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Jhen Vei Electronic Co., LTD.

2023 Annual Report

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Name of Exchange where Foreign Securities are Listed and Traded , and Manner of Access to the information of such Foreign Securities: None

Corporate Website
http://www.jve-tech.com

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I. Letter to Shareholders

Dear Shareholders,

First of all, I would like to thank you for your continuing support throughout the year. We would like to report to you the operational results of Jhen Vei Electronic Co., LTD. Group (JVE Group) for the fiscal year 2023, the outlook for the year 2024, and our company's business strategies as follows::

1.1. Overview of Business 2023:

(1) Implementation Results of Business Plans:

1) Consolidated net operating revenue for the year 2023 amounted to NT$836,326 thousand, a decrease of approximately 16.67% from NT$1,003,670 thousand of the year 2022.

2) Consolidated net operating loss for the year 2023 was NT$6,390 thousand, a decrease of approximately NT$27,543 thousand from the consolidated net operating profit of NT$21,153 thousand of the year 2022.

3) The consolidated net profit after tax attributable to the parent company for the year 2023 was NT$3,819 thousand, a decrease of approximately NT$98,754 thousand from NT$102,573thousand of the year 2022.

(2) Budget Execution Status:

The company did not disclose financial forecasts for the year 2023, so this is not applicable.

(3) Financial Income and Profitability Analysis:

Consolidated net operating revenue for the year 2023 amounted to NT$836,326 thousand, with a gross profit margin of 15%.Operating expenses were NT$135,026 thousand .After-tax net profit attributable to the parent company amounted to NT$3,819 thousand, resulting in an earnings per share of NT$0.06.

(4) Research and Development Status:

1) Flowing with ESG-related regulations, continue to improve product processes and introduce environmentally friendly raw materials.

2) Continue to invest in automated equipment to improve efficiency and reduce production costs.

1.2. Business Plan for the Year 2024:

(1) Business Policy:

1)Expand into new markets and new customer for increase overall market share.

2)Maintain and integrate the supply-demand relationship with industry chain .To improve material quality and production process.

3)Continuously improve sales and marketing policies, product quality, and customer service.

4)Control expenses, cost and project risk management for increase the company's competitiveness.

5)Create diversification of products and investments to gradually expand the group's business scale , and achieve profit growth to reach the goal of sustainable operation and development.

(2) Anticipated Sale Volume:

Based on internal business plans, we anticipate a modest growth in overall sales quantity for this year. However, the growth rate will depend on changes in the overall economic environment and our business promotions.

(3) Important Production and Marketing Policy:

1) Increase the automated processes to reduce reliance on direct labor and continuously improve production efficiency.
2) Utilize existing technologies and resources, integrate the cooperative relationships within the supply chain then to improve product quality and meet customer requirements.
3) Coordinate policies between production and sales services. To improve inventory turnover efficiency and capital utilization.
4) Promote high-value-added products and flexible pricing strategies to keep the long-term customer relationships, seize business opportunities, and profitable growth.

1.3 Future development Strategy:

(1)Continuously improve to business groups' operations and corporate development.
(2)Expand the scope of group businesses and make continuous investments in new ventures to strengthen the company's growth momentum.
(3)Share resources between existing business groups and new investment ventures for business growing.
(4)In response to the global changes, plan the layout of production in Southeast Asia.
(5)Strengthen corporate governance, environmental protection, and social responsibilities.

1.4 Effects of External Competition, Legal Environment, and Overall Business Environment

In recent years, as the COVID-19 epidemic eased, JVE Group established a base in Southeast Asia to respond to changes in international competition. In the future, it will evaluate whether to continue investing in Southeast Asian bases based on market demand.

To consider the ESG important, JVE Group will also gradually invest in corresponding resources to meet the requirements of customers for suppliers.

Under the huge competitive environment, JVE Group continues to improve its production technology to reduce costs and effectively use resources to strengthen its competitiveness, also provides growth through investment.

Looking ahead to the year 2024, the management team will adhere to the principle of stable operation, continue to improve operating performance to reward shareholders.
Finally, we appreciate your long-term support of us. we still expect that we may have promising outlook as long as all employees work hard together to break new ground. Therefore, we sincerely look forward to your continuing guidance and support, wishing all shareholders good health and all the best.

Sincerely yours,

Chairman: Niang Chuan, Wei

General Manager: Kevin, Ge

II. Company Profile

1. **Date of Incorporation**: Feb. 21, 1986
2. **Company History**

Year	Milestones
1986	Founded on Feb. 21, 1986 with NT$1,000 thousand capital. The business involves the manufacturing, and sales of cable .
1988	Conducted a cash capital increase of NT$4,000 thousand . Increased capital to NT$5,000 thousand.
1992	Conducted a cash capital increase of NT$9,990 thousand . Increased capital to NT$14,990 thousand.
1993	Establishment of the Taipei Zhonghe Headquarters.
1997	Conducted a cash capital increase of NT$21,010 thousand. Increased capital to NT$36,000 thousand.
2000	Establishment of the Zhonghe new plant and change of name to Jhen Vei Electronic Co., LTD.
2002	(1) Conducted a cash capital increase of NT$214,000 thousand. Increased capital to NT$250,000 thousand. (2) Invested in Pors Wiring Co., Ltd. and its subsidiary Pors Wiring (Suzhou) Co., Ltd.'s cable factory. (3) Invested in Jhen Vei Enterprise Co., Ltd. and its Shenzhen OEM processing factory.
2003	Relocated to the site in Dayuan, Taoyuan City. Research and development of cold cathode fluorescent lamp. Obtained ISO 9001:2000 certification.
2005	(1) Expanded the production line for cold cathode fluorescent lamp and acquired a factory building in Nankan. (2) Invested in Xinfeng Jhen Vei Electronic Co., Ltd. and its cable factory in China. (3) Capital reduction of to NT$45,000 thousand write off accumulated losses. Conducted a cash capital increase of NT$100,000 thousand. Increased capital to NT$305,000 thousand. (4) Obtained ISO 14000 certification. Expanded the production line for cold cathode fluorescent lamp on Pors Wiring (Suzhou) Co., Ltd.'s factory. (5) Obtained SONY GREEN PARTNER certification.
2006	(1) Conducted a cash capital increase of NT$50,000 thousand. Increased capital to NT$355,000 thousand. (2) Invested and set up the HUAIAN JHEN VEI ELECTRONIC CO., LTD. and expanded the production line for connection cable sets. (3) The stocks formally traded over the counter. (4) Capital increased to NT$399,128 thousand by transforming surplus NT$35,500 thousand and employee dividend NT$8,628 thousand into capital.

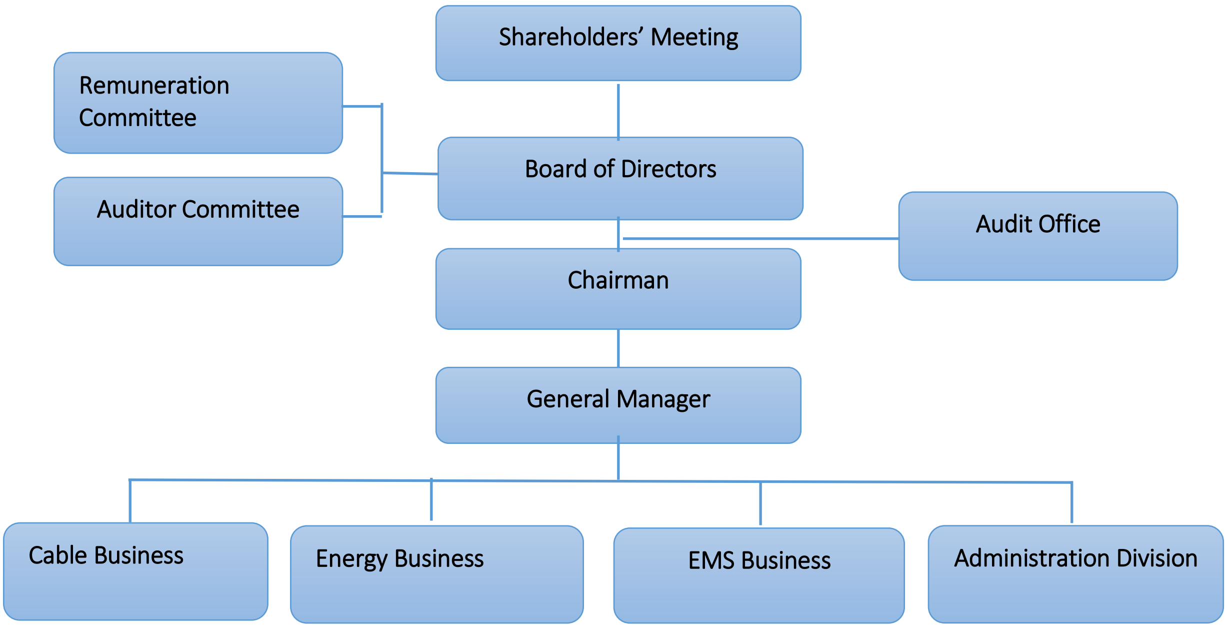
Year	Milestones
2007	(1) HUAIAN JHEN VEI ELECTRONIC CO., LTD. expanded the production line for wire drawing of cable material. (2) Capital increased to NT$496,584 thousand by transforming surplus NT$19,956 thousand and employee dividend NT$7,500 thousand and cash NT$700,000 thousand into capital. (3) Listed in the OTC market.
2009	Obtained TCGA CG6005 Corporate governance system evaluation certification.
2010	Shenzhen OEM processing factory translated to the JHEN VEI ELECTRONIC (Shenzhen) CO., LTD.
2011	(1) Initiated the first share capital decrease by way of treasury shares cancellation of NT$ 10,288 thousand and paid-in capital decreased to NT$ 512,666 thousand. (2) Terminated the CCFL (Cold Cathode Fluorescent Lamp) business.
2012	The resolution of the board of directors to terminated the Pors Wiring (Suzhou) Co., Ltd.
2013	(1) Xiamen JHEN VEI Electronics Co., Ltd. (CCFL Cold Cathode Fluorescent Lamp business) has completed the liquidation process. (2) Invested the UNIFORCE Technology Corporation and Priceplay com Inc. for network communication Business. (3) Relocated to the site in Neihu District, Taipei City (4) Private Placement of first domestic Convertible Bonds for NT$240,000 thousand of 2013year.
2014	(1) The resolution of the board of directors to terminated the JHEN VEI ELECTRONIC (Shenzhen) CO., LTD. (2) HUAIAN JHEN VEI Electronics Co., Ltd. has accepted the expropriation of its factory buildings and the associated land use rights by a local government agency in China. The company will relocate its operations and continue its business.
2015	(1) Private Placement of first domestic Convertible Bonds of 2013year, it converted into 2,127,658 ordinary shares of the company of NT$21,276 thousand. (2) Disposal of real estate in Lujhu District, Taoyuan City. The Pors Wiring (Suzhou) Co., Ltd. has completed the liquidation process.
2016	(1) The resolution of the board of directors to disposed shares held of the Priceplay com Inc. However, the transaction was not completed. The company recognized a full impairment loss of Priceplay.com Inc. (2) Relocated to the site in Ruiguang Road of Neihu District, Taipei City. (3) Private Placement of first domestic Convertible Bonds of 2013year, it converted into 10,638,295 ordinary shares of the company of NT$106,383 thousand. The accumulated transfer into capital and the number of shares are NT$127,659 thousand and 12,765,953 shares, respectively. This bond matures in the current fiscal year, and the outstanding balance of the unconverted corporate bonds has been fully repaid upon maturity by the company.
2017	The new factory of HUAIAN JHEN VEI Electronics Co., Ltd. is now operational.

Year	Milestones
2018	(1) The company conducted the first and second private placements of common shares through cash capital increase, issuing a total of 10,000 thousand shares, with a total capital change to NT$740,325,170. (2) Capital reduction of to NT$35,185,739 write off accumulated losses and the paid-in capital decreased to NT$ 388,467,780.
2020	(1) The company conducted the first private placements of common shares through cash capital increase, issuing of 10,000 thousand shares, with a total capital change to NT$488,467,780. (2) Company Name changed to “Jhen Vei Electronic Co., LTD.”. (3) Relocated to the site in Sanchong District, Taipei City. (4) Established HUAYIN ENERGY CO., LTD. to develop energy business. (5) The JHEN VEI ELECTRONIC (Shenzhen) CO., LTD has completed the liquidation process.
2021	(1) Conducted a cash capital increase of NT$200,000 thousand. Increased capital to NT$688,467,780. (2) Invested the GZ ELECTRONIC CO., LTD. for development of electronic manufacturing services (EMS) business.
2022	Disposal of shares held in UNIFORCE Technology Corporation.
2024	Established behalf of the subsidiary JVE(THAILAND) CO.,LTD.

III. Corporate Governance Report

1. Organization

1.1 Organizational Chart



1.2 Major Corporate Functions

Department	Functions
General Manger	Formulate company operational policies and objectives, implement management systems, execute Board of Directors' resolutions, and report to the Board of Directors.
Audit Office	To identify deficiencies in the internal control system, assess the effectiveness and efficiency of operations, and provide appropriate improvement suggestions to ensure the effectiveness of the internal control system as well as for continuous improvement.
Cable Business	Handle customer inquiries, credit assessment, quotation, order processing, and after-sales service. Manage important raw material procurement matters. Coordinate new product sampling, approval, and trial production activities. Oversee production management, assembly line operations, and product quality.
Energy Business	Handle customer inquiries, credit assessment, quotation, and order processing and maintenance, and after-sales service. Manage important raw material procurement and system implementation matters.
EMS Business	Handle customer inquiries, credit assessment, quotation, order processing, and after-sales service for professional electronic manufacturing services. Manage important raw material procurement related matters. Coordinate activities related to new product sampling, approval, and trial production. Oversee production management, production line operations, and product quality.
Administration Division	(1)Control of Group Investment Affairs. (2)Management of Group Fund Allocation.

2. Directors, Supervisors and Management Team

2.1 Directors and Supervisors

Apr. 27, 2024

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Taiwan (R.O.C)	YongDing Investment Co., Ltd.	-	6/17/2022	3	2/27/2013	10,374,629	15.07%	10,374,629	15.07%	0	0.00%	0	0.00%	-	-	N/A	N/A	N/A	N/A
Chairman Representative	Taiwan (R.O.C)	Niang- Chuan Wei	Male 51-60	6/17/2022	3	6/25/2019	300,000	0.44%	300,000	0.44%	0	0.00%	0	0.00%	National Siluo Agricultural Industrial Experience: High School Director,Yi Jie Technology Co., Ltd	(1)Corporate Chairman Representative, Yongding Investment Co., Ltd. (2)Director, Pors Wiring Co.,Ltd. (3) Director, Jhen Vei Enterprise Co.,Ltd (4)Director, Jhen Vei Investment Ltd. (5)Chairman ,HUA IAN JHEN VEI Electronics Co., Ltd (6)Chairman, HUAYIN ENERGY CO., LTD. (7)Director , Farmers' Association of the Republic of China	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	YongDing Investment Co., Ltd.	-	6/17/2022	3	2/27/2013	10,374,629	15.07%	10,374,629	15.07%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director Representative	Taiwan (R.O.C)	Cing-Lang Jhong	Male 51-60	6/17/2022	3	2/1/2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Chung-Shan Industrial & Commercial School, Experience: RISE Construction Co., Ltd. Hung Sheng Construction Co., Ltd.	Director ,Hong Jie Construction Co., Ltd	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	YongDing Investment Co., Ltd.	-	6/17/2022	3	2/27/2023	10,374,629	15.07%	10,374,629	15.07%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A
Director Representative	Taiwan (R.O.C)	Yu- Rong Pan	Male 51-60	6/17/2022	3	6/17/2022	0	0.00%	0	0.00%	0	0.00%	0	0.00%	HungKuo Delin University of Technology /Department of Electronic Engineering Experience: (1) Assistant Manager / GZ ELECTRONIC CO., LTD. (2) Assistant Manager/SUBTLE ELECTRONIC CO., LTD.	Assistant Manager, GZ ELECTRONIC CO., LTD.	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	HuaTai Management Consulting Co., Ltd	-	6/17/2022	3	6/21/2016	6,359,230	9.24%	6,359,230	9.24%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A
Director Representative	Taiwan (R.O.C)	Hong-Jyun Lin	Male 41-50	6/17/2022	3	6/25/2019	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Agricultural Business Management/National Chiayi University Experience: Director, ADDcn Technology Co., Ltd	Note 1	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	HuaTai Management Consulting Co., Ltd	-	6/17/2022	3	6/21/2016	6,359,230	9.24%	6,359,230	9.24%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director Representative	Taiwan (R.O.C)	Shih-Fung Liao	Male 51-60	6/17/2022	3	6/25/2019	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1.Master of Architecture, Tam Kang University 2.Bachelor of Architecture, National Cheng Kung University Experience: Architect,H.C. Chen Architects & Associates	Note 2	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	HuaTai Management Consulting Co., Ltd	-	6/17/2022	3	6/21/2016	6,359,230	9.24%	6,359,230	9.24%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A
Director Representative	Taiwan (R.O.C)	Yu-jyun Shen	Female 41-50	1/12/2023	1.5	1/12/2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Accounting/Tamkang University Experience: Associate Manager, Eastern Media International Corporation	Associate Manager, Eastern Media International Corporation	N/A	N/A	N/A	N/A
Independent director	Taiwan (R.O.C)	Jyun-Yi Jhou	Female 31-40	6/17/2022	3	6/25/2019	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Accounting/Department of Finance, National Chengchi University Experience: (1)Ernst & Young LLP (Taiwan) (2)PwC Taiwan (3)Juh Yang Industries Co., Ltd. (4)Akzo Nobel Coatings (Taiwan) Ltd	Ming Yuan Certified Public CPA	N/A	N/A	N/A	N/A

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	Taiwan (R.O.C)	Shih-Tong Lu	Male 51-60	6/17/2022	3	6/19/2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. of Dept. Business Administration, National Central University Experience: Professor of Dept. of International Logistics and Transportation Management, Kainan University	(1)Independent Director, Taiwan Navigation Co., Ltd. (2)Supervisor of Progroup Electronics Co., Ltd.	N/A	N/A	N/A	N/A
Independent director	Taiwan (R.O.C)	Chin-Han Chen	Male 51-60	6/17/2022	3	6/17/2022	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Law, Soochow University Experience: Legal professional at Hansheng Law Firm	Legal professional at Hansheng Law Firm	N/A	N/A	N/A	N/A

Note 1: (1)Corporate Chairman Representative, Huatai Management Consulting Co., Ltd ;(2)Chairman , Jiu Yi Investment Co., Ltd (3) Corporate Director Representative, ADDWE Technology Co., Ltd(4) Corporate Director Representative, Jia Lin investment Ltd (5)Chairman , Cheng Yu Investment Co., Ltd;(6)Corporate Director Representative, Local Scenery Film Co., Ltd;(7)Chairman, Katan Technology Co., Ltd;(8)Corporate Director Representative, TAIWAN TAOMEE CO., LED.;(9) Corporate Chairman Representative, Jia Lin IIVenture Capital Co., Ltd;(10) Corporate Chairman Representative, Jia Lin Management Consulting Co., Ltd;(11))Chairman, Katan Co., Ltd;(12) Chairman, Emperor Lin Investment Co., Ltd.

Note 2: (1)Chairman and General manager ADDcn Technology Co., Ltd;(2)Chairman and General manager, i-View Process Post-Production Corp. (3)Corporate Chairman Representative, Magcom Co., Ltd (4)Chairman, ADDWE Technology Co., Ltd (5)Chairman, Sheng Cheng investment Co., Ltd (6)Corporate Director Representative, Jia Lin investment Ltd (7)Corporate Chairman Representative, Qian Yi investment Co., Ltd;(8)Corporate Director Representative, Local Scenery Film Co., Ltd (9)Corporate Director Representative, ADDcn Technology (Shenzhen) Ltd (10)Corporate Chairman Representative, ADDcn Technology (HK) Co., Ltd (11)Corporate Chairman Representative, Jia Lin III Venture Capital Co., Ltd (12) Director, Shung Sening Investment Co., Ltd.

2.2Major shareholders of the institutional shareholders

Apr. 27, 2024

Name of Institutional Shareholders	Major Shareholders
Yong Ding Investment Co., Ltd.	Niang- Chuan Wei (100%)
Hua Tai Management Consulting Co., Ltd.	Hong-Jyun Lin (100%)

2.3Major shareholders of the Company's major institutional shareholde

None.

2.4Professional qualifications and independence analysis of directors and supervisors

Criteria / Name	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Niang- Chuan Wei Chairman	(1)Technology, Agriculture, Business Management (2) Not been a person of any conditions defined in Article 30 of the Company Law.	Not applicable.	-
Cing-Lang Jhong Director	(1)Construction, Business Management (2) Not been a person of any conditions defined in Article 30 of the Company Law.	Not applicable.	-
Yu- Rong Pan Director	(1)Technology, Business Management (2) Not been a person of any conditions defined in Article 30 of the Company Law.	Not applicable.	-
Hong-Jyun Lin Director	(1)Technology, Business Management (2) Not been a person of any conditions defined in Article 30 of the Company Law.	Not applicable.	-
Shih-Fung Liao Director	(1)Technology, Construction , Business Management (2) Not been a person of any conditions defined in Article 30 of the Company Law.	Not applicable.	-
Yu-jyun Shen Director	(1)Financial ,Accounting (2) Not been a person of any conditions defined in Article 30 of the Company Law.	Not applicable.	-
Jyun-Yi Jhou Independent Director	(1)Financial ,Accounting Ming Yuan Certified Public CPA (2) Not been a person of any conditions defined in Article 30 of the Company Law.	(1) Independent Directors' Independence: A,B,C,D,E,F,G,H,I,J,K,L (2)The director did not provide the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years.	-
Shih-Tong Lu Independent Director	(1)Education, Economics, Civil Engineering, Business Management (2) Not been a person of any conditions defined in Article 30 of the Company Law.	(1) Independent Directors' Independence: A,B,C,D,E,F,G,H,I,J,K,L (2)The director did not provide the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years.	-

Chin-Han Chen Independent Director	(1)Law Legal professional at Hansheng Law Firm (2) Not been a person of any conditions defined in Article 30 of the Company Law.	(1) Independent Directors' Independence: A,B,C,D,E,F,G,H,I,J,K,L (2)The director did not provide the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years.	-

Note 1: Professional Qualifications and Experience: Specify the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and possess accounting or financial expertise, their accounting or financial background and work experience should be described. Also, indicate whether there are any circumstances under Article 30 of the Company Law.

Note 2: Independence: Independent directors shall have the following circumstances that apply to the directors or supervisors during the two years prior to being elected or during the term of office, then revealed in the table:

A. Not an employee of the company or any of its affiliates.

B. Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

C. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

D. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.

E. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

F. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

G. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

H. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.

I. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

G. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

K. Not been a person of any conditions defined in Article 30 of the Company Law.

L. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2.5Board Diversity and Independence:

1. The "Director Appointment Guidelines" of our company specify that the composition of the board of directors should consider diversity and establish appropriate diversity policies based on its own operations, business model, and development needs. These policies include, but are not limited to, the following two dimensions:
   (1) Basic conditions and values: gender, age, nationality, and culture.
   (2) Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
2. The 9th board of directors of our company consists of 9 directors, including 2 female directors, accounting for 22.22% of the total. The backgrounds of the board members cover various fields of expertise, including technology, construction and engineering, financial accounting, agriculture, education, politics, and business management. More than 50% of the directors have practical business management experience, which fulfills the company's goal of diversity.
3. The board of directors of our company currently has three independent directors, accounting for 33.33% of the total. None of the directors are employees of the company. There are no immediate family relationships within the second degree of kinship among the directors, which complies with the provisions of Article 26-3(3) of the Securities and Exchange Act. The supervisors of our company do not have a spouse or immediate family relationship with each other or with the directors, in accordance with the provisions of

Article 26-3(4) of the Securities and Exchange Act. Therefore, the Board of Directors is deemed to be independent.

2.6The situation regarding education and training for directors and supervisors

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Name</th><th colspan="2">Study period</th><th rowspan="2">Sponsoring Organizatio</th><th rowspan="2">Course</th></tr>
<tr><th>From</th><th>To</th></tr>
<tr><td>Chairman</td><td>YongDing Investment Co., Ltd. Representative: Niang- Chuan Wei</td><td rowspan="4">11/10/2023</td><td rowspan="4">11/10/2023</td><td rowspan="2">Association of Corporate Governance in Greater China</td><td rowspan="2">Legal Due Diligence and Business Contract Introduction in Corporate Mergers and Acquisitions</td></tr>
<tr><td>Director</td><td>YongDing Investment Co., Ltd. Representative: Cing-Lang Jhong
Yu- Rong Pan
Huatai Management Consulting Co., Ltd. Representative: Shih-Fung Liao
Hong-Jyun Lin
Yu-jyun Shen</td></tr>
<tr><td rowspan="2">Independent director</td><td>Shih-Tong Lu</td><td rowspan="2">Association of Corporate Governance in Greater China</td><td rowspan="2">Insider Trading from a Prosecutorial Perspective</td></tr>
<tr><td>Jyun-Yi Jhou</td></tr>
<tr><td rowspan="2">Independent director</td><td rowspan="2">Chin-Han Chen</td><td>12/01/2023</td><td>12/01/2023</td><td>Association of Corporate Governance in Greater China</td><td>Analysis of International IFRS Sustainability Disclosure Standards and Corporate Strategies for Compliance</td></tr>
<tr><td>12/01/2023</td><td>12/01/2023</td><td>Association of Corporate Governance in Greater China</td><td>Disclosure and Assurance in Sustainability Reports</td></tr>
</table>

2.7Representatives of corporate shareholders, including directors and supervisors, should specify the names of the corporate shareholders and the names of the top ten shareholders, along with their respective shareholding percentages.

Apr. 27, 2023

Name of Institutional Shareholders	Major Shareholders
Yong Ding Investment Co., Ltd.	Niang- Chuan Wei (100%)
Hua Tai Management Consulting Co., Ltd.	Hong-Jyun Lin (100%)

2.8. Management Team

Apr. 27, 2023

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	Republic of China	Kevin,Ge	Male	03/18/2022	204,000	0.30%	0	0.00%	0	0.00%	Institutional Shareholders of the University of Dallas School of Management: Experience: (1)General Manager, Yu Ding Precision Advisory Board (2)Member and General Manager of Asset Division, Fudeng Guarantee (3)Vice Chairman, Five-Star Financial Services	(1)General manager ,HUAI AN JHEN VEI Electronics Co., Ltd (2)Supervisor, GZ ELECTRONIC CO., LTD.	N/A	N/A	N/A	Note2
Vice president	Republic of China	Wisley,.Wei (Note 1)	Male	09/13/2023	0	0.00%	0	0.00%	0	0.00%	National Yunlin University of Science and Technology (YunTech) Department of Business Administration. .	(1)Director : Taihe Ding Investment Co., Ltd. (2)Director: YONTO BIOLOGICAL TECHNOLOGY CO., LTD. (3)Supervisor: Jiayangshan Co., Ltd. (4)Supervisor:, HUAIAN JHEN VEI Electronics Co., Ltd (5)General Manager,: HUAYIN ENERGY CO., LTD.	N/A	N/A	N/A	N/A
Accounting & Finance Officer	Republic of China	C.T.Lan	Male	03/28/2023 11/09/2022	0	0.00%	0	0.00%	0	0.00%	Fu Jen Catholic University Department of Accounting: Experience: (1)Chief Financial Officer, Jianxiang International Co., Ltd. (2)Accounting Manager, Liwei	N/A	N/A	N/A	N/A	N/A

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
											Industrial Co., Ltd. Director and Assistant (3)Manager of General Administration, Yade Opto-Mechatronics Co., Ltd.					
Associate, Sale Division	Republic of China	Jheng-Long,Lin	Male	11/18/2019	99,000	0.14%	0	0.00%	0	0.00%	Tamkang University Department of Architecture: Experience: (1)Business Manager, Taiwan Liangde Electronics Co., Ltd. (2)Deputy General Manager of Business, Alisheng Electronics	N/A	N/A	N/A	N/A	N/A

Note 1: The appointment as Vice president was made by the Board of Directors on Sep.13, 2023.

2.9 The situation regarding education and training for management team

Title	Name	Study period		Sponsoring Organization	Course
		From	To		
Accounting & Finance Officer	C.T. Lan	01/22/2024	01/23/2024	Foundation for Accounting Research and Development in the Republic of China (Taiwan)	Education Program for Accounting Managers in Issuers, Securities Firms, and Securities Exchanges

3. Remuneration Paid to Directors, Independent Directors, Supervisors, President, and Vice Presidents

3.1Remuneration of Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	YongDing Investment Co., Ltd. Representative: Niang- Chuan Wei	120	120	0	0	0		45	45	4.32	4.32	0	3,392	0	0	0	0	0	0	4.32	93.14	0
Director	YongDing Investment Co., Ltd. Representative: Cing-Lang Jhong	120	120	0	0	0	0	10	10	3.40	3.40	0	0	0	0	0	0	0	0	3.40	3.40	0
Director	YongDing Investment Co., Ltd. Representative: Yu- Rong Pan	120	120	0	0	0	0	40	40	4.19	4.19	0	1,698	0	77	0	0	0	0	4.19	50.67	0
Director	HuaTai Management Consulting Co., Ltd Representative: Hong-Jyun Lin	120	120	0	0	0	0	30	30	3.93	3.93	0	0	0	0	0	0	0	0	3.93	3.93	0
Director	HuaTai Management Consulting Co., Ltd Representative: Shih-Fung Liao	120	120	0	0	0	0	35	35	4.06	4.06	0	0	0	0	0	0	0	0	4.06	4.06	0
Director	HuaTai Management Consulting Co., Ltd Representative: Yu –Jyun Chen	116	116	0	0	0	0	35	35	3.95	3.95	0	0	0	0	0	0	0	0	3.95	3.95	0
Independent Director	Jyun-Yi Jhou	360	360	0	0	0	0	90	90	11.78	11.78	0	0	0	0	0	0	0	0	11.78	11.78	0
Independent Director	Shih-Tong Lu	360	360	0	0	0	0	90	90	11.78	11.78	0	0	0	0	0	0	0	0	11.78	11.78	0
Independent Director	Chin-Han Chen	360	360	0	0	0	0	85	85	11.65	11.65	0	0	0	0	0	0	0	0	11.65	11.65	0

1.Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Compensation according to the Company's "Directors, Independent Directors, and Managers Remuneration Rules".

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent y to compensate directors for their services, such as being independent contractors.: None.

<table>
<tr><td rowspan="3">Range of Remuneration</td><td colspan="4">Name of Directors</td></tr>
<tr><td colspan="2">Total of (A+B+C+D)</td><td colspan="2">Total of (A+B+C+D+E+F+G)</td></tr>
<tr><td>The company</td><td>Companies in the consolidated financial statements</td><td>The company</td><td>Companies in the consolidated financial statements (I)</td></tr>
<tr><td>Less thanNT$ 1,000,000</td><td>Directors:
YongDing Investment Co., Ltd.
HuaTai Management Consulting Co., Ltd
Representative :Niang- Chuan Wei、 Cing-Lang Jhong 、 Yu-Rong Pan 、 Hong-Jyun Lin、 Shih-Fung Liao、Yu –Jyun Chen
Independent Director:
Jyun-Yi Jhou、Shih-Tong Lu、Chin-Han Chen</td><td>Direcotr
Yongding Investment Co., Ltd.
Huatai Management Consulting Co., Ltd
Representative :
Niang- Chuan Wei、 Cing-Lang Jhong 、 Yu- Rong Pan 、 Hong-Jyun Lin、 Shih-Fung Liao、Yu –Jyun Chen
Independent Director:
Jyun-Yi Jhou、Shih-Tong Lu、Chin-Han Chen</td><td>Yongding Investment Co., Ltd.
Huatai Management Consulting Co., Ltd
Representative : Niang- Chuan Wei 、Cing-Lang Jhong 、 Yu-Rong Pan 、 Hong-Jyun Lin、Shih-Fung Liao、Yu –Jyun Chen
Independent Director:
Jyun-Yi Jhou、Shih-Tong Lu、Chin-Han Chen</td><td>Yongding Investment Co., Ltd.
Huatai Management Consulting Co., Ltd
Representative : Cing-Lang Jhong 、Hong-Jyun Lin、 Shih-Fung Liao、Yu –Jyun Chen
Independent Director:
Jyun-Yi Jhou、Shih-Tong Lu、Chin-Han Chen</td></tr>
<tr><td>NT$1,000,000 ~ NT$1,999,999</td><td>0</td><td>0</td><td>0</td><td>Yu- Rong Pan</td></tr>
<tr><td>NT$2,000,000 ~ NT$3,499,999</td><td>0</td><td>0</td><td>0</td><td>Niang- Chuan Wei</td></tr>
<tr><td>NT$3,500,000 ~ NT$4,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$5,000,000 ~ NT$9,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$10,000,000 ~ NT$14,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$15,000,000 ~ NT$29,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$30,000,000 ~ NT$49,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$50,000,000 ~ NT$99,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Greater than or equal to NT$100,000,000</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>9</td><td>9</td><td>9</td><td>9</td></tr>
</table>

3.2Remuneration of Supervisors :

The Audit Committee was established in 2022. It is not applicable.

3.3Remuneration of the President and Vice Presidents

Unit: NT$ thousands

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary(A)</th><th colspan="2">Severance Pay (B)</th><th colspan="2">Bonuses and Allowances (C)</th><th colspan="4">Employee Compensation (D)</th><th colspan="2">Ratio of total compensation (A+B+C+D) to net income (%)</th><th rowspan="3">Remuneration from ventures other than subsidiaries or from the parent company
(Note)</th></tr>
<tr><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>General Manager</td><td>Kevin,Ge</td><td>2,900</td><td>2,900</td><td>108</td><td>108</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>78.76</td><td>78.76</td><td>0</td></tr>
<tr><td>Vice president</td><td>Wisley,.Wei
(Note 1)</td><td>0</td><td>318</td><td>0</td><td>12</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>8.64</td><td>0</td></tr>
</table>

Note 1: Mr. Wisley. Wei appointed as the Vice president by the Board of Directors on Sep. 13, 2023.

<table>
<tr><th rowspan="2">Range of Remuneration</th><th colspan="2">Name of President and Vice Presidents</th></tr>
<tr><th>The company</th><th>Companies in the consolidated financial statements (E)</th></tr>
<tr><td>Less than NT$ 1,000,000</td><td>0</td><td>Wisley,.Wei</td></tr>
<tr><td>NT$1,000,000 ~ NT$1,999,999</td><td>0</td><td>0</td></tr>
<tr><td>NT$2,000,000 ~ NT$3,499,999</td><td>Kevin,Ge</td><td>Kevin,Ge</td></tr>
<tr><td>NT$3,500,000 ~ NT$4,999,999</td><td>0</td><td>0</td></tr>
<tr><td>NT$5,000,000 ~ NT$9,999,999</td><td>0</td><td>0</td></tr>
<tr><td>NT$10,000,000 ~ NT$14,999,999</td><td>0</td><td>0</td></tr>
<tr><td>NT$15,000,000 ~ NT$29,999,999</td><td>0</td><td>0</td></tr>
<tr><td>NT$30,000,000 ~ NT$49,999,999</td><td>0</td><td>0</td></tr>
<tr><td>NT$50,000,000 ~ NT$99,999,999</td><td>0</td><td>0</td></tr>
<tr><td>Greater than or equal to NT$100,000,000</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>2</td><td>2</td></tr>
</table>

3.4 Managerial officers with the top five highest remuneration amounts

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Kevin,Ge	2,900	2,900	108	108	0	0	0	0	0	0	78.76	78.76	0
Vice president	Wisley,.Wei (Note 1)	0	318	0	12	0	0	0	0	0	0	0	8.64	0
Accounting & Finance Officer	C.T.Lan	1,905	1,905	99	99	0	0	0	0	0	0	52.47	52.47	0
Associate, Sale Division	Jheng-Long,Lin	1,760	1,760	73	73	48	48	0	0	0	0	49.25	49.25	0

Note 1: Mr. Wisley. Wei appointed as the Vice president by the Board of Directors on Sep. 13, 2023.

Managers with Employee Remuneration Distribution

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	General Manager	Kevin, Ge	0	0	0	0
	Vice president	Wisley,.Wei	0	0	0	0
	Accounting& Finance Officer	C.T. Lan	0	0	0	0
	Associate, Sale Division	Jheng - Long, Lin	0	0	0	0

3.4 Comparison and explanation of the analysis of the ratio of total remuneration (paid to theDirectors, Supervisors, General Manager and Deputy General Managers of the Company by the Company in the last two years to net profit after tax and the correlation among the remuneration payment policy, standards and combinations, the procedures for setting the remuneration, the business performance and future risks:

(1) Analysis of the ratio of total remuneration paid by the Company and Companies in the consolidated financial report to its Directors, Supervisors, General Manager and Deputy General Managers in the last two years to net profit after tax on parent company only is as follows:

Title	2023		2022	
	Ratio to Net Profit after Tax on Parent Company		Ratio to Net Profit after Tax on Parent Company	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	59.07%	194%	4.5%	4.5%
General Manager and Deputy General Manager	78.76%	87.41%	4.09%	4.09%

The increase in the remuneration percentages of the directors, supervisors, president and General Manager and Deputy General Manager resulted due to the decrease of net profit after tax in 2023.

(2)The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance. Remuneration Policy, Standards, Composition, and Procedures:

2.1The remuneration policy for the directors of the company is established by the Remuneration Committee, taking into consideration the customary payment standards in the industry. The policy is formulated as the "Director Remuneration Regulations" and is presented for discussion by the board of directors. The remuneration is implemented in accordance with the regulations, and the composition of the compensation is as follows:

A. Remuneration:

Handled in accordance with Article 20 of the company's bylaws. The company's payment standard is a monthly fee ranging from NT$10,000 to NT$50,000 per director. The actual operating conditions, level of participation in company operations, and contributions made may be adjusted accordingly.

B. Director's Remuneration:

If the company is profitable for the year, a provision of no more than 3% shall be allocated for director's remuneration. However, if the company has accumulated losses, an amount for offsetting the losses shall be reserved in advance, and then the aforementioned proportion shall be allocated as director's remuneration.

C. Business Execution Expenses:

For attending various meetings on behalf of the company, a fixed travel expense of NT$5,000 per director is provided. If there is a need for business travel or advance payment of expenses related to the company's operations, it shall be handled in accordance with the relevant company regulations.

D. Remuneration for Part-Time Employees:

If directors of the company are also employed part-time, their part-time remuneration shall be handled in accordance with the company's salary management regulations.

2.2 The remuneration for the company's General Manager and Deputy General Manager is determined based on their positions, contributions to the company, and reference to the customary payment standards in the industry, in accordance with the company's personnel regulations. The matter is then discussed and approved by the Remuneration Committee before being presented to the board of directors for further discussion.

2.3 Relationship with Business Performance and Future Risks:

The fixed payments, including remuneration and business execution expenses, are set at a predetermined amount that aligns with industry standards. The company has also established the "Board of Directors Performance Evaluation Regulations," taking into account factors such as the achievement of short-term and long-term business goals, the company's financial performance, and individual performance evaluations. These factors are highly related to the business performance, and the design of the remuneration does not encourage the aforementioned individuals to engage in high-risk operational activities to obtain higher rewards. Therefore, the remuneration has a low correlation with future risks.

4. Implementation of Corporate Governance

4.1 Operations of the Board of Directors

A total of 13 (A) meetings of the Board of Directors were held from Jun. 17 2022 to May 17 2024. The attendance of director were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	YongDing Investment Co., Ltd. Rpresentative : Niang- Chuan Wei	13	0	100.00	
Director	YongDing Investment Co., Ltd. Rpresentative : Cing-Lang Jhong	5	2	38.46	
Director	YongDing Investment Co., Ltd. Rpresentative: Yu- Rong Pan	13	0	100.00	
Director	HuaTai Management Consulting Co., Ltd Rpresentative : Hong-Jyun Lin	9	0	69.23	
Director	HuaTai Management Consulting Co., Ltd Rpresentative : Shih-Fung Liao	12	1	92.30	
Director	HuaTai Management Consulting Co., Ltd Rpresentative : Jhih- Jiang,Lin	2	0	100.00	Resigned on October 31, 2022.
Director	HuaTai Management Consulting Co., Ltd Rpresentative :Yu-Jyun Chen	9	0	100.00	Newly appointed on Jan 12, 2023.
Independent director	Jyun-Yi, Jhou	11	2	84.61	
Independent director	Shih-Tong Lu	12	1	92.30	
Independent director	Chin-Han Chen	12	1	92.30	

Other mentionable items:

(1)If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

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

The Audit Committee was established in our company on June 17th, 2022. As of that date, the Company is no longer subject to the provisions of Article 14-3 of the Securities and Exchange Act.

Date	Major resolutions	All independent directors' opinions and the company's handling of their opinions
9th Board Meeting 2st. 08/11/2022	1. Appointment of Accounting manager. 2. Consolidated Financial Statements for the 2nd Quarter of 2022 Fiscal Year. 3. Acquisition of Equity in Subsidiary Company GZ Electronics from its Subsidiary. 4. Capital Increase for GZ Electronics. 5. Establishment of Employee Stock Ownership Trust. 6. Resolutions of the 1st Remuneration Committee Meeting of the 5th term.	Approved by all attending directors.
9th Board Meeting 3st. 11/09/2022	1. Consolidated Financial Statements for the 3rd Quarter of the 2022 Fiscal Year. 2. Appointment of Finance Supervisor manger. 3. Audit Plan for the 2023. 4. Endorsement and Guarantee for Subsidiary Company.	Approved by all attending directors.

	5. Extension of Bank Credit Limit. 6. Reassignment of Representative for Invested Companies. 7. Resolutions of the 2nd Remuneration Committee Meeting of the 5th term Case. 8. Amendment of Tripartite Cooperation Agreement Case.	
9th Board Meeting, 5st. 3/28/2023	1. Appointment of Accounting manager. 2. Business Report and Financial Statements for the Fiscal Year 2022. 3. Profit Distribution for the Fiscal Year 2022. 4.Internal Control Statement for the Fiscal Year 2022 5. Revision of Internal Control System. 6. Amendment of certain articles in the "Procedures for Financial Derivatives Transactions ". 7. Amendment of certain articles in the "Operating Procedures of Endorsement / Guarantees ". 8. Amendment of certain articles in the "Operating Procedures for Loaning Funds to Other". 9. Amendment of Authority Matrix. 10. Evaluation of the Independence and Suitability of the Auditor and Compensation. 11. Proposal to establish general principles for the Pre-approval Policy of Non-Assurance Services. 12. Funds Lending to Subsidiaries. 13. Cancellation of Unexecuted Quota for Endorsement and Guarantee of Subsidiaries. 14. Endorsement and Guarantee by Subsidiary Companies. 15. Amendment of certain articles in the "Internal Significant Information Handling Procedures". 16. Planning of Greenhouse Gas Inventory and Verification Schedule for Subsidiaries. 17. The convening of the 2023 Annual Shareholders' Meeting. 18. Budget for the Fiscal Year 2023. 19. Discussion on Director and Employee Remuneration for the Fiscal Year 2022.	Approved by all attending directors.
9th Board Meeting, 6st. 5/11/2023	1. Consolidated Financial Statements for the 1st Quarter of the 2023 Fiscal Year. 2. Establishment of Corporate Governance Supervisor Position. 3. Amendment of Agenda for the 2023 Annual Shareholders' Meeting of the Company. 4. Amendment of certain articles in the "Articles of Incorporation". 5. Amendment of certain articles in the "Shareholders Meeting Rules". 6. Amendment of certain articles in the "Operating Procedures for Loaning Funds to Others". 7. Cancellation of Unexecuted Quota for Private Placement of Securities approved at the 2022 Annual Shareholders' Meeting. 8. Private Placement of Securities for the Fiscal Year 2023. 9. Bank Comprehensive Credit Limit. 10. Resolutions of the 3rd Remuneration Committee Meeting of the 5th term and Managerial Remuneration.	Approved by all attending directors.
9th Board Meeting, 7st. 7/11/2023	1.Southeast Asia investment case. 2. Funds Lending to Subsidiaries. 3. Application for supplementary public issuance and listing of privately placed of the company	Approved by all attending directors.

9th Board Meeting, 9st. 9/13/2023	1.A simple merger between the company and its subsidiary HUA YIN ENERGY Co., Ltd., 2. Newly appointed of " Vice president". 3. Resolution to lift the prohibition on managerial competition.	Approved by all attending directors.
9th Board Meeting, 10st. 11/10/2023	1. Consolidated Financial Statements for the 3rd Quarter of the 2023 Fiscal Year. 2. Appointment of Internal Audit officer. 3. Comprehensive credit limit case for TCB Bank.	Approved by all attending directors.
9th Board Meeting, 12st. 03/14/2024	1. Business Report and Financial Statements for the Fiscal Year 2023. 2. Profit Distribution for the Fiscal Year 2023. 3. Internal Control Statement for the Fiscal Year 2023 4. Discussion on Director and Employee Remuneration for the Fiscal Year 2023. 5. Evaluation of the Independence and Suitability of the Auditor and Compensation. 6. Funds Lending to Subsidiaries. 7. The convening of the 2024 Annual Shareholders' Meeting. 8. Budget for the Fiscal Year 2024.	Approved by all attending directors.
9th Board Meeting, 13st. 05/13/2024	1. Consolidated Financial Statements for the 1st Quarter of the 2024. 2. Cancellation of Unexecuted Quota for Private Placement of Securities approved at the 2023 Annual Shareholders' Meeting. 3. Private Placement of Securities for the Fiscal Year 2024. 4. Set the merger base date of simple merger between the company and its subsidiary HUA YIN ENERGY Co., Ltd., 5. Cathay United Bank Comprehensive Credit Limit. 6. SinoPac Bank Comprehensive Credit Limit. 7. Taishin Bank Comprehensive Credit Limit. 8. Funds Lending to Subsidiaries. 9. Resolutions of the 6st Remuneration Committee Meeting of the 5th term. 10. Endorsement / Guarantees to Subsidiaries. 11. Amendment of Agenda for the 2024 Annual Shareholders' Meeting of the Company.	Approved by all attending directors.

2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.

(2) If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

(3) TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out attached blank "Implementation Status of Board Evaluations."

(4)Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties

1) Strengthening the Objectives of the Board of Directors' Functions

A. The company established the Compensation Committee on Dec. 16, 2011, to provide the Board of Directors with a fair and objective system for director and executive remuneration.

B. The Audit Committee was established on June 17, 2022, to provide the Board of Directors with independent and professional advice on significant matters.

C. The company has established the "Standard Operating Procedures for Handling Director Requests" to provide the necessary information for each director to carry out their duties.

D. The company has insurance directors' liability insurance to distribute the legal responsibility risk among directors and enhance corporate governance capability.

E. The board of directors approved the appointment of a corporate governance officer to implement corporate governance on May 11, 2022, improve board efficiency, and provide necessary assistance to directors in performing their duties.

F. The company arranged corporate governance and management courses for directors in 2023, to enhance their professional knowledge and promote effective governance.

G. To enhance information transparency, the company designates a dedicated person responsible for disclosing company information and updating the company website.

2) Implementation Performance Assessment

The Board of Directors, Remuneration Committee, and Audit Committee of the company operate in accordance with the "Board of Directors Meeting Regulations," "Organizational Regulations for Remuneration Committees," and "Organizational Regulations for Audit Committees."

Attached blank: Implementation Status of Board Evaluations

The board of directors of the company approved the establishment of the 'Board Performance Evaluation Method.' On Mar. 23, 2020. Based on actual circumstances, performance indicators were set, and internal evaluations of the board and various functional committees are conducted annually. The results of the performance evaluations are reported to the board. The board's performance and the performance of board members were assessed in 2023, and the evaluation results reported to the board on Mar. 14 2024.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	01/01/2023~ 12/31/2023	Board of Directors	Self-evaluation by the Board of Directors	Level of participation in company operations, the quality of Board decisions, Board composition and structure, appointment of directors and their continued development, and internal controls.
Once a year	01/01/2023~ 12/31/2023	Individual directors	Self-assessment by directors	Grasp of company targets and missions, understanding of the director's role and responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continued development, and internal controls.
Once a year	01/01/2023~ 12/31/2023	Functional committees	Peer evaluation	Participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees, and member selection and internal control.

4.2 Attendance of Audit Committee or Supervisors at Board Meetings

Audit Committee

A total of **11** (A) Audit Committee Meetings were held from Jun. 17, 2022 to May 17 2024. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent director	Jyun-Yi Jhou	11	0	100.00	
Independent director	Shih-Tong Lu	11	0	100.00	
Independent director	Chin-Han Chen	11	0	100.00	

Other mentionable items:

(1) If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

1) Matters referred to in Article 14-5 of the Securities and Exchange Act.
2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Refer to the information on the Audit Committee meeting as below:

Date	Communication Focus	Result
1th Audit Committee meeting 1st. 08/11/2022	1. Election of Audit Committee Convener. 2. Appointment of Accounting manager. 3. Approval of the Consolidated Financial Statements for the 2nd quarter of 2022. 4. Acquisition of Equity in Subsidiary Company, GZ Electronics .Co., Ltd. 5. Capital Increase of GZ Electronics .Co., Ltd.	No objection
1th Audit Committee meeting 2st. 11/09/2022	1. Approval of the Consolidated Financial Statements for the 3nd quarter of 2022. 2. Appointment of Financial manager. 3. 2023 audit plan. 4. Subsidiary endorsement and guarantee.	No objection
1th Audit Committee meeting 3st. 03/28/2023	1. Appointment of Accounting manager. 2. Approval of the Consolidated Financial Statements for the 2023. 3. Adoption of the 2022 Business Report and Financial Statements 4. Adoption of the Proposal for Distribution of 2022 Profits 5. 2022 Internal Control Statement 6. Amendment to the「Internal Control System 」 7. Amendment to the「Operating Procedures for Trading Derivatives」 8. Amendment to the「Operational Procedures for Endorsements and Guarantees」 9 Amendment to the「Operational Procedures for Loaning of Company Funds」 10. Amendment to the「 Authority Matrix 」 11. Assessment of the Independence and Qualifications of the Auditor, and Compensation 12. The General Principles for Establishing the Company's Policy on Pre-Approval of Non-Assurance Services 13. Subsidiary endorsement and guarantee. 14. Cancellation of Unused Quota for Subsidiary's Endorsement and Guarantee. 15. Subsidiary endorsement and guarantee. 16. Remuneration of employees and directors for the year 2022	No objection

1th Audit Committee meeting 4st. 05/11/2023	1. Approval of the Consolidated Financial Statements for the 1nd quarter of 2023. 2. Establishment of Corporate Governance manger. 3. Amendment to the Procedure for 2023 Shareholder Meetings 4. Amendment to the Company's Articles of Incorporation 5. Amendment to the Rules of Procedure for Shareholder Meetings 6. Amendment to the Operational Procedures for Loaning of Company Funds 7. Cancellation of the unexecuted quota for private placement of securities approved at The 2022 Meeting of Shareholders. 8. Implementation of private placement of securities by the company for the fiscal year 2023. 9. Resolution and Remuneration of the 3rd meeting of the 5th term Remuneration Committee.	No objection
1th Audit Committee meeting 5st. 07/11/2023	1. Funds Lending to Subsidiaries. 2. Application for supplementary public issuance and listing of privately placed of the company. 3. The case of dismissal of the Internal Audit officer was posthumously recognized.	No objection
1th Audit Committee meeting 8st. 11/09/2023	1. Consolidated Financial Statements for the 3rd Quarter of the 2023 Fiscal Year. 2. Appointment of Internal Audit officer.	No objection
1th Audit Committee meeting 10st. 03/13/2024	1. Business Report and Financial Statements for the Fiscal Year 2023. 2. Profit Distribution for the Fiscal Year 2023. 3. Internal Control Statement for the Fiscal Year 2023 4. Discussion on Director and Employee Remuneration for the Fiscal Year 2023. 5. Evaluation of the Independence and Suitability of the Auditor and Compensation. 6. Funds Lending to Subsidiaries.	No objection
1th Audit Committee meeting 11st. 05/13/2024	1. Consolidated Financial Statements for the 1st Quarter of the 2024. 2. Cancellation of Unexecuted Quota for Private Placement of Securities approved at the 2023 Annual Shareholders' Meeting. 3. Private Placement of Securities for the Fiscal Year 2024. 4. Set the merger base date of simple merger between the company and its subsidiary HUA YIN ENERGY Co., Ltd., 5. Cathay United Bank Comprehensive Credit Limit. 6. SinoPac Bank Comprehensive Credit Limit. 7. Taishin Bank Comprehensive Credit Limit. 8. Funds Lending to Subsidiaries. 9. Endorsement / Guarantees to Subsidiaries. 10. Amendment of Agenda for the 2024 Annual Shareholders' Meeting of the Company.	No objection

(2) If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

(3)Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

1)The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well.

Date	Communication Focus	Result
03/28/2023	Communication meeting with independent directors at Audit Committee Meeting and Board Meeting : 2022 Q4 audit plan implementation status and Project audit report.	No objection
05/11/2023	Communication meeting with independent directors at Audit Committee Meeting and Board Meeting : 2023 Q1 audit plan implementation status and Project audit report.	No objection
08/11/2023	Communication meeting with independent directors at Audit Committee Meeting and Board Meeting : 2023 Q2 audit plan implementation status and Project audit report.	No objection
11/10/2023	Communication meeting with independent directors at Audit Committee Meeting and Board Meeting : 2023 Q3 audit plan implementation status and Project audit report.	No objection
03/14/2024	Communication meeting with independent directors at Audit Committee Meeting and Board Meeting : 2023 Q4 audit plan implementation status and Project audit report.	No objection
05/13/2024	Communication meeting with independent directors at Audit Committee Meeting and Board Meeting : 2024 Q1 audit plan implementation status.	No objection

2) The Company's CPAs have presented the findings or the comments for the quarterly corporate financial reports, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. The communication summary between 2023 and recently as follows:

Date	Communication Focus	Result
03/28/2023	A.2022 Financial Statements B Introduction of new regulations	No objection
05/11/2023	A.2023 Q1 Financial Statements B Introduction of new regulations	No objection
08/11/2023	A.2023 Q2 Financial Statements B Introduction of new regulations	No objection
11/10/2023	A.2023 Q3 Financial Statements B Introduction of new regulations	No objection
03/14/2024	A.2023 Financial Statements B Introduction of new regulations	No objection
05/13/2024	A.2024 Q1 Financial Statements B Introduction of new regulations	No objection

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

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" .The information has been disclosed on the Company's website.	No major difference
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓ ✓		(1)In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated accounting departments, to handle shareholders' suggestions, doubts, disputes and litigation. (2)The shareholder services agent is responsible for collecting the updated information of major shareholders and the list of ultimate owners of	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			those shares.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) Both the Company and its related entities operate independently, and have established internal control systems for managing related-party transactions, which are implemented accordingly.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has established regulations such as "Prevention of Insider Trading Management," "Code of Conduct for Business Ethics," and "Code of Ethics," which prohibit insiders from trading securities based on undisclosed material information in the market. At least once per year, the company reminds directors, managers, and employees to be aware of relevant legal regulations. Additionally, new directors, managers, and employees receive guidance upon assuming their roles. The	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			company's website also discloses relevant procedures.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members? (2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? (3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for	 ✓ ✓	 ✓	 (1) The Board of Directors of the Company has formulated a diversity policy, concrete management objectives, and implemented them (2) The Company has currently established a Remuneration Committee and an Audit Committee, and will evaluate the need for setting up other functional committees in the future. (3) The Company has established the "Board of Directors Performance Evaluation Guidelines" and conducts an annual evaluation of the Board of Directors' performance. The results of the performance evaluation are reported to the Board of Directors. The board's performance and the	No major difference

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
reelection?			performance of board members were assessed in 2023, and the evaluation results reported to the board on Mar. 14 2024. The guidelines also stipulate that the results of the Board of Directors' performance evaluation serve as a reference for the selection or nomination of directors, and individual director performance evaluation results serve as a reference for determining their individual compensation.	
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The Board of Directors of the Company conducts regular annual assessments of the independence and qualifications of the external auditors. The Accounting Department conducts a preliminary assessment of each item listed in the checklist (note) and submits it to the Board of Directors for overall evaluation and approval.	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		The Company has appointed Corporate Governance Officer on May 11, 2023.responsible for corporate governance affairs to protect shareholders' rights and strengthen the functions of the Board of Directors.	No major difference
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		(1)The company has established a spokesperson and a proxy spokesperson, and the contact information is publicly disclosed on the Market Observation Post System (MOPS) as required. Additionally, financial and shareholder-related information is announced on the MOPS or the company's website to establish effective communication channels with investors.	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			(2)The company has created a stakeholder section on its website, where stakeholders can find contact information such as phone numbers and email addresses for communication when needed.	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates IBF Securities Co., Ltd. to deal with shareholder affairs.	No major difference
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English	 ✓ ✓		 (1)The company has established a website for regular disclosure of relevant information. In accordance with regulatory requirements, the company announces its corporate profile and various financial business information on the Market Observation Post System (MOPS). (2)The website is regularly updated, and all external announcements are made through the company's	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?			spokesperson system. A designated person is responsible for disclosing company information on the MOPS in accordance with legal regulations.	
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		✓	(3)The company complies with the deadline specified in the Securities and Exchange Act for announcing and reporting the annual financial reports, which are audited and certified by the auditors, approved by the Board of Directors, and acknowledged by the Audit Committee. The company also undergoes review and reporting of quarterly financial reports and monthly operational performance. Whenever possible, the	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			company strives to announce and report the financial information ahead of the regulatory deadlines, based on the progress of the relevant operations.	
8. Does the Company have additional important information that is helpful to understand the operation of the corporate governance (including but not limited to the interests and care of employees, investor relationships, supplier relationships, rights of stakeholders, further education of directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and liability insurance coverage for directors and supervisors)?	✓		(1)The company values employee welfare, communication, and workplace safety, and provides and protects employee rights in accordance with the law. (2)The company implements a retirement pension system, provides group insurance for employees, and establishes a welfare committee to prioritize labor harmony and talent development. (3)The company honestly and publicly discloses corporate information in compliance with legal regulations to safeguard the rights of investors and stakeholders and fulfill its responsibilities to shareholders.	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			(4)The company maintains smooth and good communication channels with customers and suppliers. (5)The company periodically arranges for directors and supervisors to participate in professional development courses related to corporate governance, meeting the requirements of the "Guidelines for Continuing Education for Directors and Supervisors of Listed and OTC Companies" in terms of hours, scope, system, arrangements, and information disclosure. (6)The company's directors adhere to a high level of self-discipline. When a proposed resolution involves a conflict of interest that could harm the director's own interests or the company's interests, they are not allowed to participate in the discussion or vote.	

Evaluation Item	Implementation Status[1]			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			(7)The company insurance liability insurance for directors and executives. (8)The company does not engage in high-risk or highly leveraged investments. Derivative transactions are primarily used for hedging purposes and are carried out in accordance with the company's " Operating Procedures for Trading Derivatives," with due consideration given to risk conditions and cautious execution	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. The Company has completed the corporate governance self-evaluation in 2023, conducted review and improvement according to the evaluation results and to gradually enhance the effectiveness of corporate governance.				

(Note) Criteria for assessing the independence and suitability of auditors:

Item	Result	
	Yes	No
Criteria for assessing the independence：		
The auditor does not have any direct or indirect significant financial interests in the merged company.	☑	☐
No inappropriate business relationships are found between the auditor and the merged company, the Company's directors, supervisors, or executives.	☑	☐
The latest shareholder roster does not show that the auditor holds any shares of the merged company.	☑	☐
There is no financial borrowing or lending between the auditor and the merged company.	☑	☐
There are no joint investments or profit-sharing arrangements between the auditor and the merged company.	☑	☐
The auditor does not hold any positions or receive compensation from the merged company.	☑	☐
The Chairman, CEO, CFO, or managers responsible for financial or accounting affairs of the Company have not held any positions at the auditor's firm or its affiliated companies in the past year.	☑	☐
The auditor confirms that their affiliated CPA firm adheres to independence standards.	☑	☐
The non-audit services provided to the merged company do not directly affect the	☑	☐

Item	Result	
	Yes	No
audit engagement.		
The merged company does not coerce the audit engagement team members to accept inappropriate accounting choices or improper disclosures in the financial statements.	☑	☐
Criteria for assessing the suitability：		
The same auditor has not served as the Company's auditor for consecutive 7 years.	☑	☐
No disciplinary actions have been taken against the auditor by regulatory authorities.	☑	☐
No circumstances affecting independence have been found with the auditor.	☑	☐
The auditor has been approved and recognized by the Financial Supervisory Commission.	☑	☐
Assessment Recommendations: 1.The accounting firm engaged by the company belongs to one of the Big Four international accounting firms and has no conflict of interest with the company. 2.The company has evaluated various aspects related to independence and suitability, and no significant violations of independence or suitability were found.		

4.5 Composition, Responsibilities and Operations of the Remuneration Committee

(1)Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title (Note1)	Issuance condition / Name	Professional qualifications and experience (Note2)	Independence (Note3)	Number of positions as an Independent Director in other public listed companies
Convener Independent Director	Shih-Tong Lu	Professor/ Education, Economics, Civil Engineering, Business Management	Pleas check p.13~15 of 2.4Professional qualifications and independence analysis of directors and supervisors	1
Independent Director	Jyun-Yi Jhou	CPA/ Financial and Accounting	Pleas check p.13~15 of 2.4Professional qualifications and independence analysis of directors and supervisors	0
Independent Director	Chin-Han Chen	Lawyer / Law	Pleas check p.13~15 of 2.4Professional qualifications and independence analysis of directors and supervisors	0

Note 1: Please indicate whether the position is Independent Director or Other (if Convener, please add a note).

Note 2:Professional qualifications and experience: Specify the professional qualifications and experience of each individual member of the Remuneration Committee.

Note 3: The members of the Remuneration Committee meet the independence criteria and do not have the following situations: (1) The member, spouse, or relatives within the second degree of kinship serving as directors, supervisors, or employees of the Company or its related entities; (2) The member, spouse, or relatives within the second degree of kinship (or using another person's name) holding shares of the Company; (3) Serving as a director, supervisor, or employee of a company with specific relationships to the Company; (4) Having received remuneration for providing business, legal, financial, accounting, or other services to the Company or its related entities in the past two years.

(2) Attendance of Members at Remuneration Committee Meetings

1) There are 3 members in the Remuneration Committee.

2) Term of Office for the 5th Committee: June 17, 2022, to June 16, 2025.

3) A total of 6 (A) Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Convener	Shih-Tong Lu	6	0	100.00	5th
Committee Member	Jyun-Yi Jhou	6	0	100.00	5th
Committee Member	Chin-Han Chen	6	0	100.00	5th

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

4.6 Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
1. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	✓		The Company has established the"Code of Sustainable Development Practices" and the company has established a Sustainable Development Group, which the General Manager as the convener. Sustainable Development Group serves as a cross-departmental communication platform, integrating vertically and horizontally. By identifying sustainability issues relevant to the company's operations and stakeholders, the committee formulates corresponding strategies, policies, and annual plans. It also tracks execution effectiveness to ensure the full implementation of sustainability strategies in the company's daily operations. The Sustainable Development Group reports to the board of directors regularly. The most recent report to the board of directors was submitted on Dec. 21, 2023	No major difference
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		The company has established a "Risk Management Policy" with the General Manager serving as the Chief Risk Officer responsible for coordinating and directing the implementation and operation of the risk management plan. The risk assessment boundary primarily focuses on our company and includes Taiwan, China, and other regions. In accordance with the 'Risk Management Policy' and "Code of Sustainable Development Practices", the Sustainable Development Group analyzes business, financial, environmental, social, and corporate governance issues based on their significance. The committee communicates with internal and external stakeholders and integrates assessment data from the company's industry and various departments. The risk management strategies based on the evaluated risks as below:	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
			(1)Environment: Environmental Risk Assessment 1)The company continues to promote ISO 14001 environmental management system certification, actively reducing environmental impact. 2)The company continuously engages in activities such as waste sorting, recycling, waste reduction, and reuse in compliance with government environmental policies. 3) The company promote the digitalization of paper-based operations and have fully digitized standardized documents using a document management system to reduce paper consumption and minimize environmental pollution. 4)Regarding greenhouse gas emissions, the company promotes water conservation practices, internal guidelines for reducing air conditioning usage until a certain temperature threshold, and powering off unnecessary electrical devices during lunch breaks. Additionally, the installation of solar power systems at factories contributes to carbon reduction. (2)Social and Economic: Product Safety and Information Security Risk Assessment 1)Upholding sustainable development and environmental protection, the company explicitly specifies in procurement contracts that suppliers' products must comply with environmental regulations regarding raw materials. 2)Continuous efforts enhance employee safety and comfort in the workplace, including sufficient lighting, air quality monitoring and maintenance, regular health check-ups, and health consultations. 3)The company's commitment to social responsibility includes human rights policy formulation and assistance through material and financial donations. 4)Vigilant information security and personal data protection measures are in place, including the establishment of "Information Security Management Regulations"	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
			and "Personal Data Management Regulations." Notably, there have been no incidents of hacking or malware compromising computer systems in recent years. (3)Corporate Governance: 1)The company has established an internal control system to ensure compliance with legal requirements. 2)All board members participate in corporate governance courses to enhance their knowledge, and they are covered by directors' liability insurance. 3)Self-assessment of the board of directors is conducted according to the "Board Performance Evaluation Method." The General Manager reports to the board of directors at least once a year, with the most recent report submitted on Dec. 21, 2023.	
3.Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries? (2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓ ✓		(1)The company continues to promote ISO 14001 environmental management system certification, actively reducing environmental impact .The company continuously engages in activities such as waste sorting, recycling, waste reduction, and reuse in compliance with government environmental policies. (2)The company promote the digitalization of paper-based operations and have fully digitized standardized documents using a document management system to reduce paper consumption and minimize environmental pollution.	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		(3)Recognizing that climate change has become a significant concern for investors and businesses, the company evaluates the impact and effects of environmental risk factors on the company and develops corresponding measures in accordance with the 'Risk Management Policy' and "Code of Sustainable Development Practices".	
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		(4)As the company did not provide statistics on greenhouse gas emissions, water usage, and total waste weight from production processes of pass two yeasr. However, the company actively promote water conservation practices, and internally, to reduce the use of air conditioning until a certain temperature is reached, as well as to power off unnecessary electrical devices during lunch breaks. Employee walking for carbon reduction activities is a policy that encourages individuals to take action to reduce energy consumption and greenhouse gas emissions. Additionally, the company has installed solar power systems in our factories to enhance carbon reduction efforts. It have also establishe " Sustainable Development Best Practice Principles" and will continue to focus on this issue in the future.	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The company has established an "Employee Handbook" based on relevant laws and regulations such as the "Labor Standards Act ", "Gender Equality in Employment Act ", and "Sexual Harassment Prevention Act ", as well as references to international human rights conventions. The company implement and enforce these policies to provide a good working environment and protect the rights of employees.	No major difference
(2)Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		(2)The company provide all employees with labor and health insurance coverage, implement a retirement pension system, establish an Employee Welfare Committee, offer support for marriage, bereavement, and further education, and ensure reasonable vacation time for employees. The company also established a salary management policy as a basis for employee compensation and incentives. Employee remuneration is allocated based on provisions in the articles of incorporation and resolutions passed at shareholder meetings.	
(3)Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3)The company complies with occupational safety and health regulations at locations. The company provide safety and health education and training for employees in accordance with the law. Although no production units in Taiwan, the company premised to equip with strict access control and surveillance systems. It also conduct regular maintenance and inspections of various equipment such as general office equipment, water dispensers, and fire-fighting apparatus to ensure the safety and health of employees.	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
(4)Does the company provide its employees with career development and training sessions	✓		(4)The management department of the company has a comprehensive training plan for career development for employees. Providing employees with the necessary skills for job execution within their respective units and facilitate their career advancement through further education.	
(5)Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		(5) The company have contracts with customers and provide effective channels for product and service-related complaints. In order to achieve customer satisfaction, the company committed to delivering high-quality products and promptly addressing and providing complete product information services for customer complaints. The company has established relevant management procedures in accordance with applicable laws and international guidelines to safeguard customer rights.	
(6)Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and	✓		(6)The company has established "Supplier Evaluation Operation Guidelines" in accordance with the ISO 9001 Quality Management System and conducts regular evaluations of suppliers. It ensure that suppliers understand the company auditing standards and communicate clearly that do not support or use materials from illegal sources. The company require suppliers to confirm the legality of their product sources and comply with relevant laws and regulations regarding occupational safety and health, labor rights, and environmental protection. If a supplier fails the	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
safety, or labor and human rights? If so, describe the results.			evaluation or engages in activities that do not comply with relevant laws and regulations or have a significant negative impact on society and the environment, immediately cease using their products or services. All suppliers are expected to comply with the policies to achieve sustainable development goals together with the company.	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?		✓	The company is not currently required by law to prepare and submit a separate sustainability report. However, the company has established the"Code of Sustainable Development Practices" and "Sustainability Report Compilation and Verification Procedures" .The company also disclosed relevant sustainability information in annual report and company's website to facilitate access for stakeholders.	(1) To be handled as needed and in accordance with legal requirements in the future. (2)No major difference
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: The company has established a "Code of Sustainable Development Practices" and implemented the spirit of the code in our business operations, with no significant deviations from the prescribed guidelines.				

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	

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

(1)The company is committed to environmental conservation and actively promotes energy-saving and carbon reduction activities. These efforts include the installation of solar power systems in our factories (with an investment of NT$16,436 thousand , resulting in a reduction of 184,227 kg of carbon emissions. Additionally, we organize employee walking events for carbon reduction.

(2)The company is committed to human rights and social responsibility includes participating in food donations through the 1919 Food Bank and contributing to transportation fees for junior high schools.

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

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		(1)The Company has established a " Ethical Corporate Management Policies '" which has been approved by the board of directors. When entering into contracts with external parties, the Company follows the principles of integrity and mutual benefit, and negotiates reasonable contract terms. The company actively fulfills its contractual commitments.	No major difference

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(2)In accordance with the "Risk Management Policy," the Company evaluates and analyzes various risk factors in its business activities. It has also developed measures to prevent dishonest behavior in accordance with the " Ethical Corporate Management Policies " All employees are required to promptly report any violations of the integrity and ethical behavior guidelines to the management.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3)The Company has formulated the "Operating Procedures and Guidelines for Conducting Business with Integrity" and consistently promotes the importance of ethical behavior. It has established channels for complaints and reports. In cases of employee misconduct, the Company will issue warnings or impose disciplinary measures based on the severity of the situation and the impact, in accordance with the provisions outlined in the employee handbook.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1)The Company holds annual business meetings, conveying our integrity requirements to all our business partners. In addition, an ethic-related clause is included in every business contract. Appropriate measures are established for	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			dealing with dishonest behavior that violates contractual provisions.	
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2)The Integrity Management Policy and Prevention Program of the company are formulated and supervised by the Management Department, which is responsible for their implementation. A report on the execution status is submitted to the board of directors annually. The most recent report to the board of directors was on March 18, 2022.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) 1)The Company has established policies and practices in the ' Ethical Corporate Management Policies ' and the 'Operating Procedures and Guidelines for Conducting Business with Integrity' to prevent conflicts of interest. 2) Employees can express their opinions on matters related to conflicts of interest through various channels and these concerns will be appropriately addressed by the management. 3) Directors or any other individuals attending or participating in board meetings are required to abstain from discussions and voting on matters where they have a conflict of interest."	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(4)The Company has established accounting and internal control systems to ensure integrity in operations. After internal auditors have analyzed and reviewed the annual audit program according to the risk evaluation results, and report to board of directors.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) The Company has established a ' Ethical Corporate Management Policies ' that integrates integrity into its corporate culture. The senior management regularly promotes this code during various meetings, emphasizing the importance of its implementation across all departments.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	 ✓ ✓		 (1)The Company has established the 'Operating Procedures and Guidelines for Conducting Business with Integrity,' which includes the implementation of a whistleblowing system. Both internal and external individuals who discover violations of the integrity policies can report them to the company via email or phone. The Company will assign appropriate personnel to handle the reported cases. (2) The personal information of whistleblowers will be kept confidential in accordance with the law, and appropriate measures will be taken to protect individual privacy. Upon receiving a report, the investigation process involves	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			various techniques such as backward tracing, observation, questioning, analysis, verification, investigation, and evaluation to collect concrete evidence. After the investigation is completed, further actions will be taken in accordance with national regulations and company policies.	
(3) Does the company provide proper whistleblower protection?	✓		(3) The company ensures confidentiality of the handling process and whistleblower information throughout the whistleblowing process. Whistleblowers will not face any improper treatment as a result of their report.	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		The Company disclose the 'Ethical Corporate Management Policies ' and the results of our implementation have been posted on the Company’s website and MOPS.	No major difference
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. The Company has established the 'Ethical Corporate Management Policies ' .There have been no differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies). (1)The company complies with the Company Act, Securities and Exchange Act, Business Accounting Act, relevant regulations for listing on stock exchanges, and other laws and regulations related to commercial activities. These serve as the foundation for implementing ethical corporate management, and the company conducts its operations based on these principles.				

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td colspan="5">(2) The "Board of Directors Meeting Regulations" of the Company includes a system for directors to avoid conflicts of interest. For agenda items in which a director, their affiliated entities, or their representatives have a vested interest that may harm the company's interests, they are allowed to express opinions and provide answers, but they are not permitted to participate in discussions or voting. They must abstain from discussions and voting, and they are not allowed to delegate their voting rights to other colleagues.
(3) The company has newly established the ‘Guidelines for Financial and Business Transactions Among Related Parties,’ in accordance with the ‘Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, Article 17,’ the ‘Regulations Governing Establishment of Internal Control Systems by Public Companies’ and ‘Taiwan Financial Supervisory Commission Letter No. 0930000939.’ These guidelines regulate financial and business interactions between related parties</td></tr>
</table>

4.8 Corporate Governance Guidelines and Regulations

Please refer to the Company’s website at www.jve-tech.com of “**Corporate Governance”.**

4.9 Other Important Information Regarding Corporate Governance

Please refer to above 4.4 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” item 8.

4.10 Internal Control Systems

(1)Disclosures for Statement of the Internal Control System

Jhen Vei Electronic Co., LTD.

Declaration for Statement of Internal Control System

Date: March 14, 2024

We made the following declaration based on self-assessment on the Company's internal control policies in 2023:

I. The Company acknowledges and understands that establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers, and that such a system has already been established throughout the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security etc.,), reliable, timely and transparent financial reporting, and regulatory compliance.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws were identified.

III. The Company evaluates the effectiveness of its internal control policy design and execution based on the criteria specified in "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consists of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.

IV. The Company has adopted the above-mentioned criteria to validate the effectiveness of its internal control design and execution.

V. Based on the assessments described above, the Company considers the design and execution of its internal control policies to be effective as of December 31, 2022. This system (including the supervision and management of subsidiaries) has provided assurance with regards to the Company's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.

VI. The Statement forms an integral part of the Company's annual report and prospectus, and shall be made public. Any illegal misrepresentation or concealment in the public statement above are subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement was approved at the Company's Board of Directors meeting held on March 14, 2024.None of the 9 directors present to the meeting held any objections, and unanimously agreed to the content of this declaration.

Jhen Vei Electronic Co., LTD.

Chairman : Niang Chuan, Wei

General Manager: Kevin, Ge

(2)The party responsible for engaging the accountant to review the internal control system shall disclose the accountant's review report: None.

4.11 Penal Provisions

If there has been any legal penalty against the company and its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder interests or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

4.12 Major Resolutions of Shareholders' Meeting and Board Meetings

Major Resolutions of Shareholders' Meeting

Date	Major resolutions	Implementation status
06/29/2023	1. 2022 Business Report and Financial Statements 2. The Profit Distribution t Proposal of the 2022. 3. Amendment to the Articles of Incorporation. 4. Amendment of certain articles in the "Operating Procedures of Endorsement / Guarantees " 5. Amendment of certain articles in the "Operating Procedures for Loaning Funds to Other" 6. Amendment of certain articles in the "Procedures for Financial Derivatives Transactions ". 7. Amendment to the Rules of Procedure for Shareholder Meetings. 8. 2022Proposal for a cash offering by private placement.	(1)All actions have been executed and relevant information has been publicly disclosed on the Taiwan Stock Exchange's website, in accordance with regulations. (2) The amendments to the company's articles of incorporation have been duly registered with the Taipei City government. (3) The quota for private placement of securities will remain valid for one year from the date of the 112th Annual Shareholders' Meeting resolution. The cancellation of this quota was resolved during the 13th Board of Directors meeting of the 9th term.

Major Resolutions of Board Meetings

Date	Major resolutions	Opinions of all independent directors and the company's handling of the opinions of independent directors.
3/28/2023	1. Appointment of Accounting manager. 2. Business Report and Financial Statements for the Fiscal Year 2022. 3. Profit Distribution for the Fiscal Year 2022. 4.Internal Control Statement for the Fiscal Year 2022 5. Revision of Internal Control System. 6. Amendment of certain articles in the "Procedures for Financial Derivatives Transactions ". 7. Amendment of certain articles in the "Operating Procedures of Endorsement / Guarantees ". 8. Amendment of certain articles in the "Operating Procedures for Loaning	No any objections.

Date	Major resolutions	Opinions of all independent directors and the company's handling of the opinions of independent directors.
	Funds to Other". 9. Amendment of Authority Matrix. 10. Evaluation of the Independence and Suitability of the Auditor and Compensation. 11. Proposal to establish general principles for the Pre-approval Policy of Non-Assurance Services. 12. Funds Lending to Subsidiaries. 13. Cancellation of Unexecuted Quota for Endorsement and Guarantee of Subsidiaries. 14. Endorsement and Guarantee by Subsidiary Companies. 15. Amendment of certain articles in the "Internal Significant Information Handling Procedures". 16. Planning of Greenhouse Gas Inventory and Verification Schedule for Subsidiaries. 17. The convening of the 2023 Annual Shareholders' Meeting. 18. Budget for the Fiscal Year 2023. 19. Discussion on Director and Employee Remuneration for the Fiscal Year 2022.	
5/11/2023	1. Consolidated Financial Statements for the 1st Quarter of the 2023 Fiscal Year. 2. Establishment of Corporate Governance Supervisor Position. 3. Amendment of Agenda for the 2023 Annual Shareholders' Meeting of the Company. 4. Amendment of certain articles in the "Articles of Incorporation". 5. Amendment of certain articles in the "Shareholders Meeting Rules". 6. Amendment of certain articles in the "Operating Procedures for Loaning Funds to Others". 7. Cancellation of Unexecuted Quota for Private Placement of Securities approved at the 2022 Annual Shareholders' Meeting. 8. Private Placement of Securities for the Fiscal Year 2023. 9. Bank Comprehensive Credit Limit. 10. Resolutions of the 3rd Remuneration Committee Meeting of the 5th term and Managerial Remuneration.	No any objections.
7/11/2023	1.Southeast Asia investment case. 2. Funds Lending to Subsidiaries. 3. Application for supplementary public issuance and listing of privately placed of the company	No any objections.
9/13/2023	1.A simple merger between the company and its subsidiary HUA YIN ENERGY Co., Ltd., 2. Newly appointed of “ Vice president”. 3. Resolution to lift the prohibition on managerial competition.	No any objections.
11/10/2023	1. Consolidated Financial Statements for the 3rd Quarter of the 2023 Fiscal Year. 2. Appointment of Internal Audit officer. 3. Comprehensive credit limit case for TCB Bank.	No any objections.
3/14/2024	1. Business Report and Financial Statements for the Fiscal Year 2023. 2. Profit Distribution for the Fiscal Year 2023. 3. Internal Control Statement for the Fiscal Year 2023 4. Discussion on Director and Employee Remuneration for the Fiscal Year 2023.	No any objections.

Date	Major resolutions	Opinions of all independent directors and the company's handling of the opinions of independent directors.
	5. Evaluation of the Independence and Suitability of the Auditor and Compensation. 6. Funds Lending to Subsidiaries. 7. The convening of the 2024 Annual Shareholders' Meeting. 8. Budget for the Fiscal Year 2024.	
5/13/2024	1. Consolidated Financial Statements for the 1st Quarter of the 2024. 2. Cancellation of Unexecuted Quota for Private Placement of Securities approved at the 2023 Annual Shareholders' Meeting. 3. Private Placement of Securities for the Fiscal Year 2024. 4. Set the merger base date of simple merger between the company and its subsidiary HUA YIN ENERGY Co., Ltd., 5. Cathay United Bank Comprehensive Credit Limit. 6. SinoPac Bank Comprehensive Credit Limit. 7. Taishin Bank Comprehensive Credit Limit. 8. Funds Lending to Subsidiaries. 9. Resolutions of the 6st Remuneration Committee Meeting of the 5th term. 10. Endorsement / Guarantees to Subsidiaries. 11. Amendment of Agenda for the 2024 Annual Shareholders' Meeting of the Company.	No any objections.

4.13 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None

4.14 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Accounting officer	Zang-Lan, Wang	08/11/2022	03/28/2023	Position adjustment
Internal Audit officer	Chong-Jyun, Li	07/03/2020	07/02/2023	Resignation for personal career development
Financial officer	C.T. Lan	11/09/2022	05/17/2024	Resignation for personal career development
Accounting Manager	C.T. Lan	03/28/2023	05/17/2024	Resignation for personal career development
Corporate Governance Officer	C.T. Lan	05/11/2023	05/17/2024	Resignation for personal career development

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

Unit: NT$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
KPMG(Taiwan)	HENG SHEN LIN SHU CHI YANG	2023.01.01~ 2023.12.31	2,020	470	2,490	Annual Report and salary review50、TP Report and Translation420

(1) The accounting firm was changed in the current fiscal year, and the audit fees paid for the current fiscal year decreased compared to the audit fees of the previous fiscal year: None.
(2) A decrease in audit fees by more than 10 percent compared to the previous fiscal year: None.

6. Replacement of CPA: None.

7. The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Auditing CPA Firm or Its Affiliated Businesses in the ast Year: None.

8. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

(1) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: shares

Title	Name	2023 i(Note1)		As of Apr.27, 2024 i(Note1)	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	YongDing Investment Co., Ltd.	0	0	0	0
Chairman Representative	Niang- Chuan Wei(Note2)	0	0	0	0
Director	Cing-Lang Jhong	0	0	0	0
Director	Yu- Rong Pan	0	0	0	0
Director	Hong-Jyun Lin	0	0	0	0
Director	Shih-Fung Liao	0	0	0	0
Director	Yu-jyun Shen(Note2)	0	0	0	0
Independent director	Jyun-Yi Jhou	0	0	0	0
Independent director	Shih-Tong Lu	0	0	0	0
Independent director	Chin-Han Chen	0	0	0	0
General Manager	Kevin, Ge	0	0	0	0
Accounting Officer	Zang -Lan, Wang(Note3)	0	0	0	0
Associate, Accounting Officer & Finance Officer	C.T .Lan(Note4)	0	0	0	0
Associate, Sale Division	Jheng- Long ,Lin	0	0	0	0

Note 1: Information regarding directors, supervisors, executives, and major shareholders during their tenure or incumbency.
Note 2: Appointed as director on January 12, 2023.
Note 3: Resigned on March 28, 2023.
Note 4: Appointed as Finance Officer on November 9, 2022, and appointed as Accounting Officer on March 28, 2023.

(2)Shares Trading with Related Parties :None.

(3) Shares Pledge with Related Parties : None

9. Relationship among the Top Ten Shareholders

As of 04/27/2024

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
YongDing Investment Co., Ltd.	10,374,629	15.07%	0	0.00%	0	0.00%	-	-	
YongDing Investment Co., Ltd. Representative: Niang - Chuan Wei	300,000	0.44%	0	0.00%	0	0.00%	-	-	
YongDing Investment Co., Ltd. Representative: Cing-Lang Jhong	0	0.00%	0	0.00%	0	0.00%	-	-	
YongDing Investment Co., Ltd. Representative: Yu- Rong Pan	0	0.00%	0	0.00%	0	0.00%	-	-	
HuaTai Management Consulting Co., Ltd	6,359,230	9.24%	0	0.00%	0	0.00%	-	-	
HuaTai Management Consulting Co., Ltd Representative: Hong-Jyun Lin	0	0.00%	0	0.00%	0	0.00%	Shih-Fung Liao	Relatives Within Two Degrees	
HuaTai Management Consulting Co., Ltd Representative: Shih-Fung Liao	0	0.00%	0	0.00%	0	0.00%	Hong-Jyun Lin	Relatives Within Two Degrees	
HuaTai Management Consulting Co., Ltd Representative: Yu-jyun Shen	0	0.00%	0	0.00%	0	0.00%	-	-	
Huei-Jhen, Jhuang	1,196,000	1.74%	0	0.00%	0	0.00%	-	-	
Syue-Ying, Liou	1,151,773	1.67%	0	0.00%	0	0.00%	-	-	
Ciou-Yue, Jhang	892,034	1.30%	0	0.00%	0	0.00%	-	-	
Shih-Sheng, Gai	744,292	1.08%	0	0.00%	0	0.00%	-	-	
Jin-Chih, Lin	715,000	1.04%	0	0.00%	0	0.00%	-	-	
Ding-Sian, Yang	707,076	1.03%	0	0.00%	0	0.00%	-	-	
Sheng-Cong, Wu	671,000	0.97%	0	0.00%	0	0.00%	-	-	
Yong-Wei , Lin	632,923	0.92%	0	0.00%	0	0.00%	-	-	

10.Ownership of Shares in Affiliated Enterprises

Unit: thousand shares/ % As of 05/17/2024

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
JHEN VEI ENTERPRISE CO., LTD.	48	100.00	0	0	48	100.00
PORS WIRING CO., LTD.	48	100.00	0	0	48	100.00
HUAIAN JHEN VEI ELECTRONICS CO., LTD.	0	0	(Note1)	100.00	(Note1)	100.00
JHEN VEI INVESTMENT CO., LTD.	0	0	810	100.00	810	100.00
HUAYIN ENERGY CO., LTD.	10,000	100.00	0	0	10,000	100.00
GZ ELECTRONIC CO., LTD.	20,000	100.00	0	0	20,000	100.00
JVE (THAILAND) Co.Ltd	0	0	421	49.00	421	49.00

Note 1: As a limited company, no shares are issued.

IV. Capital Overview
1. Capital and Shares
1.1 Source of Capital
(1) Issued Shares

As of 04/27/2023

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1986.03	10.00	100,000	1,000,000	100,000	1,000,000	Cash capital increase of establishment NTD1,000,000	None	Approval date and document number：1986.02.21 Ref.No.Jiansanzi 53737
1988.08	10.00	500,000	5,000,000	500,000	5,000,000	Cash capital increase of NTD4,000,000	None	Approval date and document number：1988.08.29 Ref.No.Jiansanzi 341569
1992.11	10.00	1,499,000	14,990,000	1,499,000	14,990,000	Cash capital increase of NTD9,990,000	None	Approval date and document number：1992.11.13 Ref.No.Jiansanzi 375310
1997.06	10.00	3,600,000	36,000,000	3,600,000	36,000,000	Cash capital increase of NTD21,010,000	None	Approval date and document number：1997.07.04 Ref.No.Jiansanzi 193694
2002.07	10.00	25,000,000	250,000,000	25,000,000	250,000,000	Cash capital increase of NTD214,000,000	None	Approval date and document number：2002.08.19 Ref.No.Shoushangzi 09101333610
2005.03	10.00	45,000,000	450,000,000	20,500,000	205,000,000	Capital reduction to cover losses NTD45,000,000	None	Approval date and document number：2005.04.13 Ref.No.Shouzhongzi 09431939160
2005.03	10.00	45,000,000	450,000,000	30,500,000	305,000,000	Cash capital increase of NTD100,000,000	None	Approval date and document number：2005.04.13 Ref.No.Shouzhongzi 09431939160
2006.05	40.00	45,000,000	450,000,000	35,500,000	355,000,000	Cash capital increase of NTD50,000,000	None	Approval date and document number：2006.05.29 Ref.No.Shouzhongzi 09532233540
2006.07	10.00	45,000,000	450,000,000	39,912,754	399,127,540	Capitalization of retained earnings of NTD35,500,000; capitalization of employee bonuses of NTD8,627,540	None	Approval date and document number：2006.08.01 Ref.No.Shouzhongzi 09532604540
2007.06	10.00	45,000,000	450,000,000	42,658,391	426,583,910	Capitalization of retained earnings of NTD19,956,370; capitalization of employee bonuses of NTD7,500,000	None	Approval date and document number：2007.08.20 Ref.No.Shouzhongzi 09632633410
2007.08	26.00	65,000,000	650,000,000	49,658,391	496,583,910	Cash capital increase of NTD70,000,000	None	Approval date and document number：2007.10.25 Ref.No.Shouzhongzi 09632948610
2008.09	10.00	65,000,000	650,000,000	50,880,338	508,803,380	Capitalization of retained earnings of NTD9,888,470; capitalization of employee bonuses of NTD2,331,000	None	Approval date and document number：2008.09.05 Ref.No.Jingshoushangzi 09701222460
2009.08	10.00	65,000,000	650,000,000	51,885,564	518,855,640	Capitalization of retained earnings of NTD10,052,260	None	Approval date and document number：

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
								2009.08.18 Ref.No.Jingshoushangzi 09801187240
2011.04	10.00	65,000,000	650,000,000	51,266,564	512,665,640	Retired treasury stock, reducing capital by 6,190,000 NTD	None	Approval date and document number：2011.04.15 Ref.No.Jingshoushangzi 10001074840
2015.05	14.10	65,000,000	650,000,000	53,394,222	533,942,220	Private Placement of first domestic Convertible Bonds of 2013year, it converted into 2,127,658 ordinary shares per Value 14.10 of the company of NTD30,000,000	None	Approval date and document number：2015.06.29 Ref.No.Jingshoushangzi 10401098210
2016.08	14.10	65,000,000	650,000,000	54,599,895	545,998,950	Private Placement of first domestic Convertible Bonds of 2013year, it converted into 1,205,673 ordinary shares per Value 14.10 of the company of NTD17,000,000	None	Approval date and document number：2016.08.25 Ref.No.Jingshoushangzi 10501209600
2016.11	14.10	65,000,000	650,000,000	64,032,517	640,325,170	Private Placement of first domestic Convertible Bonds of 2013year, it converted into 9,432,622 ordinary shares per Value 14.10 of the company of NTD133,000,000	None	Approval date and document number：2016.12.07 Ref.No.Jingshoushangzi 10501278130
2018.10	6.00	90,000,000	900,000,000	74,032,517	740,325,170	The company conducted the first and second private placements of 2017year common shares through cash NTD100,000,000	None	Approval date and document number：2018.10.25 Ref.No.Jingshoushangzi 10701135470
2018.11	10.00	90,000,000	900,000,000	38,846,778	388,467,780	Capital reduction of offset the losses NTD351,857,390	None	Approval date and document number：2018.11.14 Ref.No.Jingshoushangzi 10755543200
2020.04	7.18	90,000,000	900,000,000	48,846,778	488,467,780	The company conducted the first private placements of 2019year common shares through cash NTD100,000,000	None	Approval date and document number：2020.05.12 Ref.No. Fuchanyeshangzi 10948683910
2021.12	12.80	90,000,000	900,000,000	68,846,778	688,467,780	Cash capital increase of NTD200,000,000	None	Approval date and document number：2021.12.20 Ref.No.Jingshoushangzi 11001234440

(2)Type of Stock

As of 04/27/2024

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	68,846,778	21,153,222	90,000,000	Over-the-counter Stocks 46,900,893 private placements Stocks 21,945,885

(3)Summary declaration system-related information: None

1.2 Status of Shareholders

As of 04/27/2024

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	0	164	23,765	22	23,951
Shareholding (shares)	0	0	16,929,213	51,025,427	892,138	68,846,778
Percentage	0%	0%	24.59%	74.12%	1.29%	100.00%

1.3 Shareholding Distribution Status

Common Shares

As of 04/27/2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	18,294	471,027	0.68%
1,000 ~ 5,000	4,126	8,675,421	12.59%
5,001 ~ 10,000	711	5,525,961	8.03%
10,001 ~ 15,000	249	3,230,022	4.69%
15,001 ~ 20,000	165	2,983,109	4.33%
20,001 ~ 30,000	145	3,761,651	5.46%
30,001 ~ 40,000	59	2,079,156	3.02%
40,001 ~ 50,000	47	2,183,944	3.17%
50,001 ~ 100,000	94	6,489,626	9.43%
100,001 ~ 200,000	34	4,637,830	6.74%
200,001 ~ 400,000	14	3,860,074	5.61%
400,001 ~ 600,000	3	1,505,000	2.19%
600,001 ~ 800,000	5	3,470,291	5.04%
800,001 ~ 1,000,000	1	892,034	1.30%
1,000,001 or over	4	19,081,632	27.72%
Total	23,951	68,846,778	100.00%

1.4 List of Major Shareholders

As of 04/27/2024

Shareholder's Name	Shareholding	
	Shares	Percentage
YongDing Investment Co., Ltd.	10,374,629	15.07%
HuaTai Management Consulting Co., Ltd	6,359,230	9.24%
Huei-Jhen, Jhuang	1,196,000	1.74%
Syue-Ying, Liou	1,151,773	1.67%
Ciou-Yue, Jhang	892,034	1.30%
Shih-Sheng, Gai	744,292	1.08%
Jin-Chih, Lin	715,000	1.04%
Ding-Sian, Yang	707,076	1.03%
Sheng-Cong, Wu	671,000	0.97%
Yong-Wei , Lin	632,923	0.92%

Note: List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list.

1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT$

Items	2023	2022	01/01/2024-03/31/2024 (Note 3)
Market Price per Share			
Highest Market Price	25.20	27.05	21.45
Lowest Market Price	15,10	13.00	15.80
Average Market Price	20.70	19.63	18.78
Net Worth per Share(Note2、3)			
Before Distribution	11.50	11.80	11.61
After Distribution	(Note 1)	(Note 1)	(Note 1)
Earnings per Share			
Weighted Average Shares (thousand shares)	68,847	68,847	68,847
Diluted Earnings Per Share	0.06	1.49	0.08
Adjusted Diluted Earnings Per Share	0.06	1.49	0.08
Dividends per Share			
Cash Dividends	0.1	0.3	0
Stock Dividends			
• Dividends from Retained Earnings	0	0	0
• Dividends from Capital Surplus	0	0	0
Accumulated Undistributed Dividends	0	0	0
Return on Investment			
Price / Earnings Ratio	345	13.17	234.75
Price / Dividend Ratio	207	65.43	0
Cash Dividend Yield Rate	0.48%	1.53%	0

Note 1：The profit distribution plan for the fiscal 2023year has been approved by the board of directors on Mar. 14, 2024, and it was decided to distribute a cash dividend of NTD0.1 per share.

Note 2：Net Worth per Share and Earnings per Share of the 2022-2023year in the table above are the number certified by the CPAs.

Note 3：Net Worth per Share and Earnings per Share of the 01/01/2024~03/31/2024 in the table above are the number reviewed by the CPAs. The remaining columns are the data for the current year as of the publication date of the annual report.

1.6 Dividend Policy and Implementation Status

(1)Dividend Policy

The dividend distribution of our company is determined in accordance with the provisions of our company's bylaws. Dividends may be distributed in the form of cash dividends or stock dividends. However, various factors are taken into consideration, including the investment environment, domestic and international competition, shareholder interests, long-term financial planning of the company, funding requirements, and the impact on company operations. The actual type and ratio of dividend distribution are proposed by the Board of Directors based on the actual profits and financial conditions of the year. They are then discussed and resolved upon by the shareholders' meeting.

(2)Proposed Distribution of Dividend

The profit distribution plan for the fiscal 2023year has been approved by the board of directors on March 14, 2024, and it was decided to distribute a cash dividend of NTD0.1 per share.

1.7 Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the current year: None.

1.8 Compensation of Employees, Directors and Supervisors

(1)Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:

According to the company's bylaws, it is stipulated that if the company generates profits in a fiscal year, a minimum of 2.5% should be allocated as employee remuneration. The distribution can be made in the form of stocks or cash and includes employees of both controlling and subsidiary companies who meet certain conditions. Additionally, the board of directors may allocate up to 3% of the aforementioned profit for director and supervisor remuneration. The distribution plans for employee remuneration and director and supervisor remuneration should be reported to the shareholders' meeting. However, if the company has accumulated losses, an amount should be reserved in advance for offsetting such losses before allocating employee and director and supervisor remuneration according to the aforementioned proportions.

(2)The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.：

The Company estimates the remuneration amounts for employees, directors, and supervisors based on the provisions in the company's articles of incorporation. The estimation basis is determined by allocating a portion of the pre-tax income, before distributing employee and director/supervisor remuneration, at a rate not less than 2.5% and not exceeding 3% respectively.

The Company calculates the number of shares for employee remuneration in the form of stock distributions based on the calculation basis. The calculation basis is determined using the closing price of the day prior to the shareholders' meeting, taking into account the impact of ex-rights and ex-dividends. Refer to the calculation formula provided by Taiwan Stock Exchange Corporation for ex-rights and ex-dividends reference price.

The calculation formula is as follows:

$$(A + B) / (1 + C)$$

A: Ex-rights and ex-dividends reference price – dividends

B: Cash capital increase subscription price * cash capital increase stock allocation rate

C: Shareholders' free stock allocation rate + cash capital increase stock allocation rate

Accounting treatment for differences between the actual distribution amount and the estimated amount:

1) There is a significant change in the amount of disbursements approved by the Board of Directors prior to the issuance date of the annual financial report, the adjustment for such change is made to the originally allocated annual expenses.
2) If there are still changes in the amounts after the annual financial report has been approved and released, such changes will be processed and adjusted in the subsequent year's accounting estimates.

   For information regarding employee and director/supervisor remuneration as determined by the shareholders' meeting of the Company, please refer to the "Public Information Observation System" of Taiwan Stock Exchange for further details.

(3)Distribution of Compensation of Employees, Directors and Supervisors for 2023 Approved in the Board of Directors Meeting

1)Recommended Distribution of Compensation of Employees, Directors and Supervisors：

Employee			Directors'and Supervisors'	Difference Description
In Cash	In Stock	TOTAL	in Cash	
0	0	0	0	No difference.

2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation.：None.

(4) Information of 2022 Distribution of Compensation of Employees, Directors and Supervisors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.:
During the fiscal year 2022, no compensation was distributed to employees, directors, and supervisors, resulting in a total of NTD4,449 thousand. There is NTD205 thousand difference between the actual distribution and the recognized compensation for employees, directors, and supervisors, as both amounts NTD 4,244 thousand. The treatment involves including the variance between the estimated and actual figures as expenses for the year 2023.

1.9 Buy-back of Treasury Stock: None.

2. Bonds : None.

3. Financing Plans and Implementation

3.1 Finance Plans：

As of the quarter preceding the publication date of the annual report, the previous issuance or private placement of securities has not been completed or has been completed within the last three years and the planned benefits have not yet appeared.

【For each uncompleted public issue or private placement of securities】：

(1)On June 19, 2020, our company's shareholder meeting approved a cash capital increase plan to enhance working capital and meet the future funding needs of our company's operations. The plan involved a private placement of up to 10,000 thousand shares of common stock with a par value of NT$10 per share. The total amount raised through the private placement would depend on the issue price and the actual number of shares issued. The issuance of these shares was planned to be conducted in two stages within one year from the date of the shareholder meeting, depending on the actual operational requirements of the company. As of May 12, 2021, before the 16th meeting of the fifth board of directors, no issuance plan had been established for this private placement, and therefore, the board of directors decided to cancel the execution of this allocation.

(2) On August 27, 2021, our company's shareholder meeting approved a cash capital increase plan to enhance working capital and meet the future funding needs of our company's operations. The plan involved a private placement of up to 10,000 thousand shares of common stock with a par value of NT$10 per share. The total amount raised through the private placement would depend on the issue price and the actual number of shares issued. The issuance of these shares was planned to be conducted in two stages within one year from the date of the shareholder meeting, depending on the actual operational requirements of the company. As of May 12, 2022, before the 24th meeting of the fifth board of directors, no issuance plan had been established for this private placement, and therefore, the board of directors decided to cancel the execution of this allocation.

(3) On June 17, 2022, our company's shareholder meeting approved a cash capital increase plan to enhance working capital and meet the future funding needs of our company's operations. The plan involved a private placement of up to 10,000 thousand shares of common stock with a par value of NT$10 per share. The total amount raised through the private placement would depend on the issue price and the actual number of shares issued. The issuance of these shares was planned to be conducted in two stages within one year from the date of the shareholder meeting, depending on the actual operational requirements of the company. As of May 11, 2023, before the sixth meeting of the ninth board of directors, no issuance plan had been established for this private placement, and therefore, the board of directors decided to cancel the execution of this allocation.

【Those completed within the last three years but have not yet shown planned benefits.】：N/A

3.2 Implementation:

Analyzing each of the previous plans' purposes, the execution status and a comparison with the originally anticipated benefits up until the quarter preceding the printing date of the annual report.

Year 2019

Regarding the execution status and a comparison with the originally anticipated benefits of the private placement of common shares in the year 2020, carried out during the board of directors meeting on April 8, 2020, the details are as follows:

(1)Plan details:

1) The purpose of the private placement of common shares in 2020, approved by the board of directors, was to enhance working capital.

- Subscription payment completion: Completed on April 13, 2020.
- Cash capital increase reference date: April 14, 2020.
- Approval of the cash capital increase application: The private placement of common shares in 2020 was approved and recorded under the government property industry letter number Fuchanyeshangzi 10948683910 by the competent authority on May 12, 2020

2) Total funding required for the plan: The private placement of common shares in 2020 aimed to raise NT$71,800 thousand Dollars.

3) Source of funds: Issuance of 10,000 thousand shares of common stock at an issuance price of NT$7.18 per share, raising a total of NT$71,800 thousand Dollars.

4) Plan for Cash Capital Increase and Utilization Progress:

- ■ The consolidated utilization status of the private placement of common stock in the year 2019 is as follows.

Project Item	Estimated Completion Date	Total Amount of Required Funds (in thousand Dollar)	Estimated fund utilization progress. (in thousand Dollar)
			3rd quarter of 2020
Enhancement of Working Capital	3rd quarter of 2020	71,800	71,800

- ■ Reasonable Expectation of Potential Benefits: It is expected to contribute to future business expansion, strengthen the company's financial structure, and enhance profitability and shareholders' equity.

5) Changes in plan details, reasons for changes, and the impact of changes on expected benefits: There were no changes made to the private placement of common shares in 2020, so this section is not applicable.

6) Date of enter the information reporting of the FSC-designated website: May 15, 2020.

(2) Execution Status: The consolidated utilization status of the private placement of common stock in the year 2019 is as follows.

Project Item	Execution Status	As of Q3 2020		Reasons for being ahead or behind schedule and improvement plans.
Enhancement of Working Capital	Funds Utilized	Estimated	71,800	The utilization of funds in this plan is based on actual needs.
		Actual	71,800	
	Execution Progress	Estimated	100.00%	
		Actual	100.00%	

(3)Evaluation of Execution Benefits

1) Changes in Current Assets, Current Liabilities, Interest Expenses, Operating Revenue, and Earnings per Share

Unit：NT$ thousands

Item	3/31/2020 (Before Cash Capital Increase)	6/30/2020 (after Cash Capital Increase)	Difference Amount	Difference Rate
Current assets	554,803	691,238	136,435	24.59%
Current liabilities	207,424	277,232	69,808	33.65%
Total liabilities	287,627	353,427	65,800	22.88%
Interest Expense	690	575	(115)	(16.67%)
Operating Revenue	131,273	272,613	141,340	107.67%
Earnings per Share	(0.11)	0.17	0.28	254.55%

Due to the completion of capital fundraising, our company witnessed a significant increase in current assets, revenue, and profit in the second quarter of the 2020 fiscal year compared to the first quarter. However, both current liabilities and total liabilities increased due to the growth in business volume. Overall, there was a notable improvement compared to the first quarter of the 2020 fiscal year.

2) Financial Structure and Debt Repayment Ability Analysis

Items		3/31/2020 (Before Cash Capital Increase)	6/30/2020 (after Cash Capital Increase)
Financial Structure	Debt Ratio	41.19%	42.06%
	Ratio of long-term capital to fixed assets	526.97%	566.33%
Debt Repayment Ability	Current ratio	267.47%	249.34%
	Quick ratio	194.21%	182.98%

In the fiscal year 2019, the private placement of common stock for cash capital increase amounted to NT$71,800 thousand. It was completed in April 2020, and the funds have been gradually utilized according to the planned progress. As a result of the doubled growth in operating revenue, the financial structure and debt repayment capacity have also improved. However, further observation is required as the increase in operating revenue exceeds the amount of the cash capital increase.

Year 2021

The following is an explanation of the implementation status and a comparison with the originally anticipated benefits of the year of 2021 cash capital increase and issuance of common shares plan decided at the Board of Directors meeting held on Aug.5, 2021:

(1)Plan details:

1) Total issuance amount of the plan: 20,000 thousand shares of common stock issued through cash capital increase, with a par value of NTD 10 per share, resulting in a total issuance amount of NT$ 200,000 thousand.

2) Source of funds for the plan: 20,000 thousand shares of common stock issued through cash capital increase, with an issuance price of NTD 12.80 per share, resulting in a total fundraising amount of NTD 256,000 million.

3) Project items and planned progress of fund utilization:

Unit；NT$ thousands

Project item	Date	Amount	Planned progress 2021 4th quarter	Planned progress 2022 1st quarter
Repayment of bank loans	4th quarter of the year 2021	129,395	129,395	-
Strengthening working capital	1st quarter of the year 2022	126,605	35,000	91,605
Total		256,000	144,395	111,605

4) Expected Benefits:

A. Repayment of bank loans:

Out of the raised funds, an amount of NT$129,395 thousand will be used to repay bank loans. This will reduce interest expenses, decrease dependency on bank borrowings, strengthen the company's financial structure, and enhance debt repayment capability. Based on the interest rates and projected repayment dates for the bank loans, it is estimated that an annual interest savings of approximately NT$1,232 thousand can be achieved starting from the year 2022.

B. Strengthening working capital:

Out of the raised funds, an amount of NT$126,605 thousand will be utilized to meet the operational cash flow requirements for material purchases. The raised capital will replace bank financing, contributing to increased long-term financial stability, improved liquidity flexibility, and reduced operational risks. If this funding requirement were to be fulfilled through bank loans, estimated annual interest savings of around NT$1,203 thousand can be achieved starting from the year 2022, based on the current weighted average borrowing interest rate of 0.95% for the company's bank loans.

5) Changes to the plan, reasons for changes, and the impact before and after the changes:

The year of 2021 cash capital increase and issuance of common shares plan has not undergone any changes; hence, this section is not applicable.

6) Date of submission to the designated information reporting website of the Financial Supervisory Commission (FSC): November 5th, 2021.

(2) Execution Status: The consolidated utilization status of the year of 2021 cash capital increase and issuance of common shares plan is as follows.

Project item	Execution Status		4th quarter of the year 2021	1st quarter of the year 2022	Improvement plans
Repayment of bank loans	Amount	Expected	129,395	-	The fund utilization progress is in line with the original plan
		Actual	129,395	-	
	Planned progress	Expected	100.00%	-	
		Actual	100.00%	-	
Strengthening working capital	Amount	Expected	35,000	91,605	The fund utilization progress is in line with the original plan
		Actual	35,000	91,605	
	Planned progress	Expected	27.65%	100.00%	
		Actual	27.65%	100.00%	

(3)Evaluation of Execution Benefits

1) Changes in Current Assets, Current Liabilities, Interest Expenses, Operating Revenue, and Earnings per Share

Unit；NT$ thousands

Item	9/30/2021 (Before Cash Capital Increase)	3/31/2022 (after Cash Capital Increase)	Difference Amount	Difference Rate
Current assets	800,522	878,125	77,603	9.69%
Current liabilities	466,503	416,462	(50,041)	(10.73)%
Total liabilities	576,454	660,613	84,159	14.60%
Interest Expense	1,124	1,792	668	59.43%
Operating Revenue	321,970	242,018	(79,952)	(24.83)%
Earnings per Share	0.19	0.90	0.71	373.68%

Due to the completion of fund raising on Dec.13, 2022, the financial data for the first quarter of 2022 shows more comparability. Following the capital increase, the company witnessed an increase in both current assets and profits compared to the third quarter of 2021. The decline in operating revenue is primarily due to the disposal of a significant subsidiary, Uniforce Technology Corporation, resulting in the reclassification of its operating revenue as discontinued operations. While the current liabilities have decreased compared to pre-capital increase levels, the total liabilities increased due to the completion of solar energy power plant facilities, resulting in the reclassification of long-term liabilities and an increase in both total liabilities and interest expenses. Overall, there has been a significant improvement compared to the third quarter of 2021.

2) Financial Structure and Debt Repayment Ability Analysis

Items		9/30/2021 (Before Cash Capital Increase)	3/31/2022 (after Cash Capital Increase)
Financial Structure	Debt Ratio	53.10%	46.05%
	Ratio of long-term capital to fixed assets	370.99%	242.53%
Debt Repayment Ability	Current ratio	171.60%	210.85%
	Quick ratio	134.96%	170.59%

The cash capital increase for the fiscal year 2021 amounted to a total of NT$ 256,000 thousand. It was successfully raised and completed in December of the same year. The funds have been utilized according to the planned schedule. The debt repayment capability has significantly increased after the capital increase. However, the financial structure has been impacted due to the substantial capital expenditure in the energy industry, which relies on bank financing, and the reclassification of completed projects as fixed assets. As a result, the expected benefits in the financial structure have not been achieved.

V. Operational Highlights

1. Business Activities

1.1 Business Scope

(1) Main areas of business operations

A. Production, manufacturing, and sales of electronic components.

B. Electronic manufacturing services(EMS)

C. Development, planning, construction, and operation of solar photovoltaic power generation systems.

(2) Revenue distribution

Unit；NT$ thousands

Major Divisions	Total Sales in Year 2023	(%) of Total Sales
Electronic components	536,701	64.18
Electronic manufacturing services(EMS)	230,001	27.50
Energy	38,576	4.61
Power plant engineering service revenue	31,048	3.71
Total	836,326	100.00

(3) Main products

Main products	Applications
Electronic components	Components for consumer electronics, industrial electronics, medical and automotive products.
Electronic manufacturing services(EMS)	SMT, DIP, coating, assembly, testing, and packaging services
Energy	Selling electricity generated from solar power plants and providing integrated services for the construction and long-term operation of power plants

(4) New products development

The company continues to develop applications in various fields of wire and cable, providing new product specifications in line with customer product evolution. Additionally, the company invests continuously in equipment to provide comprehensive services in the downstream processing of electronic components. In the energy sector, the company continues to plan the development of power plants and provides services for the construction and profitable operation of power plants.

1.2 Industry Overview

(1) Current Status and Future Development

The company's electronic component and processing business adapts to the fluctuations in downstream industries by providing essential components and processing services for end products. With the rise of regional economies worldwide, there is a corresponding shift in the supply chain. Furthermore, as global industries increasingly prioritize ESG (Environmental, Social, and Governance) factors, product trends also lean towards greater environmental friendliness, including the handling of raw materials, manufacturing processes, and waste management in an eco-friendly manner.

Under the context of ESG-related issues, clean energy is receiving increasing attention from governments and businesses worldwide. Taiwan, in its pursuit of energy transition policies, is witnessing a growing demand for solar power generation. Additionally, Taiwan has established timetables for greenhouse gas reduction and carbon inventory. In the future, solar power generation will be one of the essential options for clean energy.

(2) Relationship with Up-, Middle- and Downstream Companies

	Electronic components	Electronic manufacturing services	Energy
Upstream	Metal materials, electroplating materials, and plastic materials	Semiconductors, metal-plastic components, firmware, electronic components	Solar modules, power generation equipment, building materials
Middle-stream	Connectors, terminals, cables, cable assemblies	SMT, DIP, coating, assembly, testing, and packaging services	Solar power plants, systems, and constructions
Downstream	Components for consumer electronics, industrial electronics, medical and automotive products	Components for consumer electronics, industrial electronics, medical and automotive products	Taiwan Power Company and self-owned power plants
Relationship			
Electronic components	The products of our company are various electronic components for electronic devices. Our upstream suppliers include metal and plastic suppliers, while our downstream customers consist of manufacturers in consumer electronics, industrial electronics, medical equipment, and automotive industries.		
Electronic manufacturing services	The Electronic manufacturing services business of our company operates with upstream suppliers such as semiconductor, metal and plastic component, firmware, and electronic component suppliers. Our downstream customers include manufacturers in consumer electronics, industrial electronics, medical equipment, and automotive industries.		
Energy	The energy business of our company operates with upstream suppliers of solar panel modules, power generation equipment, and construction materials. Our downstream customers include Taiwan Power Company and self-operated power plants.		

(3) Product Trends and Competition

A. Product Trends

In the electronic components and processing business, products are continuously evolving towards the principles of lightweight, thinness, shortness, and smallness in design. Additionally, there is a growing emphasis on environmentally friendly materials and recycling practices to reduce harm to the Earth.

In the solar power plant sector, apart from the development of more efficient power generation modules upstream, as the increase in demand for solar energy generation, suppliers are gradually developing transparent solar panels that can be installed on all sides of buildings to maximize the surface area available for power generation.

B. Product Competition

The electronic components and processing business is significantly influenced by the price fluctuations of metal and plastic materials, as well as the increasing cost of labor. To mitigate these impacts and maintain competitiveness, the company is continuously investing in automation equipment and process improvements.

In the energy-related business, which is in the downstream sector, the cost of raw materials and labor can be more easily passed on to consumers, making it less sensitive to impact. The bases of solar power plants are land and buildings. By continually developing solar power plants, the company will establish a solid track record to gain customer trust, and thus improve its competitive edge.

1.3 Research and Development

(1) Research and Development Expenses in the Past Two Years as of 2023Q1

In the electronic components and manufacturing business, the company primarily focuses on technology investment in equipment upgrades and process improvements. The associated costs are classified under R&D expenses.

In the energy-related business, product research and development are primarily conducted by upstream suppliers. The company maintains close cooperation with these suppliers to obtain high-efficiency materials for power generation. The costs related to these activities are disclosed under administrative expenses.

(2) Research and Development Achievements

In the recent fiscal year and up until the printing date of the annual report, our company has completed the establishment of a halogen-free production line in the electronic components sector. Additionally, we have also set up high-precision production equipment in the electronic manufacturing services department.

1.4 Long-term and Short-term Development

(1) Short-term Development

For the current three business entities, in addition to strengthening cooperation with existing customers, there will also be a continuous focus on developing new customers to further expand the existing business.

(2) Long-term Development

With the rise of regional economies, the company has expanded Southeast Asia. It will evaluate the expansion into other regions. Additionally, the company will continue to assess investments in other businesses to broaden the scope of its operations and reduce the operational risks associated with reliance on a single industry's business cycle.

2. Market and Sales Overview

2.1 Market Analysis

(1) Sales Region

Unit；NT$ thousands

Sales Region \ Year		2023		2022	
		Net Income	%	Net Income	%
Domestic sales	Taiwan	489,369	58.51	597,760	59.56
Export	China	222,341	26.59	267,325	26.63
	America	114,901	13.74	130,929	13.05
	Others	9,715	1.16	7,656	0.76
Total		836,326	100.00	1,003,670	100.00

(2) Market share, future supply-demand and growth potential.

Since 1986, our company has been providing service in the wire harness sector and has gained a considerable level of brand recognition in the industry. We collaborated with leading manufacturers in the field, though the market share has not been specifically quantified. In the electronic component manufacturing and energy sectors, our company is a relatively new player and has a relatively low market share.

There is some overlap between the target customers in the electronic component business and the electronic component processing business. Leveraging our group's business promotion efforts will contribute to the growth of the processing business. In the energy sector, our company has already completed several projects, which will facilitate future endeavors in building our own power plants or providing services for power plant construction and operation.

(3) Competitive advantages

A. The company has over 38 years of experience in the electronics industry, specializing in the production and sales of electronic components. The company has established strong relationships with well-known corporations in the industry and have a deep understanding of product development and technological advancements in electronic components and electronic manufacturing services.

B. The company possesses a mature production process and advanced equipment. The team consists of highly experienced professionals in the industry, enabling the company to deliver high-quality and competitive products and services.

C. In the energy sector, the company has successfully operated multiple solar power plants and provides services for the construction and operation of power plants. The brand and track record of the company provide a higher level of trust in customers.

(4) Favorable and Unfavorable Factors in the Long Term

A. Favorable Factors

a. The company's management team possesses extensive industry experience and can provide accurate directions in terms of development strategies, technological advancements, and operational management.

b. Huaying Electronics primarily serves major electronics manufacturers, enabling it to grasp the direction and technology of product development.
c. The company is moving towards a group-oriented development approach, which facilitates resource integration and drives the growth of various business entities within the group.

B. Unfavorable Factors and response Strategies

a. Electronic components and electronic manufacturing Services:
The company faces challenges such as volatile raw material prices, rising labor costs, and price competition. To address these issues, the company maintains good relationships with suppliers to anticipate and respond to fluctuations in raw material prices. It also invests in automation to reduce reliance on labor force. Additionally, the company emphasizes employee education and training to enhance individual contributions and maintain competitive pricing.

b. Energy:
With the promotion of energy transition policies in Taiwan, there is increasing competition in the solar power industry with the limited source of land and buildings. The company tackles this challenge by maintaining prudent financial management and demonstrating excellent construction track records to gain customer trust and secure more cooperative partnerships.

2.2 Production Procedures of Main Products

(1) Major Products and Their Main Uses

Major Products	Main Uses
Electronic components	Wire harness assembly for consumer electronics, industrial electronics, medical devices, and automotive applications.
Electronic manufacturing services	PCB proessing for consumer electronics, industrial electronics, medical devices, and automotive applications.
Construction and operation of power plants, and related services	Solar power generation and construction and operation of power plants.

(2) Major Products and Their Production Processes

Major Products	Production Processes
Electronic components	Copper wire drawing → winding → plastic coating → assembly of other components → testing → packaging for shipping
Electronic manufacturing services	OEM: SMT→DIP→testing→ coating→ assembly→ packaging
Construction and operation of power plants, and related services	Construction materials and solar photovoltaic materials→ construction→ solar power plants

2.3 Supply Status of Main Materials

Major Raw Materials	Source of Supply	Supply Situation
Copper	**A**	**Good**

2.4 Major Suppliers and Clients.

(1) Major Suppliers in the Last Two Calendar Year

Unit: NT$ thousands

Item	2023				2022				2024Q1			
	Name	Net purchase	%	Relationship	Name	Net purchas	%	Relationship	Name	Net purchas	%	Relationship
1	A	148,371	32.04	—	A	132,315	23.78	—	A	48,718	33.86	—
	Other	314,639	67.96	—	Other	424,144	76.22	—	Other	95,163	66.14	—
	Total	463,010	100.00	—	Total	556,459	100.00	—	Total	143,881	100.00	—

Note 1: Major suppliers refer to those commanding 10%-plus share of annual order volume.

Note 2:The supplier is under the electronic components business. The increase in purchase this period is mainly due to the rise in material prices and the increase in procurement quantities, resulting in a higher purchase amount.

(2) Major Clients in the Last Two Calendar Years

Unit: NT$ thousands

Item	2023				2022				2024Q1			
	Name	Net revenue	%	Relationship	Name	Net revenue	%	Relationship	Name	Net revenue	%	Relationship
1	a	288,471	34.49	—	a	308,170	30.70	—	a	75,324	36.16	—
2	b	209,183	25.01	—	b	265,487	26.45	—	b	68,644	32.96	—
3	c	—	—	—	c	—	—	—	c	—	—	—
	Other	338,672	40.50	—	Other	430,013	42.84	—	Other	64,317	30.88	—
	Total	836,326	100	—	Total	1,003,670	100	—	Total	208,285	100	—

Note 1: Major clients refer to those commanding 10%-plus share of annual order volume.

Note 2: All of these customers are under the electronic components business. The decrease in net sales compared to the previous period is due to a reduction in order volume.

2.5 Production in the Last Two Years

Unit: thousand pieces; NT$ thousands

Year / Capacity &Output / Major Products	2023			2022		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Electronic components(note1)	-	21,839	463,334	-	27,172	553,324
Electronic manufacturing services(note2)	-	2,727	209,136	-	3,148	220,359
Energy	8,641	8,641	47,498	6,849	6,849	62,780
Total	8,641	33,207	719,968	6,849	37,169	836,463

Note 1: The components are manufactured according to customer specifications. There is no capacity data available, and the production quantity represents the semi-finished material at the early stage of the manufacturing process.

Note 2: The Electronic manufacturing services is carried out based on customer specifications and the quantity of electronic parts. There is no capacity data available.

2.6 Shipments and Sales in the Last Two Years

Unit: thousand pieces; NT$ thousands

Year / Shipments & Sales / Major Products	2023				2022			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Electronic components	12,944	314,360	8,667	222,341	15,406	353,399	11,456	267,325
Electronic manufacturing services	5,644	105,385	178	124,616	12,857	166,231	149	138,585
Energy	8,641	69,624	-	-	6,849	78,130	-	-
Total	18,588	489,369	8,845	346,957	35,112	597,760	11,605	405,910

3. Human Resources

Human resources of the group

Year		2023	2022	As of 05/17/2024
Number of Employees	Office staff	126	71	135
	Production line staff	256	344	280
	Total	382	415	415
Average Age		41.69	41.69	45.72
Average Years of Service		4.75	4.75	4.38
Education	Ph.D.	—	—	—
	Masters	1.31%	—	1.45%
	Bachelor’s Degree	20.42%	14.94%	20.96%
	Senior High School	21.46%	34.03%	20.72%
	Below Senior High School	56.81%	51.03%	56.87%

4. Environmental Protection Expenditure

As of the most recent fiscal year and up until the date of printing the annual report, the company has not incurred any losses or expenses related to environmental pollution or disposals. Therefore, it is expected that there will be no significant related expenses in the future.

5. Labor Relations

5.1 List any employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor agreements and measures for preserving employees' rights and interests:

(1) Employee Welfare

A. All employees are enrolled in labor insurance from their date of employment. Benefits related to childbirth, injury, disability, old age, and death are provided in accordance with the Labor Insurance Act or regulations set by the local government where the company is located. Employees and their dependents are also covered by the National Health Insurance or according to regulations set by the local government. The company also provides group accident insurance for employees.

B. The company has established the Employee Welfare Committee and allocates a certain percentage of welfare funds according to the article of corporation. A fixed percentage of total revenue is deposited into a designated bank account monthly.

C. The company established an employee stock ownership trust in January of 2023 to enhance employee benefits and foster employee loyalty.

D. Employee welfare measures include:

a. Subsidies for marriage, childbirth, illness, funeral expenses, and major disasters.

b. Subsidies for short-range outings and domestic or overseas travel.

c. Financial support for employee continuing education and professional development.

d. Regular employee health examination.

(2) Employee Training and Development

To cultivate employees' moral character, improve their qualities, professional abilities, and work efficiency, the company not only organizes various educational training programs but also selects outstanding executives to attend relevant professional training courses at vocational training institutions. Additionally, experts and scholars are invited to the company to deliver a series of lectures on specialized topics, aiming to enhance employees' academic and technical skills, thus facilitating the accomplishment of their assigned tasks.

(3)Retirement Policy and Implementation

For the companies subject to the "Labor Retirement Pension Act," the retirement pension system is a government-managed defined contribution retirement plan. It involves allocating 6% of employees' monthly salaries as retirement contributions to their individual accounts at the Labor Insurance Bureau. Some merged companies follow a defined contribution retirement scheme, where a certain proportion of the retirement funds, contributed from employees' salaries, is allocated to a retirement fund account. This account is managed by a local statutory insurance institution. Upon retirement, employees can withdraw their personal contributions, as well as the company's corresponding contributions and their accrued interest from the fund account.

The retirement pension system in our company follows the provisions of the "Labor Standards Act" in our country and is classified as a defined benefit retirement plan. The payment of employees' retirement pensions is calculated based on their years of service and the average salary for the six months preceding the approved retirement date. Our company allocates 2% of the total monthly salary of employees as contributions to their retirement pensions, which are deposited into a dedicated account at Taiwan Bank in the name of the Labor Retirement Reserve Supervisory Committee. If it is estimated that the balance in the account will be insufficient to cover the projected retirement benefits for eligible employees within the next fiscal year, the shortfall will be allocated in a lump sum by the end of March of the following year. The management of the account is entrusted to the Labor Fund Supervisory Committee under the Ministry of Labor, and our company does not have the authority to influence the investment management strategy.

(4)The labor-management agreement and the implementation of various employee rights protection measures

A. The Company has always placed great importance on humanistic management and employs multiple approaches to address labor-management issues. We prioritize employee welfare and maintain open lines of communication with our employees. Regular labor-management meetings are held to discuss various matters of mutual concern. As a result, the labor-management relationship in our company is characterized by harmony and cooperation.

B. The Company remains committed to implementing and enhancing welfare measures to uphold the labor-management relationship and minimize the possibility of disputes.

(5) Measures to protect working environment and employees’ personal safety

A. The company attaches great importance to the occupational safety and health of its employees. The operations are implemented with the fundamental requirement of "safety first". The company also provides secure hardware facilities in the manufacturing work environment.

B. The company has established comprehensive measures for machine and equipment protection to ensure operational safety. Standard operating procedures have been developed to enhance safety in the workplace. Additionally, the company focuses on greening the factory area to provide a safe, healthy, and comfortable working environment.

C. Regular occupational safety and health education and training are conducted for the operational staff to enhance their awareness and understanding of operational safety. These training programs aim to increase employees' safety consciousness, improve their understanding of safety measures, and reduce human errors. By promoting a sense of responsibility for safety among employees, the company strives to eliminate potential hazards and ensure a safe working environment.

D. The company has implemented a strict access control and surveillance system to ensure security. Periodic maintenance and inspections are carried out on various equipment, such as manufacturing machinery and fire safety devices, to ensure the safety of employees. These measures are in place to provide the necessary protection for the personal safety of employees.

5.2 Labor Disputes

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None

6. Information Security Management

6.1 Information Security Risk Management Framework, Information Security Policies, Specific Management Plans, and Allocation of Resources for Information Security Management.

In order to effectively manage and mitigate information security risks faced by the company, and to prevent or minimize potential losses resulting from these risks, the company has implemented specific management protocols and guidelines to be followed.

(1) Information Security Risk Management Framework and Policy:

The company's information security controls are based on the information security management standards established by the Executive Yuan and its affiliated agencies. The company has formulated its "Information Security Management Regulations" to govern information security practices. The Information Security Council is responsible for establishing the information security risk management framework, developing information security policies, and implementing specific management plans. The head of the Information Department serves as the convener of the Information Security Council, overseeing and coordinating all information security-related matters.

(2) Concrete Management Plans and Allocated Resources for Information Security:

A. Access Control and Authorization:

a. Connections between external networks and the company's internal network must go through network equipment in the server room and be authorized by the firewall.

b. The company has procured professional firewall software and established firewall control policies as the basis for external access management.

c. At least two external lines are ensured to provide redundancy in case of a single line failure.

d. Users' access to internal systems and files is controlled based on the accounts set up by the Information Department.

B. Anti-Virus Mechanism:

a. To prevent viruses and trojans, all computers should have antivirus software installed, with regular updates of virus definitions. Information personnel and users should not execute files or emails from unknown sources, and should not download software from suspicious websites.

b. Information personnel should regularly review virus records.

c. The email server should have the capability to scan for viruses and remove spam, serving as the first line of defense. Professional spam filtering software has been implemented to effectively isolate spam emails.

C. Security Updates:

a. An operating system update notification platform is provided, and colleagues should promptly update their systems upon receiving update notifications to prevent potential security vulnerabilities.

b. System administrators in the server room should regularly check for operating system and software security updates. Information personnel should assess the need for updates and their impact, and proceed with the necessary updates.

D. Data Backup:

a. Colleagues should store their important personal data in two places: their personal computers and the server hosting the colleague data storage area, in order to achieve backup effectiveness.

b. Information personnel should regularly review the results of system and database backups, copy backup files to USB external drives, and hand them over to the Information Department supervisor or designated information personnel for safekeeping.

c. The storage devices for the server hosting the system database in the server room should have mirroring and disk array functions to achieve automatic data redundancy.

E. Operational Adjustments:

a. Information personnel should regularly review the logs of the firewall and email server, and periodically review the System logs of various network services to track any abnormal situations. If necessary, parameter adjustments may be made to maintain the security of the company's network.

b. Information personnel should disable unused accounts first and investigate the reasons before reactivating them. If there is no longer a need for their use, the accounts should be permanently disabled or deleted.

c. In emergency situations, information personnel may use colleague accounts to access or delete data.

d. When there are concerns about password leakage, information personnel have the authority to perform a comprehensive password change.

e. When necessary, information personnel may access and delete data stored by colleagues in the server's data storage area, in accordance with information equipment and software usage regulations.

f. The above operations require the approval of the Information Department supervisor.

F. Audit and Control:

Cooperate with internal auditors for regular annual audits to ensure the implementation of operations.

6.2 Losses, potential impacts, and measures taken in response to significant information security incidents in the recent year and up until the printing date of the annual report: None.

7. Important Contracts

None

VI. Financial Information

1 Five-Year Financial Summary

(1) Consolidated Condensed Balance Sheet -Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note1) 2023	2022	2021	2020	2019	As of Mar.31, 2024 (Note3)
Current assets		815,293	800,478	1,077,053	861,388	618,544	769,283
Property, Plant and Equipment		471,225	480,241	295,426	133,929	96,354	466,471
Intangible assets		59,396	65,719	–	–	–	57,877
Other assets		84,845	97,678	116,545	46,867	51,232	98,544
Total assets		1,430,759	1,444,116	1,489,024	1,042,184	766,130	1,392,175
Current liabilities	Before distribution	301,329	331,655	554,920	431,971	264,673	256,597
	After distribution	(Note2)	352,309	554,920	431,971	264,673	(Note2)
Non-current liabilities		337,622	300,382	148,290	98,378	148,290	332,663
Total liabilities	Before distribution	638,951	632,037	703,210	530,349	348,087	589,260
	After distribution	(Note2)	652,691	703,210	530,349	348,087	(Note2)
Equity attributable to shareholders of the parent		791,808	812,079	706,580	442,074	706,580	799,139
Capital stock		688,468	688,468	688,468	488,468	688,468	688,468
Capital surplus		61,539	61,506	61,506	2,536	61,506	61,539
Retained earnings	Before distribution	50,106	74,511	(28,751)	(35,560)	(21,849)	49,083
	After distribution	(Note2)	53,857	(28,751)	(35,560)	(21,849)	(Note2)
Other equity interest		(8,305)	(12,406)	(14,643)	(13,370)	(14,643)	(7,402)
Treasury stock		–	–	–	–	–	–
Non-controlling interest		–	–	79,234	69,761	79,234	3,776
Total equity	Before distribution	791,808	812,079	785,814	511,835	418,043	802,915
	After distribution	(Note2)	791,425	785,814	511,835	418,043	(Note2)

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The profit distribution plan for the fiscal year 2023 has been approved by the Board of Directors on March 14, 2024, but it has not yet been ratified by the shareholders' meeting.

Note 3: The financial data as of March 31, 2024, has been reviewed by CPA

(2) **Parent Company Only Condensed Balance Sheet- Based on IFRS**

Unit: NT$ thousands

Item / Year		Financial Summary for The Last Five Years (Note1)				
		2023	2022	2021	2020	2019
Current assets		500,610	586,077	469,468	300,322	224,887
Property, Plant and Equipment		37,459	38,535	39,210	40,098	820
Intangible assets		–	–	–	–	–
Other assets		447,478	457,641	297,447	254,191	231,775
Total assets		985,547	1,082,538	806,125	594,611	457,482
Current liabilities	Before distribution	171,415	245,639	73,195	127,233	100,426
	After distribution	(Note2)	266,293	73,195	127,233	100,426
Non-current liabilities		22,324	24,820	26,350	25,304	4,122
Total liabilities	Before distribution	193,739	270,459	99,545	152,537	104,548
	After distribution	(Note2)	291,113	99,545	152,537	104,548
Equity attributable to shareholders of the parent		–	–	–	–	–
Capital stock		688,468	688,468	688,468	488,468	388,468
Capital surplus		61,539	61,506	61,506	2,536	2,536
Retained earnings	Before distribution	50,106	74,511	(28,751)	(35,560)	(21,849)
	After distribution	(Note2)	53,857	(28,751)	(35,560)	(21,849)
Other equity interest		(8,305)	(12,406)	(14,643)	(13,370)	(16,221)
Treasury stock		–	–	–	–	–
Non-controlling interest		–	–	–	–	–
Total equity	Before distribution	791,808	812,079	706,580	442,074	352,934
	After distribution	(Note2)	791,425	706,580	442,074	352,934

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The profit distribution plan for the fiscal year 2023 has been approved by the Board of Directors on March 14, 2024, but it has not yet been ratified by the shareholders' meeting.

(3) Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Year / Item	Financial Summary for The Last Five Years (Note1)					As of Mar.31, 2024 (Note3)
	2023	2022	2021 (Note2)	2020	2019	
Operating revenue	836,326	1,003,670	619,501	1,107,314	838,193	208,284
Gross profit	128,636	157,182	70,142	161,070	150,548	30,938
Income from operations	(6,390)	21,153	1,035	28,804	24,368	(796)
Non-operating income and expenses	9,243	81,427	(3,324)	177	3,205	10,222
Income before tax	2,853	102,580	(2,289)	28,981	27,573	9,426
Net profit (Net loss) from continuing operations	3,819	97,645	(3,172)	22,152	23,050	5,734
Profit from discontinued business	－	9,662	19,336	－	－	－
Net income (Loss)	3,819	107,307	16,164	22,152	23,050	5,734
Other comprehensive income (income after tax)	(3,469)	2,926	(1,155)	3,091	(6,169)	8,342
Total comprehensive income	350	110,233	15,009	25,243	16,881	14,076
Net income attributable to shareholders of the parent	3,819	102,573	6,691	14,249	17,064	5,838
Net income attributable to non-controlling interest	－	4,734	9,473	7,903	5,986	(104)
Comprehensive income attributable to Shareholders of the parent	350	105,499	5,536	17,340	10,895	14,216
Comprehensive income attributable to non-controlling interest	－	4,734	9,473	7,903	5,986	(140)
Earnings per share(Note3)	0.06	1.49	0.13	0.31	0.44	0.08

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The financial data for the year 2022 has been adjusted to reflect the disposal of a subsidiary, compared to the financial data of the year 2022.

Note 3: The financial data as of March 31, 2024, has been reviewed by CPA.

(4) Parent Company Only Condensed Statement of Comprehensive Income – Based on IFRS

Item \ Year	Financial Summary for The Last Five Years (Note1)				
	2023	2022	2021	2020	2019
Operating revenue	364,656	458,059	304,126	297,457	263,917
Gross profit	62,893	80,415	47,592	20,242	11,711
Income from operations	(27)	15,151	9,362	(10,640)	(23,018)
Non-operating income and expenses	(2,957)	89,565	(2,944)	24,685	39,587
Income before tax	(2,984)	104,716	6,418	14,045	16,569
Net profit (Net loss) from continuing operations	3,819	102,573	6,691	14,249	17,064
Profit from discontinued business	—	—	—	—	—
Net income (Loss)	3,819	102,573	6,691	14,249	17,064
Other comprehensive income (income after tax)	(3,469)	2,926	(1,155)	3,091	(6,169)
Total comprehensive income	350	105,499	5,536	17,340	10,895
Net income attributable to shareholders of the parent	—	—	—	—	—
Net income attributable to non-controlling interest	—	—	—	—	—
Comprehensive income attributable to Shareholders of the parent	—	—	—	—	—
Comprehensive income attributable to non-controlling interest	—	—	—	—	—
Earnings per share(Note3)	0.06	1.49	0.13	0.31	0.44

Note 1: The financial data for each year has been audited and certified by CPA.

(5) Five-Year of Auditors' Opinions

Year	Accounting Firm	CPA	Audit Opinion
2023	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion
2022	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion
2021	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion
2020	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion
2019	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion

2. Five-Year Financial Analysis

(1) Financial analysis - consolidated

Item	Year	Financial Analysis for the Last Five Years(Note1)					As of Mar.31, 2024 (Note2)
		2023	2022	2021	2020	2019	
Financial structure (%)	Debt Ratio	44.66	43.77	47.23	50.89	45.43	42.33
	Ratio of long-term capital to property, plant and equipment	239.68	231.65	316.19	455.62	520.43	243.44
Solvency (%)	Current ratio	270.57	241.36	194.09	199.41	233.7	299.80
	Quick ratio	223.25	197.54	161.69	169.9	190.19	232.14
	Interest earned ratio (times)	1.35	13.91	0.30	12.59	10.32	2.10
Operating performance	Accounts receivable turnover (times)	2.50	2.37	1.21	2.49	2.3	2.42
	Average collection period	146	154	303	147	158.7	150.82
	Inventory turnover (times)	4.92	5.24	3.63	7.95	6.03	4.45
	Accounts payable turnover (times)	4.09	4.09	4.35	4.69	3.9	5.00
	Average days in sales	74	70	55	46	61	82
	Property, plant and equipment turnover (times)	1.76	2.59	2.89	9.62	8.47	1.76
	Total assets turnover (times)	0.58	0.68	0.49	1.22	1.09	0.59
Profitability	Return on total assets (%)	0.72	7.75	1.48	2.67	3.3	0.89
	Return on stockholders' equity (%)	0.48	13.43	2.49	4.76	5.89	0.71
	Pre-tax income to paid-in capital (%)	0.41	14.9	-0.33	5.93	7.1	1.37
	Profit ratio (%)	0.46	10.69	2.61	2	2.75	0.69
	Earnings per share (NT$)	0.06	1.49	0.13	0.31	0.44	0.08
Cash flow	Cash flow ratio (%)	34.95	50.53	10.49	-0.56	-15.6	-37.12
	Cash flow adequacy ratio (%)	64.31	42.81	-42.37	-88.46	-74.28	20.02
	Cash reinvestment ratio (%)	6.70	13.84	5.77	-0.36	-7.47	-7.42
Leverage	Operating leverage	-29.46	8.40	—	—	—	-67.71
	Financial leverage	0.67	1.73	1.68	1.78	1.14	0.80

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

(A) The interest coverage ratio declined primarily due to a decrease in profit compared to the previous year.

(B) The decrease in turnover rate of real estate, factories, and equipment is mainly due to the decline in sales revenue compared to the previous year.

(C) The return on assets, return on equity, pre-tax profit to paid-in capital ratio, net profit margin, and earnings per share have

decreased; this is primarily due to a decline in profits compared to the previous year. (D) Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to a reduction in cash inflows from operating activities and decreases in other assets and current liabilities this year. (E) Decrease in operating and financial leverage: Mainly due to lower profits this year compared to the previous year.

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The financial data as of March 31, 2024, has been reviewed by CPA.

Note 3: Please refer to the explanations provided below for the calculation formulas of the financial ratios.

(2) Financial Analysis - Parent Company Only

Item	Year	Financial Analysis for the Past Five Years				
		2023	2022	2021	2020	2019
Financial structure (%)	Debt Ratio	19.66	24.98	12.35	25.65	22.85
	Ratio of long-term capital to fixed assets	2,173.39	2,171.79	1,869.24	1,165.59	43,543.41
Solvency (%)	Current ratio	292.05	238.59	641.39	236.04	223.93
	Quick ratio	275.59	225.84	607.26	221.15	203.81
	Interest earned ratio (times)	3.96	80.15	7.03	52.26	122.83
Operating performance	Accounts receivable turnover (times)	1.87	2.54	2.11	2.33	2.09
	Average collection period	195	144	173	157	174
	Inventory turnover (times)	10.25	13.62	11.87	14.32	12.19
	Accounts payable turnover (times)	1.92	6.18	3.53	3.05	2.59
	Average days in sales	36	27	30.74	25.48	29.94
	Fixed assets turnover (times)	9.6	11.78	7.67	14.54	292.59
	Total assets turnover (times)	0.35	0.49	0.43	0.57	0.58
Profitability	Return on total assets (%)	0.45	11.11	1.08	2.75	4.27
	Return on stockholders' equity (%)	0.48	13.51	1.17	3.58	4.93
	Pre-tax income to paid-in capital (%)	(0.43)	15.21	0.93	2.88	4.27
	Profit ratio (%)	1.05	22.39	2.20	4.79	6.47
	Earnings per share (NT$)	0.06	1.49	0.13	0.31	0.44
Cash flow	Cash flow ratio (%)	13.84	52.21	—	—	—
	Cash flow adequacy ratio (%)	171.67	111.31	—	—	—
	Cash reinvestment ratio (%)	2.90	15.26	—	—	—
Leverage	Operating leverage	2.03	2.26	—	—	—
	Financial leverage	1.07	1.22	—	—	—

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

(A) Decrease in the debt-to-assets ratio: Mainly due to a reduction in bank borrowings this year.

(B) Increase in current ratio and quick ratio: Mainly due to a reduction in accounts payable and bank borrowings resulting from changes in the procurement strategy this year.

(C) Decrease in interest coverage ratio: Mainly due to a decrease in profits this year.

(D) Accounts receivable turnover ratio and average collection period: Mainly due to a reduction in revenue compared to the same period last year,resulting in a decrease in account receivable turnover rate and an increase in average collection days.

(E) Inventory turnover ratio and average sales period: Mainly due to a reduction in revenue compared to the same period last year, resulting in a decrease in inventory turnover ratio and an increase in average sales period.

(F) Decrease in accounts payable turnover ratio:Mainly due to a decrease in purchases this year.

(G) Decrease in total asset turnover ratio and return on assets: Mainly due to a decrease in profits compared to the previous year.

(H) Decrease in return on equity, ratio of pre-tax net income to paid-in capital, net profit margin, and earnings per share etc: Mainly due to a decrease in profits compared to the previous year.

(I) Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to adecrease in cash inflows from operating activities this year.

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: Please refer to the next page for the calculation formulas of the financial ratios.

The formula for the analysis items is stated as following:

1. Financial structure

(1) Debt to Assets Ratio =Total liabilities/Total assets.

(2) Long-term Capital as a Percentage of Property, Plants, and Equipment = (Total equity + Non-current liabilities)/Property, plants and equipment

2. Insolvency

(1) Current Ratio = Current assets/Current liabilities.

(2) Quick Ratio = (Current assets – Inventory - prepayments)/Current liabilities.

(3) Interest coverage ratio = income tax and income before interest expenses / interest expenses for the current period.

3. Operational Ability

(1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation).

(2) Average cash collection days=365/Receivables turnover.

(3) Inventory turnover=Cost of goods sold/Average inventory.

(4) Payables (including accounts payables and notes payable resulting from operation) turnover = cost of goods sold/balance of average accounts payable (including accounts payable and notes payable resulting from operation).

(5) Average inventory turnover days=365/Inventory turnover.

(6) Property, plant and equipment turnover=net sales/average property, plant and equipment, net.

(7) Total assets turnover=Net sales/Average total assets.

4. Profitability

(1) ROA = [Profit or loss after tax + interest expenses × (1- tax rate)]/Average total assets.

(2) ROE=Profit or loss after tax/Average total equity.

(3) Net profit margin=Profit or loss after tax/Net sales.

(4) Earnings per share = (Income attributable to owners of the parent company - Preferred stock dividend)/Weighted average number of outstanding shares.

5. Cash flow

(1) Cash flow ratio = Cash flow from operating activities / Current liabilities

(2) Cash flow adequacy ratio = net cash flow from operating activities for the latest 5 years /(capital expenditure +increase in inventories +cash dividends) for the latest 5 years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross property, plants, and equipment + Long-term investments + Other non-current assets + working capital).

6. Leverage:

(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income

(2) Financial leverage = Operating income/(Operating income - Interest expenses).

3. Audit Committee's Report for the Most Recent Year

Audit Committee's Report

The board of directors prepared the Company's 2023 Business Report, Financial Statements and profit distribution, etc. The CPA firm of KPMG audited the Financial Statements and have issued an audit report. Above Business Reports. Financial Statements and profit distribution were audited by Audit Committee and found no discrepancy, as reported in accordance with the Securities and Exchange Act and Company Act, please check.

To:

2024 Annual General Meeting of Shareholders of Jhen Vei Electronic Co., LTD.

Chairman of the Audit Committee：Jyun-Yi Jhou

March 13, 2024

4 . Consolidated Financial statements

The Most Recent Year: Please refer to Pages 128-193.

5 Parent Company Only Financial Statements

The Most Recent Year: Please refer to Pages 194-258.

6. Disclosure of the Impact on Company's Financial Status Due to Financial Difficulties : None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

1 Analysis of Financial Status

Unit: NT$ thousands

Year / Item	2023	2022	Difference	
			Amount	%
Current Assets	815,293	800,478	14,815	1.85
Fixed Assets	615,466	643,638	(28,172)	(4.38)
Total Assets	1,430,759	1,444,116	(13,357)	(0.92)
Current Liabilities	301,329	331,655	(30,326)	(9.14)
Long-term Liabilities	337,622	300,382	37,240	12.40
Total Liabilities	638,951	632,037	6,914	1.09
Capital stock	688,468	688,468	0	0.00
Capital surplus	61,539	61,506	33	0.05
Legal reserve	7,451	—	7,451	—
Retained Earnings	50,106	74,511	(24,405)	(32.75)
Other Adjustments	(15,756)	(12,406)	(3,350)	27.00
Equity attributable to shareholders of the parent	791,808	812,079	(20,271)	(2.50)
Non-controlling interests	—	—	—	—
Total Stockholders' Equity	791,808	812,079	(20,271)	(2.50)

Analysis of changes in financial ratios:

(A) Decrease in retained earnings: Mainly due to the profit from the disposal of the network security system integration department in the year 111, turning from a loss to a profit.

(B) Decrease in other equity: Mainly due to the impact of exchange rate fluctuations on the accumulated translation adjustments.

Note: The financial data for each year has been audited and certified by CPA.

2. Analysis of Financial Performance

Unit: NT$ thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Net Sales	836,326	1,003,670	(167,344)	(16.67)
Cost of Sales	707,690	846,488	(138,798)	(16.40)
Gross Profit	128,636	157,182	(28,546)	(18.16)
Operating Expenses	135,026	136,029	(1,003)	(0.74)
Operating Income	(6,390)	21,153	(27,543)	(130.21)
Non-operating Expenses and Losses	9,243	81,427	(72,184)	(88.65)
Income Before Tax	2,853	102,580	(99,727)	(97.22)
Tax Benefit (Expense)	(966)	4,935	(5,901)	(119.57)
Non-continued business unit profit (loss)	—	9,662	(9,662)	—
Net income	3,819	107,645	(103,826)	(96.45)
Other comprehensive income (net after tax)	(3,469)	2,926	(6,395)	(218.56)
Total comprehensive income	350	110,233	(109,883)	(99.68)
Analysis of changes in financial ratios: (A) Decrease in operating profit (loss): Mainly due to a decrease in gross profit for the period and higher expenses, resulting in a negative operating profit for the period. (B) Decrease in non-operating income and expenses: Mainly due to the profit from the disposal of the network security system integration department and exchange gains in the previous period. (C) Decrease in net profit (loss) before tax and income tax: Due to the reasons mentioned above, this period saw a decrease compared to the previous period. (D) Decrease in profit from discontinued operations: Mainly because there were no profits or losses from the network security system integration department in this period. (E) Decrease in net profit (loss) for the period: Due to the reasons mentioned above, this period saw a decrease compared to the previous period. (F) Decrease in other comprehensive income (loss) and total comprehensive income (loss) for the period: Mainly due to the reasons mentioned above, with this period's profit being lower than the same period last year, and the accumulated translation adjustments being negative due to exchange rate fluctuations.				

Note: The financial data for each year has been audited and certified by CPA.

- **Anticipated Sale Volume:**

  Based on internal business plans, the Company anticipate a modest growth in overall sales quantity for this year. However, the growth rate will depend on changes in the overall economic environment and the Company business promotions.

3. Analysis of Cash Flow

(1) Cash Flow Analysis for the Current Year

Item / Year	2023	2022	Variance (%)
Cash Flow Ratio (%)	34.95	50.53	(15.58)
Cash Flow Adequacy Ratio (%)	64.31	42.81	21.5
Cash Reinvestment Ratio (%)	6.70	13.84	(7.14)
Analysis of financial ratio change: The main reason is the decrease in cash inflows from operating activities this year, along with the reduction in other assets and current liabilities.			

(2)Improvement plan for insufficient liquidity : None.

(3)Cash Flow Analysis for the Coming Year

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
319,187	42,515	42,857	362,044	—	—

There is no expected cash shortage due to insufficient liquidity in the projected cash flows required for operational turnover in the coming year.

4. Major Capital Expenditure Items : None

5. The Most Recent Investment Policy, Major Causes for Profits or Losses Thereof, Improvement Plan, and Investment Plan For Next Year

(1) Investment policy:

Continuously strengthening the business expansion in previously invested electronic components and solar photovoltaic companies, and evaluating the future development prospects of the group. Adjustments will be made to divest non-core investment ventures. In the future, the group will also venture into the field of electronic manufacturing services to enhance its diversification and future growth prospects.

(2) Investment profit or loss:

Explanation of profit or loss for the investment company as below:

1) Jhen Vei Enterprise Co., Ltd.:

Jhen Vei Enterprise Co., Ltd. is an investment holding company with no substantial operating activities. Its main income and expenses are derived from the equity method recognition of the share of profits or losses from associated enterprises, interest income from foreign currency (USD) loans to associated enterprises, and gains or losses from foreign currency translation. In the year 2023, besides interest income from loans to associated enterprises, the company achieved profitability mainly due to the consolidated operating results of the invested companies and favorable net exchange gains resulting from exchange rate fluctuations. As a result, Jhen Vei Enterprise Co., Ltd. reported net profit after tax in 2023.

2) Pors Wiring Co., Ltd.:

Pors Wiring Co., Ltd. is an investment holding company, and its main income and expenses come from interest income and gains or losses from foreign currency translation of associated enterprises. In the fiscal year 2023, the interest income was from loans to associate enterprise .The Company reported net profit due to favorable net exchange gains resulting from exchange rate fluctuations.

3) Priceplay.com Inc.:

The company assessed the operational situation- contract litigation status of Priceplay.com Inc. in the second quarter of 2016 and determined that there would be no future economic benefits. In the second quarter of 2016, an investment loss of NT$1,862 thousand was recognized, and impairment loss of NT$3,214 thousand was provided, resulting in a zero carrying value at the end of 2016.

4) Huaian Jhen Vei electronics Co., Ltd.:

Huaian Jhen Vei electronics Co., Ltd. is primarily engaged in the production and sales of various types of signal cables as an electronic component manufacturing factory. Starting from the second quarter of the fiscal year 2023, due to increase in sales order and the company's efforts to control costs and expenses, it generated a net profit.

5) Jhen Vei Investment Limited:

Jhen Vei Investment Limited is an investment holding company with no substantial operating activities. Its main income and expenses come from interest income from foreign currency loans to associated enterprises and gains or losses from foreign currency translation. In the year 2023, besides interest income from loans to associated enterprise, the company reported net profit due to favorable net exchange gains resulting from exchange rate fluctuations.

6) HuaYin Energy Co., Ltd.:

HuaYin Energy Co., Ltd. is primarily a solar power supplier. Its operating revenue has been steadily increasing on a monthly basis. It generated a net profit in the year 2023.

7) GZ Electronics Co., Ltd.:

GZ Electronics Co., Ltd. is engaged in the electronic manufacturing services business, primarily in the backend processing. In the year 2023, it incurred losses due to severe fluctuations in raw material prices and the Ukraine-Russia conflict.

(3) Investment Plan For Next Year:

In order to strive the optimal operational performance of the merged company, the Company has implemented the following measures to strengthen management in the operation of invested companies.

Operational management:

1) Production control:

A. Strengthening improvements in production operations and implementing streamlined processes to effectively control costs and expenses.

B. Enhancing the introduction of automated production operations to increase production efficiency, improve product quality, and enhance production yield while avoiding damages caused by human error.

C. Actively seeking industry talent through different compensation systems to improve work efficiency and reduce direct labor turnover rates.

2) Business development:

A. Continuously negotiate with key customers to secure favorable product pricing and avoid price competition with competitors that would impact gross profit and profitability.

B. Continuously engage in new customer development and actively seek revenue and profit growth in new industries to increase earnings.

Dealing with exchange rate fluctuations:

By considering exchange rate fluctuation factors, promptly adjust product pricing with reference to the business department. Additionally, depending on the situation, utilize foreign exchange hedging instruments to mitigate the impact of exchange rate fluctuations.

(4)Investment plan for the next year:

There are plans to invest in the field of electronic manufacturing services to diversify business industry risks.

6. Analysis of Risk Management

(1)Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1)Interest rate

Unit: NT$ thousands

Item	2023	2022	As of Mar.31,2024
Interest expenses	8,201	7,943	2,101

Due to the easing of the global COVID-19 pandemic, central banks around the world have been raising reserve requirements. Coupled with rising inflation, it is expected that central banks will continue to increase rates this year to curb inflation. The company, heavily reliant on bank funding due to substantial capital expenditures in the energy sector, will continue to closely monitor market interest rate fluctuations. In addition to actively enhancing our operational performance, we will maintain close communication and collaboration with financial institutions to secure reasonable and favorable interest rates, thereby mitigating the overall impact on our operations.

2) Foreign exchange rates

Unit: NT$ thousands

Item	2023	2022	As of Mar.31,2024
Exchange Gain(Loss)(A)	914	30,285	9,212
Net Sales (B)	836,326	1,003,670	208,284
(A)/(B)（%）	0.11	3.02	4.42

The company primarily conducts sales and procurement transactions in USD, and therefore, the Company adopt a natural hedging approach to mitigate exchange rate fluctuations. Exchange rate movements do not have a significant impact on the Company's profitability. The Company still take into account exchange rate fluctuation factors based on feedback from business and purchase departments, and we timely incorporate them into our customer quotations to minimize the impact of exchange rate fluctuations.

Compared to 2022, the impact of exchange gains or losses due to the U.S. dollar's appreciation in 2023 was minimal. In the future, our company will continue to maintain close contact with financial institutions to monitor market exchange rate trends. We will timely adjust our foreign currency assets and liabilities or undertake forward exchange contracts as part of our response measures.

3) Inflation

Due to the government's effective control over overall inflation, there is no significant inflation phenomenon in the Company's region. Therefore, in the recent fiscal year and up until the date of printing the annual report, there have been no major adjustments in raw material procurement prices due to inflation, and cost increases have not eroded the profits. However, despite this, the Company do not underestimate the possibility of future inflationary conditions. To prevent potential pressure on the business operations caused by international increases in raw material prices, the Company will continue to actively improve internal production and sales processes, enhance product quality, and streamline various cost expenditures to mitigate the impact of inflation. The Company will strengthen efforts to persuade customers to accept price increases, reducing the burden of inflation solely on the company.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1) In the recent fiscal year and up until the date of printing the annual report, the Company has not engaged in high-risk, high-leverage investments, or derivative trading activities.

2) As of the end of April 2024, aside from intercompany loans between the parent company and its subsidiaries (equivalent to NT$237,896 thousand), the company has not lent funds to any other parties. Should the company engage in lending funds to other parties, it will adhere to the relevant operational procedures. The aforementioned intercompany loans have not had any significant adverse impact on the company's financial condition.

3) As of the end of April 2024, the company, apart from providing endorsements and guarantees to its subsidiaries (equivalent to NT$78,523 thousand), has not provided endorsements and guarantees to any other parties.

4) The company has established and follows procedures for handling derivative transactions. However, in the most recent fiscal year and up to the publication date of this annual report, the company has not engaged in any derivative transactions, and therefore, no related gains or losses have been incurred.

(3)Future Research & Development Projects and Corresponding Budget

1) In the fiscal year 2023, the HuaYin Group conducted evaluations of its product lines and gradually improved the production environment and raw materials to meet the environmental requirements in various countries.
2) Investments were made in precision equipment for electronic component processing to expand the company's capacity to accept orders.
3) Investments were made in automation equipment for electronic component manufacturing to enhance efficiency and reduce production costs.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

In the recent fiscal year and up until the date of printing the annual report, significant changes in domestic and international policies and laws have not had a significant adverse impact on the Company's financials and operations.

(5) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The company constantly monitors technological changes (including information and communication security risks) in the industry and keeps track of relevant market trends. The Company assign dedicated individuals or project teams, as needed, to evaluate and research the impact of these changes on the Company's future development, including potential effects on our financials and operations. We also develop corresponding response measures accordingly. However, in the recent fiscal year and up until the date of printing the annual report, there have been no significant technological changes (including information and communication security risks) that have had a major impact on the Company's financials and operations.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

In the recent fiscal year and up until the date of printing the annual report, there have been no significant events that have had an impact on the Company's corporate image.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

In the most recent fiscal year and up to the publication date of this annual report, the company has not engaged in any mergers or acquisitions. However, it will proceed with a simplified merger with its 100% owned subsidiary, HuaYin Energy Co., Ltd., in accordance with Article 19 of the Business Mergers and Acquisitions Act. This merger aims to integrate resources from both entities and enhance the overall operational efficiency of the group. No new shares will be issued, nor will cash be paid as consideration for the merger. This merger will not affect shareholders' equity, nor will it impact the net asset value per share or earnings per share.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

In the recent fiscal year and up until the date of printing the annual report, there have no factory expansion plans.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1) Purchasing:

For the Company's Purchasing, apart from copper materials required for the electronic components business unit, which are mainly purchased from the Walsin Lihwa Group, the purchase of other raw materials is relatively diversified. Since the suppliers in the copper materials market are not limited, the supply is not expected to be constrained, and thus, significant risks resulting from procurement are not anticipated for the overall company. In addition, the electronic components business unit mainly outsources labor-intensive processing stages to various subcontracting factories, and due to the multitude of such contract manufacturers, significant risks are also not expected.

The company will continue to seek and evaluate new suppliers in terms of product quality, reliability, and compatibility to mitigate the risk of material shortages.

2) **Sales:**

In the fiscal years 2023 and 2022, the top two customers of the company were from the electronic components business unit, accounting for approximately 50% of the consolidated revenue. To avoid the risk of production capacity and labor idle due to concentrated sales, which could lead to operational losses, the company has established the energy business unit and post-processing business unit for electronic components. We continue to strive for diversification by expanding operations, developing new customers, and introducing new products. To reduce the operational risks associated with concentrated sales through these efforts.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10% : None.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

(12) Litigation or Non-litigation Matters

The Company signed an investment agreement for television programs with an agreed investment of $65,000 thousand on May 16, 2017 . This investment case is a principal protection investment agreement. The Company is entitled to the net profit distribution of the project according to the contract upon the expiry of the investment term. If the amount recovered at maturity is less than $65,000 thousand, the shortfall is to be covered by the counterparty within one month from the date of termination of the investment term. In addition, the Company try to work with program broadcast by contributing marketing fees successively, amounting to RMB$ 3,000 thousand (equivalent to NT$13,664 thousand), and the license fee of $2,991 thousand for the program to be authorized for broadcasting in Taiwan. However, the program production has decided to adjust its performance pattern to improve the program quality after broadcasting on television stations in mainland China in July 2017. The recording and broadcasting were suspended after the fourth episode broadcast in August 2017. Thus, the Company complied with principal protection provisions and transferred its financial assets from available-for-sale financial assets to other receivables and entered into repayment agreements with the trading counterparty. An agreement was made to repay $77,341 thousand in installments before December 31, 2017 (including $65,000 thousand for investment and $9,350 thousand for unused license fees and $2,991 thousand). As the end of 2017, The Company had recovered $19,125 thousand, but the management after considering the possibility of collection, had included all outstanding amounts as bad debts.

The Company filed a lawsuit to the Taiwan Taipei District Court in November 2018 for the contract mentioned above. The Taiwan Taipei District Court ruled on September 11, 2019 that the Company had won the appeal. The Company apply to the Beijing No.4 Intermediate People’s Court for recognition and enforcement of the judgment of the Taiwan Taipei District Court in 2021, and obtained the civil decision from the Beijing No.4 Intermediate People’s Court on December 10, 2021. The ruling approved the execution of the 2018 re-appeal cilvil judgment No. 1339 by the Taipei District Court. The Company appealed to the People’s Court on March 8, 2022 for enforcement, and the for the receivables from related mentioned above were not received after the People’s Court performed its execution on August 25, 2022. The Company continues to consult with legal counsel to seek feasible approaches.

7. Other Major Risks: None.

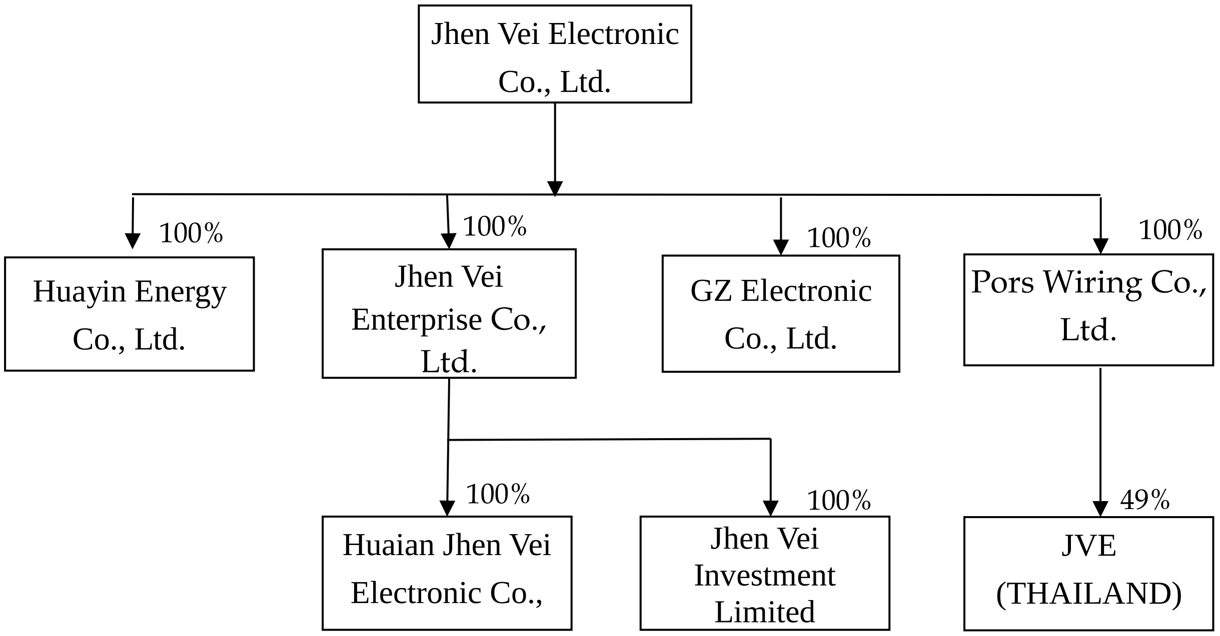
VIII. Special Disclosure

1. Information of Affiliated Companies

1.1 Summary of Affiliated Companies

(1) Affiliated Companies Diagram

3/31/2024



(2) Basic information of Affiliated Companies

3/31/2024/TW$ in thousands unless other specified

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business and Product Items
Jhen Vei Enterprise Co.,Ltd.	11/21/2002	British Virgin Islands	USD 9,671K	Manufacturing and sales of various types of signal cables and investment holding
Pors Wiring Co., Ltd.	10/03/2002	British Virgin Islands	USD 2,595K	Investment holding
Jhen Vei Investment Co., Ltd.	12/07/2016	Belize	USD 810K	Investment holding
Huaian Jhen Vei Electronic Co., Ltd.	4/19/2006	Industrial Park, Lianshui County, Huai'an City, Jiangsu Province, China	USD 7,000K	Manufacturing and sales of various types of signal cables
Huayin Energy Co., Ltd.	7/24/2020	6th Floor, No. 18, Lane 609, Section 5, Chongqing Road, Sanchong District, New Taipei City, Taiwan	100,000K	Power generation for self-usage using renewable energy
GZ Electronic Co., Ltd.	12/29/2021	6th Floor, No. 18, Lane 609, Section 5, Chongqing Road, Sanchong District, New Taipei City, Taiwan	200,000K	After processing of electronic components
JVE (THAILAND) Co. Ltd	1/2/2024	Thailand	THB 8,600K	Manufacturing and sales of various types of signal cables

(3) Identical shareholder of companies with presumption of a relationship of control or subordination: None.

(4) The industry and division of labor within the affiliated companies

1) Jhen Vei Enterprise Co., Ltd., Pors Wiring Co., Ltd., and Jhen Vei Investment Co., Ltd. are all planned as investment holding companies and do not have actual production and sales functions.
2) Huaian Jhen Vei Electronic Co., Ltd. is primarily engaged in the manufacturing and sales of wire connectors, sockets, and computer connection cables. It serves as an important base for the company's production and business expansion in the East China region.
3) Huayin Energy Co., Ltd. is primarily engaged in solar power generation and supply. Through this, the company enters the green energy industry and contributes to environmental protection.
4) GZ Electronic Co., Ltd. is primarily engaged in electronic manufacturing services. It complements and supports the company's existing wire business, expanding the diversification of the group.
5) JVE (THAILAND) Co., Ltd. is primarily engaged in the manufacturing and sales of wire connectors, sockets, and computer connection cables. It serves as a crucial production and business development base for the company in Southeast Asian.

(5) Information of Directors, Supervisors and General Manager of Affiliated Companies

As of 3/31/2024

Company Name	Title	Name or Representative	Shares Held	
			Shares (thousands)	%
Jhen Vei Enterprise Co.,Ltd.	Directors	Jhen Vei Electronic Co., Ltd. representative：Niang- Chuan Wei representative：Tzu-Lin Chung	48	100
	Supervisors	None	0	0
	General Manager	Niang- Chuan Wei	0	0
Pors Wiring Co.,Ltd.	Directors	Jhen Vei Electronic Co., Ltd. representative：Niang- Chuan Wei representative：Tzu-Lin Chung	48	100
	Supervisors	None	0	0
	General Manager	Niang- Chuan Wei	0	0
Jhen Vei Investment Co., Ltd.	Directors	Jhen Vei Enterprise Co.,Ltd. representative：Niang- Chuan Wei	810	100

Company Name	Title	Name or Representative	Shares Held	
			Shares (thousands)	%
		representative：Tzu-Lin Chung		
	Supervisors	None	0	0
	General Manager	Niang- Chuan Wei	0	0
Huaian Jhen Vei Electronic Co., Ltd.	Directors	Jhen Vei Enterprise Co.,Ltd. representative：Niang- Chuan Wei representative：Chi-Chu Lu representative：Tzu-Lin Chung	Note 1	100
	Supervisors	Chun-Chang Wei	0	0
	General Manager	Kevin,Ge	0	0
Huayin Energy Co., Ltd.	Directors	Jhen Vei Electronic Co., Ltd. representative：Niang- Chuan Wei	10,000	100
	Supervisors	Jhen Vei Electronic Co., Ltd. representative：Tzu-Lin Chung		
	General Manager	Chun-Chang Wei		
GZ Electronic Co., Ltd.	Directors	Jhen Vei Electronic Co., Ltd. representative：Min-Hung Lin	20,000	100
	Supervisors	Jhen Vei Electronic Co., Ltd. representative：Kevin,Ge		
	General Manager	Min-Hung Lin		
JVE (THAILAND) Co.Ltd	Directors	Pors Wiring Co.,Ltd. representative：Chun-Chang Wei representative：Tzu-Lin Chung representative：C.T. Lan representative：Hung-Yuan Ko MR. Satron MR. Kocharoenchai	421,400	49
	Supervisors	None		
	General Manager	Chun-Chang Wei		

Note 1: As a limited company, no share is issued.

(6) Financial Condition And Operating Results Of Affiliated Companies

12/31/2023

TW$ in thousands unless other specified

Company Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operation Revenue	Net Operating Gain(Loss)	Net Profit(Loss)	Earnings(Loss) per share
Jhen Vei Electronic Co., Ltd.	688,468	985,547	193,739	791,808	364,656	(27)	3,819	0.06
Jhen Vei Enterprise Co., Ltd.	324,312	135,431	-	135,431	-	(77)	21,785	0.07
Pors Wiring Co., Ltd.	90,018	64,866	-	64,866	-	(77)	2,905	0.03
Jhen Vei Investment Co., Ltd	24,724	27,462	-	27,462	-	(26)	653	0.03
Huaian Jhen Vei Electronic Co., Ltd.	235,759	431,965	379,442	27,462	506,885	17,580	18,659	-
Huayin Energy Co., Ltd.	82,296	353,085	246,414	106,671	45,300	10,954	5,493	0.07
GZ Electronic Co., Ltd.	200,000	330,616	211,009	119,607	202,281	(44,623)	(47,382)	(0.24)

Note 1: Exchange Rate for Balance Sheet Items: USD ：NTD ＝1：30.705 ；CNY：NTD ＝1：4.3352

Exchange Rate for Statement of Comprehensive Income Items: USD ：NTD ＝1：31.1548；CNY：NTD ＝1：4.3954

1.2 Consolidated financial statements of affiliated companies: Please refer to pages 128 to 193.

1.3 Affiliation Reports: None.

2. Private Placement of Securities in the Most Recent Years:

Information of Private Placement of Securities

Items	First Private Placement of securities in 2019 Date of Issue：2020/04/14
Types of Securities	Private common shares
Date/Amount approved by shareholders' meeting	1. On June 25, 2019, the company received shareholder approval to undertake a cash capital increase through private placement. The authorized maximum limit for the private placement of common shares was set at 25,000 thousand shares, each with a par value of NT$10. The total amount raised through the private placement will be determined based on the agreed issuance price and the actual number of shares issued. The timing and execution of the share issuance will be contingent upon the operational requirements of the company and will be conducted in three tranches over a period of one year, commencing from the date of the shareholder meeting. 2. On April 8, 2020, the company obtained board approval for the first issuance of private placement of common shares, with the following details: (1) Estimated number of shares to be issued: 10,000 thousand shares (2) Estimated funds to be raised: NT$71,800 thousand (3) Estimated record date of capital increase: To be determined by the Chairman after the full amount of the capital increase is received. 3. As of May 8, 2020, a total of 10,000 thousand shares have been actually issued, with a remaining unissued quota of 15,000 thousand shares. It is projected that the remaining quota will not be further issued and the issuance will be canceled based on the decision of the board of directors on the same day, prior to the expiration date (June 18th).
Basis and reasonableness of the private placement pricing	1. Basis for price determination: (1) The determination of the reference price for the private placement was authorized by the shareholders' meeting and approved by the board of directors. The reference pricing date for the private placement was set as April 9, 2020, in accordance with the following guidelines: A. The shareholders' meeting resolution determined the reference price based on the following criteria: a. Calculating the simple arithmetic average of the closing prices of ordinary shares for either the 1st, 3rd, or 5th business day prior to the pricing date, after deducting the free stock dividend and rights offering, and adding back the price adjustment due to capital reduction. b. Alternatively, calculating the simple arithmetic average of the closing prices of ordinary shares for the 30 business days prior to the pricing date, after deducting the free stock dividend and rights offering, and adding back the price adjustment due to capital reduction. c. The higher price between the two aforementioned criteria was selected as the determined price. B. The reference price for the first private placement of ordinary shares in 2019 was determined as follows: a. Calculating the simple arithmetic average of the closing prices of ordinary shares for the 1st, 3rd, or 5th business day prior to the pricing date (April 9, 2020), after deducting the free stock dividend and rights offering, and adding back the price adjustment due to capital reduction. The calculated prices were NT$ 8.00, NT$ 7.96, and NT$ 8.13, respectively. The price of NT$ 8.13 was chosen as the comparative price. b. Calculating the simple arithmetic average of the closing prices

Items	First Private Placement of securities in 2019 Date of Issue：2020/04/14
	of ordinary shares for the 30 business days prior to the pricing date, after deducting the free stock dividend and rights offering, and adding back the price adjustment due to capital reduction. The calculated price was NT$ 8.97. c. The reference price for the private placement of ordinary shares was determined as the higher value between the two criteria mentioned above, resulting in a reference price of NT$ 8.97. (2) The actual subscription price for the first private placement of ordinary shares in 2019 was determined as follows: Based on the resolution of the Board of Directors, the subscription price was set at NT$8.97, which was derived from the aforementioned reference price. The subscription price was then calculated at 80% of the reference price, rounded down to the nearest New Taiwan Dollar, resulting in an actual subscription price of NT$7.18. 2. Determination of Common Stock Issuance Price (as stipulated by the resolution of the Shareholders' Meeting): (1) If the subscriber is an insider or related party, the issuance price shall not be lower than 80% of the reference price as required by laws and regulations. (2) Taking into account the company's current net worth and the need to raise funds for sustainable and stable long-term growth without compromising shareholder rights, if there are strategic investors among the subscribers, the provisional private placement price per share is set at NT$10. Considering the possibility that the future reference price may be affected by changes in the securities market or capital reduction, resulting in the private placement price of NT$10 falling below 80% of the reference price, it is required by laws and regulations to engage an independent expert to provide an opinion on the basis and reasonableness of the pricing for the private placement. The opinion of the independent expert regarding the basis and reasonableness of the pricing should be stated in the meeting notice, serving as a reference for shareholders to decide whether to consent to the proposal. 3. The rights and obligations of the privately placed common stock in this issuance are the same as those of the common stock already issued by the company. The transfer of the privately placed securities in this resolution shall be subject to the restrictions set forth in Article 43-8 of the Securities Exchange Act. Furthermore, after a period of three years from the date of delivery of the privately placed securities, the Board of Directors will seek authorization from the shareholders' meeting to determine, based on the prevailing circumstances, whether to apply for the issuance of a consent letter for supplementary public offering from the competent authority and make a declaration to the Financial Supervisory Commission for the supplementary public offering.
Method for selecting the specific persons	The selection of specific individuals for this private placement is limited to those who meet the requirements stipulated in Article 43-6 of the Securities and Exchange Act, as well as the relevant provisions of the letter No. 0910003455 issued by the former the Department of National Treasury of the Ministry of Finance on June 13, 2002, and the amendment made by the Financial Supervisory Commission's Letter No. 1030051453 issued on December 30, 2014, titled " Directions for Public Companies Conducting Private Placements of Securities ". The decision was approved by the shareholders' meeting on June 25, 2019. Currently, the intended eligible subscribers are primarily insiders, related parties, and potentially strategic investors.

Items	First Private Placement of securities in 2019 Date of Issue：2020/04/14
Reasons for the necessity of conducting the private placement	Taking into consideration the capital market conditions, the timeliness, feasibility, and cost-effectiveness of capital raising, as well as the actual demand for introducing strategic investors, the private placement method is deemed more expedient and efficient. Additionally, the restriction on the free transfer of privately placed securities within three years ensures a long-term cooperative relationship between the company and its investment partners. By authorizing the board of directors to conduct private placements based on the actual operational needs of the company, it will effectively enhance the flexibility and agility of our fundraising activities. Therefore, the decision has been made to opt for private placement instead of a public offering. The implementation of this plan is expected to improve the financial structure, enhance operational efficiency, and provide positive benefits to shareholders' equity.
Date of the price of the shares or subscription has been paid up in full	The first private placement of common shares for the year 2019, which was approved by the board of directors on April 8, 2020, is scheduled for a payment period from April 10 to April 13, 2020. The payment for this additional capital increase is expected to be completed on April 13, 2020, and the record date for the capital increase is set for April 14, 2020.
Information of the placees	Note 1
Difference between the actual subscription (or conversion) price and the reference price	1. The reference price for the private placement was determined based on the criteria mentioned in the "Basis and Reasoning for Price Determination". 2. The chosen reference price for this private placement of common shares is set at NT$8.97 per share, based on the closing price of 30 days before April 9, 2023 The actual subscription price is calculated to be NT$7.18 per share, which is 80.04% of the reference price. This percentage falls within the authorized range as approved by the shareholders' meeting.
Impacts on shareholders' equity	1. The issuance of the private placement securities will inject capital into the company, which will contribute to improving the company's financial structure and increasing its equity ratio. Additionally, with the increase in the common shares' capital, the paid-in capital will also increase, leading to a positive impact on shareholders' equity. 2. The funds raised from each round of private placement will be used to enhance working capital and meet the future funding needs of the company's business development. By utilizing these funds, the company will be able to reduce the pressure on its operating capital and improve its overall competitiveness. This will enable the company to achieve stable growth in its operations, create optimal operational performance, and ultimately maximize shareholders' equity.
Status of utilization of the funds and plan implementation progress	Please refer to Status of utilization of the funds and plan implementation on **IV.Capital Overview 3. Financing Plans and Implementation.**
Realization of plan benefits	

Note 1: Information of the places: In accordance with the resolution of the shareholders' meeting on June 25, 108, it was agreed that the subscription for private placement of common shares would primarily target insiders, related parties, and potentially strategic investors. Therefore, the board of directors has approved the engagement of insiders as the subscribers for the private placement of common shares. The information of the subscribers is as follows:

Placees of the private placement	Qualification requirements	Subscription quantities	Relationship to the company	Involvement in company operations
Yongding Investment Co., Ltd.	Insiders	5,215 thousand shares	Corporate chairman; corporate director	Yes
HuaTai Management Consulting Co., Ltd	Insiders	4,785 thousand shares	Corporate supervisor	Yes

Information of Juristic Person

Name of Juristic Person	Name of top 10 shareholders	Percentage of shareholdings	Relationship to the company
Yongding Investment Co., Ltd.	Niang- Chuan Wei	100%	Responsible person of corporate director
HuaTai Management Consulting Co., Ltd	Hong-Jyun Lin	100%	Responsible person of corporate supervisor

3. Information of Subsidiaries Holding or Disposing the Company's Stocks in the Most Recent Years: None.

4. Other Important Matters

Disclosure of unfulfilled over-the-counter (OTC) listing commitments according to letter No. 1020200236 of Taipei Exchange.

Unfulfilled OTC Listing Commitments	Progress of Commitments
The company committed to establishing dedicated audit personnel in our mainland subsidiaries and ensuring the implementation of annual audit plans before OTC listing. This commitment shall remain in effect after the OTC listing.	Our mainland subsidiary, Huaian Jhen Vei Electronic Co., Ltd., has already established dedicated audit personnel who are responsible for implementing the annual audit plans. They have also issued a commitment letter to ensure the continuity of these efforts after the OTC listing.

Unfulfilled OTC Listing Commitments	Progress of Commitments
The company committed that if the financial reports of our overseas subsidiaries are audited and certified by other auditors, and we rely on those reports to recognize investment gains or losses or to prepare consolidated financial statements, our appointed auditors will issue an audit report on their financial statements without referring to the opinions of other auditors.	The company has complied with the rules.
The company committed that the company, Jhen Vei Enterprise Co., Ltd. and Pors Wiring Co.,Ltd. shall include “Jhen Vei Company shall not waive the future capital increase of Jhen Vei Enterprise Co., Ltd. and Pors Wiring Co., Ltd.. In addition, Jhen Vei Enterprise Co., Ltd. and Pors Wiring Co., Ltd. shall not provide future capital increase to Huaian Jhen Vei Electronic Co., Ltd. and Pors Wiring (Suzhou) Co., Ltd. respectively.” in their Asset Acquisition or Disposal Procedures. In the event that our company disposes of the aforementioned companies in the future, it is required to obtain special resolutions from the respective company's board of directors. Moreover, any subsequent revisions to this disposal procedure should be disclosed as significant information on the Market Observation Post System (MOPS) and reported to the Taiwan Exchange for record.	The company has revised the "Asset Acquisition or Disposal Procedure" during the special shareholder's meeting held on August 31, 2007.

IX. Any Matter which has had a Significant Impact on Shareholders Rights or the Price for the Securities" Referred to Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the Most Recent Years.

None.

2023 Consolidated Financial statements

Representation Letter

The entities that are required to be included in the consolidated financial statements of JHEN VEI ELECTRONIC CO., LTD as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission, In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, JHEN VEI ELECTRONIC CO., LTD and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: JHEN VEI ELECTRONIC CO., LTD
Chairman: Chair man:Niang Chuan, Wei
Date: March 14, 2024.

Independent Auditors' Report

To the Board of Directors of JHEN VEI ELECTRONIC CO., LTD:

Opinion

We have audited the consolidated financial statements of JHEN VEI ELECTRONIC CO., LTD and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

   Please refer to note 4 (m) for the relevant accounting policy regarding recognition of revenue, and refer to note 6 (r) for relevant disclosures.

   Description of key audit matter:

   JHEN VEI ELECTRONIC CO., LTD. and its subsidiaries are principally engaged in the trading of electronic components and the after-processing of electronic components. Sales revenue is one of the key items in the financial statements. therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures the following:

- Assess whether the revenue recognition policy has been made in in accordance with relevant bulletins.
- Understand and test revenue recognition design and implementation of internal controls related with revenue recognition.
- Analyze the changes in the prior year’s amount within the top ten customers to evaluate if there are any major abnormalities.
- Spot-check revenue for the year and test whether revenue transactions are recorded correctly.
- Choose the period between the Balance sheet date, then examine the recognition of income transactions and vouchers cover for the appropriate period.
- Assess whether there are material sales return and discounts

Other Matter

JHEN VEI ELECTRONIC CO., LTD has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion with.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with IFRSs, IASs, IFRIC, SIC endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors’ report are Lin, Heng-Shen and Yang, Shu-Chih.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

The auditors’ report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors’ report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents(note 6 (a))	$ 319,187	22	279,258	19
1170	Account and notes receivable, net(notes (6)(b), (q)and (8))	318,951	22	347,844	24
1200	Other receivables(note (6)(c))	8,836	1	6,809	1
130X	Inventories(notes (6)(d)and (f))	142,569	10	145,339	10
1479	Other current assets(note (8))	25,750	2	21,228	1
		815,293	57	800,478	55
	Non-current assets:				
1600	Property, plant and equipment(notes (6)(f), (g)and (8))	471,225	33	480,241	33
1755	Right-of-use assets(note (6)(h))	39,947	3	39,985	3
1805	Intangible assets(notes (6)(f)and (i))	59,396	4	65,719	5
1840	Deferred tax assets(note (6)(n))	21,702	1	16,711	1
1915	Prepayments for equipment	3,069	-	25,639	2
1920	Refundable deposits	8,024	1	3,263	-
1975	Net defined benefit asset, non-current(note 6(m))	12,103	1	12,080	1
		615,466	43	643,638	45
	Total assets	**$ 1,430,759**	**100**	**1,444,116**	**100**

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings(notes (6)(j)and (8))	$ 48,352	3	94,603	7
2130	Current contract liabilities(note (6)(q))	63,661	5	26,965	2
2170	Accounts payable	108,230	8	117,931	8
2200	Other payables(note (7))	45,953	3	59,309	4
2280	Current lease liabilities(note (6)(l))	8,720	1	11,240	1
2322	Long-term borrowings, current portion(notes (6)(k)and (8))	21,434	1	16,470	1
2399	Other current liabilities, others	4,979	-	5,137	-
		301,329	21	331,655	23
	Non-Current liabilities:				
2540	Long-term borrowings(notes (6)(k)and (8))	243,093	17	203,119	14
2570	Deferred tax liabilities(note (6)(n))	2,514	-	3,572	-
2580	Non-current lease liabilities(note 6(l))	30,255	2	27,417	2
2550	Non-current provisions	4,540	-	3,928	-
2630	Long-term deferred revenue(note (6)(g))	57,220	4	62,346	4
		337,622	23	300,382	20
	Total liabilities	638,951	44	632,037	43
	Equity attributable to owners of parent:(note 6(o))				
3110	Ordinary share	688,468	48	688,468	49
3200	Capital surplus	61,539	4	61,506	4
3310	Legal reserve	7,451	1	-	-
3350	Unappropriated retained earnings	50,106	4	74,511	5
3410	Exchange differences on translation of foreign financial statements	(15,756)	(1)	(12,406)	(1)
	Total equity	791,808	56	812,079	57
	Total liabilities and equity	**$ 1,430,759**	**100**	**1,444,116**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue(notes (6)(q)and (7))**	$ 836,326	100	1,003,670	100
5000	**Operating costs(notes (6)(d)and (m))**	(707,690)	(85)	(846,488)	(84)
	Gross profit (loss) from operations	128,636	15	157,182	16
	Operating expenses (notes (6)(b), (f), (m)and (r)):				
6100	Selling expenses	64,562	8	56,284	6
6200	Administrative expenses	70,531	8	79,417	8
6450	Expected credit loss (reversal gains)	(67)	-	328	-
	Total operating expenses	135,026	16	136,029	14
	Net operating income (loss)	(6,390)	(1)	21,153	2
	Non-operating income and expenses (note (6)(s)):				
7100	Interest income	4,728	1	1,744	-
7230	Foreign exchange gains	914	-	30,285	3
7050	Finance costs	(8,201)	(1)	(7,943)	(1)
7190	Other gains and losses(notes (6)(e)and (7))	11,802	1	57,341	6
	Total non-operating income and expenses	9,243	1	81,427	8
7900	**Profit (loss) from continuing operations before tax**	2,853	-	102,580	10
7950	**Less: Income tax expenses(note (6)(n))**	(966)	-	4,935	-
	Profit (loss) from discontinued operations:				
8100	Profit (loss) from discontinued operations, net of tax(note (12)b)	-	-	9,662	1
	Net profit (loss)	3,819	-	107,307	11
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans(note (6)(m))	(119)	-	861	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(note (6)(n))	-	-	172	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(3,350)	-	2,237	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	**Other comprehensive income**(note (6)(p))	(3,469)	-	2,926	-
	Total comprehensive income	**$ 350**	**-**	**110,233**	**11**
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	$ 3,819	-	102,573	11
8620	Profit (loss), attributable to non-controlling interests	-	-	4,734	-
		$ 3,819	**-**	**107,307**	**11**
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 350	-	105,499	11
8720	Comprehensive income, attributable to non-controlling interests	-	-	4,734	-
		$ 350	**-**	**110,233**	**11**
	Basic earnings per share(in dollar)(note 6(p))				
9710	Basic earnings (loss) per share from continuing operations	$	0.06		1.42
9720	Basic earnings (loss) per share from discontinued operations		0.00		0.07
	Total basic earnings per share(in dollar)(note 6(p))	**$**	**0.06**		**1.49**
	Diluted earnings per share(in dollar)(note 6(p))				
9810	Diluted earnings (loss) per share from continuing operations	$	0.06		1.42
982	Diluted earnings (loss) per share from discontinued operations		0.00		0.07
	Total diluted earnings per share	**$**	**0.06**		**1.49**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							
			Retained earnings		Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2022	$ 688,468	61,506	-	(28,751)	(14,643)	706,580	79,234	785,814
Net profit (loss)	-	-	-	102,573	-	102,573	4,734	107,307
Other comprehensive income	-	-	-	689	2,237	2,926	-	2,926
Total comprehensive income	-	-	-	103,262	2,237	105,499	4,734	110,233
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	(83,968)	(83,968)
Balance at December 31, 2022	688,468	61,506	-	74,511	(12,406)	812,079	-	812,079
Net profit (loss)	-	-	-	3,819	-	3,819	-	3,819
Other comprehensive income	-	-	-	(119)	(3,350)	(3,469)	-	(3,469)
Total comprehensive income	-	-	-	3,700	(3,350)	350	-	350
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	7,451	(7,451)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(20,654)	-	(20,654)	-	(20,654)
Benefits gained from exercising disgorgement	-	33	-	-	-	33	-	33
Balance at December 31, 2023	**$ 688,468**	**61,539**	**7,451**	**50,106**	**(15,756)**	**791,808**	**-**	**791,808**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit from continuing operations before tax	$ 2,853	102,580
Profit from discontinued operations before tax	-	12,078
Net profit before tax	2,853	114,658
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	53,295	46,423
Amortization expense	6,323	6,150
Expected credit loss (reversal gains)	(67)	328
Interest expense	8,201	7,943
Interest income	(4,728)	(1,744)
Loss (gain) on disposal of property, plan and equipment	(935)	301
Loss (gain) on disposal of investments	-	(48,709)
Gain on lease modification	(10)	-
Total adjustments to reconcile profit (loss)	62,079	10,692
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	34,915	11,323
Other receivable	(2,027)	(5,853)
Inventories	2,770	(31,772)
Prepayments and other current assets	(4,529)	(248)
Net defined benefit assets	(142)	(884)
Total changes in operating assets	30,987	(27,434)
Changes in operating liabilities:		
Contract liabilities	36,696	20,464
Accounts payable	(10,502)	44,428
Accounts payable to related parties	-	(7,967)
Other payable	(4,085)	18,957
Deferred income	(4,076)	(4,546)
Other current liabilities	192	5,057
Total changes in operating liabilities	18,225	76,393
Total adjustments	111,291	59,651
Cash inflow (outflow) generated from operations	114,144	174,309
Interest received	4,728	1,744
Interest paid	(8,201)	(7,943)
Income taxes paid	(5,352)	(466)
Net cash flows from (used in) operating activities	105,319	167,644
Cash flows from (used in) investing activities:		
Business combination	-	(186,477)
Proceeds from disposal of subsidiaries	-	136,131
Cash decreased from disposal of subsidiaries	-	(139,727)
Acquisition of property, plant and equipment	(25,798)	(103,749)
Proceeds from disposal of property, plant and equipment	17,994	7,367
Increase in refundable deposits	(4,761)	(2,331)
Acquisition of intangible assets	-	(1,139)
Increase in other financial assets	-	(78,877)
Increase in prepayments for business facilities	(10,634)	(25,904)
Decrease in other prepayments	-	(58,938)
Net cash flows from (used in) investing activities	(23,199)	(453,644)
Cash flows from (used in) financing activities:		
Increase (Decrease) in short-term loans	(45,566)	11,219
Proceeds from long-term debt	62,560	204,819
Repayments of long-term debt	(17,622)	(11,570)
Payment of lease liabilities	(12,191)	(11,210)
Cash dividends paid	(20,654)	-
Benefits gained from exercising disgorgement	33	-
Net cash flows from (used in) financing activities	(33,440)	193,258
Effect of exchange rate changes on cash and cash equivalents	(8,751)	5,349
Net increase (decrease) in cash and cash equivalents	39,929	(87,393)
Cash and cash equivalents at beginning of period	279,258	366,651
Cash and cash equivalents at end of period	$ 319,187	279,258

See accompanying notes to consolidated financial statements.

(1) Company history

JHEN VEI ELECTRONIC CO., LTD (Hua Yin Group, hereinafter referred to as "the Group"), formerly known as JHEN VEI ELECTRONIC CO., LTD.,was established by the Ministry of Economic Affairs on February 21, 1986. As of June 19, 2020, the name of the Group was approved by the general shareholders' meeting to be changed to JHEN VEI ELECTRONIC CO., LTD. The registered address is 6F, No. 18, Ln 609, Sec 5, Chongxin Rd., Sanchong Dist., New Taipei City 24159, Taiwan. The principal activities of the Company and its subsidiaries (hereinafter referred to as the "Group") are trading of plug, socket, computer cable, the after processing of electronic components ,Solar power plant construction services and renewable energy generation.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 14, 2024..

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(Continued)

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

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation,

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’ s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Percentage of ownership		
Name investor	**Name of investee**	**Scope of business**	**December 31, 2023**	**December 31, 2022**	**Description**
The Group	Jhen Vei Enterprise Co.,Ltd.	Manufacturing and sales of various types of signal cables and investment holding	100.00%	100.00%	
The Group	Pors Wiring Co.,Ltd.	Investment holding	100.00%	100.00%	
The Group	Hua Yin Energy	Power generation for self-usage using renewable energy	100.00%	100.00%	Note (c)
The Group	Gou Zhi Electronic	After processing of electronic	100.00%	100.00%	Note (b)
Jhen Vei Enterprise Co.,Ltd.	Jhen Vei Investment Limited	Manufacturing and sales of various types of signal cables	100.00%	100.00%	
Jhen Vei Enterprise Co.,Ltd.	Jhen Vei Investment Limited	Investment holding	100.00%	100.00%	
Hua Yin Energy	Gou Zhi Electronic	After processing of electronic components	- %	- %	Note (b)

note(a) The Group disposed of its entire shareholding on March 18, 2022 by resolution of the Board of Directors. the equity interest were delivered between March and April of the same year, respectively. The equity method then ceased to be applied after losing control.

note(b): The Group increased the cash capital of Guozhi Electronic Co., Ltd.by $199,000 thousand in September 2022 and purchased the remaining shares from Huayin Energy. The Group directly hold 100%shareholding of Guozhi Electronic Co., Ltd..

note(c): The Group was involved in a cash capital increase of $50,000 thousand in Huayin Energy. The base day for capital increase is May 25, 2022.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(Continued)

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(Continued)

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are shortterm, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting shortterm cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest(SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Impairment of financial assets

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(Continued)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due. Based on its experience, there have been no corporate customer recoveries after six months.

3) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories transferred from biological assets is its fair value less costs to sell at the date of harvest.

(i) Non-current assets held for sale & Discontinued operations

(i) Discontinued operations

A discontinued operation is a component of the Group’s business that either has been disposed, or is classifies as held for sale, and

1) represents a separate major line of business or geographic area of operations;

2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or

3) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on January 1, 2012, the Group’s date of transition to the Standards, was determined with reference to its fair value at that date.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(Continued)

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	buildings	20 years
2)	plant and equipment	5～10 years
3)	fixtures and fittings	5 years
4)	major components, electronic equipment	2～10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

(i) As a leasee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’ s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

－ fixed payments,including in-substance fixed payments;

(Continued)

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of other equipment. The Group recognizes the lease payments associated with these leases as an expense

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

(Continued)

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

1)	Trademarks and patents	10 years
2)	Core technology	10 years
3)	Customer relationships	2 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The Group’ s decommissioning liabilities are estimated in accordance with the Regulations for the Management of Setting up Renewable Energy Power Generation Equipmenti issued by Energy Administration of the Ministry of Economic Affairs of the ROC. These amounts were calculated based on the size of the power plants ,and were recognized at the present values of the estimated decommissioning costs to be incurred.

(Continued)

(n) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group’s main types of revenue are explained below.

(i) Sale of goods – electronic components

The Group manufactures and sells electronic components to computer manufacturers. The Group recognizes revenue when control of the products has transferred, being when the products are 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 products. 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 Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Power electric revenue

The Group recognized the power electric revenue is based on the actual electric units and electric rate.

(iii) Construction contracts

The Group enters into contracts to build customized power plants. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the consideration paid by the customer according to agreed schedule is received and the Group has not recognized as revenue, it should be recognized as contract liabilities. The consideration is paid by the customer according to the agreed payment terms. The excess of the amount that has been recognized as revenue over the amount that the Group has issued a bill is recognized as a contract asset. When the entitlement to the payment becomes unconditional, the contract asset is transferred to receivables.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

(Continued)

(iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(o) Government grants and government assistance

The Group recognizes an unconditional government grant related to business operation as other income when the unconditional grant becomes receivable. Other government grants related to assets with terms of how the Group should purchase, build or acquire non-current assets through other methods are recognized as deferred revenues if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

(Continued)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Board of Directors authorized the price and number of a new award.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that the global minimum top-up tax － which it is required to pay under Pillar Two legislation － is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(Continued)

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (1) affects neither accounting nor taxable profits (losses) and (2) does not give rise to equal taxable and deductible temporary differences

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

(Continued)

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest's proportionate share of the acquiree's identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

The Group recognizes the acquisition-date fair value of the contingent consideration as part of the consideration transferred. The cost of the acquisition and measuring goodwill will retrospectively be adjusted when some changes in the fair value of contingent consideration that the Group recognizes have been made after the acquisition date. Measurement period adjustments is the result of additional information that the Group obtained after that date about facts and circumstances that existed at the acquisition date. The measurement period will not exceed one year from the acquisition date. The Group accounts for the changes in the fair value of contingent consideration that are not measurement period adjustments based on the classification of contingent consideration. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement will be accounted for within equity. Others will be measured at fair value at each reporting date and changes in fair value will be recognized in profit or loss or other comprehensive income.

(t) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares ,such as convertible bonds and employee compensation.

(Continued)

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group' s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	**December 31, 2022**
Cash on hand and petty cash	$ 598	304
Cash in banks and demand deposits	318,589	278,954
	$ 319,187	**279,258**

Please refer to Note 6(u) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(b) Notes receivables and notes receivable

Details are set out in the following table:

	December 31, 2023	**December 31, 2022**
Notes receivable	$ 1,482	2,200
Accounts receivable	318,721	346,966
Less:Loss allowance	(1,252)	(1,322)
	$ 318,951	**347,844**

(Continued)

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. Includes macroeconomics and related industry information. The ECL analysis of notes receivable and accounts receivable of the Group was as follows:

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance for lifetime expected credit losses**
Current	$ 317,136	0.1%	(313)
1 to 30 days past due	1,070	1%	(11)
31 to 60 days past due	1,416	25%	(354)
61 to 90 days past due	14	50%	(7)
Past due over 91 days	567	100%	(567)
	$ 320,203		**(1,252)**

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance for lifetime expected credit losses**
Current	$ 345,969	0.1%	(339)
1 to 30 days past due	2,018	1%	(20)
31 to 60 days past due	288	25%	(72)
Past due over 91 days	891	100%	(891)
	$ 349,166		**(1,322)**

The movements in the allowance for notes and accounts receivable were as follows:

	2023	**2022**
Balance at January 1	$ 1,322	1,672
Expected credit losses (gains)	(67)	328
Profit from discontinued segments	-	(682)
Foreign exchange gains/(losses)	(3)	4
Balance at December 31	**$ 1,252**	**1,322**

The payment terms granted to customers are generally 120 days for sales of goods.Interests are not accrued for accounts receivable, please refer to Note 6(u) for information on other credit risks.

(Continued)

As of December 31, 2023 and 2022, the notes and accounts receivable of the Group were not pledged as collateral.

(c) Other receivables

		December 31, 2023	December 31, 2022
Other receivables	$	67,052	65,025
Less: loss allowance		(58,216)	(58,216)
	$	**8,836**	**6,809**

The Group signed an investment agreement for television programs on January 3, 2017 with an agreed investment of $50,000 thousand and a new agreement was subsequently entered on May 16, 2017 with an agreed investment of $65,000 thousand. This investment case is a principal protection investment agreement. The Group is entitled to the net profit distribution of the project according to the contract upon the expiry of the investment term. If the amount recovered at maturity is less than $65,000 thousand, the shortfall is to be covered by the counterparty within one month from the date of termination of the investment term. In addition, the Group try to work with program broadcast by contributing marketing fees successively, amounting to RMB$ 3,000 thousand (equivalent to NT$13,664 thousand), and the license fee of $2,991 thousand for the program to be authorized for broadcasting in Taiwan. However, the program production has decided to adjust its performance pattern to improve the program quality after broadcasting on television stations in mainland China in July 2017. The recording and broadcasting were suspended after the fourth episode broadcast in August 2017. Thus, the Group complied with principal protection provisions and transferred its financial assets from available-for-sale financial assets to other receivables and entered into repayment agreements with the trading counterparty. An agreement was made to repay $77,341 thousand in installments before December 31, 2017 (including 65,000 thousand for investment and $9,350 thousand for unused license fees and $2,991 thousand (US$93.6 thousand)). As the end of 2017, the Group had recovered $19,125 thousand (US$632 thousand), but the management after considering the possibility of collection, had included all outstanding amounts as bad debts.

The Group filed a lawsuit to the Taiwan Taipei District Court in November 2018 for the contract mentioned above. The Taiwan Taipei District Court ruled on September 11, 2019 that the Group had won the appeal. The Group appointed a lawyer to apply to the Beijing No.4 Intermediate People’s Court for recognition and enforcement of the judgment of the Taiwan Taipei District Court in 2021, and obtained the civil decision from the Beijing No.4 Intermediate People’s Court on December 10, 2021. The ruling approved the execution of the 2018 re-appeal cilvil judgment No. 1339 by the Taipei District Court. The Group appealed to the People’s Court on March 8, 2022 for enforcement, and the other receivables mentioned above were not received after the People’s Court performed its execution on August 25, 2022.

(Continued)

(d) Inventories

		December 31, 2023	December 31, 2022
Raw materials and consumables	$	81,786	83,204
Finished goods		26,856	24,210
Merchandise		25,674	30,939
Work in progress		5,865	6,986
construction work-in-process		2,388	-
	$	**142,569**	**145,339**

		2023	2022
Inventory is transferred for sales	$	655,709	819,133
Construction costs of power plants		47,498	17,570
Loss on write-down of inventories (reversal gains)		3,105	5,501
Other		1,378	4,284
	$	**707,690**	**846,488**

As of December 31, 2023 and 2022, there was no inventory pledged as collateral.

(e) Lost control over subsidiaries

The Group disposed of it entire shareholding in UNIFORCE TECHNOLOGY CORPORATION of 51% by resolution of the Board of Directors on March 18, 2022. 30% and 21% of the equity interests were settled on March 22 and April 11, 2022, respectively, the the control of it was lost in March 2022, with a disposal price of $80,000 thousand and $56,131 thousand, respectively. The gain on disposal amounting to $48,709 thousand is recognized in the consolidated statement of comprehensive income under “Other gains and losses”. Please refer to note 6(t) for details.

The fair value of the remaining 21% equity interests,with a price of $56,131 thousand in UNIFORCE TECHNOLOGY CORPORATION that have not yet been settled were listed under "Non-current net defined benefit asset". Please refer to note 6(g) for details.

(Continued)

The carrying amount of assets and liabilities of UNIFORCE TECHNOLOGY CORPORATION on March 31, 2022 were as follow:

Cash and cash equivalents	$	139,727
Notes and accounts receivable		131,897
Inventories		119,265
Other financial asset		80,000
Other current assets		14,404
Property, plant and equipment		3,394
Right-of-use assets		4,595
Other non-current assets		11,146
Bank loan		(70,000)
Accounts payable and other payables		(167,917)
Contract liabilities		(21,159)
Lease liabilities		(4,651)
Current tax liabilities		(6,603)
Other current liabilities		(3,524)
long-term borrowings		(59,184)
Carrying amount of the net assets		171,390
Less: Non-controlling interests		83,968
Book value of net identifiable assets	**$**	**87,422**

(f) Business combination

The subsidiaries of the Group acquired the principal assets, production technology (know -how), proprietary technology and customers lists of SUBTLE ELECTRONIC on January 1, 2022 to obtain the PCB assembly and processing business originally operated by SUBTLE ELECTRONIC. It is expected that this will expand the business of the Group. The total contract price was $186,477 thousand. The acquisition method of accounting is adopted as the key elements of contribution, processes and outputs for which the target is acquired are in line with the business definition.

The Group entered into a cooperation agreement with the SUBTLE ELECTRONIC on January 6, 2022 and agreed that SUBTLE ELECTRONIC would be responsible for marketing, transfer the accepted external order to the Group and processing customer order services. The Group will provide 5.8% to 6% of its turnover as service fee for rendering of services as described above during period of service. Please refer to note 7 for details of the transaction.

(Continued)

SUBTLE ELECTRONIC warrants that during the agreement term, the sales revenue for the years ended December 31, 2023 and 2022 will not be less than 80% of the sales revenue of the Company for the years ended December 31, 2022 and 2021. If the sales revenue for the years ended December 31, 2023 and 2022 does not reach 80% of the sales revenue for the years ended December 31, 2022 and 2021, the Group may request SUBTLE ELECTRONIC to compensate for damages. The Group estimated that the contingent consideration may be requested in future amounted to $0 thousand.

From the acquisition date to December 31, 2022, the PCB assembly segment contributed revenue of $304,817 thousand and profit after tax of $3,091 thousand to the Group's results.

(i) Identifiable net assets acquired

The following table summarizes the fair values of identifiable assets acquired at the acquisition date:

	January 1, 2022
Inventories	$ 55,011
Property, plant and equipment	60,736
Intangible assets	55,502
Fair value of net identifiable assets	**$ 171,249**

(ii) Goodwill

	January 1, 2022
Consideration transferred	$ 186,477
Less: Fair value of identifiable assets	(171,249)
	$ 15,228

Goodwill is mainly derived from the profitability and employee values of SUBTLE ELECTRONIC in the PCB assembly and processing segment. It is expected to generate synergies of combination from integrating such company's PCB business with the Group's.

(iii) Acquistion-related cost

Acquisition-related costs of $1,110 thousand on legal fees and on-site investigation were expensed and recognized in operating expenses under the consolidated statement of comprehensive income for the year ended December 31, 2022

(Continued)

(g) Property, plant and equipment

The cost, depreciation of the property, plant and equipment of the the Group were as follows:

	Land	Buildings and Construction	Machinery and Equipment	Transportation equipmen	Other equipment	construction work-in-proces s	Total
Costs							
Balance at January 1, 2023	$ 25,980	92,458	435,802	3,528	20,881	-	578,649
Additions	-	-	5,777	1,561	7,498	1,691	16,527
Reclassification	-	-	34,588	-	(1,123)	-	33,465
Disposal	-	-	(20,243)	(210)	(57)	-	(20,510)
Effects of changes in foreign exchange rates	-	(1,328)	(935)	(28)	(159)	-	(2,450)
Balance at December 31, 2023	**$ 25,980**	**91,130**	**454,989**	**4,851**	**27,040**	**1,691**	**605,681**
Balance at January 1, 2022	$ 25,980	91,298	226,363	1,615	24,286	-	369,542
Acquisition through business combination	-	-	60,311	-	425	-	60,736
Additions	-	-	39,454	1,889	5,850	-	47,193
Reclassification	-	-	118,130	-	3,432	-	121,562
Subsidiaries sold	-	-	-	-	(11,790)	-	(11,790)
Disposal	-	-	(9,272)	-	(1,453)	-	(10,725)
Effects of changes in foreign exchange rates	-	1,160	816	24	131	-	2,131
Balance at December 31, 2022	**$ 25,980**	**92,458**	**435,802**	**3,528**	**20,881**	**-**	**578,649**
Depreciation:							
Balance at January 1, 2023	$ -	19,476	66,411	1,852	10,669	-	98,408
Depreciation for the year	-	4,309	31,719	456	4,278	-	40,762
Disposal	-	-	(3,379)	(42)	(30)	-	(3,451)
Effects of changes in foreign exchange rates	-	(347)	(747)	(28)	(141)	-	(1,263)
Balance at December 31, 2023	**$ -**	**23,438**	**94,004**	**2,238**	**14,776**	**-**	**134,456**
Balance at January 1, 2022	$ -	14,944	40,963	1,498	16,711	-	74,116
Depreciation for the year	-	4,331	27,293	332	2,902	-	34,858
Reclassification	-	-	(766)	-	759	-	(7)
Subsidiaries sold	-	-	-	-	(8,396)	-	(8,396)
Disposal	-	-	(1,665)	-	(1,392)	-	(3,057)
Effects of changes in foreign exchange rates	-	201	586	22	85	-	894
Balance at December 31, 2022	**$ -**	**19,476**	**66,411**	**1,852**	**10,669**	**-**	**98,408**
Carrying amounts:							
Balance at December 31, 2023	**$ 25,980**	**67,692**	**360,985**	**2,613**	**12,264**	**1,691**	**471,225**
Balance at January 1, 2023	**$ 25,980**	**76,354**	**185,400**	**117**	**7,575**	**-**	**295,426**
Balance at December 31, 2022	**$ 25,980**	**72,982**	**369,391**	**1,676**	**10,212**	**-**	**480,241**

(Continued)

(i) As of December 31, 2023 and 2022, the property, plant, and equipment of the Group were pledged as collateral. Please refer to note 8 for details.

(ii) Property, plant and equipment falls within the scope of government subsidy income (it is accounted for as long-term deferred income), which will be transfered to profit and loss over the expected useful life.

(h) Right-of-use assets

The cost and depreciation of leased buildings and transportation equipment of the Group were as follows:

	Landuse Right	Buildings and Construction	Transportation equipment	Total
Cost:				
Balance at January 1, 2023	$ 1,872	46,751	2,712	51,335
Additions	-	13,232	1,040	14,272
Disposal	-	(3,902)	(678)	(4,580)
Effects of changes in foreign exchange rates	(32)	-	-	(32)
Balance at December 31, 2023	**$ 1,840**	**56,081**	**3,074**	**60,995**
Balance at January 1, 2022	$ 1,844	16,797	2,712	21,353
Additions	-	46,086	-	46,086
Subsidiaries sold	-	(16,132)	-	(16,132)
Effects of changes in foreign exchange rates	28	-	-	28
Balance at December 31, 2022	**$ 1,872**	**46,751**	**2,712**	**51,335**
Accumulated depreciation:				
Balance at January 1, 2023	$ 195	9,610	1,545	11,350
Depreciation	48	11,311	1,174	12,533
Disposal	-	(2,149)	(678)	(2,827)
Effects of changes in foreign exchange rates	(4)	(4)	-	(8)
Balance at December 31, 2023	**$ 239**	**18,768**	**2,041**	**21,048**
Balance at January 1, 2022	$ 143	10,535	641	11,319
Depreciation	49	10,612	904	11,565
Subsidiaries sold	-	(11,537)	-	(11,537)
Effects of changes in foreign exchange rates	3	-	-	3
Balance at December 31, 2022	**$ 195**	**9,610**	**1,545**	**11,350**
Carrying amounts:				
Balance at December 31, 2023	**$ 1,601**	**37,313**	**1,033**	**39,947**
Balance at January 1, 2022	**$ 1,701**	**6,262**	**2,071**	**10,034**
Balance at December 31, 2022	**$ 1,677**	**37,141**	**1,167**	**39,985**

As of December 31, 2023 and 2022, there was no right-of-use assets pledged as collateral.

(Continued)

(i) Intangible assets

The cost, amortization and impairment loss of the intangible assets of the Group were as follows:

	Goodwill	Patent Rights	Customer relationships	Computer software	Total
Cost:					
Balance at December 31, 2023 (i.e. opening balance)	$ 15,228	5,178	49,815	1,648	71,869
Balance at January 1, 2022	$ -	-	-	-	-
Individual Acquisitions	-	-	-	1,139	1,139
Acquisition through business combination	15,228	5,178	49,815	509	70,730
Balance at December 31, 2022	$ 15,228	5,178	49,815	1,648	71,869
Depreciation and impairment losses:					
Balance at January 1, 2022	$ -	518	4,981	651	6,150
Amortization	-	518	4,981	824	6,323
Balance at December 31, 2023	$ -	1,036	9,962	1,475	12,473
Balance at January 1, 2022	$ -	-	-	-	-
Amortization	-	518	4,981	651	6,150
Balance at December 31, 2022	$ -	518	4,981	651	6,150
Carrying amounts:					
Balance at December 31, 2023	$ 15,228	4,142	39,853	173	59,396
Balance at January 1, 2022	$ -	-	-	-	-
Balance at December 31, 2022	$ 15,228	4,660	44,834	997	65,719

(j) Short-term borrowings

(i) The details of the Group' s short-term borrowings were as follows:

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	$ 5,000	40,000
Secured bank loans	43,352	54,603
Total	$ 48,352	94,603
Unused short-term credit lines	$ 253,461	209,092
Range of Interest rate	2.25%~6.59%	2.00%~6.32%

(ii) The Group refer to note 8 for a description of the Group' s assets pledged as collateral to secure the bank loans.

(Continued)

(k) Long-term borrowings

(i) The GroupThe details of the Group's long-term borrowings were as follows:

	December 31, 2023			
	Currency	Rate	Maturity year	Amount
Secured bank loans	TWD	2.095%~2.693%	117~124	$ 264,527
Less: current portion				(21,434)
Total				$ 243,093
Unused long-term credit lines				$ 8,419

	December 31, 2022			
	Currency	Rate	Maturity year	Amount
Secured bank loans	TWD	1.92%~2.441%	117~124	$ 219,589
Less: current portion				(16,470)
Total				$ 203,119
Unused long-term credit lines				$ 24,151

(ii) The Group refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(l) Lease liabilities

The carrying values of the Group's lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	$ 8,720	11,240
Non-current	$ 30,255	27,417

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ 749	796
Variable lease payments not included in the measurement of lease liabilities	$ 3,046	2,324
Expenses relating to short-term leases	$ 901	1,107
Expenses relating to leases of low-value assets	$ 520	626

(Continued)

The amounts recognized in the statement of cash flows for the Group were as follows:

		2023	2022
Total cash outflow for leases	$	17,407	16,063

(i) Real estate leases

The Group leases buildings for its office space, the lease of office space typically run for a period from 3 to 5 years. the Group also leases building rooftops as sites for solar power generation, with the leases term typically run for 20 years.

Some leases contain extension options exercisable by the Group. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable not only by the Group and by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases transportation equipment with contract terms of three years. These leases are leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Employee benefits

(i) .Defined benefit plans

The Group’ s employee benefit liabilities were as follows:

		December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$	2,221	1,945
Fair value of plan assets		(14,324)	(14,025)
Net defined benefit liabilities (assets)	$	(12,103)	(12,080)

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

(Continued)

The Company’ s Bank of Taiwan labor pension reserve account balance amounted to $14,324 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2023 and 2022, the movement in present value of the defined benefit obligations for the Company were as follows:

	2023	2022
Defined benefit obligations at January 1	$ 1,945	1,735
Current service costs and interest cost	94	50
—Actuarial losses (gains) arising from experience adjustments	26	132
—Actuarial loss (gain) arising from changes in financial assumptions	156	28
Defined benefit obligations at December 31	**$ 2,221**	**1,945**

3) Movements of defined benefit plan assets

For the years ended December 31, 2023 and 2022, the movements in the present value of the defined benefit plan assets for the Company were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 14,025	12,931
Interest income	236	73
Remeasurement of net liabilities (assets) for defined benefit obligations		
—Return on plan assets excluding interest income	63	1,021
Fair value of plan assets at December 31	**$ 14,324**	**14,025**

4) Expenses recognized in profit or loss

For the years ended December 31, 2023 and 2022, the expenses recognized in profit or loss for the Company were as follows:

	2023	2022
Current service costs	$ 61	40
Net interest of net liabilities (assets) for defined benefit	(203)	(63)
	$ (142)	**(23)**
Operating expenses	**$ (142)**	**(23)**

(Continued)

5) Re-measurement of net defined benefit liability(asset) recognized in other comprehensive income

The Group's re-measurement of the net defined benefit liability(asset) recognized in other comprehensive income, was as follows:

		2023	2022
Cumulated amount at January 1	$	1,746	885
Recognized during the period		(119)	861
Cumulated amount at December 31	$	1,627	1,746

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.289%	1.679%
Future salary increases	2.000%	2.000%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $0 thousand.

The weighted-average lifetime of the defined benefits plans is 16.28 years.

7) Sensitivity analysis

For the year ended in December 31, 2023 and 2022, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligation	
	Increased 0.25%	Decreased 0.25%
December 31, 2023		
Discount rate	(86)	91
Future salary increase rate	89	(84)
December 31, 2022		
Discount rate	(73)	77
Future salary increase rate	75	(72)

(Continued)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The method used in the sensitivity analysis is consistent with the calculation on the net defined benefit liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Group allocates 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

Under the contribution pension plan, the Group’s pension costs amounted to $3,913 thousand and $2,911 thousand for the years ended December 31, 2023 and 2022, respectively.

The pension costs incurred from the contribution to the Bureau of Labor Insurance amounted to $9,196 thousand and $8,874 thousand for the year ended December 31, 2023 and 2022, respectively.

(n) Income taxes

(i) Income tax expense

1) The components of income tax in the years 2023 and 2022 were as follows:

	2023	2022
Current tax expense		
Current period	$ 5,353	1,591
Adjustment for prior years	-	-
Deferred tax expense		
Occurrence and reversal of temporary difference	(6,319)	3,344
Income tax expense	**$ (966)**	**4,935**

(Continued)

2) Reconciliation of income tax expense and profit before tax in 2023 and 2022 was as follows:

	2023	2022
Profit before tax	$ 2,853	102,580
Income tax using the Company's domestic tax rate	$ 4,406	21,942
Non-deductible expenses	8,378	11,327
Change in provision in prior periods	292	-
Recognition of previously unrecognized tax losses	(14,042)	(28,334)
	$ (966)	4,935

3) The amounts of income tax benefit recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	2023	2022
Remeasurement of defined benefit plans	$ -	172

(ii) Deferred tax assets and liabilities

1) Unrecognized Deferred Tax Assets

	December 31, 2023	December 31, 2022
Tax effect of deductible Temporary Differences	$ 273,734	241,209
Unused tax losses	97,636	119,234
	$ 371,370	-

The R.O.C Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can u tilize the benefits therefrom.

As of December 31, 2023, the information of the Group’ s unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry date
2017	$ 31,313	2027
2018	40,577	2028
2019	19,144	2029
2020	6,602	2030
	$ 97,636	

(Continued)

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Defined benefit plans	Others	Total
Deferred tax liabilities:			
January 1, 2023	$ 3,572		3,572
Recognized in profit or loss	(1,058)	-	(1,058)
December 31, 2023	**$ 2,514**		**2,514**
January 1, 2022	$ 2,379	70	2,449
Proceeds from disposal of subsidiaries	-	(70)	(70)
Recognized in profit or loss	1,021	-	1,021
Recognized in other comprehensive income	172	-	172
December 31, 2022	**$ 3,572**	**-**	**3,572**

	Bad debt limit exceeded	Write-down of inventories	Unrealized depreciation	Unrealized exchange gain (loss)	accumulated loss	Other	Total
Deferred tax assets：							
January 1, 2023	$ 21	931	15,586	173	-	-	16,711
Recognized in profit or loss	2	508	(1,033)	75	4,966	743	5,261
Effects of changes in foreign exchange rates	(1)	(20)	(249)	-	-	-	(270)
December 31, 2023	**$ 22**	**1,419**	**14,304**	**248**	**4,966**	**743**	**21,702**
January 1, 2022	$ 45	6,070	16,474	522	-	942	24,053
Recognized in profit or loss	(25)	133	(1,140)	(349)	-	(942)	(2,323)
proceeds from disposal of subsidiaries	-	(5,284)	-	-	-	-	(5,284)
Effects of changes in foreign exchange rates	1	12	252	-	-	-	265
December 31, 2022	**$ 21**	**931**	**15,586**	**173**	**-**	**-**	**16,711**

(iii) Assessment of tax

The Company’ s tax returns for the years through 2021 were assessed by the Taipei National Tax Administration.

(Continued)

(o) Capital and other equity

As of December 31, 2023 and 2022, the Group's authorized share capital comprised 120,000 and 90,000 thousand shares with the par value of $10 per share, amounting to $1,200,000 and $900,000 thousand. The total number of issued shares were 68,847 thousand ordinary shares. All issued shares were paid up upon issuance.

(i) Ordinary shares

The Group aims to enhance its financial structure and strengthen its competitiveness by increasing its working capital, investee companies and responding to the capital requirements of the future operational development of the Group. Pursuant to the resolution of the general shareholders' meeting on June 29, 2023, the board was authorized to issue ordinary shares for cash capital increase through private placement of not more than 10,000 thousand shares with one year.

The previous limit on number of shares through private placement resolved by general shareholders' meeting on Augest 27, 2021 and June 17, 2022. It was canceled by a resolution of the Board of Directors on April 26, 2022 and May 11, 2023, respectively.

The rights and obligations of ordinary shares issued through private placement are the same as those ordinary shares issued by the Group. However, under the provisions of Securities and Exchange Act, the ordinary shares issued through private placement may only apply to the competent authorities for listing complying with the relevant provisions of the Securities Exchange Act, three years after the delivery date and such shares should be reissued through public offering. ◦

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Share capital at premium	$ 56,000	56,000
Changes in ownership interests in subsidiaries	2,536	2,536
Benefits gained from exercising disgorgement	33	-
Employee stock options	2,970	2,970
	$ 61,539	61,506

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the rules issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be allocated as special reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reuduciton of other shareholders' equity. Smiliarly, a portion of undistributed priorperiod earnings shall be reclassified as special earnings reserve (and does not qualify for earning distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(Continued)

3) Earnings distribution

The appropriations of earnings for 2021 were resolved in the The Shareholder's meeting offset the deficits and there were no distribution of dividends on June 17, 2022.

The amount of cash dividends on the appropriations of earnings for 2022, had been approved during The Shareholder's meeting on June 29, 2023. The amount of dividend distribution to shareholders were as follows:

	2022	
	Amount per share (in dollars)	**Total Amount**
Dividends distributed to ordinary shareholders:：		
Cash	$ 0.30	20,654

(p) Earnings per share

	2023			2022		
	Continued Segments	**Dis-Continued Segments**	**Total**	**Continued Segments**	**Dis-Continued Segments**	**Total**
Net profit (loss) attributable to ordinary shareholders of the Company	$ 3,819	-	3,819	97,645	4,928	102,573
Weighted average number of ordinary shares outstanding (in thousands of shares)	68,847	-	68,847	68,847	68,847	68,847
Basic earnings (loss) per share	$ 0.06	-	0.06	1.42	0.07	1.49

	2023			2022		
	Continued Segments	**Dis-Continued Segments**	**Total**	**Continued Segments**	**Dis-Continued Segments**	**Total**
Net profit (loss) attributable to ordinary shareholders of the Group (dilutive)	$ 3,819	-	3,819	97,645	4,928	9,863
Weighted average number of ordinary shares outstanding (in thousands of shares)	68,847	-	68,847	68,847	68,847	49,724
Effect of employee share bonus (in thousand of shares)	22	-	22	106	106	-
Weighted-average number of common shares outstanding (After the effect of diluted potential ordinary share is adjusted/ thousand shares):	68,869	-	68,869	68,953	68,953	49,724
Diluted earnings (loss) per share	$ 0.06	-	0.06	1.42	0.07	1.49

(Continued)

(q) Revenue from contracts with customer

(i) Details of revenue

		2023	2022
Primary geographical markets:			
Taiwan	$	489,369	597,760
China		222,341	267,325
America		114,901	130,929
Others		9,715	7,632
	$	836,326	1,003,646
Major products/service lines:			
electronic components	$	536,701	620,724
After processing of electronic components		230,001	304,817
Energy Revenues		38,576	32,708
Power plant engineering service revenue		31,048	45,421
	$	836,326	1,003,670

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$	1,482	2,200	2,860
Accounts receivable		318,721	346,966	493,820
Less: Loss allowance		(1,252)	(1,322)	(1,672)
Total	$	318,951	347,844	495,008
Contract liabilities	$	63,661	26,965	27,660

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 included the contract liability balance at the beginning of the period were $26,905 thousand and $6,501 thousand, respectively. The change in the balance of contract liabilities is the difference between the time frame in the performance obli gation to be satisfied and the payment to be received, as well as the disposal of subisdiary by the Group in March 2022. For details, please refer to Note 6(e).

Contract liabilities primarily relate to advance consideration received from customer for power plant construction that has not yet finished and electronic component sales contracts, for which revenue is recognized during the construction period and when the products are delivered to customers, respectively.

(Continued)

(r) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation, the company should contribute no less than 2.5% of the profit as employee’ s compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions.

The Company suffered loss and didn't estimate remuneration to employee and director for the years ended December 31, 2023. The Company recognized $1,929 thousand of renumeration to employees for the years ended December 31, 2022. In addition, The Company estimated renumeration to directors and supervisors amounting to $2,315 thousand for the years ended December 31, 2022. The amounts mentioned above are calculated based the percentage net profit before tax, excluding the remuneration to employees, directors and supervisors of each period,and multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company’ s articles. These remunerations were expensed under operating costs or operating expenses during the reporting period. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration to be distributed through stock dividends, the closing price of the ordinary share on the day before the Board of Directors’ meeting is used in the calculation for stock remuneration.

Board of directors’ meetings were held on March 28, 2023. There were $93 thousand and $112 thousand differences between the amounts employees’ and directors’ remuneration allocated by the aforesaid Board resolutions and the difference will be recognized as profit or loss in the consolidated financial statements of 2022.

Board of directors’ meetings were held on March 18, 2022, as there were accumulated losses, the resolution passed respectively that employee, supervisors and directors’ remuneration for the year ended December 31, 2021 were not distributed. There were no differences between the amounts in the consolidated financial statements of 2021.

The renumeration to the Company’ s employees,directors and supervisors can be obtained from the Open Information Observatory.

(s) Non-operating income and expenses

(i) The details of interest income for 2023 and 2022 were as follows:

	2023	2022
Interest income from bank deposits	$ 4,728	1,744

(Continued)

(ii) Other gains and losses

The details of other income for 2023 and 2022 were as follows

		2023	2022
Gains on disposals of investments	$	-	48,709
Gains (losses) on disposals of assets		935	(301)
Other gains		10,867	8,933
	$	11,802	57,341

(iii) Finance costs

The details of finance costs for 2023 and 2022 were as follows:

		2023	2022
Interest expense	$	(8,201)	(7,943)

(t) Financial instruments

(i) Credit risk

1) Concentration of credit risk

The sales of the Group is significantly concentrated in a few customers. As of December 31, 2023 and 2022 79.80% and 75.11% respectively, of accounts receivable were two major customers. ◦

2) Credit risks of receivables and debt securities

For details on credit risk of notes and accounts receivable and other receivables arising from operation, please refer to note 6(b) and (c). All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(g) on how the Group determines whether credit risk is to be low risk).

(Continued)

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

	Carrying amounts	Contractual Cash flows	Paid on request or less than 1 month	1-3 months	3 months to 1 year	over 1 year
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$ 48,352	48,722	5,108	13,202	30,412	-
Lease liabilities	38,975	44,580	1,192	2,597	5,714	35,077
Non-interest bearing liabilities	154,183	154,183	93,391	39,687	21,105	-
Long-term borrowings (including current portion)	264,527	298,265	2,032	4,036	20,948	271,249
	$ 506,037	**545,750**	**101,723**	**59,522**	**78,179**	**306,326**
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 94,603	95,271	40,207	24,065	30,999	-
Lease liabilities	38,657	47,158	992	1,984	8,909	35,273
Non-interest bearing liabilities	177,240	177,240	92,814	43,752	40,674	-
Long-term borrowings (including current portion)	219,589	240,507	1,852	3,470	15,596	219,589
	$ 530,089	**560,176**	**135,865**	**73,271**	**96,178**	**254,862**

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Currency risk

The Group' s significant exposure to foreign currency risk were as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 12,717	USD/TWD= 30.705	390,475	11,117	USD/TWD= 30.710	341,403
USD	8,788	USD/CNY= 7.083	269,836	8,043	USD/CNY= 6.965	247,001
Financial liabilities						
Monetary items						
USD	4,324	USD/TWD= 30.705	132,768	3,422	USD/TWD= 30.710	105,090
USD	5,927	USD/CNY= 7.083	181,989	5,543	USD/CNY= 6.965	170,226

(Continued)

2) Sensitivity analysis

The Group’ s exposure to foreign currency risk arises from the foreign currency exchange gains and losses resulted from the translation of cash and cash equivalents, trade receivables, other receivables, trade payables and other payables which are denominated in foreign currencies.

A strengthening (weakening) of 1% of the NTD against the USD at December 31, 2023, would have increased or decreased the profit before tax by $3,456 thousand and $3,131 thousand for the years ended December 31, 2022 and 2021, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

As the Group deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The Group aggregate of realized and unrealized foreign exchange gain (loss) for the years ended December 31, 2023 and 2022 were $914 thousand and $30,285 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1% the Group’ s profit before tax will decrease /increase by $45 thousand and $250 thousand for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Group’ s borrowings and loans at variable rate and the risk exposure of cash flow interest rate risks for receivables.

(v) Fair value of financial instruments

The Group’ s management considers its financial assets and financial liabilities measured at amortized cost to be the approximation of the fair value.

For the Group’ s financial assets and liabilities including cash and cash equivalents, account receivables, account payables and other financial liabilities, their carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

(Continued)

(u) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses theGroup’ s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Group’ s finance management department provides business services for the overall internal department. It monitor and manage financial risks of the the Group’ s business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Group these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group’ s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company’ s policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the Board of Directors of the Group in accordance with the procedure of the board meetings.

(iii) Credit risk

Credit risk means the potential loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’ s receivables from customers and investments in debt Category and name of security.

1) Accounts and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

(Continued)

2) Investments

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by the Group's finance department. Since The Group's transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries for purchasing and financing amount. As of December 31, 2023 and 2022, no other guarantees were outstanding.

(iv) Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements. Bank borrowing is an essential liquidity source for the Group. As of December 31, 2023 and 2022, the Group's unused credit line were $261,880 thousand and $233,243 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate, and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group buys and sells derivatives in order to reduce market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

1) Currency risk

The Group is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Group's respective entity. The respective functional currencies of The Group's entities are primarily the NTD,USD and RMB. These transactions are denominated into the presentation (NTD), US dollar (USD) and RMB dollar (CNY).

2) Interest risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(Continued)

(v) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Group's debt-to-equity ratio at the end of the reporting period as at 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 638,951	632,037
Less: Cash and cash equivalents	(319,187)	(279,258)
Net liabilities	**$ 319,764**	**352,779**
Total equity	**$ 791,808**	**812,079**
Debt-to-equity ratio	**40.38%**	**43.44%**

(w) Investing and financing activities not affecting cash flows

The Group's the investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

Please refer to note 6(h) for a description of acquisition of right-of-use assets through leases.

	January 1, 2023	Cash Flow	Non-Cash changes	December 31, 2023
Short-term borrowings	$ 94,603	(45,566)	(685)	48,352
Long-term borrowings (including current portion)	219,589	44,938	-	264,527
Lease liabilities	38,657	(12,191)	12,509	38,975
Total liabilities from financing activities	**$ 352,849**	**(12,819)**	**11,824**	**351,854**

(Continued)

		January 1, 2022	Cash Flows	Non-Cash changes	December 31, 2022
Short-term borrowings	$	165,723	11,219	(82,339)	94,603
Long-term borrowings (including current portion)		72,769	193,249	(46,429)	219,589
Lease liabilities		8,433	(11,210)	41,434	38,657
Total liabilities from financing activities	$	246,925	193,258	(87,334)	352,849

(x) Net cash outflows from acquisition of property, plant and equipment

		2023	2022
Addition	$	16,527	47,193
Add: Payable at beginning		11,960	68,516
Less: Ending balance of payables		(2,689)	(11,960)
Total	$	25,798	103,749

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statementsconsolidated financial statements.

Name of related party	Relationship with the Group
Wei Liangquan	Key management personnel of the Group
Qingrui Investment Co., Ltd.	Its major shareholder is the key management personnel of the Group (Note 1)
Cloudhood Technology Corporation (Hereafter referred to as Cloudhood Technology)	Substantive related party of the Group (Note 1)
SUBTLE ELECTRONIC CO., LTD. (Hereafter referred to as SUBTLE ELECTRONIC)	Other related parties (whose representatives are directors of the Group) (Note 2, 3)

Note 1: The major shareholder of the Company is the key management personnel of UNIFORCE TECHNOLOGY CORPORATION. Since the Group disposed of the Company in April 2022, the Company ceased to be a related party of the Group.

Note 2: A director of the Group, Huatai Management Consulting Co., Ltd., its representative, Lin Zhiqiang, was elected as the new director at the general shareholders' meeting on June 17, 2022. And since Lin Zhiqiang was the representative of SUBTLE ELECTRONIC, the company became an related party of the Group.

Note 3: Mr Lin Zhiqiang resigned as the director on October 31, 2022 and therefore, SUBTLE ELECTRONIC ceased to be a related party of the Group since November 1, 2022.

(Continued)

(b) Significant transactions with related parties

(i) Sale revenue

The amounts of significant sales by the Group to related parties were as follows:

The total sales amount between the Group and SUBTLE ELECTRONIC was 27,151 thousand for the year ended December 31, 2022, which is the sales revenue of SUBTLE ELECTRONIC before it became the related party of the Group.

The Group did not purchase the product specifications from other vendors, so the purchase price was not comparable to other vendors. The payment term was 30 days. Same as regular vendors.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	2023	2022
Other related parties - Cloudhood Technology	$ -	924

The Group did not purchase the product specifications from the related party from other vendors, so the purchase price was not comparable to other vendors. The payment term was 30 days. Same as regular vendors.

The purchases from other related parties are those of the subsidiary, UNIFORCE TECHNOLOGY CORPORATION, which has been transferred to the discontinued operation. Please refer to note 12(b) for details.

(iii) Rendering of services Provision

The Group entered into a cooperation agreement with the SUBTLE ELECTRONIC and agreed that SUBTLE ELECTRONIC would be responsible for marketing and processing customer order services during the agreement term. The Group will provide 5.8% to 6% of its turnover as service fee for rendering of aforementioned services fee. For the year ended December 31, 2022, the Group estimated $9,970 thousand and $7,764 thousand, respectively before and after the company became a related party and is recognized under “selling expenses”. As of December 31, 2023 and 2022, the outstanding balance of as a result of SUBTLE ELECTRONIC being no longer a related party to the Group, amounting to $0 thousand and $16,232 thousand and is recognized under "other payables"

(iv) Proceeds from disposal of subsidiaries’ equity interest

The Group disposed of it entire shareholding in UNIFORCE TECHNOLOGY CORPORATION by resolution of the Board of Directors on March 18, 2022. 30% of the equity interests were disposed on March 22, 2022 to Qingrui Investment Co., Ltd.The total of 3,200 thousand shares were traded with a disposal price of $25 per share, amounting to $80,000 thoudand in total. Please refer to note 6(f) for details.

(Continued)

(v) Guarantee

As of December 31, 2023 and 2022, the chairman of the Group, Wei Liangquan, have issued a promissory notes amounting to $22,250 thousand and $44,500 thousand for the guarantee of acquiring SUBTLE ELECTRONIC..

As of December 31, 2023 and 2022, the Group’ s bank loans amounted to $220,840 thousand, were guaranteed by the Chairman of the Group, Wei Liangquan.

(c) Key management personnel compensation

Key management personnel compensation comprised:

		2023	2022
Short-term employee benefits	$	17,943	18,169
Post-employment benefit		1,015	1,060
	$	**18,958**	**19,229**

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object		December 31, 2023	December 31, 2022
Accounts receivable	Short-term bank loans	**$**	**-**	**78,531**
Property, plant and equipment			-	-
Land	Long-term bank loans	$	25,980	25,980
Machinery and Equipment	Long-term bank loans		281,597	280,071
Buildings and Construction	Long-term bank loans		11,096	11,868
Buildings and Construction	Short-term bank loans		56,596	61,114
		$	**375,269**	**379,033**
Cash in banks (recognized in other current asset)	Short-term bank loans	**$**	**5,642**	**4,820**

(Continued)

(9) Commitments and contingencies:

(a) Major commitments were as follows:

The Group's unrecognized contractual commitments were as follows:

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	$ 4,361	2,726
Inventories - Construction in progress-power plants	$ 16,659	16,850

(b) The Group has entered into several contracts with Taiwan Power Company for the purchase and sale of electricity, all of which are terminated on the expiry date of 20 years after the date of the first parallel of power generators. The Group shall not transfer electricity generated by the renewable energy system to other persons for usage, except for the purpose of electricity sales as applied with Taiwan Power Company in accordance with the regulations.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By funtion / By item	2023			2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	103,155	47,332	150,487	109,022	59,410	168,432
Labor and health insurance	10,337	4,148	14,485	8,749	5,076	13,825
Pension	10,744	2,223	12,967	9,436	2,326	11,762
Remuneration of directors	-	2,368	2,368	-	1,817	1,817
Other employee benefits	9,212	2,271	11,483	5,724	2,571	8,295
Depreciation	48,656	4,639	53,295	40,214	6,209	46,423
Amortization	-	6,323	6,323	-	6,150	6,150

(Continued)

(b) Discontinued operations

The Group approved the sales of Network Security Systems Integration Segment in March 2022, and so it was presented as a discontinued operation since the sales was completed in April 2022.

Please refer to note 6(p) for details on the amount of net profit (loss) attributable to the owner of the parent company from the continuing operations and the discontinued operation.

Profit and loss, and cash flows from (used in) discontinued operations are summarized as follows:

	2022
Net profit before tax from discontinued operation	
Operating revenue	$ 127,797
Operating costs	(94,462)
Gross profit from operations	33,335
Operating expenses	20,346
Net operating income of discontinued operations	12,989
Non-operating income and expenses	(911)
Net profit before tax from discontinued operation	12,078
Income tax expense	(2,416)
Gain (loss) of discontinued segment	**$ 9,662**
Cash flows of discontinued operation:	
Cash flows from (used in) operating activities:	$ 28,430
Cash flows from (used in) investing activities:	(80,008)
Cash flows from (used in) financing activities:	57,933
Net cash inflows (outflows)	**$ 6,355**

Please refer to note 6(e) for details on the impact of the disposal of Network Security Systems Integration Segment on the financial position of the Group.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing (note 3)	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Group	Gou Zhi Electronic	Other receivables due from -related parties	Yes	90,000	-	-	2.70	2	-	Operating capital	-		-	316,723	316,723
0	The Group	Gou Zhi Electronic	Other receivables due from -related parties	Yes	80,000	-	-	2.70	2	-	Operating capital	-		-	316,723	316,723
0	The Group	Gou Zhi Electronic	Other receivables due from -related parties	Yes	80,000	80,000	80,000	3	1	244,391	Operating capital	-		-	316,723	316,723
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	15,355	-	-	2.70	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	10,749	-	-	2.70	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	15,375	-	-	2.70	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,213	15,353	15,353	2.70	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	6,485	6,141	6,141	3%	2	-	Operating capital	-		-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,213	15,353	15,353	3%	2	-	Operating capital	-		-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	4,864	4,606	4,606	3%	2	-	Operating capital	-		-	296,948	296,948
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	15,355	-	-	2.7%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	15,570	-	-	2.7%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	15,710	-	-	2.7%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,213	15,353	15,353	2.7%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,213	15,353	15,353	3%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,213	15,353	15,353	3%	2	-	Operating capital	-		-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	9,212	9,212	9,212	3%	2	-	Operating capital	-		-	79,666	79,666
3	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,135	-	-	0%	2	-	Operating capital	-	-	-	24,871	24,871
3	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,213	15,353	15,353	0%	2	-	Operating capital	-		-	24,871	24,871

Note 1: For capital financing, except for the Group holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for a single company by the Group and its subsidiaries shall not exceed 40 percent of the Group's net worth as stated in its latest financial report. For capital financing, except for the Group holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total

(Continued)

financing amount for a single company shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 2 :For capital financing, except for the Group holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity by the Group and its subsidiaries shall not exceed 40 percent of the Group’s net worth as stated in its latest financial report. For capital financing, except for the Group holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 3 : Purpose of fund financing for the borrower:

(1) Those with business contact please fill in 1

(2) Those necessary for short-term financing please fill in 2.

Note 4: The transaction has already been written off in the consolidated financial statements.

(Continued)

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	2	633,446	76,775	-	-	-	- %	633,446	Y	N	Y
0	The Group	Gou Zhi Electronic	2	633,446	30,000	-	-	-	- %	633,446	Y	N	N
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	2	633,446	77,630	75,732	-	-	9.56%	633,446	Y	N	Y

Note 1: In accordance to the "endorsement and guarantees operational procedure" of the Group, The total amount of the guarantees and endorsements by the Group and its subsidiaries for a company shall not exceed 80% of the Group's net worth. An inter-subsidiary endorsement and guarantee of which the Group directly holds more than 90% of the ordinary shares of the subsidiary, shall not exceed 10% of the current net worth. A company in which the Group holds, directly or indirectly, 100% or more of the voting shares, is excluded.

Note 2: In accordance to the "endorsement and guarantees operational procedure" of the Group, the total endorsement and guarantee by the Group shall not exceed 100% of the Group's net worth.

Note 3: The relationship between the endorser/guarantor and the guaranteed party:

1) Trading counterparty
2) The Company holds more than 50% of the voting shares in the entity, directly and indirectly.
3) The entity holds more than 50% of voting shares in the Group, directly and indirectly.
4) The Group holds more than 90% of voting shares in the entity, directly and indirectly.
5) The stockholders of the Group provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
6) Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Huai An Jhen Vei Electronic Co., Ltd.	The Group	Purchase	286,989	57%	O/A 90 days	-		(109,189)	80.60%	
Huai An Jhen Vei Electronic Co., Ltd.	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Subsidiaries	Sales	(286,989)	(56)%	O/A 90 days	-		109,189	(45.83)%	

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Huai An Jhen Vei Electronic Co., Ltd.	The Group	Subsidiaries	109,189	2.88	-		23,092	-

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions: Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	1	Other receivables	60,169	O/A 30 days	4.21%
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	1	Purchase	286,989	O/A 90 days	18.51%
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	1	Accounts payable	109,189	O/A 90 days	7.63%
0	The Group	Gou Zhi Electronic	1	Other receivables	81,129	According to the contract	5.67%
0	The Group	Gou Zhi Electronic	1	Purchase	14,623	O/A 90 days	1.75%
0	The Group	Gou Zhi Electronic	1	Accounts payable	26,248	O/A 90 days	1.83%
1	Pors Wiring Co.,Ltd	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	56,001	According to the contract	3.91%
2	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	15,353	According to the contract	1.07%
3	Jhen Vei Enterprise Co.,Ltd	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	42,182	According to the contract	2.95%

Note 1: Numbers are filled in as follows:
1. “0” represents the Group
2. The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:
1. Transactions from parent Group to subsidiary
2. Transactions from subsidiary to parent Group
3. Transactions between subsidiaries

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2023	Original investment amount: December 31, 2022	Balance as of December 31, 2023: Shares (thousands)	Balance as of December 31, 2023: Percentage of wnership	Balance as of December 31, 2023: Carrying value	Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
The Group	Jhen Vei Enterprise Co., Ltd	The British Virgin Islands	Manufacturing and sales of various types of signal cables and investment holding	352,091	352,091	48,355	100.00%	134,397	100.00%	21,785	24,695	Note 1
The Group	Pors Wiring Co., Ltd	The British Virgin Islands	Investment holding	98,373	98,373	48,048	100.00%	64,866	100.00%	2,905	2,905	Note 1
The Group	Priceplay.com Inc	United States	IC and software design	27,187	27,187	45,000	30.00%	-	30.00%	-	-	Note 2
The Group	Hua Yin Energy	Taiwan	Power generation for self-usage using renewable energy	100,000	100,000	10,000,000	100.00%	106,672	100.00%	5,943	5,943	Note 1
Jhen Vei Enterprise Co., Ltd.	Jhen Vei Investment Limited	Belize	Investment holding	26,244	26,244	810,000	100.00%	27,462	100.00%	653	653	Note 1
The Group	Gou Zhi Electronic	Taiwan	After processing of electronic components	199,927	199,927	20,000,000	100.00%	119,607	100.00%	(47,382)	(47,382)	Note 1
						-	- %	-	100.00%	-	-	

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: It has been assessed that carrying amount has no future economic benefits and was therefore fully recognized in the impairment losses as of June 30, 2016.

(Continued)

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow							
Huai An Jhen Vei Electronic Co., Ltd.	Manufacturing and sales of various types of signal cables	214,935 (USD 7,000 thousand)	(2)	214,935 (USD 7,000 thousand)	-	-	214,935 (USD 7,000 thousand)	18,659	100.00%	100.00%	18,659 (RMB 4,245 thousand)	52,523 (RMB 12,115 thousand)	-

Note 1: There are three ways to invest in China:
(1) Direct investment in the Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others.

Note 2: The financial report of the investee is audited financial report and is calculated by shareholding of the Group.

Note 3: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(Continued)

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023 (note 1, 2)	Investment Amounts Authorized by Investment Commission, MOEA (note 1, 2)	Upper Limit on Investment
286,999 (USD 9,347 thousand))	321,020 (USD 10,455 thousand)	475,084

Note 1: Except that the recognized investment losses for the period were calculated at the average exchange rate from January 1,2023 to December 31, 2023 and the remittance of surplus was calculated at the historical exchange rate, the balance was calculated at the closing exchange rate as of December 31, 2023. ◦

Note 2: The difference is due to the disposal of equity interest in Xinfeng Zhenwei Electronics Co., Ltd.. The return of investment amounting to US$600 thousand was fully remitted to Jhen Vei Enterprise Co., Ltd. Zhenwei Electronics (Wujiang) Co., Ltd.is liquidated and return investment amounting to $963 thousand and Zhenwei Electronics (Shenzhen) Co., Ltd.is liquidated and its loss on investment amounting to $1 thousand.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in Note 13(a) “Information on significant transactions”.

(d) Major shareholders:None

Shareholding Shareholder’s Name	Shares	Percentage
Yongding Investment Co., Ltd.	10,374,629	15.06%
Huatai Management Consulting Co., Ltd.	6,359,230	9.23%

Note: 1) Information about the substantial shareholders of this form is provided by the General Insurance Company on the last business day of each quarter. The total number of ordinary shares and special shares in which the calculation of shareholders' holding company has completed the unincorporated delivery (including treasury shares) is more than 5%. As to the number of shares recorded in the Group’s financial reports that are not physically registered as delivered by the Group, the basis of the calculation may varies or be different.

2) The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders’ shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the application of the right of decision in respect of the trust property, and so on. For information on the declaration of the rights of the insider, please refer to the Public Information Observatory.

(Continued)

(14) Segment information:

(a) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

Reportable segment profit or loss is based on operating profit or loss before taxation, and as the base of performance evaluation. The segments' accounting policy are same note 4.

The Group's operating segment information and the reconciliations were as follows:

	2023					
	Electronics Component Department	Network Security Systems Integration Segment (discontinued)	After Processing of Electronics Component Segment	Energy Segment	Discontinued segment and adjustment	Total
Revenue:						
Revenue from external customers	$ 536,701	-	230,001	69,624	-	836,326
Intersegment revenues	-	-	-	-	-	-
Total revenue	**$ 536,701**	**-**	**230,001**	**69,624**	**-**	**836,326**
Profit (loss) of reportable segments	**$ 4,329**	**-**	**(26,586)**	**15,867**	**-**	**(6,390)**

	2022					
	Electronics Component Department	Network Security Systems Integration Segment (discontinued)	After Processing of Electronics Component Segment	Energy Segment	Discontinued segment and adjustment	Total
Revenue:						
Revenue from external customers	$ 620,724	127,797	304,817	78,129	(127,797)	1,003,670
Intersegment revenues	-	-	-	-	-	-
Total revenue	**$ 620,724**	**127,797**	**304,817**	**78,129**	**(127,797)**	**1,003,670**
Profit (loss) of reportable segments	**$ 7,984**	**12,989**	**3,091**	**10,078**	**(12,989)**	**21,153**

(b) Geographic information

Regions	2023	2022
Non-Current assets		
Taiwan	$ 484,948	533,721
China	88,689	77,863
Total	**$ 573,637**	**611,584**

Noncurrent assets include property, plant and equipment, rightofuse assets and other noncurrent assets, excluding financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (noncurrent).

(c) Major customer information

	2023	2022
Customer A	$ 288,471	308,170
Customer B	209,183	265,487
	$ 497,654	**573,657**

2023 Parent Company Only Financial Statements

Independent Auditors' Report

To the Board of Directors of JHEN VEI ELECTRONIC CO., LTD.:

Opinion

We have audited the financial statements of JHEN VEI ELECTRONIC CO., LTD.("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

   Please refer to note 4 (m) for the relevant accounting policy regarding recognition of revenue, and refer to note 6 (r) for relevant disclosures.

Description of key audit matter:

JHEN VEI ELECTRONIC CO., LTD.and its subsidiaries are principally engaged in the trading of electronic components and the after-processing of electronic components. Sales revenue is one of the key items in the financial statements. therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures the following:

- Assess whether the revenue recognition policy has been made in in accordance with relevant bulletins.
- Understand and test revenue recognition design and implementation of internal controls related with revenue recognition.
- Analyze the changes in the prior year’ s amount within the top ten customers to evaluate if there are any major abnormalities.
- Spot-check revenue for the year and test whether revenue transactions are recorded correctly.
- Choose the period between the Balance sheet date, then examine the recognition of income transactions and vouchers cover for the appropriate period.
- Assess whether there are material sales return and discounts

2.Long-term investments under the equity method

Please refer to note 4 (h) for the relevant accounting policy of long-term investment accounted for using equity method (acquisition through sub-subsidiary), and refer to note 6 (f) for relevant disclosures.

Description of key audit matter:

Through 100% held sub-subsidiary, the Company acquired the inventory, machinery and intangible assets (including business items and patents) of SUBTLE ELECTRONIC CO., LTD., (hereinafter referred to as SUBTLE ELECTRONIC) during the year. At the acquisition date, SUBTLE ELECTRONIC is accounted for at the fair value of the net identifiable assets by the Company at the date of acquisition. The difference between the acquisition price and the fair value of the net identifiable assets will affect the recognized investment profit. Since the fair value assessment of the net identifiable assets of the transaction involves the subjective judgment of management; Thus, business combinations is one of the most important in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures the following:

- To assess whether the business combination process complies with internal control procedures and relevant regulations.
- Obtain the purchase price allocation report from management, which was performed by an external expert through commissioning, to assess the reasonableness of the valuation of identifiable net assets as of the acquisition date; and to assess the reasonableness of the methodology and assumptions used in such evaluation.
- To assess whether the accounting treatment and disclosure of the business combination are appropriate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are HENG SHEN LIN and SHU CHI YANG..

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

JHEN VEI ELECTRONIC CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

SS

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 146,780	15	181,716	17
1170	Accounts and notes receivable, net (notes 6(b) and (p))	179,118	18	208,272	19
1210	Other receivables due from related parties (note 7)	141,298	14	162,031	15
1300	Inventories (note 6(d))	27,946	3	30,939	3
1470	Other current assets (note 6(c))	5,468	1	3,119	-
		500,610	51	586,077	54
	Non-current assets:				
1550	Investments accounted for using equity method (notes 6(e) and (f))	425,542	43	443,181	41
1600	Property, plant and equipment (notes (g) and 8)	37,459	4	38,535	4
1755	Right-of-use assets (note 6(h))	1,067	-	961	-
1840	Deferred tax assets (note 6(m))	6,099	1	354	-
1915	Prepayments for business equipments	1,196	-	-	-
1975	Net defined benefit asset, non-current (note 6(l))	12,103	1	12,080	1
1900	Other non-current assets	1,471	-	1,350	-
		484,937	49	496,461	46
	Total assets	$ 985,547	100	1,082,538	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes 6(i) and 8)	$ 5,000	1	40,000	4
2131	Current contract liability (note 6(p))	5,534	1	8,970	1
2170	Accounts payable	32	-	20,199	2
2180	Accounts payable to related parties (note 7)	135,436	14	143,690	13
2200	Other payables (note 7)	21,636	2	28,420	2
2281	Current lease liabilities (note 6(k))	692	-	683	-
2322	Long-term borrowings, current portion (note 6(j))	1,552	-	1,535	-
2300	Other current liabilities	1,533	-	2,142	-
		171,415	18	245,639	22
	Non-Current liabilities:				
2540	Long-term borrowing (notes 6(j) and 8)	19,429	2	20,961	2
2570	Deferred tax liabilities (note 6(m))	2,514	-	3,572	-
2581	Non-current lease liabilities (note 6(k))	381	-	287	-
		22,324	2	24,820	2
	Total liabilities	193,739	20	270,459	24
	Equity (note 6(n)):				
3110	Ordinary share	688,468	70	688,468	64
3200	Capital surplus	61,539	6	61,506	6
3310	Legal reserve	7,451	1	-	-
3350	Unappropriated retained earnings	50,106	5	74,511	7
3410	Exchange differences on translation of foreign financial statements	(15,756)	(2)	(12,406)	(1)
	Total equity	791,808	80	812,079	76
	Total liabilities and equity	$ 985,547	100	1,082,538	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JHEN VEI ELECTRONIC CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	**%**	**Amount**	**%**
4100	**Operating revenues,net (notes 6(p) and 7)**	$ 364,656	100	458,059	100
5000	**Operating costs (notes 6(d) and 7)**	301,763	83	377,644	82
	Gross profit (loss) from operations	62,893	17	80,415	18
	Operating expenses (notes 6(b), (k) ,(l) and (q)):				
6100	Selling expenses (note 7)	29,548	8	27,392	6
6200	Administrative expenses	33,445	9	37,496	8
6450	Expected credit losses (Reversal gains)	(73)	-	376	-
	Total operating expenses	62,920	17	65,264	14
	Net operating income	(27)	-	15,151	4
	Non-operating income (notes 6(r) and 7):				
7100	Interest income	5,068	1	5,578	1
7020	Other gains and losses, net (notes 6(f))	7,271	2	89,157	19
7070	Share of profit (loss) of subsidiaries, associates, and joint ventures under the equity method	(14,289)	(4)	(3,847)	(1)
7050	Finance costs	(1,007)	-	(1,323)	-
	Total non-operating income and expenses	(2,957)	(1)	89,565	19
7900	**Profit before tax**	(2,984)	(1)	104,716	23
7951	**Less: Income tax expense (gains) (note 6(m))**	(6,803)	(2)	2,143	-
	Net Profit	3,819	1	102,573	23
8300	**Other comprehensive income :**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(l))	(119)	-	861	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(m))	-	-	172	-
		(119)	-	689	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8380	Share of other comprehensive income of associates and joint ventures under the equity method	(3,350)	(1)	2,237	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss)that will be reclassified to profit or loss, total	(3,350)	(1)	2,237	-
8300	**Other comprehensive income**	(3,469)	(1)	2,926	-
8500	**Total comprehensive income**	**$ 350**	**-**	**105,499**	**23**
	Earnings per share (in dollar) (note 6(o)):				
9750	**Basic earnings per share (in dollar)**	**$**	**0.06**		**1.49**
9850	**Diluted earnings per share (in dollar)**	**$**	**0.06**		**1.49**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JHEN VEI ELECTRONIC CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings		Total other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2022	$ 688,468	61,506	-	(28,751)	(14,643)	706,580
Net Profit (loss)	-	-	-	102,573	-	102,573
Other comprehensive income	-	-	-	689	2,237	2,926
Total comprehensive income	-	-	-	103,262	2,237	105,499
Balance at December 31, 2022	688,468	61,506	-	74,511	(12,406)	812,079
Net Profit (loss)	-	-	-	3,819	-	3,819
Other comprehensive income	-	-	-	(119)	(3,350)	(3,469)
Total comprehensive income	-	-	-	3,700	(3,350)	350
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	7,451	(7,451)	-	-
Cash dividends of ordinary share	-	-	-	(20,654)	-	(20,654)
Benefits gained from exercising disgorgement	-	33	-	-	-	33
Balance at December 31, 2023	**$ 688,468**	**61,539**	**7,451**	**50,106**	**(15,756)**	**791,808**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JHEN VEI ELECTRONIC CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash flows from (used in) operating activities:			
Profit before tax	$	(2,984)	104,716
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		1,762	1,743
Expected credit losses (Reversal gains)		(73)	376
Interest expense		1,007	1,323
Interest income		(5,068)	(5,578)
Share of profit or loss of subsidiaries and associates under the equity method		14,289	3,847
Losses on disposals of property, plant and equipment		27	-
Gains on disposals of investments		-	(48,709)
Total adjustments to reconcile profit (loss)		11,944	(46,998)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Notes and accounts receivable		29,227	(58,458)
Accounts receivable due from related parties		20,230	(754)
Inventories		2,993	(6,412)
Other current assets		(2,349)	1,031
Net defined benefit assets		-	(23)
Total changes in operating assets		50,101	(64,616)
Changes in operating liabilities:			
Contract liabilities		(3,436)	8,942
Accounts payable		(20,167)	19,686
Accounts payable - related parties		(8,254)	82,591
Other payables		(6,784)	20,562
Other current liabilities		(609)	(880)
Net defined benefit liability		(142)	-
Total changes in operating liabilities		(39,392)	130,901
Total changes in operating liabilities (assets)		10,709	66,285
Adjustments		22,653	19,287
Cash inflows generated from operations		19,669	124,003
Interest received		5,068	5,578
Interest paid		(1,007)	(1,323)
Net cash inflows (used in) from operating activities		23,730	128,258
Cash from (used in) investing activities:			
Acquisition of investments accounted for using equity method		-	(249,927)
Proceeds from disposal of investments accounted for using equity method		-	136,131
Acquisition of property, plant and equipment		-	(390)
Refundable deposits		(121)	(501)
Other receivables due from related parties		503	(81,632)
Increase in prepayment for equipment		(1,196)	-
Net cash outflows(used in) from investing activities		(814)	(196,319)
Cash from (used in) financing activities:			
Decrease (increase) in short-term borrowings		(35,000)	40,000
Repayments of long term debt		(1,515)	(504)
Payment of lease liabilities		(716)	(675)
Cash dividends paid		(20,654)	-
Benefits gained from exercising disgorgement		33	-
Net cash (outflows) inflows (used in) financing activities		(57,852)	38,821
Current Increase in cash and cash equivalents		(34,936)	(29,240)
Cash and cash equivalents at beginning of period		181,716	210,956
Cash and cash equivalents, end of period	$	146,780	181,716

See accompanying notes to parent company only financial statements.

(1) Company history

JHEN VEI ELECTRONIC CO., LTD. (Hua Yin Group, hereinafter referred to as “the Company”), formerly known as JHEN VEI ELECTRONIC CO., LTD.,was established by the Ministry of Economic Affairs on February 21, 1986. As of June 19, 2020, the name of The Company was approved by the general shareholders’ meeting to be changed to JHEN VEI ELECTRONIC CO., LTD. The registered address is 6F, No. 18, Ln 609, Sec 5, Chongxin Rd., Sanchong Dist., New Taipei City 24159, Taiwan. The principal activities of the Company are the trading of plug connections, sockets, computer cables, import/export trade and the construction services of solar power plants.

(2) Approval date and procedures of the financial statements:

These financial statements were authorized for issue by the Board of Directors on March 14, 2024..

(3) New standards, amendments and interpretations adopted:

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

The details of impact on the Company’s adoption of the new amendments beginning January 1, 2022 are as follows：

(i) Other amendments

The following amendments are not expected to have a significant impact on the Company’s financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(Continued)

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The material accounting policies presented in the financial statements are summarized as below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and the International Financial Reporting Standard.

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

1) Financial instruments measured at fair value；

2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less Recognition the present value of the defined benefit obligation.

(Continued)

(ii) Functional and presentation currency

The functional currency of the Company charges is determined based on the primary economic environment in which the Company operates. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency, All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currency using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When The Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. For a partial disposal of the Company's ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(Continued)

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to be settled in its normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash, cash in bank, and short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits meet aforementioned definitions that are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(Continued)

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost. The Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

(Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

The inventory of the Company include construction in-progress power plants and products. The expenditures of power plants before construction, construction costs, and engineering expenses can be allocated by power plants, and should be recognized as “power plants in progress”.

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition. Fixed manufacturing overhead is allocated to finished products and work in process based on normal capacity

Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(h) Investment in associates

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the financial statements.

Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(Continued)

When The Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Company recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets, liabilities of the subsidiary as well as any related noncontrolling interests at their carrying amounts at the date when control is lost. When The Company loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The useful life of property, plant and equipment is as follows:

1)	buildings	20 years
2)	Other equipment	2～5 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(Continued)

(j) Leases

At inception of a contract, The Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company’ s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or

(Continued)

- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize right of use assets and lease liabilities for short term leases of Other equipment of low value assets, the Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Company has elected not to recognize right of use assets and lease liabilities for short term leases of Other equipment of low value assets, the Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(k) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(i) Sale of goods－electronic components

Revenue is recognized when the control over a product has been transferred to the customer. Being when the products are 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 products. 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.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(Continued)

(ii) Engineering service revenue

The Company enters into contracts to build customized power plants. Because its customer controls the asset as it is constructed, the Company recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. Because its customer controls the asset as it is constructed, the Company recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the consideration paid by the customer according to agreed schedule is received and the Company has not recognized as revenue, it should be recognized as contract liabilities. The consideration is paid by the customer according to the agreed payment terms. The excess of the amount that has been recognized as revenue over the amount that the Company has issued a bill is recognized as a contract asset. When the entitlement to the payment becomes unconditional, the contract asset is transferred to receivables.

If the Company cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Company shall recognize revenue only to the extent of the costs expected to be recovered.

Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

(iii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(l) Employee benefits

(i) Defined contribution plans

Obligations for contributions to the defined contribution plans are expensed as related services are provided.

(ii) Defined benefit plans

The Company’s net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

(Continued)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

The Company’s grant date of a share-based payment award is the date which the Company informs its employee of the exercise price and number exercised shares.

(Continued)

(n) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following :

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences.

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(o) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the financial statements. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares. Dilutive potential ordinary shares comprise accrued employee remuneration.

(p) Operating segments

Segment information was disclosed in consolidated financial statements; therefore, it was not disclosed in the parent company only financial statement.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the parent company only financial statements, in conformity with the Regulations and the IFRSs endorsed by the FSC, requires management to make judgments estimates and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

Management continues to monitor the accounting estimations and assumptions. Management recognizes any changes in the accounting estimations during the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that has not a significant risk of resulting in a material adjustment within the next financial year is as follows:

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	**December 31, 2022**
Cash on hand	$ 419	71
Checking account deposits	10	10
Demand deposits	62,708	87,929
Time deposits	83,643	93,706
	$ 146,780	181,716

Please refer to note 6(s) for the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Company.

(Continued)

(b) Notes receivable and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 1,320	2,200
Accounts receivable	178,913	207,260
Less:Loss allowance	(1,115)	(1,188)
	$ 179,118	208,272

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for accounts receivable. To measure the expected credit losses, Accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The analysis of expected credit losses on accounts receivable was as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	$ 177,480	0.1%	(186)
1 to 30 days past due	770	1%	(8)
31 to 60 days past due	1,416	25%	(354)
61 to 90 days past due	-	50%	-
More than 91 days past due	567	100%	(567)
	$ 180,233		(1,115)

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	$ 206,287	0.1%	(209)
1 to 30 days past due	2,008	1%	(20)
31 to 60 days past due	274	25%	(68)
61 to 90 days past due	-	50%	-
More than 91 days past due	891	100%	(891)
	$ 209,460		(1,188)

(Continued)

The movements in the allowance for notes and accounts receivable were as follows:

	2023	2022
Balance at January 1	$ 1,188	812
Recognition (reversal) of Impairment loss	(73)	376
Balance at December 31	$ 1,115	1,188

The payment terms granted to customers are generally 120 days for sales of goods.Interests are not accrued for accounts receivable, please refer to Note 6(s) for information on other credit risks.

As of December 31, 2023 and 2022, the accounts receivable of the Company were not pledged as collateral.

(c) Other receivables

	December 31, 2023	December 31, 2022
Other receivables (is recognized as other current assets)	$ 59,537	58,408
Less: Loss allowance	58,216	58,216
	$ 1,321	192

The Company signed an investment agreement for television programs on January 3, 2017 with an agreed investment of $50,000 thousand and a new agreement was subsequently entered on May 16, 2017 with an agreed investment of $65,000 thousand. This investment case is a principal protection investment agreement. The Company is entitled to the net profit distribution of the project according to the contract upon the expiry of the investment term. If the amount recovered at maturity is less than $65,000 thousand, the shortfall is to be covered by the counterparty within one month from the date of termination of the investment term. In addition, the Company try to work with program broadcast by contributing marketing fees successively, amounting to RMB$3,000 thousand (equivalent to NT$13,664 thousand), and the license fee of $2,991 thousand for the program to be authorized for broadcasting in Taiwan. However, the program production has decided to adjust its performance pattern to improve the program quality after broadcasting on television stations in mainland China in July 2017. The recording and broadcasting were suspended after the fourth episode broadcast in August 2017. Thus, the Company complied with principal protection provisions and transferred its financial assets from available-for-sale financial assets to other receivables and entered into repayment agreements with the trading counterparty. An agreement was made to repay $77,341 thousand in installments before December 31, 2017 (including $65,000 thousand for investment and $9,350 thousand for unused license fees and $2,991 thousand (US$93.6 thousand)). As the end of 2017, The Company had recovered $19,125 thousand (US$632 thousand), but the management after considering the possibility of collection, had included all outstanding amounts as bad debts.

(Continued)

The Company filed a lawsuit to the Taiwan Taipei District Court in November 2018 for the contract mentioned above. The Taiwan Taipei District Court ruled on September 11, 2019 that the Company had won the appeal. The Company apply to the Beijing No.4 Intermediate People’s Court for recognition and enforcement of the judgment of the Taiwan Taipei District Court in 2021, and obtained the civil decision from the Beijing No.4 Intermediate People’s Court on December 10, 2021. The ruling approved the execution of the 2018 re-appeal cilvil judgment No. 1339 by the Taipei District Court. The Company appealed to the People’s Court on March 8, 2022 for enforcement, and the for the receivables from related mentioned above were not received after the People’s Court performed its execution on August 25, 2022.

(d) Inventories

	December 31, 2023	December 31, 2022
Merchandise	$ 27,946	30,939

The details of the cost of sales were as follows:

	2023	2022
Inventory is transferred for sales	$ 282,741	331,721
Construction costs of power plants	19,411	45,422
Loss on write-down of inventories (reversal gains)	(203)	842
Others	(186)	(341)
	$ 301,763	377,644

As of December 31, 2023 and 2022, the inventories of the Company were not pledged as collateral.

(e) Investments accounted for using equity method

A summary of the Company’s financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 425,542	443,181

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2022 explained in Note 4 (c).

(ii) As of December 31, 2023 and 2022, the investment of the Company accounted for using equity method were not pledged as collateral.

(f) Lost control over subsidiaries

The Company disposed of it entire shareholding in UNIFORCE TECHNOLOGY CORPORATION of 51% by resolution of the Board of Directors on March 18, 2022. 30% and 21% of the equity interests were settled on March 22 and April 11, 2022, respectively, the the control of it was lost in March 2022, with a disposal price of $80,000 thousand and $56,131 thousand, respectively. The gain on disposal amounting to $48,709 thousand is recognized in the consolidated statement of comprehensive income under "Other gains and losses". Please refer to note 6(r) for details.

The carrying amount of assets and liabilities of UNIFORCE TECHNOLOGY CORPORATION on March 31, 2022 were as follow:

Cash and cash equivalents	$ 139,727
Notes and accounts receivable	131,897
Inventories	119,265
Other financial asset	80,000
Other current assets	14,404
Property, plant and equipment	3,394
Right-of-use assets	4,595
Other non-current assets	11,146
Bank loan	(70,000)
Accounts payable and other payables	(167,917)
Contract liabilities	(21,159)
Lease liabilities	(4,651)
Current tax liabilities	(6,603)
Other current liabilities	(3,524)
Long-term borrowings	(59,184)
Carrying amount of the net assets	171,390
Less: Non-controlling interests	83,968
Book value of net identifiable assets	**$ 87,422**

(Continued)

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

		Land	Buildings and Construction	Other equipment	Total
Costs or deemed cost:					
Balance at January 1, 2023	$	25,980	13,600	2,702	42,282
Disposal		-	-	(57)	(57)
Balance at December 31, 2023	**$**	**25,980**	**13,600**	**2,645**	**42,225**
Balance at January 1, 2022	$	25,980	13,600	3,704	43,284
Additions		-	-	390	390
Disposal		-	-	(1,392)	(1,392)
Balance at December 31, 2022	**$**	**25,980**	**13,600**	**2,702**	**42,282**
Depreciation:					
Balance at January 1, 2023	$	-	1,732	2,015	3,747
Depreciation		-	772	277	1,049
Disaposal		-	-	(30)	(30)
Balance at December 31, 2023	**$**	**-**	**2,504**	**2,262**	**4,766**
Balance at January 1, 2022	$	-	960	3,114	4,074
Depreciation		-	772	293	1,065
Disposal		-	-	(1,392)	(1,392)
Balance at December 31, 2022	**$**	**-**	**1,732**	**2,015**	**3,747**
Carrying amounts:					
Balance at December 31, 2023	**$**	**25,980**	**11,096**	**383**	**37,459**
Balance at January 1, 2022	**$**	**25,980**	**12,640**	**590**	**39,210**
Balance at December 31, 2022	**$**	**25,980**	**11,868**	**687**	**38,535**

(i) As of December 31, 2023 and 2022, the property, plant, and equipment of the Group were pledged as collateral. Please refer to note 8 for details.

(Continued)

(h) Right-of-use assets

The Company leases many assets including buildings and vehicles. Information about leases for which the Company as a lessee is presented below:

	Buildings and Construction	Transportation equipment	Total
Right-of-use assets, Cost:			
Balance on January 1, 2023	$ -	2,034	2,034
Additions	819	-	819
Balance on December 31, 2023	$ 819	2,034	2,853
Balance on December 31, 2022 (i.e. opening balance)	$ -	2,034	2,034
Depreciation:			
Balance on January 1, 2023	$ -	1,073	1,073
Depreciation	34	679	713
Balance on December 31, 2023	$ 34	1,752	1,786
Balance on January 1, 2022	$ -	395	395
Depreciation	-	678	678
Balance on December 31, 2022	$ -	1,073	1,073
Carrying amounts:			
Balance on December 31, 2023	$ 785	282	1,067
Balance on January 1, 2022	$ -	1,639	1,639
Balance on December 31, 2022	$ -	961	961

(i) Short-term borrowings

(i) The details of the Company's short-term borrowings were as follows:

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	$ 5,000	40,000
Unused short-term credit lines	$ 177,820	142,840
Range of Interest rate	2.253%	2.001%

(ii) For the collateral pledged for bank loans, please refer to note 8.

(Continued)

(j) Long-term debts

(i) The details were as follows:

	December 31, 2023			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Secured bank loans	TWD	2.693%	124	$ 20,981
Less: current portion				(1,552)
Total				$ 19,429
Unused long-term credit lines				$ -

	December 31, 2023			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Secured bank loans	TWD	2.441%	124	$ 22,496
Less: current portion				(1,535)
Total				$ 20,961
Unused long-term credit lines				$ -

(ii) For the collateral pledged for bank loans, please refer to note 8.

(k) Lease liabilities

The carrying values of the Company' s lease liabilities were as follows:

	December 31, 2023	**December 31, 2022**
Current	$ 692	683
Non-current	$ 381	287

For the maturities analysis, please refer to Note 6(t).

The amounts of leases recognized in the statement of cash Flow for the Group was as follows:

	2023	**2022**
Interest expense on lease liabilities	$ 10	17
Expenses relating to short-term leases	$ 420	123
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 56	191

(Continued)

The amounts of leases recognized in the statement of cash Flow for the Group was as follows:

	2023	2022
Total cash outflow for leases	$ 1,202	1,006

(i) Real estate leases

As of December 31, 2023 and 2022, the Company lease houses and buildings for its storage space. The leases of storage space typically run for to 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Means of Transport Lease

The Group leases vehicles and equipment, with lease terms of three years. In some cases, the Group has options to purchase the assets at the end of the contract term.

(l) Employee benefits

(i) Defined benefit plans

The reconciliation of the present value of the defined benefit obligations and fair value of plan assets was as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 2,221	1,945
Fair value of plan assets	(14,324)	(14,025)
Net defined benefit assets	$ (12,103)	(12,080)

The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. Under the Labor Standards Act, each employee's retirement payment is calculated based on years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

The Labor Pension Fund Supervisory Committee manages the Company's pension fund which is being funded according to the Labor Standards Law. Under the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, this fund is required to distribute minimum income, but such minimum income shall not be less than the interest income derived from two year time deposit with the local banks.

As of December 31, 2023, the Company's pension fund with Bank of Taiwan amounted to $14,324 thousand. For information on the utilization of the labor pension fund assets including the asset allocation and yield rate of the fund, please refer to the website of the Utilization Bureau of Labor Funds.

(Continued)

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

The movement in present value of the defined benefit obligations of the Company were as follows:

		2023	2022
Defined benefit obligations at January 1	$	1,945	1,735
Current service costs and interest cost		94	50
Remeasurement of net assets			
－Actuarial loss (gain) arising from experience adjustments		26	132
－Actuarial loss (gain) arising from financial assumptions		156	28
Defined benefit obligations at December 31	**$**	**2,221**	**1,945**

3) Movements in fair value of defined benefit plan assets

The movement in present value of the defined benefit obligations of the Company were as follows:

		2023	2022
Fair value of plan assets at January 1	$	14,025	12,931
Interest income		236	73
Remeasurement of net liabilities (assets)			
Return on plan assets excluding interest income		63	1,021
Fair value of plan assets at December 31	**$**	**14,324**	**14,025**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

		2023	2022
Current service costs	$	61	40
Net interest of net defined benefit assets		(203)	(63)
	$	**(142)**	**(23)**
Operating expenses	**$**	**(142)**	**(23)**

5) Remeasurements of net defined benefit asset recognized in other comprehensive income

The Company’s remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2023 and 2022, is as follows:

(Continued)

	2023	2022
Cumulated amount at January 1	$ 1,746	885
Recognized in current period	(119)	861
Cumulated amount at December 31	**$ 1,627**	**1,746**

6) Actuarial assumptions

The principal actuarial assumptions of the actuarial valuation were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.289%	1.679%
Future salary increases	2.00%	2.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one year period after the reporting date is $0 thousand.

The weighted-average lifetime of the defined benefits plans is 16.28 years.

7) Sensitivity analysis

If the actuarial assumptions had changed 0.25%, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligation	
	Increased 0.25%	**Decreased 0.25%**
Balance at December 31, 2023		
Discount Rate	(86)	91
Future salary increases	89	(84)
Balance at December 31, 2022		
Discount Rate	(73)	77
Future salary increases	75	(72)

(Continued)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method to develop the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $955 thousand and $987 thousand for the years ended December 31, 2023 and 2022, respectively.

(m) Income taxes

(i) Income tax expenses:

The components of income tax expense (gains) in the years 2023 and 2022 were as follows:

	2023	**2022**
Current tax expense	$ -	-
Deferred tax expense		
Origination and reversal of temporary differences	(6,803)	2,143
Income tax expense	**$ (6,803)**	**2,143**

The amounts of income tax benefit recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	2023	**2022**
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	$ -	172
	$ -	**172**

(Continued)

Reconciliation of income tax expense and profit before tax for 2023 and 2022 is as follows:

	2023	2022
Profit before tax	$ (2,984)	104,716
Income tax using the Company's domestic tax rate	$ (597)	20,943
Investment losses of domestic subsidiary	8,378	4,733
Loss on disposal of domestic subsidiaries	-	6,594
Current-year losses for which no deferred tax asset was recognized	(4,966)	-
Recognition of previously unrecognized tax losses	(4,320)	(26,105)
Change in unrecognized temporary differences	(5,298)	(4,022)
Income tax expense	$ (6,803)	2,143

(ii) Deferred tax assets and liabilities

1) Unrecognized Deferred Tax Assets

Deferred tax assets have not been recognized with respect to the following items:

	December 31, 2023	December 31, 2022
Tax effect of deductible Temporary Differences	$ 273,734	241,209
Unused tax losses	72,807	119,234
	$ 346,541	360,443

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. The aforementioned tax losses are not recognized as deferred tax assets as the Company estimates that the taxable income in the future will not be sufficient for covering temporary differences.

As of December 31, 2023, The unused loss carryforwards and related expiration years of the Company were as follows:

Year of loss	Unused tax loss	Expiry date
2017	$ 31,313	2027
2018	40,577	2028
2019	19,144	2029
2020	6,602	2030
	$ 97,636	

(Continued)

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

		Defined benefit plans
Deferred tax liabilities:		
Balance at January 1, 2023	$	3,572
Recognized in profit or loss		(1,058)
Balance at December 31, 2023	$	2,514
Balance at January 1, 2022	$	2,379
Recognized in profit or loss		1,021
Recognized in other comprehensive income		172
Balance at December 31, 2022	$	3,572

		Unrealized depreciation	Accumulated losses	Others	Total
Deferred tax assets：					
Balance at January 1, 2023	$	-	-	354	354
Recognized in profit or loss		744	4,966	35	5,745
Effects of changes in foreign exchange rates		-	-	-	-
Balance at December 31, 2023	$	744	4,966	389	6,099
Balance at January 1, 2022	$	941	-	535	1,476
Recognized in profit or loss		(941)	-	(181)	(1,122)
Balance at December 31, 2022	$	-	-	354	354

(iii) Assessment of tax

The Company’s tax returns for the years through 2021 were assessed by the National Taxation Bureau of R.O.C..

(Continued)

(n) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized share capital comprised 120,000 and 90,000 thousand shares with the par value of $10 per share,amounting to $1,200,000 and $900,000 thousand. The total number of issued shares were 68,847 thousand ordinary shares. All issued shares were paid up upon issuance.

(i) Ordinary shares

The Company aims to enhance its financial structure and strengthen its competitiveness by increasing its working capital, investee companies and responding to the capital requirements of the future operational development of the Company. Pursuant to the resolution of the general shareholders' meeting on June 29, 2023 the board was authorized to issue ordinary shares for cash capital increase through private placement of not more than 10,000 thousand shares with one year.

The previous limit on number of shares through private placement resolved by general shareholders' meeting on Augest 27, 2021 and June 17, 2022. It was canceled by a resolution of the Board of Directors on April 26, 2022 and May 11, 2023, respectively.

The rights and obligations of ordinary shares issued through private placement are the same as those ordinary shares issued by the Company. However, under the provisions of Securities and Exchange Act, the ordinary shares issued through private placement may only apply to the competent authorities for listing complying with the relevant provisions of the Securities Exchange Act, three years after the delivery date and such shares should be reissued through public offering.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Share capital at premium	$ 56,000	56,000
Benefits gained from exercising disgorgement	33	-
Changes in ownership interests in subsidiaries	2,536	2,536
Employee stock options	2,970	2,970
	$ 61,539	61,506

According to the R.O.C. Company Act, capital surplus can be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be more than 10% of total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Order No. 1010012865 issued by the FSC on April 6, 2012, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the total net reduction of current period of other shareholders' equity resulting from the IFRS first-time adoption. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the IFRS first time adoption. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The appropriations of earnings for 2021 were resolved in the The Shareholder's meeting offset the deficits and there were no distribution of dividends on June 17, 2022.

(Continued)

The amount of cash dividends on the appropriations of earnings for 2022, had been approved during The Shareholder's meeting on June 29, 2023. The amount of dividend distribution to shareholders were as follows:

	2022	
	Amount per share (in dollars)	Total Amount
Dividends distributed to ordinary shareholders:		
Cash	$ 0.30	20,654

(o) Earnings per share

	2023	2022
Basic earnings per share		
Profit attributable to the Company	$ 3,819	102,573
Weighted average number of ordinary shares outstanding (in thousands of shares)	68,847	68,847
Basic earnings per share (in dollars)	$ 0.06	1.49
Diluted earnings per share		
Profit attributable to the Company	$ 3,819	102,573
Weighted average number of ordinary shares outstanding (in thousands of shares)	68,847	68,847
Effect of dilutive potential ordinary shares:		
Effect of employee bonus (in thousand of shares)	22	106
Weighted average number of ordinary shares outstanding (in thousands of shares) (after adjusting the effect of dilutive potential ordinary share)	68,869	68,953
Diluted earnings per share (in dollars)	$ 0.06	1.49

(Continued)

(p) Revenue from contracts with customers

(i) Details of revenue

		2023	2022
Primary geographical markets:			
Taiwan	$	364,656	458,059
Major products/service lines:			
Manufactures and sale of electronic devices	$	312,612	352,212
After processing of electronic components		27,720	60,426
Power plant engineering service revenue		24,324	45,421
	$	364,656	458,059

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$	1,320	2,200	-
Accounts receivable		178,913	207,260	151,002
Less: Loss allowance		(1,115)	(1,188)	(812)
Total	$	179,118	208,272	150,190

		December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$	5,534	8,970	29

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 included the contract liability balance at the beginning of the period were $8,910 thousand and $29 thousand, respectively.

Contract liabilities primarily relate to advance consideration received from customer for power plant construction that has not yet finished and electronic component sales contracts, for which revenue is recognized during the construction period and when the products are delivered to customers, respectively.

(Continued)

(q) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation, the company should contribute no less than 2.5% of the profit as employee's compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions.

The Company suffered loss and didn't estimate remuneration to employee and director for the years ended December 31, 2023. The Company recognized $1,929 thousand of renumeration to employees for the years ended December 31, 2022. In addition, The Company estimated renumeration to directors and supervisors amounting to $2,315 thousand for the years ended December 31, 2022. The amounts mentioned above are calculated based the percentage net profit before tax, excluding the remuneration to employees, directors and supervisors of each period,and multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during the reporting period. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration to be distributed through stock dividends, the closing price of the ordinary share on the day before the Board of Directors' meeting is used in the calculation for stock remuneration.

Board of directors' meetings were held on March 28, 2023. There were $93 thousand and $112 thousand differences between the amounts employees' and directors' remuneration allocated by the aforesaid Board resolutions and the amounts in the consolidated financial statements of 2022

Board of directors' meetings were held on March 18, 2022, as there were accumulated losses, the resolution passed respectively that employee, supervisors and directors' remuneration for the year ended December 31, 2021 were not distributed. There were no differences between the amounts in the consolidated financial statements of 2021.

The renumeration to the Company's employees,directors and supervisors can be obtained from the Open Information Observatory.

(r) Non-operating income and expenses:

(i) Interest income

The details of interest income for 2023 and 2022 were as follows:

		2023	2022
Interest income from bank deposits	$	595	1,293
Other interest income		4,473	4,285
	$	5,068	5,578

(Continued)

(ii) Other gains and losses

The details of other income for 2023 and 2022 were as follows:

		2023	2022
Foreign exchange gains (Losses)		(510)	31,754
Losses on disposals of property, plant and equipment	$	(27)	-
Gains on disposals of investments		-	48,709
Other income and loss		7,808	8,694
	$	**7,271**	**89,157**

(iii) Finance costs

The details of finance costs for 2023 and 2022 were as follows:

		2023	2022
Interest expenses on bank loans	$	(997)	(1,306)
Interest expenses on lease liabilities		(10)	(17)
	$	**(1,007)**	**(1,323)**

(s) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of December 31, 2023 and 2022, 76.40% and 65.18%, respectively, of trade receivables were one major customers. Thus, credit risk is significantly centralized..

3) Credit risks of receivables and debt securities

For details on credit risk of accounts receivable arisingfrom operation, please refer to note 6(b).

All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(f) on how the Company determines whether credit risk is to be low risk).

(Continued)

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

		Carrying amounts	Contractual Cash flows	Paid on request or less than 1 month	1-3 months	3-months to 1 years	Over 1 years
December 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	$	5,000	5,004	5,004	-	-	-
Lease liabilities		1,073	1,093	93	278	337	385
Non-interest bearing liabilities		157,104	157,104	55,510	72,586	29,008	-
Long-term borrowings (including current portion)		20,981	24,473	174	350	1,573	22,376
	$	184,158	187,674	60,781	73,214	30,918	22,761
December 31, 2022							
Non-derivative financial liabilities							
Short-term borrowings	$	40,000	40,035	40,035	-	-	-
Lease liabilities		970	980	58	115	519	288
Non-interest bearing liabilities		192,309	192,309	35,834	120,460	36,015	-
Long-term borrowings (including current portion)		22,496	26,174	172	344	1,550	24,108
	$	255,775	259,498	76,099	120,919	38,084	24,396

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

(iii) Currency risk

1) Exposure of foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

(In Thousands)

	December 31, 2023				December 31, 2022			
	Foreign currency	Exchange rate		TWD	Foreign currency	Exchange rate		TWD
Financial assets								
Monetary items								
USD	$ 9,568	USD/TWD=	30.71	293,785	9,822	USD/TWD=	30.71	301,634
Financial liabilities								
Monetary items								
USD	4,042	USD/TWD=	30.71	124,110	2,993	USD/TWD=	30.71	91,915

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and notes receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency.

(Continued)

A strengthening (weakening) of 1% of the NTD against the USD at December 31, 2023 and 2022, would have increased or decreased the profit before tax by $1,697 thousand and $2,097 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

As the gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange loss for the years ended December 31, 2023 and 2022 were $(510) thousand and $31,754 thousand, respectively.

(iv) interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1%, the Company’s profit before tax will decrease /increase by $1,204 thousand and $1,191 thousand for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to The Company’s borrowings and risk exposure of cash flow interest rate risks for receivables.

(v) Fair value of financial instruments

The Company considered that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximated their fair values.

For the Company’s financial assets and liabilities including cash and cash equivalents, account receivables, account payables and other financial liabilities,their carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

(t) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

(Continued)

The following likewise discusses the Company’s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Company’s finance management department provides business services for the overall internal department. It monitor and manage financial risks of the Company’s business operation through internal risk be recognized, which analyze the exposure according to risk readily scopes. The Company mitigates these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company’s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company’s policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the board of directors of the Company in accordance with the procedure of the board meetings.

(iii) Credit risk

Credit risk is the risk of financial loss to The Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from The Company’s receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company assesses the customers’ credit risk based on their basic information, which comprises of the default risk in their industry and country.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

2) Investments

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company’s finance department. Since The Company’s transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

(Continued)

3) Guarantees

As of December 31, 2023 and 2022, there is no guarantee outstanding, except the endorsements/ guarantee the Company provided for subsidiary and sub-subsidairy’ bank loans.

(iv) Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. the Company’ s management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Bank borrowing is an essential liquidity source for the Group. As of December 31, 2023 and 2022, the Group’ s unused credit line were $177,820 thousand and $142,840 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the NTD. The currencies used in these transactions are the USD and CNY.

2) Interest rate risk

The Company borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Company manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.However, the market rate of interest is not high, thus the changes in interest rates will not cause material cash flow risks.

(u) Capital management

The Company sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Company also issues new shares or sell assets to settle any liabilities.

(Continued)

The Company and other entities in the same industry use the debt-to-equity ratio to manage its capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

The Company' s debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 193,739	270,459
Less: Cash and cash equivalents	(146,780)	(181,716)
Net liabilities	**$ 46,959**	**88,743**
Total equity	**$ 791,808**	**812,079**
Debt-to-equity ratio	**5.93%**	**10.93%**

As of December 31, 2023, the Company had not changed its capital management method.

(v) Investing and financing activities not affecting cash flows

The Company' s the investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

Please refer to note 6(h) for a description of acquisition of right-of-use assets through leases.

	January 1, 2023	Cash flows	Non-Cash flows	December 31, 2023
Lease liabilities	$ 970	(716)	819	1,073
Short-term borrowings	40,000	(35,000)	-	5,000
Long-term borrowings	22,496	(1,515)	-	20,981
Total liabilities from financing activities	**$ 63,466**	**(37,231)**	**819**	**27,054**

	January 1, 2022	Cash flows	Non-Cash flows	December 31, 2022
Lease liabilities	$ 1,645	(675)	-	970
Short-term borrowings	-	40,000	-	40,000
Long-term borrowings	23,000	(504)	-	22,496
Total liabilities from financing activities	**$ 24,645**	**38,821**	**-**	**63,466**

(Continued)

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the parent company only financial statementsconsolidated financial statements.

Name of related party	Relationship with the Group
Jhen Vei Enterprise Co., Ltd.	Subsidiary of the Company
UNIFORCE TECHNOLOGY CORPORATION	Subsidiary of the Company (Note 1)
Huai An Jhen Vei Electronic Co., Ltd.	Subsidiary of the Company
Hua Yin Energy	Subsidiary of the Company
Gou Zhi Electronic	Subsidiary of the Company (Note 2)
SUBTLE ELECTRONIC CO., LTD.	Other related parties (note 3, 4)

Note 1: The Company disposed of its equity interest in the investee company in March 2022.

Note 2: The Company engaged in a cash capital increase in September 2022, which was 100% contributed by the Company and repurchased the remaining equity from its subsidiary, Huayin Energy to become a subsidiary of the Company.

Note 3: Lin Zhiqiang, the representative of Huatai Management Consulting Co., Ltd., a director of the Company, was elected as a new Director at the general shareholders' meeting on June 17, 2022. And since Lin Zhiqiang is a representative of the SUBTLE ELECTRONIC, the Company has become a related party of the Company.

Note 4: Lin Zhiqiang resigned as the director on October 31, 2022 and therefore, SUBTLE ELECTRONIC ceased to be a related party of the Group since November 1, 2022.

(b) Significant transactions with related parties

(i) Sale revenue

The amounts of significant sales by the Company to related parties were as follows:

	2023	2022
Subsidiary：Huai An Jhen Vei Electronic Co., Ltd.	$ 1	74

There is no significant difference between the sales price of the Company for other related parties and for third parties.

(ii) Purchases

Account	2023	2022
Subsidiary:		
Huai An Jhen Vei Electronic Co., Ltd.	$ 286,989	326,985
	$ 286,989	326,985

The terms and pricing of purchases with related parties were charges different from those offered by other vendors. Therefore, the prices and the payment terms are not comparable.

(Continued)

(iii) Surrogate sales and purchase for related parties

Account	Relationship	December 31, 2023	December 31, 2022
Other income	Subsidiary:Huai An Jhen Vei Electronic Co., Ltd.	$ 7,029	7,179

The Company and the related parties received their income from the service fee for the purchase of raw materials on behalf of others and from the accounts management on the basis of the remuneration and the payment method set out by the contract as agreed between the parties.

The Company sold products on behalf of its subsidiary, Guozhi Electronic Co., Ltd., and the purchase amount of the Company as an agent amounting to $193,836 thousand and $244,391 thousand for the year ended December 31, 2023 and 2022.

The Company's revenue from purchasing raw materials on behalf of its subsidiary, Guozhi Electronic Co., Ltd., were $14,623 thousand and $118,385 thousand for the year ended December 31, 2023 and 2022.

(iv) Receivables from related parties

Account	Relationship	December 31, 2023	December 31, 2022
Other receivables due from related parties	Subsidiary: Gou Zhi Electronic	$ -	32,306
Other receivables due from related parties	Subsidiary: Huai An Jhen Vei Electronic Co., Ltd.	60,169	48,093
		$ 60,169	80,399

The product and materials selled to related parties were different from those offered to other customers. Therefore, the prices and the payment terms are not comparable.

(v) Payables from related parties

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable to related parties	Subsidiary: Huai An Jhen Vei Electronic Co., Ltd.	$ 109,189	87,198
Accounts payable to related parties	Subsidiary: Gou Zhi Electronic	26,247	56,492
		$ 135,436	143,690

(Continued)

(vi) Service Revenue

The Company entered into a cooperation agreement with the SUBTLE ELECTRONIC and agreed that SUBTLE ELECTRONIC would be responsible for marketing and processing customer order services during the agreement term. The Group will provide 5.8% to 6% of its turnover as service fee for rendering of aforementioned services. For the year ended December 31, 2023, the Company estimated $9,970 thousand and $7,764 thousand, respectively before and after the company became a related party and is recognized under "selling expenses". As of December 31, 2023 and 2022, the outstanding balance of as a result of SUBTLE ELECTRONIC being no longer a related party to the Group, amounting to $0 thousand and $16,232 and is recognized under "other payables".

(vii) Loans to Other Parties

The Company lend a loan of $80,000 thousand and $90,000 thousand, respectively, at an interest rate of 3% and 2.7% to its subsidiary, Guozhi Electronics Co., Ltd., which had short-term financing demand in the year ended December 31, 2023 and 2022. The interest income amounting to $2,273 thousand and $4,285 thousand , respectively, in the year ended December 31, 2023 and 2022. As of December 31, 2023 and 2022, principal and interest outstanding amounted to $81,129 thousand and $81,632 thousand, respectively.

(viii) Guarantees

As of December 31, 2023 and 2022, the Group had provided a guarantee for loans taken out by subsidiaries ,and the Group recognized 0 and 10,509 thousand, respectively, under guarantee liabilities.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 10,494	10,139
Post-employment benefits	338	298
	$ 10,832	10,437

(Continued)

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Land	Long-term bank loans	$ 25,980	25,980
Buildings and Construction	Long-term bank loans	11,096	11,868
		$ 37,076	37,848

(9) Significant contingent liabilities and unrecognized commitments :

(a) Major commitments were as follows:

The Company's unrecognized contractual commitments were as follows:

	December 31, 2023	December 31, 2022
Inventories -Construction in-progress power plants	$ 7,108	16,850

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

(a) Employee benefits, depreciation and amortization expenses categorized by function were as follows:

By funtion / By item	2023 Cost of Sale	2023 Operating Expense	2023 Total	2022 Cost of Sale	2022 Operating Expense	2022 Total
Employee benefits						
Salary	-	22,127	22,127	-	26,211	26,211
Labor and health insurance	-	1,862	1,862	-	1,891	1,891
Pension	-	813	813	-	964	964
Remuneration of directors	-	2,368	2,368	-	1,817	1,817
Other employee benefits expense	-	913	913	-	1,071	1,071
Depreciation	-	1,762	1,762	-	1,743	1,743
Amortization	-	-	-	-	-	-

(Continued)

(b) The information about number of employees and employee benefit expenses for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Number of employees	32	32
Number of Directors who are not concurrently employed	8	8
Average employee benefits expense	$ 1,071	1,256
Average employee Salary expense	$ 922	1,092
Average employee Salary adjustments	(15.57)%	- %
Remuneration to supervisors	$ -	236

The Company's remuneration policy (including directors, supervisors, managers and employees) is as follows:

The remuneration paid by the Company to the Directors and the supervisors include remuneration, compensation and business execution expenses. For the renumeration, the directors and the supervisors receive a fixed monthly remuneration of $10 thousand per seat per month; the business execution expense is transportation fee payable on the basis of attendance of the board of directors and functional committees; and the remuneration is provided in the Articles of Incorporation of the Company, if there is a profit for the year, the directors shall, by resolution of the board, the company shall accrue no more than 3% of the profit as director’s and supervisor’s remuneration., which shall be paid out after general shareholders’ meeting has been reported to.However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Then renumeration to directors and supervisors are appropriated.

The remuneration paid by the Company to its employees (including managers and directors concurrently employed as employees) includes salaries, pensions, bonuses and special expenses, compensation. Salaries, bonuses and special expenses are based on job position and duties, and are determined by reference to common renumeration package across industry for similar positions. Employees hiring are submitted to general manager for approval by the Human Resources as requested by the head of the hiring unit.The hiring of manager are submitted to the remuneration committee for consideration and then submitted to the board of directors for approval; the pension is appropriated in accordance with the provisions of the Labor Pension Act and the relevant regulations; and the remuneration is paid out in accordance with the Articles of Incorporation of the Company.If there is profit in the year, the company shall accrue no less than 2.5% of the profit as employee’s remuneration as appropriated by resolution of the board of directors and shall be paid after reporting to the general shareholders’ meeting. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Then renumeration to employees are appropriated.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2023:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Gou Zhi Electronic	Other receivables due from related parties	Yes	90,000	-	-	2.7%	2	-	Operating capital	-		-	316,723	316,723
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Gou Zhi Electronic	Other receivables due from related parties	Yes	80,000	-	-	2.7%	2	-	Operating capital	-	-	-	316,723	316,723
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Gou Zhi Electronic	Other receivables due from related parties	Yes	80,000	80,000	80,000	3%	1	244,391		-	-	-	316,723	316,723
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	15,355	-	-	2.7%	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	10,749	-	-	2.7%	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	15,375	-	-	2.7%	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	16,213	15,353	15,353	2.7%	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	6,485	6,141	6,141	3%	2	-	Operating capital	-		-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	16,213	15,353	15,353	3%	2	-	Operating capital	-	-	-	296,948	296,948
1	Jhen Vei Enterprise Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	4,864	4,606	4,606	3%	2	-	Operating capital	-	-	-	296,948	296,948
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	15,355	-	-	2.7%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	15,570	-	-	2.7%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei	Other receivables	Yes	15,710	-	-	2.7%	2	-	Operating capital	-	-	-	79,666	79,666

(Continued)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
		Electronic Co., Ltd.	due from related parties													
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	16,213	15,353	15,353	2.7%	2	-	Operating capital	-		-	79,666	79,666

(Continued)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	16,213	15,353	15,355	3%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	16,213	15,353	15,353	3%	2	-	Operating capital	-	-	-	79,666	79,666
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	9,212	9,212	9,212	3%	2	-	Operating capital	-		-	79,666	79,666
3	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	16,135	-	-	0%	2	-	Operating capital	-		-	24,871	24,871
3	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from related parties	Yes	16,213	15,353	15,353	0%	2	-	Operating capital	-		-	24,871	24,871

Note 1: For capital financing, except for The Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for a single company by The Company and its subsidiaries shall not exceed 40 percent of The Company's net worth as stated in its latest financial report. For capital financing, except for The Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for a single company shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 2 : For capital financing, except for The Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity by The Company and its subsidiaries shall not exceed 40 percent of The Company's net worth as stated in its latest financial report. For capital financing, except for The Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 3 : Purpose of fund financing for the borrower:
(1) Those with business contact please fill in 1
(2) Those necessary for short-term financing please fill in 2.

Note 4: The transactions were written-off in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2 & 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Huai An Jhen Vei Electronic Co., Ltd.	2	633,446	76,775	-	-	-	- %	633,446	Y	N	Y
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Gou Zhi Electronic	2	633,446	30,000	-	-	-	- %	633,446	Y	N	N
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Huai An Jhen Vei Electronic Co., Ltd.	2	633,446	77,630	75,732	-	-	9.56%	633,446	Y	N	Y

Note 1: In accordance to the "endorsement and guarantees operational procedure" of the Company. The total amount of the guarantees and endorsements by the Company and its subsidiaries for a company shall not exceed 80% of the Company's net worth. An inter-subsidiary endorsement and guarantee of which The Company directly holds more than 90% of the ordinary shares of the subsidiary, shall not exceed 10% of the current net worth. A company in which The Company holds, directly or indirectly, 100% or more of the voting shares, is excluded.

Note 2: In accordance to the "endorsement and guarantees operational procedure" of the Company, the total endorsement and guarantee by the Company shall not exceed 100% of the Company's net worth.

(Continued)

Note 3: The relationship between the endorser/guarantor and the guaranteed party:
1) Trading counterparty
2) The Company holds more than 50% of the voting shares in the entity, directly and indirectly.
3) The entity holds more than 50% of voting shares in the Group, directly and indirectly.
4) The Group holds more than 90% of voting shares in the entity, directly and indirectly.
5) The stockholders of the Group provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
6) Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Huai An Jhen Vei Electronic Co., Ltd.	The Company	Purchase	286,989	57.07%	O/A 90 days	-		(109,189)	80.60%	
Huai An Jhen Vei Electronic Co., Ltd.	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Subsidiaries	Sales	(286,989)	(55.79)%	O/A 90 days	-		109,189	(45.83)%	

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Huai An Jhen Vei Electronic Co., Ltd.	The Company	Subsidiaries	109,189	2.88	-		23,092	-

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of wnership	Carrying value			
The Company	Jhen Vei Enterprise Co., Ltd	The British Virgin Islands	Manufacturing and sales of various types of signal cables and investment holding	352,091	352,091	48,355	100.00%	134,397	21,785	24,695	
The Company	Pors Wiring Co., Ltd	The British Virgin Islands	Investment holding	98,373	98,373	48,048	100.00%	64,866	2,905	2,905	
The Company	Priceplay.com Inc	United States	IC and software design	27,187	27,187	45,000	30.00%	-	-	-	Note 1
The Company	Hua Yin Energy	Taiwan	Power generation for self-usage using renewable energy	100,000	100,000	10,000,000	100.00%	106,672	5,943	5,943	
Jhen Vei Enterprise Co., Ltd	Jhen Vei Investment Limited	Belize	Investment holding	26,244	26,244	810,000	100.00%	27,462	653	653	
Hua Yin Energy	Gou Zhi Electronic	Taiwan	After processing of electronic components	199,927	199,927	20,000,000	100.00%	119,607	(47,382)	(47,382)	Note 2

(Continued)

Note 1: It has been assessed that carrying amount has no future economic benefits and was therefore fully recognized in the impairment losses as of June 30, 2016.

Note 2: The Company increased the cash capital of Guozhi Electronic Co., Ltd.by $199,000 thousand in September 2022 and purchased the remaining shares from Huayin Energy. The Company directly hold 100% shareholding of Guozhi Electronic Co., Ltd.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow						
Huai An Jhen Vei Electronic Co., Ltd.	Manufacturing and sales of various types of signal cables	214,935 (USD 7,000 thousand)	(2)	214,935 (USD 7,000 thousand)	-	-	214,935 (USD 7,000 thousand)	18,659	100.00%	18,659 (RMB 4,245 thousand)	52,523 (RMB 12,115 thousand)	-

Note 1: There are three ways to invest in China:

(1) Direct investment in the Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: The recognition of investment income (loss) is based on financial statements audited by the parent's external accountants.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023(Note 1, 2)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment
286,999 (USD 9,347 thousand)	321,020 (USD 10,455 thousand)	475,084

Note 1: Except that the recognized investment losses for the period were calculated at the average exchange rate from January 1,2023 to December 31, 2023 and the remittance of surplus was calculated at the historical exchange rate, the balance was calculated at the closing exchange rate as of December 31, 2023.

Note 2: The difference is due to the disposal of equity interest in Xinfeng Zhenwei Electronics Co., Ltd.. The return of investment amounting to US$600 thousand was fully remitted to Jhen Vei Enterprise Co., Ltd. Zhenwei Electronics (Wujiang) Co., Ltd.is liquidated and return investment amounting to $963 thousand.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2023, which were eliminated in the preparation of consolidated financial statements, are disclosed in in the Company's consolidated financial statements "Information on significant transactions".

(Continued)

(d) Major shareholders:None

Shareholding Shareholder's Name	Shares	Percentage
Yongding Investment Co., Ltd.	10,374,629	15.06%
Huatai Management Consulting Co., Ltd.	6,359,230	9.23%

Note: 1) Information about the substantial shareholders of this form is provided by the General Insurance Company on the last business day of each quarter. The total number of ordinary shares and special shares in which the calculation of shareholders' holding company has completed the unincorporated delivery (including treasury shares) is more than 5%. As to the number of shares recorded in The Company's financial reports that are not physically registered as delivered by The Company, the basis of the calculation may varies or be different.

2) The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders' shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the application of the right of decision in respect of the trust property, and so on. For information on the declaration of the rights of the insider, please refer to the Public Information Observatory.

(14) Segment information:

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

JHEN VEI ELECTRONIC CO., LTD.

Cash and cash equivalent

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description		Amount	
Cash	Petty cash		$	419
Bank deposits	Checking deposits			10
	Demand deposits			32,990
Foreign currency deposits	USD	660,465.07		20,280
	JPY	43,415,454.00		9,430
	RMB	1,968.88		8
Time deposits				31,960
Time deposits (foreign currency)	USD	1,500,000.00		46,058
	RMB	1,300,000.00		5,625
	Total		**$**	**146,780**

USD：NTD＝1：30.705

JPY：NTD＝1：0.2172

RMB：NTD＝1：4.327

JHEN VEI ELECTRONIC CO., LTD.

Statement of Notes and Accounts Receivable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
A	$	136,845
W11		15,674
Other (all less than 5%)		27,714
Total		180,233
Less: Allowance for bad debt		(1,115)
Net amount	**$**	**179,118**

JHEN VEI ELECTRONIC CO., LTD.

Statement of Inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount: Costs	Amount: Net realizable value
Merchandise	$ 28,653	29,312
Less: Allowance for inventory valuation and obsolescence losses	(707)	
Total	**$ 27,946**	

JHEN VEI ELECTRONIC CO., LTD.

Statement of changes in investments under equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Increase		Disposal		Equity method	Other	Ending balance			Market price or P/B ratio		**Pledge or guarantee**
Item	shares	Amount	shares	Amount	shares	Amount	Share of profits/losses of investee (note 1)	(Note 2)	shares	Percentage	Amount	Unit price($)	**Total price**	**The pledge**
Long-term investments in equity interests accounted for using the equity method- non-listed companies:								-						
Pors Wiring CO., LTD.	48,048	$ 63,062	-	-	-	-	2,905	(1,101)	48,048	100.00%	64,866	1,350.02	64,866	None
Jhen Vei Enterprise CO., LTD.	48,355	111,951	-	-	-	-	24,695	(2,249)	48,355	100.00%	134,397	2,779.36	134,397	″
Hua Yin Energy	10,000,000	101,179	-	-	-	-	5,493	-	10,000,000	100.00%	106,672	10.67	106,672	″
Gou Zhi Electronic	20,000,000	166,989	-	-	-	-	(47,382)	-	20,000,000	100.00%	119,607	5.98	119,607	″
		$ 443,181		-		-	(14,289)	(3,350)			425,542			

(Note 1) Including unrealized gains and losses of $2,911 thousand realized during the year as of Decmber 31,2023.
(Note 2) Cumulative translation adjustment

JHEN VEI ELECTRONIC CO., LTD.

Statement of Long-term Borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Description	current portion within one year	current portion more than one year	Contract Period	Range of interest rates	Unused credit lines	Collateral or pledge
Secured loans	Taiwan Cooperative Bank	$ 1,552	19,429	2020.08.13~2035.08.09	2.693%	23,000	Pledge

JHEN VEI ELECTRONIC CO., LTD.

Statement of Operating Costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Merchandise	
Beginning inventory	$ 31,850
Add: Purchase for the period	279,545
Less: Ending inventory	(28,653)
Transfer to operating expenses	(1)
Cost of finished goods sold	282,741
Write-down of inventories	(203)
Other	(186)
Construction in-progress power plants	
Construction in-progress power plants at beginning of the period	-
Add: Construction build in the period	19,411
Cost of Construction of power plants	19,411
Total operating costs	**$ 301,763**

JHEN VEI ELECTRONIC CO., LTD.

Statement of Selling Expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Sales	Management
Wages and salaries	$ 4,681	15,077
Service expenses	13,678	4,373
Remuneration of directors and supervisors	-	2,368
Insurances	-	1,603
Other (all less than 5%)	11,189	10,024
	$ 29,548	**33,445**

Please refer to Note 6(g) for Statement of property, plant and equipment
Please refer to Note 6(g) for Statement of Changes in accumulated depreciation of property, plant and equipment
Please refer to Note 6(h) for Statement of right-for use assets.
Please refer to Note 6(h) for Statement of Changes in accumulated depreciation of right-for use assets.
Please refer to note 6 (p) for Statement of Operating revenue
Please refer to note 6 (r) for Statement of Non-operating income and expenses

Jhen Vei Electronic Co., LTD.

Chairman: Niang Chuan, Wei