710,633	Y	N	N
1	KonTron AG	Kontron America Inc (Factoring)	2	9,855,316	641,495	615,023	-	-	3.01%	19,710,633	Y	N	N
1	KonTron AG	Kontron electronics GmbH	2	9,855,316	10,194	10,194	-	-	0.05%	19,710,633	Y	N	N
1	KonTron AG	Kontron Public Transportation	2	9,855,316	128,299	47,159	-	-	0.23%	19,710,633	Y	N	N
1	KonTron AG	Kontron Transportation GmbH	2	9,855,316	1,993,732	1,993,732	33,980	-	9.75%	19,710,633	Y	N	N
1	KonTron AG	Kontron AIS GmbH	2	9,855,316	27,184	1,699	-	-	0.01%	19,710,633	Y	N	N
1	KonTron AG	S&T Crma Gora d.o.o.	2	9,855,316	10,345	-	-	-	0.00%	19,710,633	Y	N	N
1	KonTron AG	Kontron AG/ Kontron Transportation GmbH/Kontron Transportation s.r.o.	2	9,855,316	451,049	422,547	-	-	2.07%	19,710,633	Y	N	N
1	KonTron AG	Kontron Transportation France	2	9,855,316	8,495	8,495	-	-	0.04%	19,710,633	Y	N	N
1	KonTron AG	Kontron Austria GmbH	2	9,855,316	8,495	8,495	-	-	0.04%	19,710,633	Y	N	N
1	KonTron AG	RTSoft, AO	2	9,855,316	67,261	51,385	-	-	0.25%	19,710,633	Y	N	N
1	KonTron AG	Kontron Canada Inc.	2	9,855,316	641,495	-	-	-	0.00%	19,710,633	Y	N	N
1	KonTron AG	Factoring Kontron Europe / Kontron Modular Computer S.A.S.	2	9,855,316	1,359,200	1,359,200	108,830	-	6.64%	19,710,633	Y	N	N
1	KonTron AG	Comlab AG	2	9,855,316	67,960	-	-	-	0.00%	19,710,633	Y	N	N
		KonTron AG subtotal				5,707,417							
2	Marketech International Corp.	Mic-Tech Electronics Engineering Corp.	2	5,571,641	4,289,985	2,636,356	1,586,397	-	23.66%	11,143,281	Y	N	Y
2	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	5,571,641	158,733	79,487	54,986	-	0.71%	11,143,281	Y	N	N
2	Marketech International Corp.	Mic-Tech (Shanghai) Corp.	2	5,571,641	627,075	560,379	-	-	5.03%	11,143,281	Y	N	Y
2	Marketech International Corp.	Mic-Tech (Wuxi) Co., Ltd.	2	5,571,641	320,534	304,120	175,019	-	2.73%	11,143,281	Y	N	Y
2	Marketech International Corp.	Marketech International Sdn. Bhd.	2	5,571,641	125,020	122,820	17,932	-	1.10%	11,143,281	Y	N	N
2	Marketech International Corp.	Ezoom Information, Inc.	2	5,571,641	155,000	70,000	14,356	-	0.63%	11,143,281	Y	N	N
2	Marketech International Corp.	Marketech International Corporation USA	2	5,571,641	2,166,242	1,850,529	1,817,662	-	16.61%	11,143,281	Y	N	N
2	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	2	5,571,641	140,648	138,173	4,456	-	1.24%	11,143,281	Y	N	N
2	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	2	5,571,641	163,875	32,580	14,722	-			Y	N	Y
2	Marketech International Corp.	Te Chang Construction Co., Ltd.	5	5,571,641	88,418	21,854	21,854	-	0.20%	11,143,281	N	N	N
		Marketech International Corp.				5,816,298							
3	Mic-Tech Electronics Engineering Corp.	Marketech International Corp.	3	2,813,694	162,029	153,434	153,434	-	16.36%	4,689,490	N	Y	N
3	Mic-Tech Electronics Engineering Corp.	China Electronic Systems Engineering Second Construction Co., Ltd.	5	2,813,694	1,132	1,102	1,102	-	0.12%	4,689,490	N	N	Y
3	Mic-Tech Electronics Engineering Corp.	Mic-Tech (Shanghai) Corp.	4	2,813,694	102,990	97,527	97,527	-	10.40%	4,689,490	N	N	Y
		Mic-Tech Electronics Engineering Corp.				252,063							
4	Mic-Tech (Shanghai) Corp.	Mic-Tech Electronics Engineering Corp.	4	2,892,531	306,805	300,213	300,213	-	31.14%	4,820,885	N	N	Y

Note 1: The description of the number column is as follows:

- (1) The issuer fills in 0.
- (2) The invested companies are numbered sequentially with Arabic numerals starting from 1 according to each company. The same company should have the same number.

Note 2: The relationship between the endorser/guarantor and the endorsed/guaranteed entity is as follows:

- (1) Companies with business dealings.
- (2) Companies in which the company directly and indirectly holds more than 50% of the voting shares.
- (3) Companies in which the company directly and indirectly holds more than 50% of the voting shares.
- (4) Companies in which the company directly and indirectly holds 90% of the voting shares.
- (5) Companies that mutually endorse/guarantee each other's liabilities based on the needs of contracted projects or joint builders in accordance with contractual requirements.
- (6) Companies endorsed/guaranteed by all contributing shareholders in proportion to their shareholding due to a joint investment relationship.
- (7) Peer companies providing joint and several liability guarantees for pre-sale housing sales contracts in accordance with the Consumer Protection Act.

Note 3: The total amount of the company's accumulated external endorsements/guarantees shall not exceed 150% of the net value of the company's most recent financial statements.

Note 4: The limit of the company's endorsement/guarantee for a single enterprise shall not exceed 200% of the net value of the company's most recent financial statements.

ENNOCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD (EXCLUDING EQUITY OF SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES)

December 31, 2023

Table 3

Unit: NT\$ thousand

Companies held	Type of marketable securities	Name of marketable securities	Relations with securities practitioners	Account Item	End of period				Remarks
					Number of shares/units	Carrying amount	Shareholding %	Fair value	
Ennoconn International Investment Co., Ltd.	Common stock	Q.P.T.I Corporation	None	Non-current financial assets measured at fair value through other comprehensive income	726	-	17.08%	-	
Ennoconn International Investment Co., Ltd.	Common stock	Augentix Technology Co., Ltd.	None	"	667	50,025	3.38%	50,025	
Ennoconn International Investment Co., Ltd.	Common stock	Gold Rain Enterprises Co., Ltd.	None	"	5,000	260,000	8.29%	260,000	
Innovative Systems Integration Limited	Common stock	AIXlink Technology (Chengdu) Ltd.	None	"	3,798	33,428	8.79%	33,428	
Ais Cayman Technology	Common stock	Gemini Data Inc.	None	"	65,634	187,331	10.13%	187,331	
Vecow Co., Ltd.	Common stock	Array Networks Co., Ltd.	None	"	6,000	142,649	10.32%	142,649	
Goldtek Technology Co., Ltd.	Common stock	Augentix Technology Co., Ltd.	None	"	333	8,011	1.36%	8,011	
"	Common stock	IPEVO Technology Co., Ltd.	None	"	150	4,908	0.55%	4,908	
Techno Precision (Shenzhen) Co., Ltd.	Common stock	T-lamma Tech Co.,Ltd.	Other related party	"	12,000	8,431	16.00%	8,431	
Keenest Electronic Corp.	Common stock	AIXlink Technology (Chengdu) Ltd.	None	"	-	253	6.00%	253	
Goldtek Technology (Shenzhen) Co., Ltd.	Common stock	Liuzhou Xinli Semiconductor Technology Co., Ltd.	None	"	-	8,653	5.00%	8,653	
Caswell Inc.	Common stock	Advanio Technology Co., Ltd.	None	"	1,045	-	19.00%	-	
"	Common stock	Altus Technology Inc.	None	"	1,600	40,000	10.65%	40,000	
Apligo GmbH	Common stock	Shares in Volksbank Karlsruhe	None	"	-	10	-%	10	
Ennoconn (Foshan) Investment Holdings Co., Ltd.	Common stock	Guoqi Zhidian (Chengdu) Technology Co., Ltd.	None	"	-	129,690	6.98%	129,690	
						873,389		873,389	
Diverse	Common stock	Shares	None	Other financial assets	-	14	-%	14	
Kontron d.o.o. (formerly: Iskratel d.o.o.)	Common stock	Shares	None	"	-	5,371	-%	5,371	
Hartmann Electronic GmbH	Common stock	Shares	None	"	-	510	-%	510	
						5,895		5,895	
Marketech International Corp.	Common stock	Chung Hsin Electric & Machinery Manufacturing Corp.	None	Non-current financial assets measured at fair value through profit or loss	290	33,785	0.06%	33,785	
"	Common stock	ProMOS Technologies Co., Ltd.	None	"	250	-	0.56%	-	
"	Common stock	TCIT Technology Co., Ltd.	None	"	1,700	-	12.15%	-	
"	Common stock	ADAT Technology Co., Ltd.	None	"	4,084	492,498	6.72%	492,498	
"	Common stock	Yubo Advanced Technology Co., Ltd.	None	"	189	-	12.61%	-	
"	Common stock	VEEV Interactive Pte. Ltd.	None	"	840	-	6.32%	-	
"	Common stock	Taifo Co., Ltd.	None	"	3,220	34,388	1.41%	34,388	
"	Common stock	Civil Tech Holdings Ltd	None	"	336	-	0.58%	-	
"	Common stock	Probeleader Co., Ltd.	Entities controlled by or under significant influence of key management personnel	"	966	19,546	3.25%	19,546	
"	Common stock	Hyield Venture Capital Co., Ltd.	None	"	772	8,402	1.79%	8,402	
"	Common stock	Innorich Venture Capital Co., Ltd.	None	"	1,000	5,685	1.87%	5,685	
"	Common stock	Mic Techno Co., Ltd.	None	"	380	2,908	2.24%	2,908	
"	Common stock	Long Time Technology Co., Ltd.	None	"	346	6,972	0.29%	6,972	
"	Common stock	Paradigm Venture Capital Co., Ltd.	None	"	77	1,017	3.50%	1,017	
"	Common stock	TCSC Co., Ltd.	None	"	1,859	88,912	1.35%	88,912	
"	Common stock	Atech Totalsolution Co., Ltd.	None	"	128	-	0.19%	-	
"	Common stock	East Wind Life Science Systems Co.,Ltd.	None	"	124	-	12.87%	-	
"	Common stock	ATS Environment Ecological Green Energy Co., Ltd.	None	"	311	-	13.51%	-	
"	Common stock	Foresight Energy Technologies Co., Ltd.	None	"	675	14,886	1.30%	14,886	
Marketech International Corp.	Common stock	Wings Global Technology Co., Ltd.	None	Non-current financial assets measured at fair value through profit or loss	750	6,420	18.75%	6,420	
"	Common stock	Kcashin Technology Co., Ltd.	None	"	643	472	16.56%	472	
"	Common stock	Sum Capital Healthcare Investment Corp.	Entities controlled by or under significant influence of key management personnel	"	943	9,380	7.44%	9,380	
"	Common stock	Forward Science Corp.	Entities controlled by or under significant influence of key management personnel	"	2,650	41,992	8.41%	41,992	
"	Common stock	Mycropore Co., Ltd.	None	"	1,471	7,769	8.44%	7,769	
"	Common stock	STEK Co., Ltd.	None	"	634	14,373	6.21%	14,373	
"	Common stock	Lucens Technology Co., Ltd.	Entities controlled by or under significant influence of key management personnel	"	1,333	15,624	6.66%	15,624	
"	Common stock	Everlasting Digital ESG Co., Ltd.	Entities controlled by or under significant influence of key management personnel	"	100	500	5.88%	500	
"	Common stock	Artfil, Inc.	None	"	-	23,054	9.33%	23,054	
"	Common stock	True-Win Technology Co., Ltd.	None	"	965	55,126	2.08%	55,126	
"	Common stock	Mega Union Technology Inc.	None	"	660	67,864	1.08%	67,864	
"	Common stock	Infinitesima Limited	None	"	3,667	62,524	5.24%	62,524	
"	Common stock	Brilliant Network & Automation Integrated System Co., Ltd.	None	"	150	19,350	0.43%	19,350	

Companies held	Type of marketable securities	Name of marketable securities	Relations with securities practitioners	Account Item	End of period				Remarks
					Number of shares/units	Carrying amount	Shareholding %	Fair value	
"	Common stock	Wonder Energy Co., Ltd.	None	"	5,800	58,000	Note 5	58,000	
	Common stock	NanoSeeX Inc.	None	"	11,250	11,250	9.00%	11,250	
	Common stock	Asia Hydrogen Energy Corp.	None	"	375	15,000	2.56%	15,000	
	Common stock	Advanced Supply Chain & Logistics Management Ltd.	None	"	1,200	12,000	16.67%	12,000	
	Common stock	Kore Semiconductor Co.,Ltd.	None	"	37,500	173,073	7.38%	173,073	
						1,302,770		1,302,770	
Marketech International Corp.	Common stock	Aerospace Industrial Development Corporation	None	Current financial assets measured at fair value through profit or loss	51	2,730	-%	2,730	
"	Common stock	Lasertec Corporation	None	"	20	161,466	-%	161,466	
						164,196		164,196	
Marketech International Corp.	Convertible bond	Nitride Solutions Inc.	None	Non-current financial assets measured at fair value through profit or loss	-	-	-%	-	
"	Convertible bond	Hallys Corporation	None	"	-	-	-%	-	
"	Convertible bond	Halio, Inc.	None	"	-	-	-%	-	
					-	-		-	
Marketech International Corp.	Convertible notes	Adant Technologies Inc.	None	Non-current financial assets measured at fair value through profit or loss	-	4,450	-%	4,450	
						4,450		4,450	
Ennoconn International Investment Co., Ltd.	Preference share	Funp Co.Ltd	None	Non-current financial assets measured at fair value through other comprehensive income	464	95,457	2.24%	95,457	
"	Preference share	Reed Semiconductor Corp.	None	"	250	31,957	0.45%	31,957	
Goldtek Technology Co., Ltd.	Preference share	Ember Technologies, Inc.	None	"	862	24,566	1.81%	24,566	
Hawkeye Tech Co., Ltd.	Preference share	Veea Inc	None	"	1,049	58,957	1.15%	58,957	
						210,937		210,937	
Marketech International Corp.	Preference share	Adant Technologies Inc.	Note 4	Non-current financial assets measured at fair value through profit or loss	175	128	-%	128	
"	Preference share	Halio, Inc.	Note 4	"	502	-	-%	-	
						128		128	
Marketech International Corp.	Convertible preference share	Biomedical Corporation	Note 4	Non-current financial assets measured at fair value through profit or loss	156	10,099	-%	10,099	
						10,099		10,099	
Ennoconn International Investment Co., Ltd.	Private equity fund	Cathay Private Equity Smart Technology Limited Partnership	None	Non-current financial assets measured at fair value through profit or loss	-	16,122	-%	16,122	
Caswell Inc.	Private equity fund	Phi 2 Capital Limited Partnership	None	"	-	48,127	-	48,127	
Marketech International Corp.	Private equity fund	Phi 2 Capital Limited Partnership	None	Non-current financial assets measured at fair value through profit or loss	-	24,737	-%	24,737	
"	Private equity fund	Vertex Growth(SG) LP	None	"	-	38,951	-%	38,951	
"	Private equity fund	Vertex Growth II(SG) LP	None	"	-	7,839	-%	7,839	
Goldtek Technology Co., Ltd.	Private equity fund	Phi 2 Capital Limited Partnership	None	"	-	244,200	-%	244,200	
"	Private equity fund	Fuyu Private Equity Limited Partnership	None	"	-	23,396	-%	23,396	
						403,372		403,372	
Ennoconn (Foshan) Investment Holdings Co., Ltd.	Private equity fund	Guangdong Hongtu Venture Capital Partnership Enterprise	None	Non-current financial assets measured at fair value through other comprehensive income	-	216,150	11.11%	216,150	
"	Private equity fund	Foshan City Zhaoke Innovative Intelligent Industry Investment Fund Partnership Enterprise	None	"	-	277,134	18.57%	277,134	
						493,284		493,284	

Note 1: None of the above securities were provided as collateral, pledged, or restricted in use based on agreements as of December 31, 2023.

Note 2: For information on investments in subsidiaries, please refer to Tables 8 and 9.

Note 3: For those measured at fair value, the carrying amount is the book balance after fair value valuation adjustment and deduction of accumulated impairment; for those not measured at fair value, the carrying amount is the book balance of initial acquisition cost or post-sale cost after deduction of accumulated impairment.

Note 4: Refers to holding of preferred shares.

Note 5: In July 2023, our company made an advance investment in WWonder Energy Co., Ltd., and has obtained a letter of intent from its major shareholder. The company's capital increase plan is in progress, and our company has accounted for it as a financial asset measured at fair value through profit or loss.

ENNOCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITION OF PROPERTY REACHING NT\$300 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

Ended December 31, 2023

Table 4

Unit: NT\$ thousand

The Company who acquired real estate	Name of property	Actual transaction date	Transaction amount	Payment status	Counterparty	Relationship	Information on previous transfer of counterparty if it is a related party				Reference used in setting the price	Purpose of acquisition and status of utilization	Other terms and conditions
							Property owner	Relationship with the issuer	Date of transfer	Amount			
Caswell Inc.	Land and building	112.08.09	635,000	Note 1	Huaku development Co., Ltd	-	N/A	N/A	N/A		Appraisal report	Group's business growth and development needs	Note 2

Note 1: As of December 31, 2023, \$190,500 thousand has been paid.

Note 2: From the delivery date of the contract to the date the Group obtains the property rights, the right-of-use of the property is acquired through lease, and recorded as right-of-use assets of \$618,599 thousand. After December 2026, when the property rights are obtained, it will be transferred to self-use property.

ENNOCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

December 31, 2023

Table 5

Unit: NT\$ thousand

Company with purchases (sales)	Counterparty	Relationship	Transaction details				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Remarks
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balances	Percentage of total notes/accounts receivable (payable)	
American Industrial Systems Inc.	Ennoconn Corporation	Second-tier subsidiary to parent company	Purchases	1,368,113	1.57%	Net 90 days		- No significant deviation	(489,686)	(2.36)%	
Highaim Technology Inc.	ANDRIX INTERNATIONAL LIMITED	Second-tier subsidiary to second-tier subsidiary	Sales:	(431,519)	(0.35)%	Net 150 days		- No significant deviation	255,787	1.25%	
HighAim Technology Inc.	ANDRIX INTERNATIONAL LIMITED	Second-tier subsidiary to second-tier subsidiary	Purchases	436,333	0.50%	Net 150 days		- No significant deviation	(257,428)	(1.24)%	
Ennoconn Corporation	Victor Plus Holdings Ltd.	Parent Company to second-tier subsidiary	Purchases	1,471,167	1.68%	Net 60 days		- No significant deviation	(41,182)	(0.20)%	
Ennoconn Corporation	American Industrial Systems Inc.	Parent Company to second-tier subsidiary	Purchases	113,278	0.13%	Invoice 30 days T/T		- No significant deviation	(416)	-%	
Ennoconn Corporation	Ennoconn Hungary Kft.	Parent Company to second-tier subsidiary	Sales:	(177,450)	(0.15)%	Net 60 days by T/T		- No significant deviation	31,742	0.16%	
Ennoconn Corporation	HighAim Technology Inc.	Parent Company to second-tier subsidiary	Purchases	135,922	0.16%	Invoice 90 days T/T		- No significant deviation	(61,510)	(0.30)%	
Ennoconn Corporation	Kontron America Inc.	Parent Company to second-tier subsidiary	Sales:	(154,201)	(0.13)%	Net 120 days		- No significant deviation	762	-%	
Marketch International Corp.	Marketch International Corporation USA	Second-tier subsidiary to second-tier subsidiary	Sales:	(547,547)	(0.45)%	Note 2		- No significant deviation	73,722	0.36%	
Marketch International Corp.	Hon Hai Precision Industry Co., Ltd.	Second-Tier Subsidiary to associates	Sales:	(105,351)	(0.09)%	Note 2		- No significant deviation	922	-%	
Marketch International Corp.	Altus Technology Inc.	Second-Tier Subsidiary to associates	Sales:	(128,197)	(0.11)%	Note 2		- No significant deviation	-	-%	
Shanghai Maohua Electronics Engineering Co., Ltd.	Mic-Tech Electronics Engineering Corp.	Second-tier subsidiary to second-tier subsidiary	Sales:	(312,455)	(0.26)%	Note 2		- No significant deviation	-	-%	
MIC-Tech Global Corp.	Marketch International Corp.	Second-tier subsidiary to second-tier subsidiary	Sales:	(157,805)	(0.13)%	Note 2		- No significant deviation	2,794	0.01%	
Ezoom Information, Inc.	Marketch International Corp.	Second-tier subsidiary to second-tier subsidiary	Sales:	(166,970)	(0.14)%	Note 2		- No significant deviation	79,742	0.39%	
Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchases	185,343	0.21%	Net 30 days		- No significant deviation	-	-%	
Techno Precision Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchases	413,370	0.47%	Net 60 days		- No significant deviation	-	-%	
Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Second-tier subsidiary to second-tier subsidiary	Sales:	(141,361)	(0.12)%	Invoice 45 days T/T		- No significant deviation	49,973	0.24%	
Caswell Inc.	Caswell Americas Inc.	Subsidiaries Company to second-tier subsidiary	Sales:	(160,625)	(0.13)%	O/A 90 days		- No significant deviation	30,538	0.15%	
Caswell Inc.	CASO, inc.	Subsidiaries Company to second-tier subsidiary	Sales:	(207,774)	(0.17)%	O/A 70 days		- No significant deviation	23,776	0.12%	
EnnoMech Precision Co., Ltd.	Victor Plus Holdings Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchases	1,502,277	1.72%	Net 60 days		- No significant deviation	(180,826)	(0.87)%	
EnnoMech Precision Co., Ltd.	Kontron Europe GmbH	Second-tier subsidiary to second-tier subsidiary	Sales:	(1,342,706)	(1.10)%	Net 120 days		- No significant deviation	116,903	0.57%	
EnnoMech Precision Co., Ltd.	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	Sales:	(184,223)	(0.15)%	Net 120 days		- No significant deviation	63,110	0.31%	
Ennoconn (Suzhou) Technology Co., Ltd.	HighAim Technology Inc.	Second-tier subsidiary to second-tier subsidiary	Purchases	201,230	0.23%	Net 90 days		- No significant deviation	(50,907)	(0.24)%	
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Second-tier subsidiary to second-tier subsidiary	Sales:	(4,354,752)	(3.58)%	Net 30 days		- No significant deviation	293,169	1.44%	
Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Asia Technology Inc.	Second-tier subsidiary to second-tier subsidiary	Purchases	611,271	0.70%	Net 45 days		- No significant deviation	(79,713)	(0.38)%	
Kontron Europe GmbH	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	Sales:	1,268,502	1.04%	Net 30 days		- No significant deviation	333,004	1.63%	
Kontron Asia Technology Inc.	Kontron Europe GmbH	Second-tier subsidiary to second-tier subsidiary	Sales:	335,229	0.28%	Net 30 days		- No significant deviation	4,411	0.02%	
Kontron Europe GmbH	Ennoconn Corporation	Second-tier subsidiary to parent company	Purchases	481,039	0.55%	Net 30 days		- No significant deviation	45,068	0.22%	
Kontron Austria GmbH	Kontron Electronics AG	Second-tier subsidiary to second-tier subsidiary	Sales:	145,468	0.12%	Net 30 days		- No significant deviation	81,201	0.40%	
Kontron Europe GmbH	Kontron Technology Beijing Co. Ltd.	Second-tier subsidiary to second-tier subsidiary	Sales:	149,556	0.12%	Net 30 days		- No significant deviation	33,396	0.16%	
Kontron Transportation France S.A.S.	Kontron Transportation GmbH	Second-tier subsidiary to second-tier subsidiary	Sales:	154,643	0.13%	Net 30 days		- No significant deviation	84,141	0.41%	
Kontron Austria GmbH	Kontron Europe GmbH	Second-tier subsidiary to second-tier subsidiary	Sales:	789,543	0.65%	Net 30 days		- No significant deviation	52,851	0.26%	
Kontron Canada Inc.	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	Sales:	597,430	0.49%	Net 30 days		- No significant deviation	113,913	0.56%	
Kontron d.o.o. (formerly: Iskratel d.o.o.)	AO IskraUralTel Yekaterinburg	Second-tier subsidiary to second-tier subsidiary	Sales:	223,353	0.18%	Net 30 days		- No significant deviation	115,190	0.56%	
Kontron Asia Technology Inc.	Kontron Austria GmbH	Second-tier subsidiary to second-tier subsidiary	Sales:	361,656	0.30%	Net 30 days		- No significant deviation	11,472	0.06%	
Kontron Electronics Kft.	Kontron Electronics GmbH	Second-tier subsidiary to second-tier subsidiary	Sales:	238,604	0.20%	Net 30 days		- No significant deviation	14,188	0.07%	
Kontron Europe GmbH	Kontron UK Ltd.	Second-tier subsidiary to second-tier subsidiary	Sales:	127,161	0.10%	Net 30 days		- No significant deviation	5,053	0.02%	
Kontron Transportation GmbH	Kontron Transportation Deutschland GmbH	Second-tier subsidiary to second-tier subsidiary	Sales:	182,640	0.15%	Net 30 days		- No significant deviation	42,526	0.21%	
Kontron d.o.o. (formerly: Iskratel d.o.o.)	Kontron Transportation GmbH	Second-tier subsidiary to second-tier subsidiary	Sales:	103,355	0.08%	Net 30 days		- No significant deviation	52,120	0.26%	
Kontron Transportation GmbH	Kontron Transportation France S.A.S.	Second-tier subsidiary to second-tier subsidiary	Sales:	180,679	0.15%	Net 30 days		- No significant deviation	49,086	0.24%	

Note 1: The above transactions related to consolidated entities have been eliminated when preparing the consolidated financial statements.

Note 2: Payments are made in installments according to the contract.

ENNOCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

December 31, 2023

Table 6

Unit: NT\$ thousand

Company accounted for receivables	Name of counterparty	Relationship	Accounts receivable from related parties Account balance	Turnover rate	Overdue receivables from related parties		Amount subsequently recovered from receivables from related parties	Provision for bad debtsImpairment loss
					Amount	Action taken		
Marketch International Corp.	Marketch International Corporation USA	Second-tier subsidiary to second-tier subsidiary	614,100		-	-	-	-
Ennoconn Corporation	American Industrial Systems Inc.	Parent Company to second-tier subsidiary	489,686		-	-	-	-
Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	104,418	1.79%	-	-	-	-
Techno Precision Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	198,684	50.13%	-	-	-	-
Techno Precision (Shenzhen) Co., Ltd.	T-Paragon Die Casting Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	137,068	24.02%	-	-	-	-
Victor Plus Holdings Ltd.	EnnoMech Precision Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	180,826		-	-	-	-
Highaim Technology Inc.	ANDRIX INTERNATIONAL LIMITED	Second-tier subsidiary to second-tier subsidiary	255,787		-	-	-	-
ANDRIX INTERNATIONAL LIMITED	HighAim Technology Inc.	Second-tier subsidiary to second-tier subsidiary	257,428		-	-	-	-
EnnoMech Precision Co., Ltd.	Kontron Europe GmbH	Second-tier subsidiary to second-tier subsidiary	116,903		-	-	-	-
Kontron Transportation GmbH	Kontron Transportation Sp .z.o.o.	Second-tier subsidiary to second-tier subsidiary	114,599		-	-	-	-
Kontron Europe GmbH	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	333,004		-	-	-	-
Kontron AG	Kontron Services Romania S.R.L. (formerly: S&T Romania S.R.L.))	Second-tier subsidiary to second-tier subsidiary	311,987		-	-	-	-
Kontron AG	Kontron Europe GmbH	Second-tier subsidiary to second-tier subsidiary	2,097,049		-	-	-	-
Kontron AG	Kontron Austria GmbH	Second-tier subsidiary to second-tier subsidiary	143,063		-	-	-	-
Kontron AG	Kontron Transportation GmbH	Second-tier subsidiary to second-tier subsidiary	778,901		-	-	-	-
Kontron Europe GmbH	Kontron Electronics GmbH	Second-tier subsidiary to second-tier subsidiary	510,130		-	-	-	-
Kontron Transportation Deutschland GmbH	Kontron Transportation GmbH	Second-tier subsidiary to second-tier subsidiary	202,443		-	-	-	-
Kontron d.o.o. (formerly: Iskratel d.o.o.)	JSC Iskra Technologies (formerly: AO IskraUralTel)	Second-tier subsidiary to second-tier subsidiary	235,676		-	-	-	-
Kontron Europe GmbH	Kontron Asia Pacific Design Sdn. Bhd.	Second-tier subsidiary to second-tier subsidiary	164,877		-	-	-	-
Kontron AG	Kontron Modular Computers S.A.S.	Second-tier subsidiary to second-tier subsidiary	156,852		-	-	-	-
Kontron AG	Kontron Electronics GmbH	Second-tier subsidiary to second-tier subsidiary	418,446		-	-	-	-
Kontron AG	Kontron Beteiligungs GmbH	Second-tier subsidiary to second-tier subsidiary	811,910		-	-	-	-
Kontron Beteiligungs GmbH	Kontron Europe GmbH	Second-tier subsidiary to second-tier subsidiary	811,168		-	-	-	-
Kontron Canada Inc.	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	113,913		-	-	-	-
Kontron Transportation GmbH	Kontron Transportation Espana, S.L.U.	Second-tier subsidiary to second-tier subsidiary	339,287		-	-	-	-
Kontron AG	Kontron d.o.o. (formerly: Iskratel d.o.o.)	Second-tier subsidiary to second-tier subsidiary	117,193		-	-	-	-
Kontron Transportation s.r.o.	Kontron Transportation GmbH	Second-tier subsidiary to second-tier subsidiary	291,894		-	-	-	-
Kontron Transportation GmbH	Comlab AG	Second-tier subsidiary to second-tier subsidiary	396,520		-	-	-	-
Kontron Transportation UK Ltd.	Kontron Transportation GmbH	Second-tier subsidiary to second-tier subsidiary	220,959		-	-	-	-
Kontron Transportation GmbH	Kontron Transportation s.r.o.	Second-tier subsidiary to second-tier subsidiary	188,614		-	-	-	-
Comlab AG	Comlab Deutschland GmbH	Second-tier subsidiary to second-tier subsidiary	109,404		-	-	-	-
Kontron AG	Kontron Electronics AG	Second-tier subsidiary to second-tier subsidiary	107,434		-	-	-	-

Note 1: The above transactions related to consolidated entities have been eliminated when preparing the consolidated financial statements.

Note 2: Not applicable as they are other receivables arising from loans to related parties.

ENNOCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RE-INVESTMENT INFORMATION (EXCLUDING INVESTEEES IN MAINLAND CHINA):

December 31, 2023

Table 7

Unit: NT\$ thousand

Name of Investor	Name of Investor	Location	Main business activities	Original investment amount		Amount held at the end of the period			Highest shareholding ratio during the period	Net income (loss) of the investee company for the period	Investment income (loss) recognized for the period	Remarks
				Ending balance of the period	Last year end	Number of Shares	Ratio (%)	Carrying amount				
Ennoconn Corporation	Innovative Systems Integration Limited	Hong Kong	Professional investment	1,952,933	1,952,933	518,216,530	100.00%	2,094,181	518,216,530	79,211	79,211	
Ennoconn Corporation	Ennoconn International Investment Co., Ltd.	Taiwan	Professional investment	8,010,000	8,010,000	820,635,000	100.00%	10,234,145	820,635,000	1,134,137	1,134,137	
Ennoconn Corporation	Caswell Inc.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale, and information software services	1,031,800	1,031,800	20,000,000	27.27%	927,580	20,000,000	322,707	69,026	
Ennoconn Corporation	Ennoconn Investment Holdings Co., Ltd.	Samoa	Professional investment	9,588,707	9,588,707	309,510,000	100.00%	13,181,459	309,510,000	679,575	679,575	
Ennoconn Corporation	AIS Cayman Technology	Cayman Islands	Professional investment	230,586	230,586	4,028,217	37.64%	509,248	4,028,217	272,779	102,677	
Innovative Systems Integration Limited	ENGA Technology Co., Ltd.	Hong Kong	Wholesale, manufacturing, service, import and export of software and hardware related to industrial computers and industrial control systems	-	107,151	3,500,000	100.00%	7	3,500,000	(448)	(448)	
Innovative Systems Integration Limited	Victor Plus Holdings Ltd.	Seychelles	Import and export trading	-	-	500,000	100.00%	3,570	500,000	(9,882)	(9,882)	
Ennoconn Investment Holdings Co., Ltd.	AIS Cayman Technology	Cayman Islands	Professional investment	292,774	292,774	6,672,469	62.36%	888,285	6,672,469	273,053	170,273	
Ennoconn Investment Holdings Co., Ltd.	Kontron AG	Austria	Information system software and hardware integration service	5,451,687	5,451,687	16,835,008	26.67%	9,327,174	16,835,008	2,619,062	617,431	
Ennoconn Investment Holdings Co., Ltd.	Ennoconn Hungary KFT	Hungary	Manufacturing and marketing of industrial computers	2,456,800	2,456,800	300,000	100.00%	2,562,033	300,000	26,971	26,971	
AIS Cayman Technology Group	American Industrial Systems Inc.	USA	Human-machine interface, industry 4.0, and other related products	46,065	46,065	1,500,000	100.00%	538,942	1,500,000	148,849	148,849	
AIS Cayman Technology Group	Vecow Co., Ltd.	Taiwan	Communication machinery and equipment, electronic equipment, and electronic devices	50,077	50,077	5,000,000	100.00%	602,068	5,000,000	125,084	125,084	
Ennoconn International Investment Co., Ltd.	Goldtek Technology Co., Ltd.	Taiwan	Wholesale and retail of telecommunications control RF equipment input and information software	492,221	492,221	17,022,831	56.74%	946,365	17,022,831	51,735	29,356	
Ennoconn International Investment Co., Ltd.	Caswell Inc.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale, and information software services	149,500	149,500	3,250,000	4.43%	153,771	3,250,000	95,350	11,217	
Ennoconn International Investment Co., Ltd.	EnnoMech Precision (Cayman) Co., Ltd.	Cayman Islands	Professional investment	423,798	423,798	13,800,000	100.00%	726,117	13,800,000	98,227	98,227	
Ennoconn International Investment Co., Ltd.	ENNOWYSE CORPORATION	Taiwan	Research, design and sales of mobile payment, electronic signature, and information security products	95,029	95,029	10,400,000	100.00%	(56,062)	10,400,000	(95)	(1,305)	
Ennoconn International Investment Co., Ltd.	Thecus Technology Corp.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale, and information software services	102,000	102,000	10,200,000	60.00%	(23,352)	10,200,000	(19,999)	(12,980)	
Ennoconn International Investment Co., Ltd.	Dexatek Technology Ltd.	Taiwan	Multimedia product R&D and design and manufacturing business	236,862	236,862	12,600,000	56.00%	379,294	12,600,000	113,063	56,114	
Ennoconn International Investment Co., Ltd.	Kontron AG	Austria	Information system software and hardware integration service	255,615	255,615	750,000	1.19%	495,520	750,000	2,587,262	27,611	
Ennoconn International Investment Co., Ltd.	Marketch International Corp.	Taiwan	Planning integration services for hightech industrial plants and process systems.	4,924,648	4,924,648	83,468,613	42.32%	6,937,709	83,468,613	2,161,833	901,146	
Ennoconn International Investment Co., Ltd.	POSLAB TECHNOLOGY CORPORATION	Taiwan	Manufacturing, wholesale and sales of electronic and peripheral equipment	132,317	132,317	9,100,000	70.00%	105,921	9,100,000	(5,462)	(3,823)	
Ennoconn International Investment Co., Ltd.	Rigo Global Co., Ltd.	Taiwan	Manufacturing, wholesale and sales of electronic and peripheral equipment	32,000	32,000	1,066,667	26.23%	28,575	1,066,667	(3,399)	(892)	
Ennoconn International Investment Co., Ltd.	Renown Information Technology Corp.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale, and information software services	29,600	29,600	2,960,000	37.06%	22,125	2,960,000	4,425	1,637	
Ennoconn International Investment Co., Ltd.	Arbor Technology Corporation	Taiwan	Development, assembly, integration, processing, and manufacturing of industrial computer control board interface cards	296,000	296,000	16,000,000	16.76%	330,523	16,000,000	122,901	20,598	
Ennoconn International Investment Co., Ltd.	Ennowell Co., Ltd.	Taiwan	Intelligent building system integration, energy management services, cloud services	9,000	9,000	1,350,000	30.00%	26,694	1,350,000	40,755	12,227	
Ennoconn International Investment Co., Ltd.	EnnoRise Corporation	Taiwan	Other power generation, transmission and distribution machinery manufacturing	60,000	-	6,000,000	60.00%	54,586	6,000,000	(9,023)	(5,414)	
Ennomech Precision (Cayman) Co., Ltd.	HighAim Technology Inc.	Samoa	Professional investment	332,996	332,996	3,382,618	67.65%	445,394	3,382,618	51,173	34,619	
Ennomech Precision (Cayman) Co., Ltd.	EnnoMech Precision Co., Ltd.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale, and information software services	12,166	12,166	1,000,000	100.00%	84,570	1,000,000	57,398	57,398	
HighAim Technology Inc.	ANDRIX INTERNATIONAL LIMITED	Angola	Cloud mechanical components	28	28	900	100.00%	24,740	900	6,852	6,852	
HighAim Technology Inc.	Funology Investment Inc.	Samoa	Cloud mechanical components	31	31	1,000	100.00%	16,883	1,000	1,139	1,139	
Caswell Inc.	CASO, Inc.	Japan	Import and sales of network equipment and computer peripheral products.	27,062	27,062	1,881	99.00%	118,863	1,881	19,067	18,876	
Caswell Inc.	Caswell International investment Co., Ltd.	Samoa	Overseas Investment	101,135	101,135	3,205,760	100.00%	163,658	3,205,760	(39,519)	(39,519)	
Caswell Inc.	Caswell Americas, Inc	USA	Sales of Netcom Products	92,460	92,460	3,000,000	100.00%	76,291	3,000,000	(354)	(354)	

Name of Investor	Name of Investor	Location	Main business activities	Original investment amount		Amount held at the end of the period			Highest shareholding ratio during the period	Net income (loss) of the investee company for the period	Investment income (loss) recognized for the period	Remarks
				Ending balance of the period	Last year end	Number of Shares	Ratio (%)	Carrying amount				
Caswell Inc.	Hawkeye Tech Co., Ltd.	Taiwan	Design and manufacturing of computers, networks and computing devices	602,041	602,041	9,096,667	60.64%	514,084	9,096,667	54,074	29,327	
Caswell Inc.	APLIGO GmbH	Germany	Hub and SI Service	60,275	60,275	24,000	66.67%	43,232	24,000	(35,608)	(23,983)	
Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Samoa	Professional investment	736,920	736,920	24,000,000	100.00%	190,722	24,000,000	(56,659)	(56,659)	
Keenest Electronic Corp.	Techno Precision Co., Ltd.	Hong Kong	Metal Stamping and Casting Industry	313,572	313,572	7,500,000	40.30%	181,612	7,500,000	25,592	10,118	
Techno Precision Co., Ltd.	T-Paragon Die Casting Co., Ltd.	Hong Kong	Finance/Logistics	29,477	29,477	7,500,000	50.00%	135,214	7,500,000	81,394	40,697	
T-Paragon Die Casting Co., Ltd.	Tairoun Products Co., Ltd. (Thailand)	Thailand	Metal Stamping and Casting Industry	199,276	167,716	221,000,000	100.00%	269,368	186,000,000	51,230	51,230	
Goldtek Technology Co., Ltd.	Nationgate Integration (M) Sdn.	Malaysia	Electronic Manufacturing Services	4,072	4,072	600,000	60.00%	4,135	600,000	58	35	
ENNOWYSE CORPORATION	HCT capital Management Consulting Co., Ltd.	Taiwan	General investment and investment consultancy	400	400	40,000	40.00%	102	40,000	(270)	(108)	
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Semiconductor Industry Automation Supply	331,733	292,147	14,636,958	100.00%	54,302	14,636,958	865	865	
Marketech International Corp.	Marketech Go Profits Ltd.	British Virgin Islands	Investment Holding and Reinvestment	1,299,429	1,299,429	40,119,104	100.00%	2,521,328	40,119,104	488,991	488,991	
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	General International Trade Industry	19,147	19,147	131,560	100.00%	18,831	131,560	4,068	4,068	
Marketech International Corp.	Headquarter International Ltd.	British Virgin Islands	Investment Holding and Reinvestment	42,475	42,475	1,289,367	100.00%	36,547	1,289,367	(512)	(512)	
Marketech International Corp.	Tiger United Finance Ltd.	British Virgin Islands	Investment Holding and Reinvestment	46,475	46,475	1,410,367	100.00%	34,474	1,410,367	(194)	(194)	
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting of Engineering Services	29,545	21,804	1,270,133	100.00%	2,815	1,270,133	(1,364)	(1,364)	
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Myanmar	Services of Automatic Production, Machinery and Components	478,985	478,985	1,535,600	100.00%	126,617	1,535,600	(19,604)	(19,604)	
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trading, Installation, and Maintenance Business of various Factory Machinery Equipment and Peripheral Consumables	271,476	131,060	-	100.00%	217,976	-	(4,565)	(4,565)	
Marketech International Corp.	Marketech Co., Ltd.	Vietnam	Professional contracting and related maintenance services for engineering; purchase, sale and maintenance of machine tools; purchase and sale of cosmetics and daily necessities; production, development and implementation of software and programming services; installation services for industrial machinery and equipment	72,596	72,596	-	100.00%	(1,666)	-	(8,333)	(8,333)	
Marketech International Corp.	Ezoom Information, Inc.	Taiwan	Development, sale, consultancy and other services related to information system software and hardware applications; sale of medical equipment	280,737	230,737	11,100,000	100.00%	20,727	11,100,000	(90,761)	(90,761)	
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Professional contracting and related maintenance services for engineering; sales of medical equipment	108,162	82,014	16,871,250	100.00%	33,826	16,871,250	(39,504)	(39,504)	
Marketech International Corp.	Marketech International Corporation USA	USA	Professional Contracting for Projects and Related Maintenance Services	556,886	259,794	18,450,000	100.00%	792,616	18,450,000	(180,857)	(180,857)	
Marketech International Corp.	Spiro Technology Systems Inc.	USA	General International Trade Industry	54,074	54,074	1,000,000	100.00%	83,886	1,000,000	1,279	1,279	
Marketech International Corp.	ADAT Technology Co., Ltd.	Taiwan	R&D , Application and Service of Information Software	84,119	84,119	5,005,940	25.62%	11,462	5,005,940	(68,201)	(17,469)	
Marketech International Corp.	PT Marketech International Indonesia	Indonesia	Trading of Machinery Equipments and Spare Parts	38,043	38,043	1,199,000	99.92%	34,490	1,199,000	(745)	(745)	
Marketech International Corp.	Marketech Netherlands B.V.	Netherlands	Services for Machinery, Equipment, and Components	40,510	40,510	1,200,000	100.00%	(2,793)	1,200,000	(8,309)	(8,309)	
Marketech International Corp.	Glory Technology Service Inc.	Taiwan	Trading and installation services for computer and communication equipment	42,714	42,714	6,208,320	29.24%	68,538	6,208,320	11,910	3,483	
Marketech International Corp.	Mic Techno Co., Ltd.	Taiwan	Engaged in the sale of panel equipment and materials	2,000	2,000	200,000	20.00%	1,809	200,000	10	2	
Marketech International Corp.	Taiwan Radisen HealthCare Co., Ltd.	Taiwan	Smart Medical Consulting Services and Investment	500	500	50,000	100.00%	333	50,000	(44)	(44)	
Marketech International Corp.	Vertex Corporation	Taiwan	Purchase and sale of 5G wireless communication private network equipment (micro base stations and core networks) and IoT intelligent control gateways; operation and maintenance of DMP cloud object management platform and provision of software management platform, vertical IT and CT communication system integration services	50,000	50,000	5,000,000	61.35%	23,198	5,000,000	(22,617)	(13,875)	
Marketech International Corp.	Bolite Co.,Ltd.	Taiwan	R&D, manufacturing and sales of precision laser-related modules and equipment, and provision of laser application solutions	27,200	19,200	2,240,000	37.33%	43,257	2,240,000	19,369	8,611	
Marketech International Corp.	MIC Healthcare Korea Co., Ltd.	South Korea	R&D, sales and professional technical services of medical devices and components; general international trade and import/export business	41,536	22,822	3,600,000	100.00%	4,464	3,600,000	(23,421)	(23,421)	
Marketech International Corp.	Marketech International Corp. Japan	Japan	General International Trade Industry	65,254	2,302	30,000	100.00%	55,214	30,000	(10,068)	(10,068)	
Marketech International Corp.	Advanced Technology Matrix United	USA	Warehouse logistics services; sales agency business for semiconductor equipment, parts, consumables, and semiconductor materials.	60,960	-	2,000,000	68.97%	61,342	2,000,000	(100)	(69)	
Marketech International Corp.	Radisen Co., Ltd.(Ordinary share)	South Korea	AI medical solutions and remote radiology medical platform	12,454	12,454	87,803	18.49%	7,638	87,803	(35,588)	(6,581)	
Marketech International Corp.	Radisen Co., Ltd.(Preference share)	South Korea	AI medical solutions and remote radiology medical platform	73,208	24,368	188,961	44.85%	88,645	188,961	(35,588)	-	
Marketech International Corp.	Marketech International Corporation Germany GmbH	Germany	Equipment and component sales business; technical service business, etc.	6,617	-	200,000	100.00%	5,642	200,000	(1,144)	(1,144)	
Marketech International Corp.	MIC Industrial Viet Nam Co., Ltd.	Vietnam	Assembly and Testing of Refrigeration Equipment on an OEM Basis.	39,567	-	-	100.00%	38,253	-	235	235	
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Cayman Islands	Investment Holding and Reinvestment	1,293,932	1,293,932	40,016,604	100.00%	2,520,116	40,016,604	489,101	-	
Marketech Engineering Pte. Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Contracting of Engineering Services	27,083	19,342	88,500	98.33%	2,401	88,500	(1,143)	-	
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Hong Kong	Investment Holding and Reinvestment	34,551	34,551	833,000	100.00%	9,335	833,000	17,507	-	
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Investment Holding and Reinvestment	-	31,422	-	0.00%	-	2,337,608	15	-	
MIC-Tech Ventures Asia Pacific Inc.	Mict International Limited	Hong Kong	Investment Holding and Reinvestment	132,282	132,282	5,400,000	60.00%	27,034	5,400,000	(9,370)	-	
MIC-Tech Ventures Asia Pacific Inc.	Leader Fortune Enterprise Co., Ltd.	Samoa	Investment Holding and Reinvestment	8,990	8,990	303,000	31.43%	(5,036)	303,000	(1,707)	-	
MIC-Tech Ventures Asia Pacific Inc.	Fortune Blessing Co., Limited	Hong Kong	Investment Holding and Reinvestment	45,985	45,985	500,000	27.78%	6,654	500,000	237	-	

Name of Investor	Name of Investor	Location	Main business activities	Original investment amount		Amount held at the end of the period			Highest shareholding ratio during the period	Net income (loss) of the investee company for the period	Investment income (loss) recognized for the period	Remarks
				Ending balance of the period	Last year end	Number of Shares	Ratio (%)	Carrying amount				
Rusky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading of Machinery Equipments and Spare Parts	32	32	1,000	0.08%	31	1,000	(745)	-	
Kontron AG, Austria	S&T Plus s.r.o., Czech Republic	Prague, CZ	IoT Solutions Europe	-	101,379	-	0.00%	-	10,000,000	-	-	
Kontron AG, Austria	Kontron Bulgaria EOOD (formerly: S&T Bulgaria e.o.o.d., Bulgaria)	Sofia, BG	IoT Solutions Europe	134,221	43,187	13,126	100.00%	142,520	13,126	59,452	59,452	
Kontron AG, Austria	Kontron Services Romania S.R.L. (formerly: S&T Romania S.R.L., Romania)	Bucharest, RO	IoT Solutions Europe	109,657	109,657	2,461	31.00%	44,408	2,461	(321,051)	(99,750)	
Kontron AG, Austria	S&T Mold srl., Moldova	Chisinau, MD	IT Services	-	61,164	-	0.00%	-	-	11,169	5,696	
S&T Mold srl., Moldova	S&T IT Technologie S.R.L., Moldova	Chisinau, MD	IT Services	-	83	-	0.00%	-	-	(1,457)	(1,457)	
Kontron AG, Austria	Kontron Hungary Kft. (formerly: S&T Consulting Hungary Kft., Hungary)	Budapest, HU	IT Services	589,440	405,948	100,000	100.00%	193,115	100,000	19,649	19,649	
Kontron Hungary Kft. (formerly: S&T Consulting Hungary Kft., Hungary)	Kontron Operations Hungary Kft. (formerly:S&T Services Kft., Hungary)	Budapest, HU	IT Services	-	123,257	-	100.00%	-	-	(14,792)	(14,792)	
Kontron S&T AG, Germany	Kontron Asia Inc., Taiwan	Taipei, TW	IT Services	95,045	95,045	13,000	100.00%	213,854	13,000	72,968	72,968	
Kontron AG, Austria	CBCX Technologies GmbH (formerly: computer betting company gmbh, Austria)	Linz, AT	IT Services	1,283,518	1,282,329	36,336	100.00%	410,902	36,336	37,417	37,417	
computer betting company gmbh, Austria	Kontron Services Romania S.R.L. (formerly: S&T Romania S.R.L., Romania)	Bucharest, RO	IoT Solutions Europe	57,418	57,418	5,460	69.00%	98,521	5,460	(321,051)	(221,300)	
Kontron AG, Austria	SecureGUARD GmbH, Austria	Linz, AT	IT Services	-	80,567	-	0.00%	-	-	-	-	
Kontron Europe GmbH, Germany	Kontron Austria GmbH, Austria	Engerwitzdorf, AT	IT Services	2,399	2,399	3,634	10.00%	81,572	3,634	121,706	12,171	
Kontron Austria GmbH, Austria	Kontron Electronics AG, Switzerland	Rotkreuz, CH	IT Services	-	-	1,000	100.00%	(127,970)	1,000	(13,078)	(13,078)	
Kontron AG, Austria	Kontron Austria GmbH, Austria	Engerwitzdorf, AT	IT Services	640,346	249,576	32,702	90.00%	734,145	32,702	121,706	109,536	
Kontron AG, Austria	Kontron Technologies GmbH (former S&T Technologies GmbH), Austria	Linz, AT	IoT Solutions Europe	454,601	420,621	35,000	100.00%	432,875	35,000	14,107	14,107	
Kontron AG, Austria	S&T MEDTECH SRL (former GADA GROUP ROMANIA SRL), Romania	Bucharest, RO	IoT Solutions Europe	396,712	396,712	105,000	100.00%	317,245	105,000	38,751	38,751	
Kontron Europe GmbH, Germany	Kontron electronics GmbH, Germany	Großbettlingen, DE	IoT Solutions Europe	654,506	654,506	102,150	100.00%	648,453	102,150	(37,236)	(37,236)	
Kontron electronics GmbH, Germany	Kontron Electronics Kft.	Kapoly, HU	IT Services	4,927	4,927	3,000,000	100.00%	114,605	3,000,000	25,714	25,714	
Kontron Beteiligungs GmbH	Kontron Europe GmbH	Ismaning, DE	IoT Solutions Europe	8,041,509	7,114,553	23,600,000	100.00%	5,253,323	23,600,000	696,906	696,906	
Kontron Europe GmbH, Germany	Kontron America Inc.	San Diego / USA	IoT Solutions Europe	1,543,170	1,121,259	2,036,040	100.00%	875,315	2,036,040	107,751	107,751	
Kontron Europe GmbH, Germany	Kontron Canada Inc.	Boisbriand / Canada	IoT Solutions Europe	1,648,535	2,046,029	50,000,200	100.00%	983,566	50,000,200	15,967	15,967	
Kontron Europe GmbH, Germany	Kontron Asia Pacific Design Sdn. Bhd.	Penang / Malaysia	IoT Solutions Europe	172,323	172,323	44,581,102	100.00%	(133,199)	44,581,102	(4,396)	(4,396)	
Kontron Europe GmbH, Germany	Kontron Technology Beijing Co. Ltd.	Beijing / China	IoT Solutions Europe	31,203	31,203	15,398,961	100.00%	424,058	15,398,961	37,074	37,074	
Kontron Europe GmbH, Germany	Kontron Modular Computers S.A.S.	Toulon / France	IoT Solutions Europe	175,278	175,278	344,503	100.00%	206,088	344,503	55,254	55,254	
Kontron Europe GmbH, Germany	Kontron UK Ltd.	Chichester / UK	IoT Solutions Europe	58,162	58,162	172,550	100.00%	150,232	172,550	21,450	21,450	
Kontron AG, Austria	Kontron Transportation GmbH	Vienna, AT	IoT Solutions Europe	370,446	370,446	10,000,000	100.00%	1,110,597	10,000,000	448,258	448,258	
Kontron Transportation GmbH	Kapsch CarrierCom Sp. z o.o.	Warsaw, PL	IoT Solutions Europe	339	-	100,000	100.00%	(43,752)	100,000	3,154	3,154	
Kontron Transportation GmbH	Kontron Transportation Espana SL (former Kapsch CarrierCom Espana, S.L.U.)	Madrid, Spain	IoT Solutions Europe	16,650	-	250,000	100.00%	4,915	250,000	(6,993)	(6,993)	
Kontron Transportation GmbH	Kontron Transportation Portugal Unipessoal LDA (former Kapsch CarrierCom - Unipessoal LDA Co., Ltd)	Lisboa, Portugal	IoT Solutions Europe	27,354	-	5,000	100.00%	44,675	5,000	2,761	2,761	
Kontron Transportation GmbH	Kontron Transportation s.r.o.	Prague, CZ	IoT Solutions Europe	166,502	-	30,400,000	100.00%	121,259	30,400,000	45,232	45,232	
Kontron Transportation GmbH	Kontron Transportation Hungary Kft.	Budapest, HU	IoT Solutions Europe	-	-	-	100.00%	-	-	(13,448)	(13,448)	
Kontron Transportation GmbH	Kontron Transportation Deutschland GmbH (former Kapsch CarrierCom Deutschland GmbH)	Neu-Isenburg, GE	IoT Solutions Europe	33,810	-	25,000	100.00%	119	25,000	10,836	10,836	
Kontron Transportation GmbH	Kontron Transportation France S.A.S	Paris, FR	IoT Solutions Europe	506,302	-	8,600,000	100.00%	384,480	8,600,000	168,572	168,572	
Kontron Transportation GmbH	Kontron Transportation UK Ltd.	Harrow, UK	IoT Solutions Europe	16,869	-	415,950	100.00%	125,771	415,950	27,570	27,570	
Kontron Transportation GmbH	Kontron Public Transportation (former: Kontron Transportation NV)	Diegem, BE	IoT Solutions Europe	444,535	-	11,318,887	99.00%	(12,571)	11,318,887	(15,831)	(15,826)	
Kontron AG, Austria	Kontron AIS GmbH	Dresden, Germany	IoT Solutions Europe	549,630	447,690	51,000	100.00%	526,152	51,000	15,049	15,049	
Kontron AG, Austria	Kontron Beteiligungs GmbH	Augsburg, DE	IoT Solutions Europe	8,127,962	7,140,746	25,001	100.00%	8,041,608	25,001	(4)	(4)	
Kontron AG, Austria	Kontron d.o.o. (formerly: Iskratel d.o.o.)	Kranj, SI	IoT Solutions Europe	2,380,145	2,056,710	109,275	100.00%	1,895,048	109,275	24,083	24,083	

Name of Investor	Name of Investor	Location	Main business activities	Original investment amount		Amount held at the end of the period			Highest shareholding ratio during the period	Net income (loss) of the investee company for the period	Investment income (loss) recognized for the period	Remarks
				Ending balance of the period	Last year end	Number of Shares	Ratio (%)	Carrying amount				
Kontron d.o.o. (formerly: Iskratel d.o.o.)	ITS Softver d.o.o	Skopje, MK	IoT Solutions Europe	13,480	170	309,000	100.00%	17,822	309,000	3,639	3,639	
Kontron d.o.o. (formerly: Iskratel d.o.o.)	IskraCom	Almaty, KZ	IoT Solutions Europe	-	-	15,365,000	100.00%	8,139	15,365,000	2,149	2,149	
Kontron d.o.o. (formerly: Iskratel d.o.o.)	OOO Iskratel Tashkent	Tashkent, UZ	IoT Solutions Europe	65	65	8,798,207	76.00%	11,612	8,798,207	2,360	1,794	
Kontron d.o.o. (formerly: Iskratel d.o.o.)	JSC Iskra Technologies (formerly: AO IskraUralTel)	Yekaterinburg, RU	IoT Solutions Europe	38,430	38,430	760,000	48.00%	155,192	760,000	171,578	171,578	
JSC Iskra Technologies (formerly: AO IskraUralTel)	RTSoft, AO	Moscow, RU	IT Services	-	260,641	-	0.00%	-	-	(49,112)	(49,112)	
Kontron AIS GmbH	LUCOM GmbH	Fürth, DE	IoT Solutions Europe	-	169,900	-	0.00%	-	-	-	-	
Kontron Transportation Espana SL	Kontron Public Transport Arce S.A.U. (formerly: Arce Mobility Solutions S.A.U.)	Bilbao, ES	IoT Solutions Europe	258,248	258,248	60,000	100.00%	276,769	60,000	18,369	18,369	
Kontron Transportation GmbH	Kontron Transportation Schweiz AG	Ittigen, CH	IoT Solutions Europe	-	-	12,000,000	100.00%	(90,728)	12,000,000	(76,124)	(76,124)	
Kontron Transportation Schweiz AG	Comlab Deutschland GmbH	Hilden, DE	IoT Solutions Europe	5,746	-	100,000	100.00%	(91,494)	100,000	64,940	64,940	
Kontron AG	Hartmann Electronic GmbH	Stuttgart, DE	IoT Solutions Europe	564,518	-	222,000	100.00%	194,499	222,000	1,178	1,178	
Kontron AG	W-IE-NE-R Power Electronics GmbH	Köln, DE	IoT Solutions Europe	73,949	-	51,129	100.00%	143,264	51,129	(5,475)	(5,475)	
Kontron America Inc.	Bsquare Corporation	Washington, US	IoT Solutions Europe	3	-	153,621,779	100.00%	(94,215)	153,621,779	15,773	15,773	
Bsquare Corporation	Bsquare EMEA Ltd.	Trowbridge; UK	IoT Solutions Europe	135,278	-	246,243	100.00%	9,775	246,243	(8,402)	(8,402)	

Note 1: Calculated based on the financial statements of the investee company for the same period audited by the CPA and the shareholding ratio of the investing company.

Note 2: The investment income (loss) recognized for the period includes the amortization of the difference between the investment cost and equity.

Note 3: Kontron AG, Austria originally held 100% direct ownership of Kontron S&T AG, Germany. Due to an organizational restructuring, it now indirectly holds Kontron S&T AG, Germany through the establishment of Kontron Beteiligungs GmbH.

Note 4: The original investment amount in the information about the investee company is translated at the spot exchange rate at the end of the period of the Bank of Taiwan.

ENNOCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

Ended December 31, 2023

Table 8

Unit: NT\$ thousand

1. Name, major businesses, and related information about investees in mainland China:

Name of investee company in Mainland China	Main business activities	Paid-in capital	Method of investment	The cumulative outward investment amount from Taiwan at the beginning of this period	Investment amount exported or recovered this period		The cumulative outward investment amount from Taiwan at the ending of this period	Net income (loss) of investee company for the current period	Percentage of ownership directly or indirectly held by the Company	Highest shareholding or investment ratio during the period	Investment income (loss) recognized for the current period	Carrying amount of the investment at the end of the period	Investment income remitted back as of the end of the period
					Remittance	Recovery							
Nanjing Asiatek Inc.	Engage in R&D, Sales of Software and Hardware Products, and provide Installation, Commissioning and Technical Consulting	92,130	(2)	31,934	-	-	31,934	27,918	100.00%	100.00%	27,918	207,139	-
Shenzhen Asiatek Inc.	Metal products, plastic products	129,900	(3)	-	-	-	-	15,729	0.00%	25.00%	3,932	-	-
Ennoconn (Foshan) Investment Holdings Co., Ltd.	Professional investment	499,215	(3)	299,301	-	-	299,301	(1,418)	100.00%	100.00%	(1,083)	505,173	-
Ennoconn (Suzhou) Technology Co., Ltd.	R&D, production, and sales of industrial computers	1,857,955	(2)	921,300	-	-	921,300	61,245	100.00%	100.00%	61,245	1,645,192	-
Ennoconn (Kunshan) Technology Co., Ltd.	Intelligent technology development and hardware sales	16,608	(3)	-	-	-	-	1,282	70.00%	70.00%	898	883	-
Ennoconn Investment Co., Ltd.	Professional investment	581,207	(3)	614,200	-	-	614,200	7,152	100.00%	100.00%	3,826	617,335	-
Suzhou HuaShiDa Intelligent Technology Co., Ltd.	Manufacture of intelligence vehicle equipment	3,071	(2)	-	-	-	-	(57)	100.00%	100.00%	(57)	3,062	-
Beijing Caswell Ltd.	Production and Sales of Network Communication Products	116,679	(2)	95,677	-	-	95,677	(48,139)	25.99%	25.99%	(12,513)	56,659	-
Highaim Technology Inc.	Design, R&D, and Production of various Molds, Servers and Communication Equipment	614,200	(2)	459,148	-	-	-	31,187	67.65%	67.65%	21,098	410,204	-
Kunshan Liding Intelligent Equipment Co., Ltd.	Rental, Sales and After-sales Service of Intelligent and Machinery Equipment and its Accessories.	4,330	(3)	-	-	-	-	1,942	67.65%	67.65%	1,314	(7,399)	-
Highaim Technology (Shenzhen) Inc.	Automation Jigs, Fixtures and Molds	-	(3)	-	-	-	-	6,161	67.65%	67.65%	4,168	(1)	-
Goldtek Technology (Shenzhen) Co., Ltd.	Research, design and sales of electronic products, communication devices and their spare parts, and after-sales service of the above products.	399,165	(2)	399,165	-	-	399,165	(69,337)	56.74%	56.74%	(39,344)	(58,990)	-
Techno Precision (Shenzhen) Co., Ltd.	Stamping/Assembly	90,367	(2)	-	-	-	-	(343)	22.87%	22.87%	(79)	(29,055)	-
Techno Precision (Shenzhen) Co., Ltd.	Zinc/Aluminum Alloy Die Casting	19,645	(2)	-	-	-	-	24,823	11.43%	11.43%	2,838	19,642	-
Goldtek Technology (Shenzhen) Co., Ltd.	Sales of Electronic Products and Special Materials	4,327	(2)	-	-	-	-	(1,533)	56.74%	56.74%	(870)	1,175	-
Mic-Tech (Wuxi) Co., Ltd.	Production and Sales of Semiconductor Devices, Intelligent Warehousing Equipment, Lighting Fixtures, Masks and Labor Protection Products	782,978	(2)	629,453	-	-	629,453	(40,911)	42.32%	42.32%	(17,086)	42,055	-
Mic-Tech (Shanghai) Corp.	Sales, commission agency, import and export of semiconductor industry and other industries' equipment, consumables, chemicals, parts and components, and other related supporting businesses; equipment installation and maintenance services; bonded area trade agency and business consulting services.	253,040	(2)	15,353	-	-	15,353	264,091	42.32%	42.32%	111,763	408,040	217,487
Shanghai Maohua Electronics Engineering Co., Ltd.	Regeneration of exhaust drums, design, installation, commissioning and technical services for piping systems and related facilities used in the semiconductor manufacturing industry; equipment repair for semiconductor manufacturing industry.	18,423	(2)	18,515	-	-	18,515	20,510	36.82%	36.82%	7,551	2,925	-
Mic-Tech Electronics Engineering Corp.	Mechanical and Electrical Installation Construction , Professional Decorative Construction Contracting, Professional Intelligent Building Construction Contracting, Professional Electronic Construction Professional Contracting and related Technical Services and Technical Consulting.	540,991	(2)	261,607	-	-	261,607	164,865	42.32%	42.32%	69,771	396,919	112,742
Integrated Manufacturing & Services Co., Ltd.	Develop and Produce Special Equipment for Solar Cell Production, Manufacture Key Components of Large-screen Color Projection Displays, Manufacture new Electronic Components, and Provide Services such as Cleaning and Regeneration	214,935	(2)	119,750	-	-	119,750	(9,370)	25.39%	25.39%	(2,379)	11,116	-

Name of investee company in Mainland China	Main business activities	Paid-in capital	Method of investment	The cumulative outward investment amount from Taiwan at the beginning of this period	Investment amount exported or recovered this period		The cumulative outward investment amount from Taiwan at the ending of this period	Net income (loss) of investee company for the current period	Percentage of ownership directly or indirectly held by the Company	Highest shareholding or investment ratio during the period	Investment income (loss) recognized for the current period	Carrying amount of the investment at the end of the period	Investment income remitted back as of the end of the period
					Remittance	Recovery							
Mic-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export, installation, maintenance and other related supporting businesses of chemical products, semiconductor and solar equipment consumables, machinery equipment and accessories; bonded area trade agency and business consulting services	46,058	(2)	46,058	-	-	46,058	123,611	42.32%	42.32%	52,312	99,542	-
Macrotec Technology (Shanghai) Co. Ltd.	Wholesale, commission agency, import and export, and related supporting businesses of electronic products, instruments and meters, metal products, and electromechanical equipment; international trade, entrepôt trade, bonded area enterprise trade, and intra-area trade agency.	29,382	(2)	9,234	-	-	9,234	(1,707)	13.30%	13.30%	(227)	(2,133)	-
Fortune International Corporation	Research and development, design, manufacturing, sales, installation, maintenance and technical services related to equipment and materials for semiconductors; supply chain and property management services; accommodation services for park management; venue rental, conference, exhibition, warehousing services	55,269	(2)	15,353	-	-	15,353	259	11.76%	11.76%	30	2,804	-
Comlab Beijing Radio Frequency Technology co. ltd.	Software and Solutions	121,506	(3)	-	-	-	-	20,018	12.79%	12.79%	2,560	8,272	-

2. Investment limit in mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of the end of the period	Approved investment amount by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs
Ennoconn Corporation	1,866,735	2,910,868	13,140,422
Goldtek Technology Co., Ltd.	713,977	713,977	975,008
Caswell Inc.	95,677	95,677	2,040,880
Ennoconn International Investment Co., Ltd.	332,996	444,738	6,132,039
Marketech International Corp.	1,203,329	1,883,291	6,741,623

Note 1: Investment methods are classified into the following three categories, just indicate the category:
 (1) Directly invest in a company in Mainland China.
 (2) Invest in Mainland China through a company in a third region (please specify the name of the company in the third region).
 (3).Others

Note 2: In the 'Investment income (loss) recognized for the current period' column:
 (1) It should be indicated if the investee is still in the incorporation stage and has not yet generated any profit or loss.
 (2) Indicate the basis for investment income (loss) recognition in (2), which should be one of the following three categories:
 A. The financial statements that are audited and attested by an international accounting firm which has a cooperative relationship with an accounting firm in R.O.C.
 B. The financial statements that are audited and attested by the parent company's CPA in Taiwan.
 C.Others

Note 3: The exchange rate is based on the spot average exchange rate of the Bank of Taiwan on December 31, 2023.

Note 4: They are non-material associates whose financial statements are unaudited, which does not result in material impact.

ENNOCONN CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENTS

December 31, 2023

Unit: NT\$ thousand

Item	Summary (Exchange Rate)	Original Currency	Amount
Petty cash	NTD-	\$ -	190
Cash	USD(30.71)	1.00	42
	EUR (33.98)	5.00	160
	RMB (4.33)	4.00	18
	CAD(23.20)	1.00	30
	GBP(39.15)	1.00	41
	VND-	2,000.00	3
Demand deposits	NTD-	-	263,836
Foreign currency deposits	USD(30.71)	11,051.00	339,321
	JPY (0.22)	331.00	72
	GBP(39.15)	2.00	81
Deposit account	USD(30.71)	5,400.00	165,807
Checking accounts		-	1
			<u>\$ 769,602</u>

ENNOCONN CORPORATION
STATEMENT OF ACCOUNTS RECEIVABLE

December 31, 2023

Unit: NT\$ thousand

Name of clients	Summary	Amount
Non-related party		
Company A	Operation	\$ 424,508
Company B	Operation	82,284
Company C	Operation	64,466
Company D	Operation	45,775
Company E	Operation	44,762
Other (less than 5% of the balance in this account)	Operation	<u>126,128</u>
Subtotal		787,923
Less: Allowance for loss		<u>(61,561)</u>
Total		<u>\$ 726,362</u>
Related parties		
American Industrial Systems, Inc.	Operation	\$ 489,686
Ennoconn Hungary Kft.	Operation	31,742
Other (less than 5% of the balance in this account)	Operation	<u>25,644</u>
		<u>\$ 547,072</u>

ENNOCONN CORPORATION
STATEMENT OF INVENTORIES

December 31, 2023

Unit: NT\$ thousand

Item	Amount	
	Cost	Net realisable value
raw materials	\$ 470,980	386,948
work in process	185,056	185,056
Semi-finished products	147,273	138,820
Finished good	62,171	40,102
Less: Allowance for inventory devaluation losses	(114,554)	-
Total	<u>\$ 750,926</u>	<u>750,926</u>

ENNOCONN CORPORATION
INVESTMENT CHANGE BASED ON EQUITY METHOD
December 31, 2023

Unit: NT\$ thousand

Name	Beginning Balance		Increase for the current period		Decrease for the current period		Investment (loss) income amount	Conversion adjustment amount	Recognized other comprehensive income amount	Others	Ending Balance			Shareholders' equity	Conditions of Guarantee or Pledge Provided
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount					Number of shares (thousand shares)	Shareholding Ratio	Amount		
Publicly quoted entity															
Caswell Inc.	20,000	\$ 1,141,970	-	-	-	-	69,026	(2,381)	(1,098)	(69,850)	20,000	27.27%	1,137,667	3,401,465	None
Note 1															
Non-TWSE/TPEx-Listed Companies															
Innovative Systems Integration Limited	518,217	2,053,086	-	-	-	-	79,211	(38,376)	-	-	518,217	100.00%	2,093,921	2,094,181	None
Ennoconn International Investment Co., Ltd.	820,635	9,915,175	-	-	-	-	1,134,136	(33,871)	(11,746)	(783,629)	820,635	100.00%	10,220,065	10,234,146	None
Note 2															
Ennoconn Investment Holdings Co., Ltd	309,510	12,560,430	-	-	-	-	679,575	(173,494)	32,598	26,093	309,510	100.00%	13,125,202	13,121,320	None
Note 3															
AIS Cayman Technology Group	4,028	<u>386,606</u>	-	<u>-</u>	-	<u>-</u>	<u>102,677</u>	<u>(3,063)</u>	<u>24,445</u>	<u>-</u>	4,028	37.64%	<u>510,665</u>	<u>509,248</u>	None
		<u>\$ 26,057,267</u>		<u>-</u>		<u>-</u>	<u>2,064,625</u>	<u>(251,185)</u>	<u>44,199</u>	<u>(827,386)</u>			<u>27,087,520</u>	<u>29,360,360</u>	

Note 1: Received cash dividends of (NT\$72,000) thousand, adjusted equity net worth of NT\$2,150 thousand.
Note 2: Received cash dividends of (NT\$1,066,825) thousand, adjusted equity net worth of NT\$283,196 thousand.
Note 3: Received cash dividends of NT\$40,257 thousand, adjusted equity net worth of NT\$(14,164) thousand.

ENNOCONN CORPORATION
STATEMENT OF SHORT-TERM BORROWINGS
December 31, 2023

Unit: NT\$ thousand

Type of loans	Explanation	Ending Balance	Term of the agreement	Interest rate range	Unused quota	Collaterals or guarantees
Credit loan	Taishin International Bank	\$ 170,000	July 27, 2023 - July 31, 2024	1.75%	1,030,000	None
Credit loan	Far Eastern International Bank	250,000	June 20, 2023 - June 20, 2024	1.70%	950,000	None
Credit loan	Bank SinoPac -	100,000	September 22, 2023 - September 30, 2024	1.70%	900,000	None
Credit loan	DBS Bank -	200,000	Indefinite	1.68%	800,000	None
Credit loan	E.Sun Bank, Ltd.	150,000	June 20, 2023 - June 20, 2024	1.70%	850,000	None
Credit loan	The Export-Import Bank of China	500,000	December 28, 2023 - December 28, 2024	1.70%~1.71%	300,000	None
Credit loan	Chang Hwa Commercial Bank, Ltd.	1,000	March 24, 2023 - March 24, 2024	2.06%	299,000	None
Credit loan	Sumitomo Mitsui Bank	-	Indefinite		1,535,250	None
Credit loan	KGI Commercial Bank -	-	January 13, 2023 - January 13, 2025		1,500,000	None
Credit loan	First Commercial Bank, Ltd.	-	December 22, 2023 - December 22, 2024		1,200,000	None
Credit loan	CTBC Bank	-	June 30, 2023 - June 30, 2024		800,000	None
Credit loan	Mega International Commercial Bank	-	January 3, 2023 - January 2, 2024		800,000	None
Credit loan	Cathay United Bank	-	November 20, 2023 - November 30, 2024		800,000	None
Credit loan	Taiwan Cooperative Bank	-	2023/12/21 - 2024/12/20		600,000	None
Credit loan	Chang Hwa Commercial Bank, Ltd.	-	2023/05/24 - 2024/04/30		400,000	
		\$ 1,371,000			12,764,250	

ENNOCONN CORPORATION
STATEMENT OF ACCOUNTS PAYABLE

December 31, 2023

Unit: NT\$ thousand

Name of clients	Summary	Amount
Non-related party		
Company A	Loan	\$ 86,834
Company B	Loan	59,374
Company C	Loan	35,431
Company D	Loan	29,285
Company E	Loan	29,113
Other (less than 5% of the balance in this account)	Loan	229,784
Total		<u>\$ 469,821</u>
Related parties		
HighAim Technology Inc.	Loan	\$ 80,545
Victor Plus Holdings Ltd.	Loan	41,182
Other (less than 5% of the balance in this account)	Loan	5,708
		<u>\$ 127,435</u>

ENNOCONN CORPORATION
STATEMENT OF TRADE PAYABLE

December 31, 2023

Unit: NT\$ thousand

Name of Bonds	Trustee	Issuance Date	Interest rate	Amount					Repayment method	Status of collateral
				Issued amount	Repaid amount	Ending Balance	Unamortized discount	Carrying amount		
Third domestic unsecured convertible bonds in 2019	Yuanta Securities	108.02.26	- %	\$ 6,000,000	5,198,300	801,700	1,452	800,248	Note 6(12)	None
First unsecured privately placed convertible bonds in 2021		110.09.02	- %	1,500,000	-	1,500,000	19,027	1,480,973	Note 6(12)	None
Fourth domestic unsecured convertible bonds in 2021	Bank SinoPac Co., Ltd.	110.11.16	- %	1,000,000	650,601	349,399	9,846	339,553	Note 6(12)	None
Third domestic unsecured convertible bonds in 2019	Bank SinoPac Co., Ltd.	112.08.16	- %	3,000,000	-	3,000,000	136,183	2,863,817	Note 6(12)	None
				<u>\$ 11,500,000</u>	<u>5,848,901</u>	<u>5,651,099</u>	<u>166,508</u>	<u>5,484,591</u>		

ENNOCONN CORPORATION
STATEMENT OF OPERATING REVENUE
Ended December 31, 2023

Unit: NT\$ thousand

Item	Amount
Motherboard	\$ 5,276,049
Repairs and maintenance	11,191
Allowance for sales returns and discounts	(100,607)
	<u>\$ 5,186,633</u>

ENNOCONN CORPORATION
STATEMENT OF OPERATING COST
 Ended December 31, 2023

Unit: NT\$ thousand

Item	Amount
Raw materials, beginning	\$ 618,318
Materials purchased in the period	2,251,289
Transferred costs and others	(24,751)
Raw materials, ending (including inventory in transit)	<u>(470,980)</u>
Materials consumed in the period	2,373,876
Production expenses	<u>889,096</u>
Manufacturing cost	3,262,972
Work in progress, beginning	61,905
Work in progress, ending	<u>(185,056)</u>
Manufacturing cost of finished goods	3,139,821
Semi-finished goods, beginning	84,773
Semi-finished goods purchased in the period	520,567
Transferred costs and others	(3,186)
Semi-finished goods, ending	<u>(147,273)</u>
Cost of semi-finished goods and finished goods	3,594,702
Finished goods, beginning	82,059
Finished goods purchased in the period	516,462
Transferred costs and others	(759)
Finished goods, ending	<u>(62,171)</u>
Cost of finished goods sold	<u>4,130,293</u>
Merchandise cost	
Inventory, beginning	11
Cost of sales	<u>11</u>
Gains on price recovery of inventory	<u>52,255</u>
Loss on inventory scrap	<u>3,435</u>
Operating costs	<u>4,185,994</u>
Operating costs in this period	<u><u>\$ 4,185,994</u></u>

ENNOCONN CORPORATION
STATEMENT OF OPERATING EXPENSE

Ended December 31, 2023

Unit: NT\$ thousand

<u>Item</u>	<u>Selling expenses</u>	<u>Administrative expenses</u>	<u>Research and development expense</u>	<u>Expected credit losses</u>
Salary and bonus	\$ 60,491	195,109	104,907	-
Reverse expected credit impairment loss	-	-	-	(1,077)
Insurance expense	1,815	11,394	5,630	-
Miscellaneous purchases -	15	18,353	16	-
Services expense	-	11,671	-	-
Other professional services	296	2,247	(31,256)	-
Other (Note)	16,796	33,497	8,775	-
Total	<u><u>\$ 79,413</u></u>	<u><u>272,271</u></u>	<u><u>88,072</u></u>	<u><u>(1,077)</u></u>

Note: the amount of each item does not exceed 5% of the balance of this account.