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Etron Technology, Inc.

Annual Report 2023

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I、Spokesperson、Deputy Spokesperson

Spokesperson	Deputy Spokesperson
Name：Justine Tsai	Name：Eason Cheng
Title：Director	Title：Supervisor
TEL：（03）578-2345	TEL：（03）578-2345
E-mail：investor@etron.com.tw	E-mail：investor@etron.com.tw

II、Address and telephone number of the Company

Address：No. 6, Technology Road 5, Hsinchu Science Park, Hsinchu,Taiwan
TEL：（03）578-2345
Taipei Office：10F, No. 22, Lane 35, Jihu Rd., Neihu Dist., Taipei City, Taiwan
TEL：（02）8751-2838

III、Stock Transfer Agency

CTBC Transfer Agency Dept
Address：5F., No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City, Taiwan
Website：https://www.ctbcbank.com
TEL：（02）6636-5566

IV、Certified Public Accountant

Name of CPA firm:PricewaterhouseCoopers Taiwan
Names of the CPA: Hsu, Sheng-Zhong, Chiang, Tsai-Yen
Address：27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan
Website：https://www.pwc.tw
TEL：（02）2729-6666

V、The Company does not issue any overseas securities.

VI、Company Website：https://www.etron.com

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Chapter 1 Letter to Shareholders

Dear Shareholders

The semiconductor industry experienced negative growth in 2023 due to a combination of factors including global economic inflation, weak consumer demand, and pressure from interest rate hikes. According to statistics from the World Semiconductor Trade Statistics (WSTS), the global semiconductor market value in 2023 was approximately US$526.8 billion, representing a decrease of 8.2% compared to the previous year. Despite Taiwan's emergence as one of the most crucial regions in the semiconductor supply chain amidst the wave of deglobalization, challenges such as inventory adjustments, supply-demand imbalances, and geopolitical pressures contributed to a significant decline in the industry's output. According to statistics from the Taiwan Semiconductor Industry Association (TSIA) and the Industrial Technology Research Institute, Taiwan's IC industry output in 2023 was approximately NT$4.34 trillion, marking a 10.2% decrease compared to the previous year, surpassing the decline rate of the global semiconductor market. From a product perspective, the memory market experienced consecutive declines for two years due to price fluctuations. The drop in 2023 was even closer to 40%, making 2023 a challenging year for memory manufacturers.

Operating Achievements

Our consolidated operating revenues stood at NT$ 2.662 billion in 2023, with a consolidated net loss of NT$ 993 million after tax, and loss per share of NT$ 3.09.

Operations policy and business strategy

The Group builds its strategy “Eye-Brain-Nerve Convergence” to develop its core products that emulate the eyes, brains, and nerves of the human body, while undertaking product development and integration within the Group. In addition, it upholds the spirit of innovation and corporate sustainability in the forward research of semiconductor components and process to accumulate competitive intellectual property of new inventions, and leveraging both homogeneous and heterogeneous integration technologies, it drives innovation in semiconductor technology and memory products to seize the opportunities brought about by the development of AI. On the business front, we continue to reshape our approach by focusing on cost control, expense reduction, enhancing operational efficiency, and improving organizational resilience. We are quality-centered and focus on the delivery of technical services to maintain long-term and stable partnerships with globally leading companies. We harness our technical and business capabilities by optimizing our product portfolio and actively developing new products and new markets, and we work with different systems integrators to create innovative products that can meet the needs of the future, while transforming ourselves from a component vendor, to software, application and system developer and finally to a secondary system provider to bring forth value-added products. We also strengthen our relationship with our strategic partners from different sectors and work with them on matters related to production capacity, technology, markets, and capital, thereby fueling our growth dynamics and securing our foothold in long-term development.

Research & Development

Based on the strategy “Eye-Brain-Nerve Convergence”, the Group established 3 major product lines:

I. Specialty Buffer Memory

Etron Technology’s specialty DRAM products boast high quality, high performance, and high cost-effectiveness. These products feature ultra-high bandwidth and super-low power consumption. We also offer customization for our customers. Apart from the commercial-use products in the consumer market, we also provide customized Known-Good-Die (KGD) solutions to meet industrial-use products that are used in harsh environments, and automotive-use products that feature high-quality and high reliability. Our product line consists of SDR, DDR, DDR2, DDR3, DDR3L, DDR4, LPDDR2, and LPDDR4/4X, with input and output from 4 to 64 bits and densities ranging from 16 Mb to 16 Gb. In particular, our high-density products

such as DDR2, DDR3, DDR3L, DDR4, and LPDDR4/4X are manufactured by 2x/1x nm advanced process mass production. Our specialty DRAM products have been widely used in an array of emerging and booming fields, including network communications, set-top boxes, digital TVs, surveillance devices, 5G broadband communications, and the rapidly growing fields of endpoint AI, smart homes, robots, and cloud storage.

In addition, in response to the recent rapid growth of the automotive market in recent years, Etron Technology, Inc. has implemented innovative circuit designs to overcome the inherent physical limitations of traditional DRAM. We successfully developed the Long Retention Time (LRT) technology, which complies with the JEDEC standard interface, and introduced LRTDRAM™ products. These products greatly improve overall performance in high-temperature and high-capacity applications, including automotive, heterogeneous integration, and KGD.

In the field of AI, to fulfill the high demand for miniature end devices in the AI-generation, we have also launched the world's first RPC DRAM® offered in WLCSP (Wafer Level Chip Scale Package). This DRAM has only half the number of pins of standard DRAM, has the smallest form factor and supports high bandwidth for x16 DDR3 SDRAM. In addition, with the advantages of cost and power consumption, making it suitable for industrial use, robotics, AR/VR, edge AI, and Terminal AI products for wearable or mobile devices. Etron Technology, Inc. has also developed an "AI+DRAM heterogeneous integration platform" to assist in the miniaturization and low-power design of special application ASIC systems. In addition, by the end of 2023, we launched a comprehensive AI memory platform called "MemoraiLink." This platform will integrate hardware and software architecture, including memory, memory control IP, and packaging technology. With MemoraiLink, customers will be able to develop products quickly by leveraging cross-disciplinary technologies, reducing time to market, making it a comprehensive memory solution.

II. High-speed USB chips

Etron Group has the world-leading IC solutions for both USB Type-C and Thunderbolt that meets the USB4 specifications. New applications for PD IC and Emarker IC are introduced for the latest DP 2.1, USB4, and Thunderbolt 5 specifications and are backward compatible. In addition, the new generation of 4K@60Hz capture IC supports H.265 and H.264 compressed video data and integrates various audio and video processing functions, which can be applied to live broadcasting, broadcasting machine, gaming, conference systems, healthcare, industrial control, and other markets, and further enter into the Pro AV professional audio and video market.

III. 3D Video chips and AI applications

We have developed a wide-angle video technology and a depth of field point cloud algorithm, and both can facilitate the development of AI edge computing and deep learning. We offer machine vision ICs, 2D/3D sub-system solutions, and 3D sensing camera modules, incorporating the concept of "AI+." This integrates artificial intelligence and other software/hardware accelerator technologies into existing products, venturing into the system-level chip field. We have introduced the revolutionary eCV series chips to seize the AI edge computing market and single-eye, dual-eye, and multi-eye 3D stereoscopic vision (ThingCapture™ Vision) cameras. Our exclusive SDK development kit enables the implementation of machine learning (ML) models, applicable to image recognition, image positioning navigation, and 3D holographic projection. Furthermore, we have recently launched the XINK next-generation robot vision platform, equipped with built-in AI chips. This platform excels at processing large amounts of data quickly and is particularly well-suited for AI/ML applications. Through collaboration with international manufacturers, the associated products have been extensively utilized in various sectors such as healthcare, smart IoT and smart home, autonomous driving systems, industrial automation, robotics, machine vision, and intelligent monitoring and security.

In addition, with the widespread use of AI and cloud applications, "privacy" has become a significant concern. Etron Group offers solutions for safeguarding personal privacy and calculating hardware and software data privacy. It conducts focused monitoring and tracking of specific activities while ensuring the protection of personal privacy. Utilizing patented algorithms, it performs big data analysis and decodes data trends, primarily in the areas of healthcare, lifestyle, entertainment, finance, and metaverse data protection. The Group has been recognized with the CES Innovation Product Award for two consecutive years.

We are committed to providing high-end and high-value-added products. We exert our expertise in soft- and hardware design, and focus on software, hardware, and firmware R&D. As of the end of 2023, Etron Technology had obtained 814 patents in Taiwan and abroad, as well as 318 pending patent applications, which demonstrates our solid R&D capability.

Future Operating Outlook

As the semiconductor industry moves towards the trillion-dollar era, the Company has been following the industrial trend of Heterogeneous Integration and integrating the concepts of green design and pollution-free industries for sustainability, continuing to develop high speed, high bandwidth, low-voltage, low-power, suitable density/capacity, and low costs specialty DRAMs and logic chip products to provide for the emerging application markets (such as broadband communications, wireless networks, virtual reality, consumer electronics, surveillance systems, smart homes, intelligent cars and drone, AI, and machine learning), so that we can respond to the emerging demands. At the same time, we have also set foot in the business of industrial- and automotive-grade products, and are thus developing a new operating model and expanding our product lines. After nearly two years of inventory de-stocking and adjustment in the semiconductor industry, the industry is widely anticipated to experience a recovery in 2024 due to the rebound in demand from consumer electronics and communication electronics markets, as well as the rapid growth of the new applications and demand brought about by AI, the semiconductor industry will see a recovery in 2024 and continue to push up the growth momentum; the memory market, on the other hand, will rebound from the depths of the decline, and the market is promising for the future. We will continue to expedite our innovative R&D and optimize our product portfolios, build new customer bases in new markets, and increase market shares in targeted application markets to ensure steady growth.

Chairman & CEO: Nicky Lu

President: Elvis Deng

Accounting Supervisor:
Yu-Chia, Cheng

Chapter 2 Company Profile

I. Date of Incorporation

The Company was established on February 1, 1991.

II. Company History

1991
- Worked with the Electronic Research Laboratory, Industrial Technology Research Institute (ITRI), to implement the national sub-micron program to define the 0.5-micron logic, 16Mb DRAM, and 4Mb SRAM technologies independently developed by Taiwan, and developed such technologies on a trial basis; developed Taiwan's first 4Mb DRAM in the same year.
- Chairman Nicky Lu was awarded the Honorary Fellow of the Institute of Electrical and Electronics Engineers (IEEE).

1993
- Developed Taiwan's first 16Mb DRAM and 4Mb SRAM.

1994
- Successfully completed the national sub-micron program, enabling the Republic of China to independently manufacture 8-inch wafers and to design sub-micron products. The industry has thus begun to invest heavily in the semiconductor industry, so it has been awarded the medal of "Achievement in Sub-Micron" by the Electronic Research Laboratory, ITRI.

1995
- Successfully verified 256Kb×16 graphics display DRAM as Taiwan's first EDO DRAM and won the "Excellent Manufacturer Innovative Product Award" from the Hsinchu Science Industrial Park.
- Won the second place in the excellent business growth performance in Hsinchu Science Industrial Park and the third place in productivity in the design industry.

1996
- Ranked 10th in the comprehensive index of private manufacturing industry of large enterprises in Taiwan by China Credit Information Service Ltd. and 13th in the semiconductor manufacturing industry of the "Top 1000 Manufacturing Enterprises" by Business Weekly.
- Chairman Lu was elected as the first director of Taiwan Semiconductor Industry Association (TSIA).
- Chairman Lu was elected as one of the five IEEE Solid-State Circuits Society AdCom members worldwide.

1997
- Developed the 8Mb SGRAM, the first in the ethnic-Chinese community and the sixth in the world, and the 16Mb SGRAM, the first in the world, and began mass production.
- Won the second place in the single-quarter evaluation of Intel memory strategic suppliers.

1998
- Chairman Lu won the highest honorary technological medal in the international semiconductor electronics industry: "1998 IEEE Solid-State Circuits Award" with the citation "for pioneering contributions to high speed dynamic memory design and cell technology".
- Officially listed for trading on Taipei Exchange.
- Passed ISO 9001 quality certification awarded by KEMA.
- 16Mb SGRAM won the "Excellent Manufacturer Innovative Product Award" from the Hsinchu Science Industrial Park.

1999
- Won the 7th "Industrial Technology Development Outstanding Award" from the Ministry of Economic Affairs.
- Chairman Lu was elected as a member of the National Academy of Engineering (NAE).

2001
- Chairman Lu and Joe Ting, Senior Vice President, were awarded the "National Outstanding Science and Technology Award" by the Executive Yuan.
- EL7300 high-performance liquid crystal display controller chip product won the "Excellent Manufacturer Innovative Product Award" from the Hsinchu Science Industrial Park and the first "Outstanding Product Award of Flat-Panel Display Device Technology Award" from the Ministry of Economic Affairs.
- Led the development of the world's most competitive 8Mb LP SRAM die products.
- Won the Excellent Smart Building Award from the Ministry of Interior.
- Led the development of 1.8V 4Mb and 8Mb low-power SRAM products for portable electronic products.

2002
- Low-power SRAM product line won the 10th Taiwan Excellence Award.
- Took the lead in the introduction of 4Mb×32 DDR DRAM with a transmission speed of 2.4GB per second and began mass production.
- Passed the INTEL SSQA_Lite Supplier Self Quality Assessment quality system verification.
- Took the lead in the launch of 4Mb×32 low-power SDRAM products, stepping into the portable information device market.
- EL7301 liquid crystal display control IC won the second "Outstanding Product Award of Display Components Product Technology Award".
- Won the Silver Medal of the 11th "National Invention Award" from the Ministry of Economic Affairs.
- Passed ISO 9001: 2000 quality certification awarded by Underwriters Laboratories Inc.
- The 8Mb low-power SRAM Known-Good-Die product won the "Excellent Manufacturer Innovative Product Award" from the Hsinchu Science Industrial Park.
- Won the Seagate "Partners Strengthen the Chain" award.

2003
- The LCD Controller IC product line won the 11th Taiwan Excellence Award.
- Launched the world's first 8 Mb×32 DDR memory product as the best solution to laptops and graphics cards.
- Won the Sony's "Certificate of Green Partner".
- 32Mb Pseudo SRAM won the "Excellent Manufacturer Innovative Product Award" from the Hsinchu Science Industrial Park.
- Won Intel’s Certified Supplier Quality Award.
- Won ABIT COMPUTER CORP.'s "Outstanding Partnership" Award.

2004
- Chairman Lu is the first Chinese to be invited to deliver a keynote speech at the annual International Solid-State Circuits Conference (ISSCC) organized by the Institute of Electrical and Electronics Engineers (IEEE). In his speech, he stated that the heterogeneous integration generation of semiconductors was approaching. After

Moore's Law, human beings would begin the application of mD-IC to work towards the integration of multiple nanodevices.

- Selected by the Executive Yuan as a "Excellent Business Unit that Values Female Human Resources".
- Won the MCP Award from Seagate.

- Won the Intel's Preferred Quality Supplier Award (PQS) of the year; the news of the award was published in the Wall Street Journal.
- Chairman Lu was appointed as the chair of the Asia-Pacific Fabless Leadership Council of Fabless Semiconductor Association (FSA).
- Chairman Lu was awarded the "Excellent Director and Supervisor Medal of the Industrial and Mining Organization of Republic of China".
- Chairman Lu was awarded a fellow of the Chinese Society for Management of Technology (CSMOT) of the Republic of China.

2005
- Ranked among the top 500 importers and exporters by the Ministry of Economic Affairs.
- Won the "Best Partner Award" of Powerchip Semiconductor Manufacturing Corporation.
- Passed ISO 14001:2004 environmental management system certification.

2006
- Ranked among "2006 Top 100 Tech Companies in Taiwan" by the Business Next Magazine.
- Won Seagate's "In Appreciation of Your Valuable Contributions".

- Chairman Lu was appointed as a director of FSA (Fabless Semiconductor Association).
- Won the "R&D Achievement Award" from the Hsinchu Science Industrial Park Administration.

2007
- Participated in the private placement project of TXC Corporation (5468).

- Signed a 10-year industry-academia collaboration agreement with National Taiwan University.
- Recognized by the Tax Collection Office of the Hsinchu City Government for honest tax payment.
- Chairman Lu was approved by the Ministry of Economic Affairs as the Excellent Merchant of the Republic of China in 2007, and was received by the President and awarded the Golden Merchant Award by the General Chamber of Commerce of the Republic of China.

2008
- Passed Underwriters Laboratories Inc.'s ISO 14001 quality certification.

- Passed the OHSAS 18001:2007 occupational safety and health management system.

- Launched DDR and SDR product lines designed through 90 nm process.

- Won the "Performance Achievement Award" from WD in the U.S.

- Won the national-level "Friendly Workplace" certification mark by the Council of Labor Affairs, Executive Yuan.

2009
- Launched DDR and SDR DRAM product lines designed through 70 nm process.

- Certified as a member of the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT).
- Rated grade A in the information evaluation of listed companies.

- Chairman Lu was appointed as the chair of the board of Global Semiconductor Alliance (GSA).

2010
- Chairman Lu won the 2010 ERSO Award.

- Ranked among the top 500 importers and exporters by the Bureau of Foreign Trade and won the label.
- USB3.0 host-side controller IC chip product EJ168 was certified with the Windows Logo by Microsoft's Windows Hardware Quality Labs (WHQL) and won the "2010 Information Month Outstanding Information Application and Product Award" as the only USB3.0 technology application product in the award. In the same year, it was officially mass-produced and launched to the market. The Company was the first domestic semiconductor company that mass-produced USB3.0 host controllers, and became the world's leading manufacturer of the official version of USB3.0 host controllers with the latest HCI 1.0 specifications. -

2011
- Accepted the invitation of the USB Implementers Forum (USB-IF) to reveal Etron's development of technology based on the concept of " Eye-Brain-Nerve Convergence " at the Consumer Electronics Show (CES).
- Won the "Best Quality Award" from Arcadyan Technology Corporation of the Compal and two excellent supplier awards from DRAM key customers.
- USB3.0 host controller chip EJ168 and USB3.0 dual-channel flash memory drive controller chip EV268 passed the Super Speed USB international certification of the USB-IF. EJ168 also won the "2011 Excellent Manufacturer Innovative Product Award" from the Hsinchu Science Industrial Park.
- Passed Underwriters Laboratories Inc.'s BS OHSAS quality certification.

- Launched 2Mb 16 A/D Mux Pseudo SRAM products designed through 6X nm process.×
- The eSP 868 3D image capture and somatosensory recognition single chip won the "2021 Information Month Outstanding Information Application and Product Award".
- Won the "Top 10 Best Operational Efficiency Award" from the Hsinchu Science Industrial Park.
- Selected as an enterprise for offering an excellent "Employee Assistance Program (EAP)" by the Council of Labor Affairs

2012
- Chairman Lu won the "2011 Outstanding Evening Session Award" from the ISSCC.

- USB3.0 single-channel flash memory drive controller chip EV166 and USB3.0 four-port host controller chip EJ188 passed the SuperSpeed USB international certification of the USB-IF as the first Taiwanese manufacturer to have passed the USB-IF xHCI 1.0 certification.
- EJ198 USB3.0 four-port host controller chip passed the international USB-IF x HCI 1.0 certification.
- USB3.0 host controller chip product line: Dual-port EJ168, four-port EJ188, and four-port EJ198 were certified by Microsoft's Windows 8 ahead of other suppliers.
- Chairman Lu won the "Management of Technology Award of the Chinese Society For Management Of Technology".

- The single-chip eSP868 for 3D image capture and somatosensory recognition won the "2012 Excellent Manufacturer Innovative Product Award" from the Hsinchu Science Industrial Park.

2013
- Chairman Lu was elected as the 9th Chairman of the TSIA.
- Participated in the Intel Developer Forum to exhibit USB3.0 host controller chip, USB3.0 flash memory drive controller chip, and USB3.0 3D image capture and somatosensory recognition single chip total solution.

2014
- Chairman Lu was invited to discuss "Future Innovation and Prospects of the Semiconductor Industry" at the evening forum of ISSCC.
- 3D dual image capture and in-depth recognition single-chip SoC eSP870 won the "Best Choice Golden Award" at the Computex Taipei.
- TSIA held the World Semiconductor Council (WSC), chaired by Dr. Nicky Lu, Chairman of TSIA and Chairman of Etron Technology, which enabled Taiwan's semiconductor industry to contribute to the world's technological and human progress and greatly enhance Taiwan's image in the international community.
- Won the Family LOHAS Award and the Health LOHAS Award of the first Work-Life Balance Award launched by the Ministry of Labor, which were the highest national honor for the Company's promotion of work-life balance.
- Launched 3D scanning and imaging system (in both desktop and mobile forms) and 3D somatosensory game box to create new human-computer interaction experience for consumers.
- Etron Technology delivered a speech on "The Capabilities, Approaches, and Future Applications of Three-Dimensional Image Capture" and gave an on-site demonstration at the Image Sensors Americas 2014
- Took the lead in the introduction of the switch control IC-EJ179 that supported the USB Type-C connector with the transmission rate of as high as 10Gbps.
- Chairman Lu served as the chair of the 2014 Asian Solid-State Circuits Conference (A-SSCC).
- Chairman Lu was awarded the "2014 Excellent Director and Supervisor Medal of the Industrial and Mining Organization of Republic of China" by the Chinese National Federation of Industries
- Introduced the "ThingCapture™ " platform and eSP870 IC to launch the "OK360™". Individuals can use the "ThingCapture™ " system to convert images into 3D data or use 3D printing to create a three-dimensional model. It is a brand-new "thing capturing" technology in addition to photo, photography, and 3D Video.
- Took the lead in introduction of three IC products EJ898 (USB PD 2.0), EJ179V (USB Type-C Switch plus integrated control function), and EJ988 (the world's first integrated Type-C switch and PD2.0 multifunctional IC).

2015
- Demonstrated USB Type-C and Power Delivery series of IC products at Intel IDF Spring Technology Summit.
- Chairman Lu was re-elected as the 10th Chairman of the TSIA.
- Developed random access time from 30ns (nanoseconds) of traditional DRAM to <10ns significantly, and the ultra-high-speed DRAM design through heterogeneous integration with the bandwidth as high as 100GB/s, which was published at 2015 VLSI Symposium.
- Complete the design of 128Mb DDR2/DDR DRAM products with 45nm process, which was put into trial production.

- USB Type-C data switching/power transmission controller EJ988 won the "Best Choice Golden Award" at the Computex Taipei.
- Presented "A Computer Designed Half Gb 16-Channel 819Gb/s High-bandwidth and 10ns Low-Latency DRAM for 3D Stacked Memory Device Using TSVs" at the 2015 VLSI Circuit Symposium.
- USB Type-C E-Marker transmission line control IC-EJ901 passed the certification of the USB-IF.
- Conducted demerger of the business groups. The high-speed interface control chip business segment and the 3D image control chip business segment were divided into 100%-owned subsidiaries eEver Technology, Inc. and eYs3D Microelectronics, Co., respectively.
- Participated in the USB Developer Days held by the USB-IF to exhibit the USB Type-C fast charge control chip.
- Chairman Lu was invited to give a special speech on "Hsinchu Science Industrial Park Talents Achieve Technological Innovation as Global Heroes" at the 35th anniversary of the Hsinchu Science Industrial Park.
- Launched the 3D OK363™ mobile imaging system for mobile phones as the first in the world.
- Released the USB3.0 video and audio capture solution GamePtS, which could record the game process on-site and share it on the Internet.
- USB Type-C E-Marker transmission line control IC-EJ901 and USB Alternate Mode Micro-Controller chipset EJ898 passed the USB Type-C™ certification of the USB-IF.
- Launched the "eYsGlobe ™" 360-degree camera.

2016
- USB Display Alternate Mode chipset EJ898A entered the systems Intel advised as a world-class recognized Type-C participating brand.
- Chairman Lu was elected as a member of the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA).
- HIWIN, Etron Technology, and eYs3D Microelectronics, Co. took the lead in developing the "Industry 4.0 Robot Vision Application" to introduce IC design into industrialization so as to develop a layout in industrial IC, increase added value, and optimize manufacturing processes.
- eYs3D Microelectronics, Co. and Etron Technology jointly launched NR/VR 3D eYsGlobe™ –a good mobile phone partner with 3D virtual reality function; successfully developed controller single chip eSP876 with the world's highest speed 3D image capture technology which was up to 60 HD 720P 3D depth maps per second and the depth recognition function.
- Invested in eCapture Technologies and launched LyfieEye™ fundraising event on the crowdfunding platform, raising a fund reaching 200% of the target.

2017
- Invested in eCapture Technologies to launch LyfieEye™, the world's first 360-degree camera that supports Android phones, and officially launched it to the markets in the U.S. and Taiwan, which won the Best Choice Award and the Computex D&I Award 2017 at the Computex Taipei.
- Etron Technology released 30nm high-bandwidth, energy-efficient specialty buffer memory products, which could be introduced to advanced driver assistance systems (ADAS) and audio-visual information platforms, supporting 4K ultra-high-quality display panels and VR photography sampling applications.

- eYs3D Microelectronics, Co. and Etron Technology jointly released the IC+Module for Cyber6d-Vision&SenseTM for the business opportunities from new technology applications, such as VR/NR/AR, AI, robots, and smart cars .
- Chairman Lu was awarded the Industry Contribution Award from the Semiconductor Equipment and Materials Institute (SEMI) and the President of the Republic of China at the SEMICON Taiwan Leadership Gala Dinner.
- The highly integrated USB PD3.0 controller IC-EJ899 of eEver Technology, Inc. and Etron Technology passed Quick Charge 3.0 certification, which could double the charging speed of mobile phones.
- Etron Technology took the lead in launching high-performance low-power memory 256Mb Mobile DDR2 and 512Mb DDR3, which specialized in AR/VR high-bandwidth image processing, and provide complete memory product lines for broadband communication.

2018
- Etron Technology, Inc. and eEver Technology, Inc. jointly launched the EJ515 USB bridge and control solution for consumers to play mobile games across different platforms.
- Etron Technology, Inc. and eYs3D Microelectronics, Co. jointly launched the 3D-MAMEC (Multiple-Aperture Measurement+Eye+Capture) Sub-System EX8038, which adopted 3D natural light depth map vision IC/platform technology, and won the Excellent Manufacturer Innovative Product Award from the Hsinchu Science Industrial Park Administration.
- Invested in eCapture Co., Limited Taiwan Branch (Hong Kong) to release the world's smallest and lightest 360° panoramic camera LyfieEye200™ with LyfieRoam™ app, which was designed for AR/VR and commercial applications and supported Android and Windows systems, and won the Computex D&I Award 2018; the fund raised for this product on the crowdfunding platform reached 141% of the target
- Etron Technology's 3D sensing wide-angle ranging/gesture recognition module–EX8036 won the Best Choice Award at the Computex Taipei, and Etron Technology was invited to exhibit the medical applications with the 3D gesture control system adopted.
- Etron Technology, Inc. and eYs3D Microelectronics, Co. jointly launched the world's smallest and lightest "4Kx2K Industrial 360° Eye", "3Kx1.5K Industrial 360° Eye" and "3Kx1.5K Automotive 180° Eye". The 360°/180° panoramic image capture solution was expanded from commercial applications to industrial and automotive panoramic vision applications.
- Etron Technology exhibited the world's smallest and lightest 360° panoramic camera LyfieEye series of products at the Hsinchu 300 Expo and the IC60 Special Exhibition at the 60th anniversary of the invention of the integrated circuit.

2019
- Etron Technology, Inc. released the new DRAM-RPC® (Reduced Pin Count) technology required by the small form factor of artificial intelligence (AI) end points, which could minimize the system, making it easy to be applied to devices around so as to accelerate the popularization of IA in terminal devices.
- eEver Technology, Inc. and Etron Technology's USB PD3.0 control dual-channel output 1A+1C power smart distribution transmission solution EJ899V was certified by Qualcomm QC4+ and passed the USB-IF's PD3.0 PPS compatibility test.
- eEver Technology, Inc. and Etron Technology's USB Type-C E-Marker transmission line control IC-EJ903 passed the USB-IF's certification and Intel's and Apple's Thunderbolt™ 3 40Gbps certification.
- Etron Technology, Inc. and eYs3D Microelectronics, Co. participated in "NEPCON

Japan 2019", exhibiting 3D Depth-Map Modules & Platforms in the Taiwan Pavilion in the theme of "Automotive World 2019" and deliver a keynote speech on "3D Depth Sensing for Enhanced ADAS".

- Etron Technology's 180°, 4K high-definition, 6-DoF IMU 3D depth map camera EX8040S won the Best Choice Award at the Computex Taipei.
- Etron Technology was invited to showcase and deliver a speech on "Use of Sensor Fusion to Accelerate AIOT Ecosystem" in the AI Application Zone and InnoVEX Forum at the 2019 Computex.
- Etron Technology released the world's first WLCSP (wafer-level die packaging) DRAM in VLSI Symposia, which was the world's smallest RPC® DRAM designed for AI-Edge/Wearable/FPGA.
- The world's smallest RPC® DRAM of Etron Technology won the Enterprise Excellence Award at the 3rd Innovative and Smart Application Contest. eYs3D Microelectronics, Co. 3D, four-eye, natural light depth map visual 3D sensing sub-system EX8038 won the Innovation Excellence Award. Both were invited to exhibit said products at TAITRONICS and AIoT Taiwan. Etron Technology also delivered a keynote speech on "AIoT:Application and Opportunity for Memory" at the exhibition.

2020

- eYs3D Microelectronics, Co. and Etron Technology jointly released AI machine-human eSP678, eSP778, and eSP777 image processing controller ICs to meet developers' increasing demand for software and hardware development platforms that adopt AI/ML machine vision.
- eEver Technology, Inc. and Etron Technology's USB Type-C E-Marker transmission line control IC-EJ903 passed both USB-IF's 40Gbps USB4™ certification and Intel's Thunderbolt™4 certification as the only manufacturer in the world that has passed the USB4™ and Thunderbolt™4 certifications.
- BizLink, eEver Technology, Inc., and Etron Technology took the lead in launching high-quality certified USB4 Gen 3 Type-C transmission line products, which have been officially mass-produced.
- eEver technology, Inc. and Etron Technology launched the EJ511 series of USB audio and video capture solutions, which can provide users with the most comfortable and convenient live broadcast, game and video recording experience.
- eYs3D microelectronics, Co. published the 3D depth sensing system EX8052 with high accuracy and High C/P value, which is the first choice for new epidemic prevention technologies with contactless man-machine interface; and launched the integration scheme of 3D depth sensing technology and AR smart glasses.

2021

- Chairman Nicky Lu, LIN, MING-HUA and LEE, CHI-FENG were honored to be awarded with National Invention and Creation Award for their joint invention, "IMAGE DEVICE CORRESPONDING TO DEPTH INFORMATION/PANORAMIC IMAGE AND RELATED IMAGE SYSTEM THEREOF" (Patent Certificate No.: I660231).
- Etron Technology sponsored and co-organized the K. T. Li Technology Forum on "Semi-conductor in Taiwan, Road to the New Century," with Chairman Nicky Lu as the forum convener and moderator.
- eEver Technology, Inc. and Etron Technology took the lead in launching the OIAC optical fiber cable and E-Marker IC solutions to active cables, such as USB Type-C of USB4 Re-driver.
- Etron Technology launched the LRTDRAM™, a JEDEC-compliant product that significantly extends the retention time of DRAM data.

- eYs3D microelectronics, Co.'s eSP777 image processing controller ICs, an innovative binocular 3D color image distortion correction chipset platform, were successfully applied to medical grade minimally invasive spinal endoscopy systems, smart follow-up trolleys, fitness magic goggles and other lifestyle applications.

2022
- The world's smallest 3D binocular vision module, G53, and vision SLAM module, D60i, were exhibited at CES.
- DeCloak intelligence Co. developed a technological epidemic prevention app, "Epidemic Prevention Assistant," and made it available to the public for free download to serve as a back-up for the government and people to prevent epidemics and fulfill their social responsibility. The Privacy Processing Unit (PPU) has been developed to offer a new third-party de-identification technology solution. This enables businesses to collect and analyze user behavior while complying with privacy regulations. Furthermore, the PPU-based Dongle has been introduced to seamlessly integrate with a range of mobile devices, benefiting both consumers and service providers.
- Leopard Imaging is a global leader in high-definition embedded cameras and AI camera solutions. Cooperated with Leopard Imaging, eYs3D Microelectronics, Co. has developed three cameras that give computer vision advantages to autonomous mobile unmanned vehicles that are used outdoors and in great areas such as large manufacturing spaces. The three cameras that have passed the IP67 international protection level certification are equipped with a development kit compatible with embedded platforms.
- eEver Technology, Inc. took the lead in catering to the new USB4 Version 2.0 standard, increasing its transmission rate from 40Gbps to 80Gbps. Specifically, the USB Type-C E-Marker controller IC-EJ903 of eEver Technology, Inc. was honored with the Excellent Manufacturer Innovative Product Award by Hsinchu Science Park.
- Chairman Nicky Lu was awarded the 2022 "Excellent Director and Supervisor Medal of the Industrial and Mining Organization" by the Ministry of Interior.
- DeCloakFace—"Facial image confusion and de-identification AI authentication system" developed by DeCloak Intelligences Co.—was honored the CES 2023 Innovation Awards. Its technology of Differential Privacy and Searchable Encryption were honored the 19th "TISA Research Award from Taiwan Information Storage Association" in 2022.

2023
- Chairman Nicky Lu has been re-elected as the Executive Director of the Taiwan Semiconductor Industry Association (TSIA) and the Executive Director of The Allied Association for Science Park Industries.
- Chairman Lu was invited for an exclusive with DIGITIMES's interview series "Silicon Island Chronicles": Building Taiwan's Semiconductor Path with an Architect's Mindset and Leveraging AI to Propel the Industry to New Heights.
- eEver Technology, Inc. and Etron Technology have introduced the next-generation Stream Processor Unit (SPU)-EJ523D audiovisual signal processor. This advanced processor supports ultra-high-definition audiovisual capture up to 4K2K 60FPS and can be utilized in a range of innovative applications, including streaming services.
- eYs3D Microelectronics, Co. has successfully applied its computer vision to service robots and the metaverse and launched a series of intelligent binocular vision subsystems that are both dustproof and waterproof. The development and delivery of the binocular stereo vision application subsystem for endoscopes and the computer vision application subsystem for outdoor and lawn mowing robots have been successfully completed.

- RPC DRAM® has successfully passed the AEC-Q100 Level 2.
- Etron Technology released its first sustainability report, leading the companies in the gradual adoption of the concept and vision of sustainable development.
- DeCloak Intelligences Co. has been certified by the Industrial Development Administration, Ministry of Economic Affairs as a registered vendor for the "Information Security Energy Registration and Cybersecurity Autonomous Products".
- SOE-Enterprise (Secure Online Exchange Platform for Enterprises) is designed to enhance data security. It can be utilized for cross-departmental collaboration within enterprises, including projects that involve business and technical confidential documents. By integrating facial recognition and multi-factor authentication mechanisms, such as email, ensures that project personnel have the necessary authorization to protect confidential corporate documents.
- RPC DRAM®/ LRTDRAM™ developed by Etron Technology was awarded the 2022 Annual Research and Development Achievement Award by the Hsinchu Science Park. DeCloakFace, the "Confusion Image AI Deep Learning Facial Recognition System" developed by DeCloak Intelligences Co., has been awarded the Excellent Manufacturer Innovation Product Award for 2023 by the Hsinchu Science Park.
- Chairman Nicky Lu has been honored as a Fellow of the National Academy of Inventors (NAI).

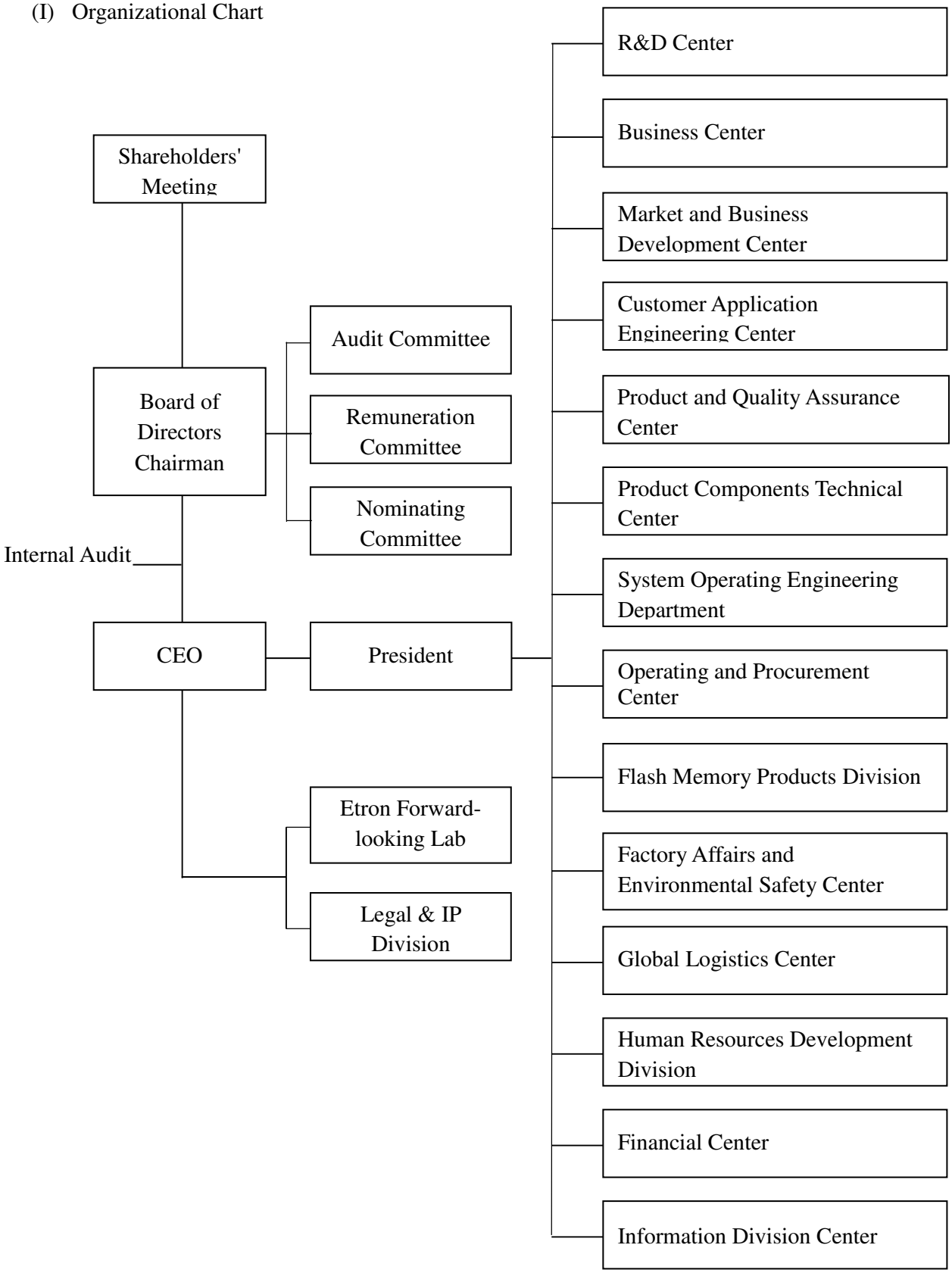
2024

- DeCloakVision, the "Multi-Modal AI Privacy-Enhancing Surveillance System" developed by DeCloak Intelligences Co., has emerged as a standout in the field of artificial intelligence and won the CES 2024 INNOVATION AWARD.
- Chairman Nicky Lu has been elected as the Vice Chairman of the 11th Monte Jade Science and Technology Association.
- Chairman Nicky Lu, along with Dr. Krishna Saraswat, Dr. Levy Gerzberg, Dr. Richard Swanson, Dr. Eliyahou Harari, and Dr. T.J. Rodgers, co-sponsored the James D. Meindl Memorial Education Fund. The IEEE Solid-State Circuits Society James D. Meindl Innovators Award is awarded by this Fund and is aimed at supporting and inspiring the new generation of IC circuit designers to promote innovation in the solid-state circuits industry. IEEE publicly acknowledges sponsors for their contributions to the IEEE Foundation at the 2024 International Solid-State Circuits Conference (ISSCC) and reports on this in the IEEE Foundation News.
- Etron Technology presented Mid-Side Interconnections within Wafer Substrate for OMHI at the 7th IEEE Heterogeneous Integration Roadmap Annual Conference held in San Jose, California, USA.
- Chairman Nicky Lu was interviewed by IEEE CIRCUITS AND SYSTEMS MAGAZINE in the first quarter of 2024 and was featured on the cover of the magazine.

Chapter 3 Corporate Governance

I. Organizational System

(I) Organizational Chart



(II) Divisions in Charge

Division	Introduction to Division
Etron Forward-looking Lab	Be responsible for the research and development of forward-looking technologies and products.
Legal & IP Division	Responsible for corporate legal affairs, contracts patents and other intellectual property (IP) management.
R&D Center	Be responsible for the research and development of forward-looking technologies, as well as memory IC circuit design, simulation, and layout.
Business Center	Be responsible for the global sales strategies, product sale, and customer services of and for memory ICs.
Market and Business Development Center	Be responsible for the market planning and analysis of products, jointly develop the product technology development of advanced processes with customers, and plan the development of new products, follow up the progress, and coordinate and solve technical problems.
Customer Application Engineering Center	Responsible for making coordination in meeting and resolving client's technical requirements, as well as product application issues and complaints.
Product and Quality Assurance Center	Be responsible for quality inspection, and establishment of ISO quality system to ensure the quality of products, documents and processes.
Product Components Technical Center	Be responsible for the improvement of components, software, hardware, wafer process, masks, trial production, and yield, product feature analysis, as well as the research and development of testing software, hardware and other related technologies.
System Operating Engineering Department	Be responsible for product feature analysis, the research and development of testing software, hardware, and other related technologies, as well as the application engineering of system chips.
Operating and Procurement Center	Be responsible for operating management, production planning, outsourcing strategies, and warehousing management; general procurement, wafer procurement businesses.
Flash Memory Products Division	Be responsible for chip IC design, firmware design, and the research and development of other related technologies, as well as chip sales strategies, product sale, customer services, and product applications, for Flash systems.
Factory Affairs and Environmental Safety Center	Responsible for planning, managing, and executing plant facilities, environmental and safety and health systems, and general affairs.
Global Logistics Center	Be responsible for the administrative operating of businesses, and coordination in production and sale.
Human Resources Development Division	Be responsible for making coordination in human resources, and the short-, mid- and long-term planning for talents development to assist various divisions in achieving the Company's overall operating goals.
Financial Center	Responsible for financial and accounting management, financial fund management, operational analysis and budget management, investor relations and stock operations, and public relations and marketing.
Information Division	Responsible for planning and implementing information systems, developing and deploying applications, establishing and operating equipment and network security, and planning and promoting information security education.

II. Information on the Directors, President, Vice Presidents, Associate Vice Presidents, and Heads of Divisions and Branch Units

(I) Directors

April 27, 2024; Unit: shares, %

Position	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (or Taking Office)	Term	Date First Elected	Shareholding When Elected		Current Shares Held		Current Shareholding of Spouse & Minor Child(ren)		Shareholding under Others' Names		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Other Heads, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Note
							Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Position	Name	Relationship	
Chairman	R.O.C.	Nicky Lu	Male A	2021.7.2	Three years	1991.2.1	14,613,757	5.46	11,779,978	4.05	12,115,345	4.17	1,000,000	0.34	Master's and PhD in Electrical Engineering from Stanford University Bachelor of Electrical Engineering from National Taiwan University Manager of IBM technology headquarters and research center in the United States National Academy of Engineering (NAE) Fellow National Academy of Inventors (NAI) Fellow IEEE Fellow The highest honor award of the IEEE Solid-State Circuits National Outstanding Science and Technology Honor Medal awarded by the Executive Yuan Director /Co-founder /First Chairman of the Board of Global Unichip Corp. Co-founder of Ardentec Corporation Fellow of the Chinese Management Association Distinguished Alumni of National Taiwan University Distinguished Alumni/Lecturer of National Yang Ming Chiao Tung University Chairman of the World Semiconductor Council (WSC) Chairman of the Board of Directors of the Global Semiconductor Alliance (GSA) Chairman of the Taiwan Semiconductor Industry Association (TSIA) Director Representative of Walton Advanced Engineering, Inc.	CEO of Etron Technology, Inc. Director Representative/CEO of eEver Technology, Inc. Founder/Director Representative/CEO of eYs3D Microelectronics, Co. Director of eEver Technology Limited Director of eYs3D Microelectronics, Inc. Director/CEO of DeCloak Intelligences Co. Consultant of Invention and Collaboration Laboratory Pte. Ltd. Consultant of T-Era Architecture Technology, Inc. Consultant of TAT Technology, Inc. Consultant of T-Era Architecture Technology Corp. Consultant of TAT Technology Corp. President of the AI on Chip Taiwan Alliance (AITA) Managing Director of the Taiwan Semiconductor Industry Association (TSIA) Board Member of Global Semiconductor Alliance (GSA) and Chairperson of APEC Economic Leaders' Meeting Managing Director of The Allied Association for Science Parks Industries Vice President of the Monte Jade Science and Technology Association of Taiwan Executive Director of Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and Chairman of Semiconductor and AI Applications Committee Member of the VLSI Symposia Technical Committee Distinguished Research Lecture Professor of National Taiwan University	None	None	None	Note 3

Position	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (or Taking Office)	Term	Date First Elected	Shareholding When Elected		Current Shares Held		Current Shareholding of Spouse & Minor Child(ren)		Shareholding under Others' Names		Major Experience (Education)	Currently holds positions in the Company and other companies	Other Heads, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Note
							Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Position	Name	Relationship	
Director	R.O.C.	Elvis Deng	Male B	2021.7.2	Three years	2015.6.24	587,490	0.22	1,068,004	0.37	0	0.00	0	0.00	Master of Business Administration from National Taiwan University Industrial Technology Research Institute, Electronics Industry Research Institute Bachelor of Engineering, National Yang Ming Chiao Tung University Director of Vanguard International Semiconductor-America Co-founder/Vice President of Ardentec Corporation Vice President of Marketing/Sales, Chief Operating Officers, President, etc. at Central Semiconductor Manufacturing Corporation CEO/Executive Director of China Resources Microelectronics Limited	President/Nomination Committee Member of Etron Technology, Inc. Managing Director of Etron Technology America, Inc. Director of Anzon Technology, Inc. Chairman/President of eEver Technology, Inc. Chairman of eYs3D Microelectronics, Co. Director of eCapture Ltd. Co. Director of eCapture Co., Limited Director of Insignis Technology, Inc. Director of Insignis Technology Corporation Director of eEver Technology Limited Director of eYs3D Microelectronics, Inc. Supervisor of DeCloak Intelligences Co. Director of AiYs3D Technology, Inc. Managing Director of Invention and Collaboration Laboratory Pte. Ltd. Director of Great Team Backend Foundry, Inc. Independent Director/Audit Committee Member/Remuneration Committee Member of Episil Technologies Inc. External Board of Director of Toppan Photomask Co., Ltd.	None	None	None	None
Director	R.O.C.	Chiu Chiang Investment Co., Ltd.	N/A	2021.7.2	Three years	1995.4.17	735,027	0.27	782,473	0.27	0	0.00	0	0.00	N/A	N/A	N/A			None
		Representative: Shi-Yi, Chen	Male A				0	0.00	0	0.00	0	0.00	0	0.00	Bachelor in Enterprise Management, California State University, USA Bachelor of National Taiwan University YAMAHA MOTORS CORP USA President of Hong Tai Electric Industrial Co., Ltd.	Chairman of Hong Tai Electric Industrial Co., Ltd. Chairman of Safety Investment Co., Ltd. Director Representative of ShenjinYuan Investment Co., Ltd. Director Representative of Southern Star Investment Co., Ltd.	None	None	None	None

Position	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (or Taking Office)	Term	Date First Elected	Shareholding When Elected		Current Shares Held		Current Shareholding of Spouse & Minor Child(ren)		Shareholding under Others' Names		Major Experience (Education)	Currently holds positions in the Company and other companies	Other Heads, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Note
Director	R.O.C.	Kai Chun Investment Corp.	N/A	2021.7.2	Three years	2009.6.19	6,310	0.00	6,716	0.00	0	0.00	0	0.00	N/A	N/A	N/A			None
		Representative: Mei-Ling, Hsu	Female B				51,507	0.02	54,831	0.02	0	0.00	0	0.00	Bachelor's Degree of National Taiwan University CFO at Mycenax Biotech Inc. CFO at G-tech Optoelectronics Corporation. CFO/Member of the Management Committee/Supervisor of LinLi Wedding Member of the Remuneration Committee at Hong Tai Electric Industrial Co.,Ltd.	Supervisor Representative of eEver Technology, Inc. Supervisor Representative of eYs3D Microelectronics, Co. Director of eEver Technology Limited Director of eYs3D Microelectronics, Inc. Supervisor of Kai Chun Investment Corp.	None	None	None	None
		Representative: Bor-Doou, Rong	Male B				192,962	0.07	68,256	0.02	35,002	0.01	0	0.00	Master of Electrical Engineering, Arizona State University, USA Senior Vice President of Etron Technology	Senior Vice President/ R&D Supervisor of Etron Technology, Inc. Chairman/President of Kai Chun Investment Corp.	None	None	None	None
Independent Director	R.O.C.	Ai-Chen, Wang	Female B	2021.7.2	Three years	2015.6.24	0	0.00	0	0.00	0	0.00	0	0.00	Department of Commerce, Banking Division of National Taiwan University Analyst at the Taiwan Branch of HSBC Securities Investment Consulting Director of Research Department, Asia Securities Investment Consultant, Tainan Branch Director of the Southern Region at Taiwan Crown Truth Financial Association CFO of Guan Mian Quan Qiu Hua Ren Corporation Member of the Remuneration Committee at Feature Integration Technology Inc.	Audit Committee Convenor/Remuneration Committee Convenor/Nominating Committee Member of Etron Technology, Inc. Supervisor of Netklass Technology.	None	None	None	None
Independent Director	R.O.C.	Jen-Hung, Tseng	Male A	2021.7.2	Three years	2006.6.12	0	0.00	0	0.00	0	0.00	0	0.00	Master of Business Administration, National Chiao Tung University Bachelor of Electrical Engineering from National Taiwan University President of K Laser Technology Inc. President of Taijie Technology CEO of Great Team Backend Foundry, Inc.	Audit Committee Member/Remuneration Committee Member of Etron Technology, Inc.	None	None	None	None
Independent Director	R.O.C.	Yun-Chieh, Huang	Female C	2021.7.2	Three years	2020.5.13	0	0.00	0	0.00	0	0.00	0	0.00	Department of Finance and Taxation, National Chung Hsing University Director of Jingjing Technology Director of Jumbo Harvest International Co., Ltd. Director of Moneywin International Limited Supervisor of Raffar Technology Corp. Supervisor of Exploit Technology Co., Ltd. Investment Manager of Hong Tai Electric Industrial Co.,Ltd.	Audit Committee Member of Etron Technology, Inc. Supervisor of Lumimore Tech. Co., Ltd. Supervisor of Guangduo Energy Resource Co., Ltd. Supervisor Representative of Guangduo Business Consulting	None	None	None	None

Position	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (or Taking Office)	Term	Date First Elected	Shareholding When Elected		Current Shares Held		Current Shareholding of Spouse & Minor Child(ren)		Shareholding under Others' Names		Major Experience (Education)	Currently holds positions in the Company and other companies	Other Heads, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Note
Independent Director	R.O.C.	Wilson Wang	Male B	2022.6.8	Three years	2022.6.8	0	0.00	0	0.00	0	0.00	0	0.00	Department of Accounting, National Chengchi University CPA of PricewaterhouseCoopers, Taiwan	Audit Committee Member/Nominating Committee Convenor of Etron Technology, Inc. Independent Director/Audit Committee Member/Remuneration Committee Member of Feature Integration Technology Inc. Independent Director/Audit Committee Member/Remuneration Committee Member of Ennostar Inc. Independent Director/Audit Committee Member/Remuneration Committee Member of Taiwan Mask Corp CPA of Zhi Cheng Joint Accounting Firm	None	None	None	None

Note 1: The total number of shares issued by the Company on April 19, 2021: 267,707,347 shares; the total number of shares issued on April 27, 2024: 290,595,781 shares.

Note 2: Zone A is for age over 71, Zone B age between 61 and 70, and Zone C age between 51 and 60.

Note 3: Explanation of the reason, reasonableness and necessity of concurrently serving as a CEO: the Chairman, Nicky Lu, has been committed to making contributions to global IC design and semiconductor industry for many years, focusing on the innovation of technologies, academic research, and corporate management, and creating a number of new businesses, thus, it is reasonable and necessary for him to hold the concurrent position.
Responsive measures: The Company has increased the number of Independent Directors in response thereto.

(II) Directors who are the Representatives of Corporate Shareholders. The Major Shareholders of Such Corporate Shareholders

April 27, 2024

Name of Corporate Shareholder	Major Shareholder
Chiu Chiang Investment Co., Ltd.	Tse-Yu, Chen(48.82%), Liang-Hua, Chen(35.02%), Shi-Yi, Chen(4.98%), Wei-Cih, Hsu (4.64%), Chun-Fei, Chang(3.80%), and Ya-Ming, Li(2.74%)
Kai Chun Investment Corp.	Bor-Doou, Rong(16.70%), Tzu-Chin, Yao (16.66%), Fu-Yung, Hung(16.66%), Yuan-Hung, Lin (16.66%), Ming-Hong, Kuo(16.66%), Jung-Kun, Chung(16.66%)

(III) Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders: None.

(IV) Professional Qualifications and Independence of Directors

Position and Name \ Qualifications		Professional Qualifications and Work Experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chairman	Nicky Lu	Note	This is not applicable as they are not independent directors.	0
Director	Elvis Deng	Note		1
Director	Chiu Chiang Investment Co., Ltd. Representative: Shi-Yi, Chen	Note		0
Director	Kai Chun Investment Corp. Representative: Mei-Ling, Hsu	Note		0
Director	Kai Chun Investment Corp. Representative: Bor-Doou, Rong	Note		0
Independent Director	Ai-Chen, Wang	Note	1. Please refer to pages 18-19 of this annual report for the comprehensive shareholding of independent directors. 2. Each of the Company's independent directors met the following independence criteria in the two years prior to their election and during their term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a Director or Supervisor of the Company or any of its affiliated companies. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, children (minors), or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of the Managerial Officers specified in preceding (1) subparagraph, or of any of the persons specified in the preceding (2) and (3) subparagraphs. (5) Not a Director, Supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings or any of the authorized representatives of a company referred to in Paragraphs 1 or 2 of Article 27 of the Company Act.	0
Independent Director	Jen-Hung, Tseng	Note		0

Position and Name	Qualifications	Professional Qualifications and Work Experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Independent Director	Yun-Chieh, Huang	Note	(6) Not a Director, Supervisor, or employee of other company who has a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person. (7) Not a Director, Supervisor (Governor), or employee of other company or institutions who is the Chairman, Vice President, 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. (8) Not a Director, Supervisor (Governor), Managerial Officer, or shareholder with over 5% shareholding of any specific company or institution which has financial or business relationships with the Company. (9) Not a professional or the owner, partner, Director, Supervisor, or Managerial Officer of any sole proprietorship, partnership, company, or institution in business, legal, financial, or accounting, or consulting services, and their spouse who or which provided auditing to, or obtained less than NT$500,000 compensation accumulatively in the most recent two years from, the Company or its affiliates. (10) Not a spouse or relative within the second degree of kinship of any other Directors. (11) Not under any of the categories stated in Article 30 of the Company Act. (12) Not a Government Apparatus agency, juristic person or its representative elected under Article 27 of the Company Act.	0
Independent Director	Wilson Wang	Note		3

Note: Please refer to pages 16-19 of this annual report for major experience (education) as well as other position concurrently held at other companies. All directors are not under any of the categories stated in Article 30 of the Company Act.

(V) Diversity and Independence of the Board of Directors

1. Diversity of the Board of Directors

The Company has formulated a "Policy on Diversity of Members of the Board of Directors" and disclosed it on the Company's website. It clearly stipulates the composition of the Company's Board of Directors shall take into account the Company's own operation, business model and development needs in formulating a diversified approach, and the Board of Directors as a whole shall have eight abilities, including operational judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership and decision making. The goal is to have at least one Board Member with relevant background in each professional field, and set up four Independent Directors.

The relevant diversity policy of the 11th Board of Directors of the Company has been achieved as follows:

April 27, 2024

Items of Diversity / Name		Basic Composition						Professional Background (Note 2)			
		Nationality	Age (Note 1)	Gender	Serving concurrently as an employee	Acting as An Audit Committee member?	Number of the times as an Independent Director of the Company	Fnance and Accounting	Banking and Securities	Technology R & D	Marketing and Operation
Chairman	Nicky Lu	R.O.C.	A	Male	✓	N/A	N/A			✓	✓
Director	Elvis Deng	R.O.C.	B	Male	✓	N/A	N/A			✓	✓
Director	Chiu Chiang Investment Co., Ltd. Representative: Shi-Yi, Chen	R.O.C.	A	Male		N/A	N/A			✓	✓
Director	Kai Chun Investment Corp. Representative: Mei-Ling, Hsu	R.O.C.	B	Female		N/A	N/A	✓			✓
Director	Kai Chun Investment Corp. Representative: Bor-Doou, Rong	R.O.C.	B	Male	✓	N/A	N/A			✓	
Independent Director	Ai-Chen, Wang	R.O.C.	B	Female		✓	3	✓	✓		✓
Independent Director	Jen-Hung, Tseng	R.O.C.	A	Male		✓	2			✓	✓
Independent Director	Yun-Chieh, Huang	R.O.C.	C	Female		✓	2	✓			✓
Independent Director	Wilson Wang	R.O.C.	B	Male		✓	1	✓			✓
Proportion		—	—	Male 67% Female 33%	Employee 33% Non-employee 67%	100%	—	44%	11%	56%	89%

Note 1: Zone A is for age over 71, Zone B age between 61 and 70, and Zone C age between 51 and 60.
Note 2: Please refer to pages 16-19 of this annual report for the work experience of directors.

2. Independence of the Board of Directors

As of the date of publication of the annual report, there are 4 Independent Directors of the Company, accounting for 44% of all Directors. Moreover, the Independent Directors of the Company comply with the provisions of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act, and do not have a spousal relationship or a familial relationship within the second degree of kinship with other Board members.

(VI) President, Vice President, Associate Vice Presidents, and Heads of Divisions and Branch Units

April 27, 2024; Unit: shares, %

Position	Nationality	Name	Gender	Date Taking Office	Shareholding		Spouse & Minor Child(ren) Shareholding		Shareholding under Others' Names		Major Experience (Education)	Other Position Concurrently Held at Other Companies	Title, Name and Relationship of Managers with Spouses or Relatives within the Second Degree			Note
					Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Position	Name	Relationship	
CEO	R.O.C.	Nicky Lu	Male	1991.2.1	11,779,978	4.05	12,115,345	4.17	1,000,000	0.34	Master's and PhD in Electrical Engineering from Stanford University Bachelor of Electrical Engineering from National Taiwan University Manager of IBM technology headquarters and research center in the United States National Academy of Engineering (NAE) Fellow National Academy of Inventors (NAI) Fellow IEEE Fellow The highest honor award of the IEEE Solid-State Circuits National Outstanding Science and Technology Honor Medal awarded by the Executive Yuan Director /Co-founder /First Chairman of the Board of Global Unichip Corp. Co-founder of Ardentec Corporation Fellow of the Chinese Management Association Distinguished Alumni of National Taiwan University Distinguished Alumni/Lecturer of National Yang Ming Chiao Tung University Chairman of the World Semiconductor Council (WSC) Chairman of the Board of Directors of the Global Semiconductor Alliance (GSA) Chairman of the Taiwan Semiconductor Industry Association (TSIA) Director Representative of Walton Advanced Engineering, Inc.	Director Representative/CEO of eEver Technology, Inc. Founder/Director Representative/CEO of eYs3D Microelectronics, Co. Director of eEver Technology Limited Director of eYs3D Microelectronics, Inc. Director/CEO of DeCloak Intelligences Co. Consultant of Invention and Collaboration Laboratory Pte. Ltd. Consultant of T-Era Architecture Technology, Inc. Consultant of TAT Technology, Inc. Consultant of T-Era Architecture Technology Corp. Consultant of TAT Technology Corp. President of the AI on Chip Taiwan Alliance (AITA) Managing Director of the Taiwan Semiconductor Industry Association (TSIA) Board Member of Global Semiconductor Alliance (GSA) and Chairperson of APEC Economic Leaders' Meeting Managing Director of The Allied Association for Science Parks Industries Vice President of the Monte Jade Science and Technology Association of Taiwan Executive Director of Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and Chairman of Semiconductor and AI Applications CommitteeMember of the VLSI Symposia Technical Committee Distinguished Research Lecture Professor of National Taiwan University	None	None	None	Note 2
President	R.O.C.	Elvis Deng	Male	2014.8.12	1,068,004	0.37	0	0.00	0	0.00	Master of Business Administration from National Taiwan University Industrial Technology Research Institute, Electronics Industry Research Institute Bachelor of Engineering, National Yang Ming Chiao Tung University Director of Vanguard International Semiconductor-America Co-founder/Vice President of Ardentec Corporation Vice Presidents of Marketing/Sales, Chief Operating Officers, President, etc. at Central Semiconductor Manufacturing Corporation CEO/Executive Director of China Resources Microelectronics Limited	Managing Director of Etron Technology America, Inc. Director of Anzon Technology, Inc. Chairman/President of eEver Technology, Inc. Chairman of eYs3D Microelectronics, Co. Director of eCapture Ltd. Co. Director of eCapture Co., Limited Director of Insignis Technology, Inc. Director of Insignis Technology Corporation Director of eEver Technology Limited Director of eYs3D Microelectronics, Inc. Supervisor of DeCloak Intelligences Co. Director of AiYs3D Technology, Inc. Managing Director of Invention and Collaboration Laboratory Pte. Ltd. Director of Great Team Backend Foundry, Inc. Independent Director/Audit Committee Member/Remuneration Committee Member of Episil Technologies Inc. External Board of Director of Toppan Photomask Co., Ltd.	None	None	None	None
Senior Vice President (R&D Supervisor)	R.O.C.	Bor-Doou, Rong	Male	2015.12.8	68,256	0.02	35,002	0.01	0	0.00	Master of Electrical Engineering from Arizona State University, USA Associate Vice President of Etron Technology	Chairman/President of Kai Chun Investment Corp.	None	None	None	None

Position	Nationality	Name	Gender	Date Taking Office	Shareholding		Spouse & Minor Child(ren) Shareholding		Shareholding under Others' Names		Major Experience (Education)	Other Position Concurrently Held at Other Companies	Title, Name and Relationship of Managers with Spouses or Relatives within the Second Degree			Note
					Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Position	Name	Relationship	
Vice President and Chief R&D Researcher (R&D Supervisor)	R.O.C.	Shiah, Chun	Male	2015.12.8	310,871	0.11	6,555	0.00	0	0.00	Master of Electronic Engineering from Syracuse University, New York State, USA Associate Vice President of Etron Technology	Research Fellow of Invention and Collaboration Laboratory Pte. Ltd.	None	None	None	None
Vice President	R.O.C.	Ming-Hong, Kuo	Male	2021.1.14	0	0.00	0	0.00	0	0.00	Master of Electronics from National Chiao Tung University Director of Operating Office, mCube Associate Vice President of Etron Technology Quality Assurance and Technical Assistant Manager of Taiwan Semiconductor Manufacturing Company R&D Process Integration Manager of Vanguard International Semiconductor Corporation Assistant Manager of Electronics Research and Service Organization, Industrial Technology Research Institute	Director Representative of Ardentec Director Representative of Bridge Semiconductor Corporation Director of Kai Chun Investment Corp.	None	None	None	None
Group Legal Counsel	R.O.C.	Teng-Wei, Wang	Male	2022.1.24	0	0.00	0	0.00	0	0.00	Master of Laws from University of Minnesota Twin City Department of Laws of Fu-Jen Catholic University Director of Chunghwa Picture Tubes, Ltd. Associate Vice President of Etron Technology Vice President of Medeon Biodesign, Inc. Director of Prodeon, Inc.	Director of T-Era Architecture Technology, Inc. Director of TAT Technology, Inc. Director Representative of T-Era Architecture Technology Corp. Director Representative of TAT Technology Corp. Director Representative of ValueCreation Technology, Inc.	None	None	None	None
Associate Vice President	R.O.C.	Tzu-Chin, Yao	Male	2020.8.15	0	0.00	0	0.00	0	0.00	MBA from Emory University Director of Etron Technology Manager of Jietai Technology Section Chief of Mosel Vitelic Inc. Executive Director of Fullboom Electronics (Shenzhen) Co., Ltd.	Chairman of Kingwell Investment Corp. Chairman of Kinglord Corp. Director of Plusway Corp. Director of Etron Technology America, Inc. Chairman of Eutrend Technology Inc. Chairman of Kingcharm Investment Inc. Director of Anzon Technology, Inc. Director of Anzon Corporation Director of Etron Technology (HK) Limited Director of Intercosmos Group Limited Director of Grandsino Technology Limited Director Representative of Fullboom International Limited Director of Creative Ally Limited Chairman of Invention and Collaboration Laboratory, Inc. Chairman of Pioneer Chip Technology Limited Supervisor Representative of eEver Technology Supervisor Representative of eYs3D Microelectronics Director of eCapture Ltd. Co. Director of eCapture Co., Limited Director of Insignis Technology, Inc. Director of Insignis Technology Corporation Chairman of nD-HI Technologies Lab,Inc. Chairman of DeCloak Intelligences Co. Director of AiYs3D Technology, Inc. Director of Invention and Collaboration Laboratory Pte. Ltd. Director of Great Team Backend Foundry, Inc. Director of Great Team Backend Foundry Ltd. (Dongguan) Director of Innorich Venture Capital Corp. Director of T-Era Architecture Technology, Inc. Director of TAT Technology, Inc. Chairman of T-Era Architecture Technology Corp. Chairman of TAT Technology Corp. Chairman of ValueCreation Technology, Inc.	None	None	None	None

Position	Nationality	Name	Gender	Date Taking Office	Shareholding		Spouse & Minor Child(ren) Shareholding		Shareholding under Others' Names		Major Experience (Education)	Other Position Concurrently Held at Other Companies	Title, Name and Relationship of Managers with Spouses or Relatives within the Second Degree			Note
					Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Position	Name	Relationship	
Associate Vice President	R.O.C.	Wen-Chi, Wang	Male	2019.10.9	261,709	0.09	0	0.00	0	0.00	Bachelor in Electrical Engineering from Chung Hua University Section Chief of Powerchip Semiconductor Director of Etron Technology	None	None	None	None	None
Associate Vice President	R.O.C.	Fu-Yung, Hung	Male	2019.10.9	242,420	0.08	0	0.00	0	0.00	Master, Department of Information Science, State University of New York Director of Etron Technology	None	None	None	None	None
Associate Vice President	R.O.C.	Jung-Kun, Chung	Male	2020.8.15	50	0.00	0	0.00	0	0.00	Master, Department of Business Administration, Chuo University Director of Etron Technology	Director Representative of Eutrend Technology Inc. Director of Kai Chun Investment Corp.	None	None	None	None
Associate Vice President	R.O.C.	San-Pu, Lin	Male	2023.11.15	0	0.00	0	0.00	0	0.00	Master of Executive Management in Intelligent Manufacturing across Departments, Tsinghua University Master of Information Engineering, Yuan Ze University Assistant Manager of AIC Inc. Assistant Manager/Plant Manager/Department Manager of Inventec Product Engineering Manager of Visson Technologies, Inc. (VIA Group)	None	None	None	None	None
Associate Vice President	R.O.C.	Justin Chueh	Male	2024.3.28	31,936	0.01	0	0.00	0	0.00	Ph.D. in Electrical and Computer Science from the University of Michigan, Ann Arbor Bachelor's Degree/Master's Degree in Electrical Engineering, National Taiwan University Technology Manager of Super Micro Computer, Inc., North America Project Manager of North America TSMC Director of Etron Technology Co-founder of DeCloak Intelligence Co.	None	None	None	None	None
Director (Accounting Supervisor and Corporate Governance Supervisor)	R.O.C.	Yu-Chia, Cheng	Female	2011.12.23	110,808	0.04	0	0.00	0	0.00	Bachelor, Department of Accounting, Fu-Jen Catholic University Team Leader of Deloitte & Touche Firm Financial and Accounting Section Chief of OSG Financial and Accounting Director of Asia Microelectronics	None	None	None	None	None
Director (Finance Supervisor)	R.O.C.	Jui-Ling, Hsieh	Female	2016.3.23	110,000	0.04	0	0.00	0	0.00	Master, Department of Management Science from National Chiao Tung University Senior Audit Specialist/Vice Programme Manager of Tecom Co., Ltd. Supervisor of Global Unichip Corp. Supervisor Representative of Hong Tai Electric Industrial Co., Ltd.	Director Representative of Kingwell Investment Corp. Director of Kinglord Corp. Director of Plusway Corp. Director Representative of Kingcharm Investment Inc. Director of Intercosmos Group Limited Director of Grandsino Technology Limited Director of Creative Ally Limited Director Representative of Invention and Collaboration Laboratory, Inc. Director Representative of Pioneer Chip Technology Limited Director Representative of nD-HI Technologies Lab,Inc. Financial Accounting Manager of eYs3D Microelectronics, Co.	None	None	None	None

Note 1: The total number of shares issued on April 27, 2024: 290,595,781 shares.

Note 2: The reason, reasonableness and necessity of concurrently serving as a Chairman: the Chairman, Nicky Lu, has been committed to making contributions to global IC design and semiconductor industry for many years, focusing on the innovation of technologies, academic research, and corporate management, and creating a number of new businesses, thus, it is reasonable and necessary for him to hold the concurrent position.
Responsive measures: The Company has increased the number of Independent Directors in response thereto.

Note 3: Special Assistant David Leu retired on June 29, 2023, and Vice President Mei-li, Lin retired on August 15, 2023.

III. Compensation Paid to the Directors, President and Vice Presidents

(I) Compensation Paid to General Directors and Independent Directors

Unit: NT$ thousand; %

Position	Name	Compensation Paid to Directors								Total Amount of A, B, C and D, and Proportion of Said Total Amount in Net Earnings after Tax		Relevant Compensation Received by Directors who Are Also Employees								Total Amount of A, B, C, D, E, F and G, and Proportion of Said Total Amount in Net Earnings after Tax		Compensation from Re-invested Companies Other than Subsidiaries or the Parent Company
		Compensation A		Severance Pay and Pension B		Compensation Paid to Directors C (Note 2)		Business Execution Expenses D				Salary, Bonus, and Special Expenses E		Severance Pay and Pension F		Employee Compensation G (Note 2)						
		The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company		All Companies in Financial Report		The Company	All Companies in Financial Report	
																Cash	Stock	Cash	Stock			
Chairman	Nicky Lu	0	0	0	0	0	0	72	72	72 (0.01)	72 (0.01)	9,645	10,133	0	0	0	0	0	0	9,717 (1.09)	10,205 (1.14)	None
Director	Elvis Deng	0	0	0	0	0	0	72	72	72 (0.01)	72 (0.01)	9,296	9,366	108	108	0	0	0	0	9,476 (1.06)	9,546 (1.07)	
Director	Chiu Chiang Investment Co., Ltd. Representative: Shi-Yi, Chen	0	0	0	0	0	0	240	240	240 (0.03)	240 (0.03)	0	0	0	0	0	0	0	0	240 (0.03)	240 (0.03)	
Director	Kai Chun Investment Corp. Representative: Mei-Ling, Hsu	0	0	0	0	0	0	240	240	240 (0.03)	240 (0.03)	0	0	0	0	0	0	0	0	240 (0.03)	240 (0.03)	
Director	Kai Chun Investment Corp. Representative: Bor-Doou, Rong	0	0	0	0	0	0	72	72	72 (0.01)	72 (0.01)	5,297	5,301	177	177	0	0	0	0	5,546 (0.62)	5,550 (0.62)	
Independent Director	Ai-Chen, Wang	420	420	0	0	0	0	240	240	660 (0.07)	660 (0.07)	0	0	0	0	0	0	0	0	660 (0.07)	660 (0.07)	
Independent Director	Jen-Hung, Tseng	360	360	0	0	0	0	240	240	600 (0.07)	600 (0.07)	0	0	0	0	0	0	0	0	600 (0.07)	600 (0.07)	
Independent Director	Yun-Chieh, Huang	240	240	0	0	0	0	240	240	480 (0.05)	480 (0.05)	0	0	0	0	0	0	0	0	480 (0.05)	480 (0.05)	
Independent Director	Wilson Wang	240	240	0	0	0	0	240	240	480 (0.05)	480 (0.05)	0	0	0	0	0	0	0	0	480 (0.05)	480 (0.05)	

* The Company has formulated the Measures for Compensation to Directors, specifying the related policies, systems, standards, and structure of and for payment of compensation. In addition to travelling expenses, Independent Directors shall perform businesses independently and participate in corporate governance based on their duties, and thus shall receive fixed compensation every month; if Directors Compensation shall be paid, the compensation shall be calculated respectively by using the weight ratios specified in said Measures.

* Unless otherwise disclosed in the above table, the compensation received in the most recent year by the Company's Directors for providing services to all the companies listed in the Financial Report: None

Note1: The net loss for the current period specified in 2023 parent company only financial statements was NT$892,914 thousand.

Note2: Note 1: As resolved by the Board of Directors in March 2024, no distribution of directors' and employees' remuneration was made.

(II) Compensation Paid to President and Vice Presidents

Unit: NT$ thousand; %

Position	Name	Salary A		Severance Pay and Pension B		Bonus and Special Expenses C		Employee Compensation D (Note 3)				Total Amount of A, B, C and D, and Proportion of Said Total Amount in Net Earnings after Tax		Compensation from Re-invested Companies Other than Subsidiaries or the Parent Company
		The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company		All Companies in Financial Report		The Company	All Companies in Financial Report	
								Cash	Stock	Cash	Stock			
CEO	Nicky Lu	32,279	33,972	788	788	11,770	12,412	0	0	0	0	44,837 (5.02)	47,172 (5.28)	None
President	Elvis Deng													
Special Assistant	David Leu (Note 2)													
Senior Vice President	Bor-Doou, Rong													
Vice President	Shiah, Chun													
Vice President	Ming-Hong, Kuo													
Vice President	Mei-li, Lin (Note 2)													
Group Legal Counsel	Teng-Wei, Wang													

Note 1: The net loss for the current period specified in 2023 parent company only financial statements was NT$892,914 thousand.
Note 2: Special Assistant David Leu retired on June 29, 2023, and Vice President Mei-li, Lin retired on August 15, 2023. Only compensation during their tenure is disclosed.
Note 3: Note 1: As resolved by the Board of Directors in March 2024, no distribution of employees' remuneration was made.

Range of Compensation Table

Range of Compensation Paid to the Company's Presidents and Vice Presidents	Name of President and Vice President	
	The Company	All Companies in Financial Report
Less than NT$1,000,000		
NT$1,000,000 (inclusive) ~ NT$ 2,000,000 (exclusive)		
NT$2,000,000 (inclusive) ~ NT$ 3,500,000 (exclusive)	David Leu, Mei-li, Lin	David Leu, Mei-li, Lin
NT$3,500,000 (inclusive) ~ NT$ 5,000,000 (exclusive)	Ming-Hong, Kuo, Teng-Wei, Wang	Teng-Wei, Wang
NT$5,000,000 (inclusive) ~ NT$ 10,000,000 (exclusive)	Nicky Lu, Elvis Deng, Bor-Doou, Rong, Shiah, Chun	Elvis Deng, Bor-Doou, Rong, Shiah, Chun and Ming-Hong, Kuo
NT$10,000,000 (inclusive) ~ NT$ 15,000,000 (exclusive)		Nicky Lu
NT$15,000,000 (inclusive) ~ NT$ 30,000,000 (exclusive)		
NT$30,000,000 (inclusive) ~ NT$ 50,000,000 (exclusive)		
NT$50,000,000 (inclusive) ~ NT$ 100,000,000 (exclusive)		
Over NT$100,000,000		
Total	8 persons in total	8 persons in total

(III) Compensation of the Top Five Highest paid Executives

Unit: NT$ thousand; %

Position	Name	Salary A		Severance Pay and Pension B		Bonus and Special Expenses C		Employee Compensation D (Note 2)				Total Amount of A, B, C and D, and Proportion of Said Total Amount in Net Earnings after Tax		Compensation from Re-invested Companies Other than Subsidiaries or the Parent Company
		The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company		All Companies in Financial Report		The Company	All Companies in Financial Report	
								Cash	Stock	Cash	Stock			
CEO	Nicky Lu	6,126	6,126	0	0	3,519	4,007	0	0	0	0	9,645 (1.08)	10,133 (1.13)	0
President	Elvis Deng	6,978	6,978	108	108	2,318	2,388	0	0	0	0	9,404 (1.05)	9,474 (1.06)	0
Vice President	Chun, Shiah	3,704	5,398	170	170	1,326	1,339	0	0	0	0	5,200 (0.58)	6,907 (0.77)	0
Senior Vice President	Bor-Doou, Rong	4,055	4,055	177	177	1,242	1,246	0	0	0	0	5,474 (0.61)	5,478 (0.61)	0
Vice President	Ming-Hong, Kuo	3,592	3,592	108	108	1,286	1,325	0	0	0	0	4,986 (0.56)	5,025 (0.56)	0

Note 1: The net loss for the current period specified in 2023 parent company only financial statements was NT$892,914 thousand.
Note 2: Note 1: As resolved by the Board of Directors in March 2024, no distribution of employees' remuneration was made.

(IV) The names of the managers responsible for distributing employee compensation and the distribution situation are as follows: Due to losses in 2023, the Board of Directors decided in March 2024 not to distribute employee compensation.

(V) Compensation Paid to Directors, President and Vice Presidents in the Most Recent Two Years

1. The proportion of the total compensation paid to the Directors, President and Vice Presidents in the net profit after tax specified in the parent company only financial statements.

Unit: %

Year & Proportion / Position	2022		2023	
	The Company	All Companies in Consolidated Financial Report	The Company	All Companies in Consolidated Financial Report
Directors	4.61	4.82	（0.33）	（0.33）
President and Vice Presidents	40.62	42.33	（5.02）	（5.28）

Note: The Company's net income in 2022 Parent Company Only Financial Statements was NT$141,895 thousand, and its current net loss in 2023 Parent Company Only Financial Statements was NT$892,914 thousand. Moreover, the Company has established an Audit Committee to replace the duties of the Supervisor.

2. Compensation policies, standards, and packages, procedure for determining compensation, and linkage thereof to operating performance and future risk exposure

The Company has formulated the Articles of Incorporation, the Measures for Remuneration to Directors, the Measures for Performance Assessment and Remuneration Management of Managerial Officers, and other measures to specify the standards for payment of remuneration to Directors and improve the Company's system for performance assessment on and remuneration management of its Managerial Officers. And the Company has established Remuneration Committee to be responsible for establishing and assessing the policies, systems, standards, and structure of the remuneration to Directors and Managerial Officers, and submit their suggestions to the Board of Directors for discussion. The Company shall establish the procedures, standards, and combinations for and of remuneration cautiously, by considering its overall operating performance and future risks with priority, then by referring to individual performance achievement rate, scope of rights and responsibilities, and the level in the industry both at home and abroad.

Affiliates were handled according to their respective Consolidated Financial Reports and Articles of Incorporation, while considering the business performance and future risks. The compensation paid to Directors in the most recent two years was the traveling expenses they spent for attending the Board of Directors' meetings.

IV. Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of 4 Board of Directors' meetings were held in 2023. The attendance of the Directors was as follows:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Chairman	Nicky Lu	4	0	100	None
Director	Elvis Deng	4	0	100	None
Director	Chiu Chiang Investment Co., Ltd. Representative: Shi-Yi, Chen	4	0	100	None
Director	Kai Chun Investment Corp. Representative: Mei-Ling, Hsu	4	0	100	None
Director	Kai Chun Investment Corp. Representative: Bor-Doou, Rong	4	0	100	None
Independent Director	Ai-Chen, Wang	4	0	100	None
Independent Director	Jen-Hung, Tseng	4	0	100	None
Independent Director	Yun-Chieh, Huang	4	0	100	None
Independent Director	Wilson Wang	4	0	100	None

■ Other matters to be recorded

1. With regard to the implementation of the Board of Directors, where any of the following circumstances occurs, the dates, sessions of the meetings, contents of proposals, all Independent Directors' opinions and the Company's response to such opinions shall be specified.

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

Date & Session of Board of Directors' Meeting	Contents of Proposals	All Independent Directors' Opinions	The Company's Response
2023/3/13 The 8th session of the 11th Board of Directors' Meeting	■ Proposal for evaluating the independence of CPAs in 2023	None	N/A
2023/5/8 The 9th session of the 11th Board of Directors' Meeting	■ 2022 Capital Increase by Retained Earning ■ Proposal for releasing manager from non-competition restrictions	None	N/A

Date & Session of Board of Directors' Meeting	Contents of Proposals	All Independent Directors' Opinions	The Company's Response
2023/8/8 The 10th session of the 11th Board of Directors' Meeting	■ Proposal for the issues of Capital Increase by Retained Earning and Distribution of Cash Dividends of the Company ■ Proposal for releasing manager from non-competition restrictions ■ Proposal for revising and releasing manager from non-competition restrictions ■ Proposal for 2022 compensation to employees	None	N/A
2023/11/7 The 11th session of the 11th Board of Directors' Meeting	■ Proposal for Amendment to the "Regulations Governing Financial Transactions with Group Companies, Specified Companies, and Related Parties" and renamed it as "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises " ■ Proposal for Amendment to the "Internal Control System" and "Internal Audit Implementation Rules"	None	N/A

(2) Any recorded or written resolutions made by the Board of Directors to which Independent Directors have objections or reservations in addition to the above: None.

2. Abstentions of Directors from Voting due to Conflicts of Interests

Session	Name	Contents of Proposals	Reason for Abstention	Voting
2023/8/8 The 10th session of the 11th Board of Directors' Meeting	Elvis Deng	■ Proposal for revising and releasing manager from non-competition restrictions	Parties to the Proposal	Not participated in the discussion and voting
	Nicky Lu/ Elvis Deng/ Bor-Doou, Rong	■ Proposal for 2022 compensation to employees		

3. Assessment and Implementation by the Board of Directors

Frequency of Assessment	Once a year			
Period of Assessment	2023 (December 1, 2022 - November 30, 2023)			
Method of Assessment	Internal Assessment of the Company: Self-assessment by the Board of Directors, the members of the Board of Directors, and functional committees through questionnaire			
Scope of Assessment	Board of Directors	Members of Board of Directors	Audit Committee	Remuneration Committee
Contents of Assessment	A total of 25 indicators were evaluated for the following 5 aspects: ● Participation in the Company's operating ● Improvement of the Board of Directors' decision-making quality ● Composition and structure of the Board of Directors ● Election and continued education of the Directors ● Internal Control	A total of 20 indicators were evaluated for the following 6 aspects: ● Grasping of the Company's goals and tasks ● Understanding of the Director's duties ● Participation in the Company's operating ● Management and communication of the internal relations ● Expertise and continued education of the Directors ● Internal Control	A total of 20 indicators were evaluated for the following 5 aspects: ● Participation in the Company's operating ● Understanding of the functional committee's duties ● Improvement of the functional committee's decision-making quality ● Composition and structure of the Board of functional committees ● Internal Control	A total of 16 indicators were evaluated for the following 4 aspects: ● Participation in the Company's operating ● Understanding of the functional committee's duties ● Improvement of the functional committee's decision-making quality ● Composition and structure of the Board of functional committees
Evaluation result	Excellent	Excellent	Excellent	Excellent
Report to the Board of Directors	The assessment results for 2023 have been reported to the Board of Directors on March 13, 2024			

4. Goals for Strengthening the Functions of the Board of Directors in the Current Year and the Most Recent Year and its Implementation Status

(1) Has established the Remuneration Committee, Audit Committee and Nominating Committee to submit the suggestions to the Board of Directors based on their duties for reporting or discussion.

(2) An additional independent director position was added in 2021, bringing the total number of independent directors on the board to four, which accounts for 44% of the total board seats.

(3) Has Formulated Internal Regulations and Rules such as the "Organizational Rules for the Special Committee for Mergers and Acquisitions", "Diversity Policy for the Members of Board of Directors", and the "Guidelines for the Adoption of Codes of Ethical Conduct for a Director, or Managerial Officer" to strengthen the functions of the Board of Directors.

(4) Has Formulated the "Board of Directors' Performance Evaluation Regulations" and Implemented Board of Directors' Performance Evaluation once a year since 2020, and an external evaluation will be conducted every three years. The most recent external evaluation was commissioned to the Taiwan Investor Relations Institute in 2022. The performance evaluation of the Board of Directors and the evaluation

results will be reported to the Board of Directors in the first quarter of the following year.

(5) In 2023, each director of the Company has completed 6 hours of continuing education. The total number of continuing education hours for all directors is 91 hours. The information regarding the continuing education of board members has been disclosed on the MOPS.

(6) The 2023 continued education of Corporate Governance Supervisor is shown as below:

Position	Name	Date	Sponsor	Course Name	Course Hours
Corporate Governance Supervisor	Yu-Chia, Cheng,	2023/5/4	Taiwan Investor Relations Institute	Core ESG Issues that the Board of Directors and Management Should Care About	2
		2023/9/15	Accounting Research and Development Foundation	Audit and Control Practices for Information Security by Internal Auditors	6
		2023/9/20	Taiwan Investor Relations Institute	In the era of the digital economy, how enterprises can innovate and break through profitability	3
		2023/11/14	Taiwan Investor Relations Institute	Practical Analysis of Domestic and International Mergers and Acquisitions	2

(II) Operations of Audit Committee:

Operations of Audit Committee: 4 meetings of the Audit Committee were held in 2023. The attendance of the Independent Directors was as follows:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Independent Director (Convener)	Ai-Chen, Wang	4	0	100	None
Independent Director	Jen-Hung, Tseng	4	0	100	None
Independent Director	Yun-Chieh, Huang	4	0	100	None
Independent Director	Wilson Wang	4	0	100	None

■ Other matters to be recorded

1. With regard to the implementation of the Audit Committee, where any of the following circumstances occurs, the dates, sessions of the meetings, contents of proposals, Audit Committee's resolutions, and the Company's response to such resolutions shall be specified.

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act

Date & Session of Audit Committee	Contents of Proposals	Independent Directors' dissenting opinions, qualified opinions or contents of material suggestions	Audit Committee's Resolutions	The Company's Response
2023/3/10 The 8th session of the 2nd Board of Directors' Meeting	■ 2022 Final Statement ■ 2022 Statement on Internal Control System ■ Proposal for evaluating the independence of CPAs in 2023	None	Approved	N/A

Date & Session of Audit Committee	Contents of Proposals	Independent Directors' dissenting opinions, qualified opinions or contents of material suggestions	Audit Committee's Resolutions	The Company's Response
2023/5/5 The 9th session of the 2nd Board of Directors' Meeting	■ 2022 Capital Increase by Retained Earning	None	Approved	N/A
2023/8/7 The 10th session of the 2nd Board of Directors' Meeting	■ Consolidated Financial Report for the second quarter of 2023 ■ Proposal for the issues of Capital Increase by Retained Earning and Distribution of Cash Dividends of the Company	None	Approved	N/A
2023/11/6 The 11th session of the 2nd Board of Directors' Meeting	■ Proposal for Amendment to the "Regulations Governing Financial Transactions with Group Companies, Specified Companies, and Related Parties" and renamed it as "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" ■ Proposal for Amendment to the "Internal Control System" and "Internal Audit Implementation Rules"	None	Approved	N/A

(2) In addition to the above-mentioned, any other proposals which failed to obtain the approval of the Audit Committee, but were approved by over two-thirds of all Directors: None.

2. Where there are Independent Directors who abstained from voting due to conflict of interests, the Independent Directors' names, contents of the proposals, and causes of abstention and voting shall be specified: None

3. Communication between Independent Directors and Internal Audit Managers and CPAs

Communication Method	Key Work Items and Communication Content	Participants	
		Audit Supervisor	CPA
Independent Communication Meeting without Management Presence	● Progress in managing internal audit reports and internal control tracking issues ● Issues Related to Financial Reports	✓	✓
Audit Committee	● Progress in managing internal audit reports and internal control tracking issues ● Assessment of the Effectiveness of Internal Control Systems ● Review of Financial Reports and Important Company Motions	✓	✓
Correspondence/Meeting	● Progress in managing internal audit reports and internal control tracking issues ● Other Matters Related to the Responsibilities of Independent Directors	✓	

(III) Implementation of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Does the Company formulate and disclose the "Corporate Governance Best-practice Principles" according to the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"?	✓		The Company has formulated the "Corporate Governance Best-practice Principles" and disclosed the principles on the Market Observation Post System (MOPS) and the Company website.	No deviation
II. Shareholding structure & Shareholders' rights				
(I) Does the Company establish internal operating procedures to handle Shareholder's suggestions, doubts, disputes, and lawsuits, and implemented such procedures?		✓	(I) In practice, the Company handles Shareholder's suggestions or disputes through spokesperson system, as well as investor relations department, legal affairs and other relevant departments based on the their duties.	Description
(II) Has the Company possessed a list of the major Shareholders who actually control the Company, and the ultimate owners of these major shareholders?	✓		(II) The Company has possessed a list of the major Shareholders who actually control the Company, and the ultimate owners of these major shareholders.	No deviation
(III) Has the Company established and implemented risk control and firewall systems with its affiliate companies?	✓		(III) As for internal control system, the Company has formulated the management rules such as "Subsidiary Supervision and Management Operations" and "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises", etc. to specify the management rights and responsibilities as well as control methods related to affiliates. It supervises the establishment and implementation of necessary internal control systems by subsidiaries. If there are business with affiliates, they are deemed as independent third parties, and abnormal transactions are completely eradicate, so as to establish a good risk control mechanism and firewall.	No deviation
(IV) Has the Company formulated internal rules prohibiting the Company's insiders from trading securities by using information not disclosed to the market?	✓		(IV) The Company has formulated the "Codes of Ethical Conduct", the "Guidelines for the Adoption of Codes of Ethical Conduct for a director, or managerial officer", and the "Management Procedures for Disposal of Internal Significant Information and Prevention of Insider Transactions", etc., expressly prohibiting the occurrence of related incidents.	No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
III. Composition and duties of the Board of Directors				
(I) Has the Board of Directors established and implemented diversity policies for its composition?	✓		(I) In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company has formulated the "Diversity Policy for the Members of Board of Directors", and disclosed the Policy on the Company website and the Market Observation Post System (MOPS), and selected the members of the Board of Directors according to the policy. Specific management objectives: Members of the Board of Directors shall generally have the knowledge, skills and literacy necessary for the performance of their duties. In order to achieve the ideal goal of corporate governance, the overall competencies of the Board of Directors are operational judgment, accounting and financial analysis skills, operational management, crisis management, industry knowledge, international market perspective, leadership and decision making: Implementation Status: ・The Company has set up nine Directors to meet the Company's needs for development. ・The Company's female Directors account for 33% of all Directors. ・The professionals with different backgrounds in technology, management, industry, and accounting, etc. have been elected to serve as the members of the Company's Board of Directors.	No deviation
(II) In addition to the Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	✓		(II) The Company has voluntarily established a Nominating Committee. The Company will establish Special Committee for Mergers and Acquisitions, in accordance with the Business Mergers and Acquisitions Act and the Organizational Rules for the Special Committee for Mergers and Acquisitions, to perform relevant businesses, if the Company needs to deal with mergers and acquisitions.	No deviation
(III) Has the Company established the measures to evaluate the performance of the Board of Directors, and does the Company implement performance evaluation annually? Does it report the performance evaluation results to the Board of Directors and use them as a reference for individual Director's compensation and nomination of term renewal?	✓		(III) The Company has formulated the Board of Directors' Performance Evaluation Regulations. An internal evaluation is conducted on an annual basis, while an external evaluation is conducted every three years. The implementation situation and results of the performance evaluation are reported to the Board of Director in the first quarter of the subsequent year and disclosed as information. The evaluation results may be utilized as a reference for relevant remuneration and nomination.	No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(IV) Does the Company regularly assess on the independence of CPAs?	✓		(IV) The Company assesses the independence of CPAs annually, and fills in Assessment Form and submits it to the Board of Directors for review together with the Independence Statements issued by CPAs. The contents of the assessment include referring to AQIs, whether the CPAs comply with Article 47 of the CPA Act, whether they have been punished by the FSC, and whether they have visa experience in related industries, etc. The 2023 and 2024 performance evaluation results of the Company's Directors have been reviewed and approved by the Board of Directors respectively on March 13, 2023 and March 13, 2024.	No deviation
IV. Does the Company appoint adequate and appropriate persons and a corporate governance supervisor to be in charge of corporate governance matters (including but not limited to providing Directors and Supervisors with their required information for business execution, assisting Directors and Supervisors in following laws and regulations, handling matters in relation to the Board of Directors' meetings and Shareholders' Meetings, and keeping minutes of the Board of Directors meetings and Shareholders' Meetings according to law)?	✓		The Company has appointed a corporate governance supervisor and has dedicated departments responsible for managing corporate governance matters. Implementation of the Corporate Governance Supervisor and the dedicated department was as follows: (I) Dealt with the affairs related to the meetings of the Nominating Committee, the Audit Committee, the Board of Directors, and the Shareholders' Meeting, and implemented related issues, in accordance with laws. (II) Provided the members of the Board of Directors with the financial and business information, changes to laws and regulations, and other related information required for operating, from time to time. (III) Was responsible for the disclosure of information on the Company's MOPS. (IV) Handled change registration for the Company. (V) Made cooperation in the assessment on corporate governance to strengthen corporate governance. (VI) Conduct director performance evaluations and director training operations. (VII) Regularly reviewing the independence of independent directors. (VIII) Other business related to corporate governance.	No deviation
V. Does the Company establish communication channels and a dedicated section on the Company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company has established a dedicated section for stakeholders, and it communicates with stakeholders in the following ways. (I) Company website: Provide the Company's contact methods, and update the various information related to the Company. (II) Industry value chain information platform: The Company's business philosophy, product information, etc. can be inquired on the common platform established by the counter-based purchase center. (III) Daily communication: Dedicated units are set for different stakeholders to maintain communication with them through meetings, visits, phone calls,	No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			emails, etc. (IV) Exchanges in the industry: Actively participate in the representative organizations and related activities in the academic and industrial circles, such as GSA, TSIA, labor union of the Park, so as to maintain a good communication with the overall industry.	
VI. Does the Company appoint a professional shareholder service agency to deal with the affairs of Shareholders' Meeting?	✓		The Company has entrusted the CTBC Transfer Agency Dept to deal with the affairs of the Company's Shareholders' Meeting act an agency.	No deviation
VII. Information disclosure				
(I) Has the Company established a corporate website to disclose information regarding the Company's financial, business, and corporate governance status?	✓		(I) The Company has established a corporate website both in Chinese and English to disclose various related information.	No deviation
(II) Has the Company established any other information disclosure channels (e.g. maintaining a website in English, designating dedicated persons to be responsible for collection and disclosure of the Company's information, implementing spokesperson system, webcasting investors' conference, etc.)?	✓		(II) The Company has a spokesperson and a deputy spokesperson. In addition to the MOPS, there are also Chinese and English websites for the disclosure of various information, including finance, business, and audiovisual materials for press conferences and presentations. The collection and disclosure of company information are conducted by dedicated personnel in each department, in accordance with their respective responsibilities.	No deviation
(III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year? Does it announce and declare the first, second and third quarter financial reports and operating conditions of each month as soon as possible before the prescribed period?		✓	(III) In 2023, the Company announced and declared its financial reports as well as its operating conditions of each month by the deadline stipulated by competent authority.	Description
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, care for employees, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' continued education, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and purchase of liability insurance by the Company for its Directors and Supervisors)?	✓		The Company purchases director, supervisor and important employee liability insurances for its Board of Directors' members and important personnel every year. Such insurance purchased in 2023 has been reported to the Board of Directors on November 7, 2023. For additional information on corporate governance operations, employee rights, and risk management policies, please consult the "Corporate Governance Operations", "Labor Relations", and "Risk Assessment and Management" sections of this annual report. In addition, the Company has provided comprehensive and detailed explanations on various information related to communication and operations with stakeholders, risk management policies, measurement standards and implementation status, employee rights and benefits, and corporate governance in accordance with the regulatory authorities' Sustainable Blueprint on the Company's website and in the	No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			sustainability report. This helps stakeholders understand the Company's corporate governance and important information related to sustainability.	

IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center in the most recent year, and provide the priorities and plans for improvement with items yet to be improved.

(I) In the 10th (2023) corporate governance evaluation, the Company was in the 21%~35% among the listed companies, which is a 2-level increase compared to 2022. In the future, the Company will optimize corporate governance related matters gradually depending on its status.

(II) The Company makes cooperation in corporate governance evaluation, revises the corporate governance related rules, evaluates and improves the information disclosed in its annual reports and on its website, and improves the completeness of the description of various indicators.

(IV) Composition, Duties and Operation of the Remuneration Committee and Nominating Committee

1. Remuneration Committee

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

April 27, 2024

Qualifications / Title	Name	Professional Qualifications and Work Experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director (Convener)	Ai-Chen, Wang,	Please refer to pages 18-19 of this annual report for major experience (education) as well as other position concurrently held at other companies	1. Please refer to pages 18-19 of this annual report for the comprehensive shareholding of independent directors. 2. Each of the Company's independent directors met the following independence criteria in the two years prior to their election and during their term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a Director or Supervisor of the Company or any of its affiliated companies. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, children (minors), or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of the Managerial Officers specified in preceding (1) subparagraph, or of any of the persons specified in the preceding (2) and (3) subparagraphs. (5) Not a Director, Supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings or any of the authorized representatives of a company referred to in Paragraphs 1 or 2 of Article 27 of the Company Act. (6) Not a Director, Supervisor, or employee of other company who has a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person. (7) Not a Director, Supervisor (Governor), or employee of other company or institutions who is the Chairman, Vice President, 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. (8) Not a Director, Supervisor (Governor), Managerial Officer, or shareholder with over 5% shareholding of any specific company or institution which has financial or business relationships with the Company. (9) Not a professional or the owner, partner, Director, Supervisor, or Managerial Officer of any sole proprietorship, partnership, company, or institution in business, legal, financial, or accounting, or consulting services, and their spouse who or which provided auditing to, or obtained less than NT$500,000 compensation accumulatively in the most recent two years from, the Company or its affiliates. However, this does not apply in cases where members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions perform their functions in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act. (10) Not under any of the categories stated in Article 30 of the Company Act.	0
Independent Director	Jen-Hung, Tseng			0
Others	Hsiang-Lan, Kuo	Education: Bachelor, Department of Accounting, National Cheng Kung University Experience: Independent director, Areas Green Technology Corporation, and CFO, Coretronic Corporation		0

(2) Duties of Remuneration Committee

The Remuneration Committee of the Company shall exercise the care of an administrator with good faith, faithfully fulfill the following functions and powers, and submit the suggestions to the Board of Directors for discussion.

A. Review these Regulations and make amendment suggestions as appropriate in response to environmental change.

B. Establish and regularly review the Company's Directors' and Managerial Officers' performance evaluation and compensation policies, systems, standards, and

structure.

C. Regularly assess and determine the Director's and Managerial Officer's compensation.

(3) Operational Status of the Remuneration Committee

A. The Company's Remuneration Committee consists of 3 members in total.

B. Term of this Remuneration Committee: July 12, 2021 to July 1, 2024. 2 meetings of the Remuneration Committee were held in 2023. The attendance of the members were as follows:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Convener	Ai-Chen, Wang	2	0	100	None
Committee Member	Jen-Hung, Tseng	2	0	100	None
Committee Member	Hsiang-Lan, Kuo	2	0	100	None

■ Other matters to be recorded:

I. If the Board of Directors declines to adopt or revise a suggestion of the Remuneration Committee, the dates, sessions of the meetings, contents of proposals, Board of Directors' resolutions, and the Company's response to such resolutions shall be specified: None.

II. If there are recorded or written resolutions of the Remuneration Committee to which members have objections or reservations, the dates, sessions of the meetings, contents of proposals, all members' opinions, and the Company's response to such resolutions shall be specified: None.

2. Nominating Committee

(1) Qualifications and Responsibilities of the Nominating Committee

The Nominating Committee of the Company shall be composed of a minimum of three directors elected by the Board of Directors, with a majority of independent directors participating. With the authorization of the Board of Directors, the care of an administrator with good faith shall be performed, faithfully fulfill the following functions and powers, and submit the suggestions to the Board of Directors for discussion:

A. To establish standards for the professional knowledge, skills, experience, gender diversity, and independence required for members of the Board of Directors, and to use these standards to search for, review, and nominate director candidates.

B. To establish and develop the organizational structure of the Board of Directors and various committees, conduct performance evaluations of the Board of Directors, committees, and directors, and assess the independence of independent directors.

C. Develop and implement continuing education program for directors.

D. Other matters authorized by the Board of Directors.

(2) Information regarding the professional qualifications and experience of the members of the Nominating Committee and the operation of the Nominating Committee

A. The Company's Nominating Committee consists of 3 members in total.

B. Term of this Remuneration Committee: November 7, 2023 to July 1, 2024. No

Remuneration Committee meetings were held in 2023. The professional qualifications and experience of the members and the operation of the Committee were as follows:

Title	Position	Name	Professional Qualifications and Work Experience	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
Independent Director	Convener	Wilson Wang	Please refer to pages 16-19 of this annual report for major experience (education) as well as other position concurrently held at other companies	Newly established on November 7, 2023, it is not applicable for 2023 as no meetings have been held yet.		
Independent Director	Committee Member	Ai-Chen, Wang				
Directors	Committee Member	Elvis Deng				

■ Other matters to be recorded:

The meeting date, session, agenda content, recommendations or objections from the members of the Nominating Committee, the decision of the Nomination Committee, and the Company's response to the opinions of the Nominating Committee: Not applicable.

(V) Implementation Status of Sustainable Development

1. Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Does the Company establish a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by the senior management authorized by the Board of Directors? And how does the supervision of the Board of Directors go?	✓		1. The Company's Governance Structure to Promote Sustainable Development The Company has established a Sustainability Committee, with the President as the chairman to formulate sustainable development strategies and report to the Board of Directors at regular intervals. 2. Implementation of Each Organization of the Company (1) Name, Setting Time and Authorization of the Board of Directors of the Fulltime (Part-Time) Unit to Promote Sustainable Development: The Sustainability Committee of the Company was established in the second quarter of 2022 by the Board of Directors based on the Sustainable Development Best Practice Principles. The president shall serve as the chairman of committee for convening. (2) Member Composition, Operation and Implementation of the Unit to Promote Sustainable Development in the Current Year: The President, as chairman the Sustainability Committee, convenes and presides over meetings of the Sustainability Committee regularly (two times) every year. The Director-General invites working group members to participate in these meetings according to the proposals. The Sustainability Committee has set up a special group to deal with sustainable development covering the ESG. Responsible departments collect stakeholders' concerns about environmental protection, occupational safety, supply chain management, labor human rights, operational performance, and corporate governance, in a bid to respect the rights and interests of stakeholders. A special column for stakeholders was set up on the Company's website to appropriately respond to the important sustainable issues they are concerned about. The resolutions or issues discussed and passed by the Sustainability Committee will be documented in the form of minutes. Upon deliberation by the chairman, the minutes will be handed over to relevant units for implementation through the director-general in collaboration with the executive secretary. (3) Frequency of the Promotion Unit Reporting to the Board of Directors, or the Date of Reporting to the Board of Directors in the Current Year: the Sustainability Committee has reported the progress of promotion to the Board of Directors on March 13, 2023, May 8, 2023, August 8, 2023, and November 7, 2023, respectively.	No deviation

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			3. The Board of Directors' supervision of sustainable development The Board of Director approved the amendment to the "Sustainable Development Best Practice Principles" in 2022, and established the Sustainability Committee to formulate sustainable development policies and guidelines, and regularly monitors the implementation of sustainable initiatives. The Company is committed to gradually integrating the concept of sustainable management into its corporate culture.	
II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		1. The boundary of risk assessment (the scope of the subsidiaries covered) The Company's risk assessment boundary lies in itself, including two branches in Taiwan. 2. Risk assessment criteria, process, results and risk management policies or strategies for identifying material issues related to environment, society and corporate governance The Board of Directors - the highest governance body for risk management - holds liable for approving risk management policies, procedures and structures, and overseeing risk management to ensure effective operation. The Risk Management Policies and Procedures has been adopted. A Risk Management Committee has been formed within the Company in which the President serves as the chairman. The executive secretary, according to the Company's business characteristics, risk nature, and operating activities, convenes the risk management promotion group cooperate with each operating unit for risk identification, analysis, evaluation, and response. Then, the sequence and control mechanism are formulated based on the risk impact and tolerance, so that appropriate response measures can be taken when facing risks, while maintaining detailed records of management procedures and execution results that should be reported to the Risk Management Committee at regular intervals. Based on the results of the stakeholder questionnaire survey, the Company has assessed the perceived impact ratings of various sustainability issues by our key stakeholders. We have conducted internal evaluations on corporate governance, environment, and social aspects based on these ratings.	No deviation

<table>
<tr><th rowspan="2">Promotional Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>The table below presents the Company's risk items and corresponding strategies for 2023:
<table>
<tr><th>Risk items</th><th>Strategy</th></tr>
<tr><td>Market Changes in the Industry and Technology</td><td>1. Utilizing advanced processes to develop new products that enhance product performance and competitiveness
2. Increase the sales proportion of the product in high-value formats, regions, and applications</td></tr>
<tr><td>Outsourcing Contractor Production Capacity Price</td><td>Through negotiation mechanisms, planned production, and quantity purchasing models, aiming to secure more favorable conditions</td></tr>
<tr><td>Trade Secrets/Intellectual Property Rights</td><td>1. Conduct an Intellectual Property Inventory and Foster Innovation
2. Properly managing the Company's intellectual property to create and enhance the value of intangible assets
3. Self-development of technology to enhance employees' awareness of intellectual property protection and infringement risks</td></tr>
<tr><td>Epidemic infectious diseases (outbreaks)</td><td>In compliance with government guidelines and regulations for epidemic prevention, the Company has developed regulations and contingency measures for epidemic prevention</td></tr>
</table></td><td></td></tr>
<tr><td>III. Environmental issues
(I) Does the Company establish proper environmental management systems based on the characteristics of its industry?</td><td>✓</td><td></td><td>1. How can an effective environmental management system be implemented, and the regulations to follow: The Company has established an appropriate environmental management system according to the characteristics of the industry. In addition to the implementation of environmental protection in accordance with the relevant domestic environmental protection laws and regulations, the Company also regularly carries out internal and external environmental management system audit to ensure its effectiveness.
2. The relevant international verification standards passed by the Company and their coverage: The Company has complied with the requirements of EU Restriction of Hazardous Substances Directive (RoHS-2011/65/EU), thus being recognized by major international manufacturers as a green partner. Also having obtained ISO 14001 environmental management system certification, the Company continues to improve</td><td>No deviation</td></tr>
</table>

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			environmental performance, formulates relevant management rules on environmentally restricted substances, and complete the adjustments to design and production processes.	
(II) Is the Company committed to utilizing all resources more efficiently and using renewable materials which have low impact on the environment?	✓		Measures were adopted to improve the efficiency of energy resource utilization, such as recycling of product packaging materials and waste heat from ice machine, replacement of traditional lamps with energy-saving lamps, replacement of fixed-frequency motors with variable-frequency motors, and reuse of water from cooling towers. The environmentally restricted substances in raw materials of products were controlled to lower the impact of environmental load. Achievements in improving energy efficiency: The electricity consumption in 2018 was 6,153K kWh, and the Company plans to reduce the electricity consumption by 1% every year. The electricity consumption was 5,875K kWh in 2022, reduced by 4.5% in 4 years, which is in line with the Company's goal.	No deviation
(III) 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?	✓		The Company's sustainability committee has evaluated and identified the potential risks and opportunities of climate change to the enterprise now and in the future. The risks identified include water shortage, power limitation, flooding, increase in operating costs, impairment of assets and the like. The measures to be taken are to improve the recovery time of operation-related support systems, shorten the time to return to normal operation, implement a mechanism to handle material abnormal events, and continue to pay attention to and comply with relevant energy and environmental regulations. The potential opportunities of climate change for the Company in the future are the use of energy-efficient electrical appliances, which will be addressed by continuous research and development and mass production of low energy consumption related products.	No deviation

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of wastes in the last two years, and formulate policies on energy saving and carbon reduction, greenhouse gas reduction, water reduction, or wastes management?	✓		1. Statistical data, intensity and data coverage of the following items in the last two years Greenhouse gas (Scope 1 and Scope 2), water usage, and waste generation encompass all areas of the factory. However, the greenhouse gas data has not yet been verified by a third party. (1) Greenhouse gas Unit: metric ton After accounting for refrigerant leakage, the CO2e emissions of Scope 1 in 2022 and 2021 amounted to 624 and 582 metric tons, respectively, and the total amount will be 3,821 and 3,669 metric tons, respectively. In 2023, Scope 1 refrigerant leakage emission source inventory and Scope 3 emission source inventory were added, so the values become higher. (2) Water consumption Unit: metric ton	No deviation

Data coverage	All factories			Total	Turnover (NT$ million)	Intensity (metric tons CO2/ NT$ million)
	Scope 1	Scope 2	Scope 3			
2021	57.91	3,087.57	Not inventoried	3,145.48	6,146.41	0.512
2022	100.32	3,197.29	Not inventoried	3,297.61	4,684.59	0.704
2023	570.67	2,849.89	879.21	4,299.77	2,661.97	1.615

Data coverage	All factories	Intensity (metric ton/NT$ million)
2022	65,219	13.9220
2023	66,811	25.0983

<table>
<tr><th rowspan="2">Promotional Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>(3) Waste (mainly household waste, with less than 1% being industrial waste)
Unit: metric ton
<table>
<tr><th>Data coverage</th><th>All factories</th><th>Intensity (metric ton/ NT$ million)</th></tr>
<tr><td>2022</td><td>55</td><td>0.0117</td></tr>
<tr><td>2023</td><td>55</td><td>0.0207</td></tr>
</table>
2. Policies on greenhouse gas reduction, water use reduction or other waste management
The Company's policies on greenhouse gas reduction, water use reduction or other waste management are:
(1) Energy saving, pollution prevention, and resource recovery
(2) Encouraging the use of environmentally friendly packaging materials to reduce resource consumption
(3) Implementing green design and providing energy-saving products
The promotion and achievement are as follows:
<table>
<tr><th colspan="4">Base year: 2022</th></tr>
<tr><th>Item</th><th>Greenhouse gas</th><th>Water</th><th>Waste</th></tr>
<tr><td>Reduction target</td><td>The target will be directly to reduce carbon emissions by 1% each year</td><td>None</td><td>None</td></tr>
<tr><td>Reduction measures</td><td>Replacement of Fixed Frequency Air Compressor with Oil-Free Screw Variable Frequency Compressor</td><td>1. Installation of water-saving devices
2. Promoting water conservation</td><td>Reduce the usage of disposable table ware</td></tr>
<tr><td>Achievement</td><td>Achieve the target of reducing by 1% or more</td><td>None</td><td>None</td></tr>
</table></td><td></td></tr>
<tr><td>IV. Social issues
(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>✓</td><td></td><td>The Company’s appointment policy complies with internationally recognized international conventions (including the "Universal Declaration of Human Rights", "International Covenant on Economic, Social and Cultural Rights", “International Covenant on Civil and Political Rights”, and “Declaration of Fundamental Principles and Rights of the International Labor Organization”), as well as other laws and regulations. The Company does not treat</td><td>No deviation</td></tr>
</table>

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			people in different ways due to their race, socioeconomic class, language, ideology, religion, party, birthplace, gender, marriage, appearance, physical obstacles or previous union memberships. The Company has established appropriate internal management methods and procedures, and regularly accepts the audit conducted by its internal units, certification units and customers, so as to ensure the implementation thereof.	
(II) Has the Company established and does it implement reasonable benefits for employees (including remuneration, leave, and other benefits), and reflects the business performance or results in employee's remuneration appropriately?	✓		As for the Company's benefits to its employees, the Company provides its employees with the flexible leave superior to that stipulated by Labor Standard Act, in addition to compliance with Labor Standard Act, as well as related laws and regulations. Remuneration: The Company has established internally the bonus payment principles and incentive bonus implementation methods, and it provides employee with stock trusts and employee stock options to reward employees. Other benefits: The Company has established Employee Benefit Committee, group insurance measures, health examinations for senior managers, as well as marriage, funeral, celebration, paternal, and emergency subsidiaries, and it provides family security services to take and send employee's child(ren) after school for free, after-school guidance, and other childcare measures. The Company was awarded the "Friendly Workplace" certification mark granted by the Labor Committee of Executive Yuan in 2008, commended by the Labor Committee of Executive Yuan as an excellent EAPs business unit in 2011, and granted with the Family LOHAS Award and Health LOHAS Award in the first "Work-Life Balance Award" granted by the Ministry of Labor in 2014. Based on overall economic indicators and industry remuneration levels, the Company offers competitive remuneration and benefits. Our remuneration policy includes fixed salaries, annual and holiday bonuses, and operational bonuses based on the Company's annual profit targets. We distribute employee compensations based on the Company's profitability, employee performance, and contribution to the work. The Company values profit sharing to ensure that employees' efforts and achievements are duly rewarded.	No deviation

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		1. Measures for safety and a healthy working environment of employees, employee education policies and their implementation status The employee workplace is equipped with various alarm devices that can promptly detect hazards such as fire, gas leaks, and nitrogen leaks. Additionally, it is furnished with automatic sprinklers, foam, and other emergency mitigation equipment. In addition to implementing relevant alarms and emergency facilities in the workplace, the Company has established a healthy and safe working environment, by introducing effective methods, technologies and equipment, to prevent occupational disasters and diseases, improve employee's morale and health, and maintain product quality and service level. And the Company has set work safety management goals, and it regularly tracks, improves and formulates standardized emergency response procedures. In order to strengthen employees' awareness of safety and health, the Company conducts various safety response drills and first aid education and training every year, regularly organizes education and training related to occupational safety and health for employees, and provides employee health checks and safety and health education. 2. Relevant certifications obtained by the Company and scope The Company has passed the "ISO 45001:2018 Occupational Health and Safety Management Systems" (which certificate is valid until May 4, 2026), covering the Company's Hsinchu Headquarters. 3. Total occupational accidents, fire accidents, casualty and ratio to the total employees of the Company in 2023, and corresponding improvements		No deviation

Item	Occupational incidents	Fire incidents
Number of Cases / Number of People	One case/ One person	0 case / 0 person
Ratio to the total employees	0.33%	0%
Note	Traffic accident	No fire or personnel injuries occurred
Corresponding improvements	Education on traffic safety	N/A

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(IV) Does the Company provide its employees with effective career ability development and training plans?	✓		The Company plans for and encourages employees to accept continued education, and provides them with continued education courses, channels, subsidies and leave, as well as continued education without payment but with positions kept, based on their functions and class, so as to improve their professional skills and encourage diversified development.	No deviation
(V) Does the Company's products and services comply with related regulations and international rules for customers' health and safety, privacy, marketing, and marks, and set related polices and compliant procedures to protect consumers' rights and interest?	✓		The Company has obtained ISO 9001:2015 and other international certifications to ensure that customers satisfy with its product quality and services, and established customer communication channels. And it complies with international rules and relevant regulations to safeguard customer's safety and privacy. The Company also has formulated the "Procedures for Management of the Relationships with Customers", the "Procedures for Dealing with Customer Complaints", the "Packaging Operation Methods", as well as other measures and policies related to consumer rights and interests.	No deviation
(VI) Has the Company established the supplier management policies requesting suppliers to comply with relevant laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised its implementation?	✓		1. Supplier management policy and related norms for compliance, and the contents thereof should have positive and specific requirements for suppliers in terms of environmental protection, occupational safety, and health, or labor human rights With formulation of the "Sustainable Management Policy of Suppliers", the Company attaches great importance to the long-term cooperation with suppliers, for which it has extended the scope of sustainable supply chain management to CRS such as economy and governance, environmental protection, and social co-prosperity. Labor rights, environmental protection, safety and health, ethics and management systems are part of key requirements for supplier selection and audit. Based on this, the Company has established risk control projects and identification of high-risk suppliers. The Company formulates improvement measures based on the evaluation results and assists suppliers in continuous improvement, in an attempt to improve the effectiveness of sustainable supply chain management and reduce supply chain operational risks, thus establishing a sustainable growth partnership. In order to reduce the carbon emissions of overall supply chain transportation, local procurement is used as a means to improve supply flexibility, shorten the duration of new product development, and lower production costs. 2. Implementation of supplier management policies and related norms for compliance The Company's key suppliers are only considered qualified under the following circumstances, that is, they must hold ISO9001, ISO14001 and ISO45001 certificates at the same time, and execute the "Supplier Social Responsibility and Sustainable Development Best Practice Principles" and "Statement on Environmental Protection". Moreover, the products or materials provided by suppliers need to render RoHS ICP test reports of raw materials from third-party laboratories to recognize the composition of	No deviation

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			harmful substances. The Company also conducts annual supplier self-assessment and audit confirmation on quality system, environmental safety and health system, green management system, and social responsibility. Nonconformities will be tracked for improvement.	
V. Does the Company refer to internationally-used standards or guidelines for the preparation of reports to prepare sustainability and other reports to disclose the Company's non-financial information? Are the reports certified or assured by a third-party accreditation body?	✓		1. International standards or guidelines referenced, and reports prepared that disclose non-financial information Subject to the requirements of "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", the reports of the Company were prepared based on the Sustainability Reporting Standards 2021 (GRI Standards 2021) issued by the Global Reporting Initiative, with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainable Accounting Standards Board (SASB) Standards. The annexes to the reports were attached with the indexes of GRI Standards for the reference of stakeholders. 2. Name of the accreditation unit for verification and guarantee, accreditation items or scope, and norms for compliance The Company has commissioned GREAT Certification to conduct Type 1 Moderate Level verification based on AA 1000: AS V3, in order to improve the disclosure quality of the report, which confirmed compliance with GRI Standards 2021.	No deviation
VI. Where the Company has established its own corporate sustainable development best-practice principles based on the "Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," describe the implementation and any deviations from such principles: In order to fulfill our corporate social responsibility and promote a balanced and sustainable development of the economy, society, and environmental ecology, the Company has established the "Sustainable Development Best Practice Principles" in according to "Sustainable Development Best Practice Principles for TWSE/TPEx Listed" and the actual operation is in line with the Principles established by the Company.				
VII. Other important information to facilitate a better understanding of sustainable development practices: The sustainability report has been prepared in accordance with international standards, covering the implementation and promotion of three aspects of sustainable development, including environmental protection, social responsibility, and corporate governance. Please refer to the website (https://www.etron.com/esg/) for relevant measures and results.				

2. Execution Status of Climate-related Information

Item	Implementation Status
1. Describe the Board of Directors' and Management's supervision and governance of climate-related risks and opportunities	1. The governance of climate risks and opportunities, along with annual sustainable risk management issues, are reported to the Board of Directors annually. The Board of Directors oversees the effectiveness of execution. Quarterly reports were presented to the Board of Directors separately for 2023. 2. The President serves as the chairman of the Sustainable Development Committee, and the committee members are responsible for identifying, assessing, and managing risks.
2. Describe how the identified climate risks and opportunities impact the company's business, strategy, and finance (short-term, medium-term, and long-term)	According to Etron's climate change and assessment method, short-term is defined as within the next 2 years, and medium- to long-term is defined as 3 years (inclusive) or more in the future. With respect to the three major risks and opportunities identified, namely, the strengthening of the obligation to report emissions, the increase in the severity of extreme weather events such as typhoons and floods, and the development and/or increase in low-carbon products and services, the Company has formulated relevant response plans to minimize the potential financial impacts, and the related information is as the table below:

Number	Climate Change Risk Issues	Risk Level	Time Scope	Number	Climate Change Risk Issues	Risk Level	Time Scope
R1	Increase in GHG emissions pricing	Medium-term	Short-term, medium-term	O1	Reduce water usage and water consumption	Medium-term	Medium-term, long-term
R2	Strengthening Emission Reporting Obligations	High	Short-term, medium-term, long-term	O2	Implement more efficient production and distribution processes	Medium-term	Medium-term, long-term
R3	Requirements and regulation of existing products and services	Medium-term	Short-term	O3	Recycle and reuse	Medium-term	Medium-term, long-term
R4	Substituting current products and services with low-carbon alternatives	Medium-term	Medium-term, long-term	O4	Transitioning to more efficient buildings	Medium-term	Medium-term, long-term
R5	Costs of low carbon technology transition	Medium-term	Short-term, medium-term	O5	Adoption of more efficient transportation methods	Medium-term	Short-term, medium-term, long-term
R6	Customer behavior changes	Medium-term	Short-term, medium-term	O6	Use of low-carbon energy	Medium-term	Medium-term, long-term
R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	Medium-term	Medium-term, long-term	O7	Open or increase the availability of low-carbon goods and services	High	Short-term, medium-term, long-term

Item	Implementation Status

Number	Climate Change Risk Issues	Risk Level	Time Scope	Number	Climate Change Risk Issues	Risk Level	Time Scope
R8	Increase in the severity of extreme weather events such as typhoons and floods	High	Medium-term, long-term	O8	Use of new technologies	Medium-term	Medium-term, long-term
R9	Increase in raw material costs	High	Medium-term, long-term	O9	Participation in the carbon trading market	Medium-term	Medium-term, long-term
R10	Average temperature increase	Medium-term	Medium-term, long-term	O10	Transition to decentralized energy	Low	Medium-term, long-term
R11	Sea level rise	Medium-term	Medium-term, long-term				

Note: The term short-term refers to a period of 1-3 years, medium-term refers to a period of 3-5 years, and long-term refers to a period of 6-10 years

3. Describe the financial impacts of extreme climate events and transformational actions

The financial impact of extreme weather events and transformational actions is a low impact, although they represent key risks and opportunities for the Company.

Classification	Aspect	Item	Meaning and impact on the Company	Strategy	Management measures/response measures
TCFD Climate related financial disclosure	Transformation Risks - Policies and Regulations	Strengthening Emission Reporting Obligations	Transparent disclosure of various environmental information, with low financial impact. In response, the disclosure of greenhouse gas inventory in 2023 has been completed, and the Company's financial expenditure reached $400,000	Develop management policies for greenhouse gas, water resources, waste, and energy, among others, and implement them in accordance with each policy	1. Monthly record of water consumption, wastewater, waste, and energy consumption 2. Conduct an annual carbon inventory and disclose it on the official website and sustainability report

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>
<table>
<tr><th>Classification</th><th>Aspect</th><th>Item</th><th>Meaning and impact on the Company</th><th>Strategy</th><th>Management measures/response measures</th></tr>
<tr><td rowspan="2">TCFD Climate related financial disclosure</td><td>Transformation Risk - Rising Raw Material Costs</td><td>Increase in raw material costs</td><td>Climate change has led to shortages of raw materials and an increased demand for environmentally friendly alternatives. Additionally, the implementation of carbon tariffs by different countries has raised operating costs for the Company, resulting in a moderate financial impact</td><td>1. Implementing supplier evaluation to promote supplier low-carbon transformation
2. Priority should be given to selecting suppliers of low-carbon products or services when developing supplier relationships</td><td>1. Ongoing monitoring of carbon tariff requirements in various countries
2. Seeking competitive low-carbon suppliers by evaluating supplier ESG performance</td></tr>
<tr><td>Immediacy of physical risk</td><td>Increase in the severity of extreme weather events such as typhoons and floods</td><td>Natural disasters resulted in damage and operational losses. The financial impact of the current office attributes is low. Based on the occurrence of typhoons from 2020 to 2023, it is estimated that one day of leave would have a financial impact of approximately $2 million</td><td>Based on historical typhoon data, assess potential risks and mitigate the level of damage</td><td>1. Valuable items that are securely attached to the ground
2. Annually, inspect the ceiling suspension devices for stability
3. Natural disaster insurance
4. Purchase of additional absorbent sand packs (retaining wall)
5. Monthly maintenance of pump motor drainage facility
6. Establishment of climate incident record management form</td></tr>
</table>
</td></tr>
<tr><td>4. Describe how the process of identifying, assessing and managing climate risk is integrated into the overall risk management system</td><td>The Risk Management Committee is formed internally, and the Risk Management Committee and the supervisors of each operating unit carry out risk identification, assessment and management in accordance with their authority and responsibility, so as to integrate climate risk, corporate governance, social responsibility, operational considerations, environmental protection, hazardous events, and other risks into the management of operational activities and day-to-day processes. After identifying the sources of risks, the Risk Management Committee reviews and decides on significant risk items and requires the operating units to take countermeasures, and reports the results of risk management execution to the Board of Directors on an annual basis, and for the year 2023, it was reported to the Board of Directors on November 7.</td></tr>
<tr><td>5. If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors,</td><td>The Company discussed the 2°C scenario (2DS) in the Risk Committee meetings, utilizing tools provided by the TCCIP academic research AR6 (The Taiwan Climate Change Projection Information and Adaptation Knowledge Platform) as references for assessing climate change physical risks. Ultimately, the decision was made to adopt the 2DS/RCP2.6 scenario as the Company's climate change physical risk</td></tr>
</table>

Item	Implementation Status
and significant financial impacts should be described	scenario. Within this scenario, descriptions of climate change risks and opportunities are provided for physical risks, regulatory transition risks, etc. The financial impact is low, with costs within $2 million.
6. If there is a transformation plan in place to address climate-related risks, please provide the details of the plan, including the indicators and objectives used to identify and manage both physical and transitional risks	1. The Company's low-carbon transformation plan focuses on indirect emissions between energy use in Scope 2, with the main content indicators being the replacement of energy-consuming equipment with energy-saving equipment and the planning and construction of solar green power, with the goal of reducing carbon emissions in Scope 1 and Scope 2 by 15% in 2030 compared to the carbon emissions in 2023. 2. The indicators of physical risk and transformation risk are to transparently disclose various environmental information and the degree of risk, and we aim to pass the third-party verification of the greenhouse gas inventory in 2024 and complete the third-party verification of the greenhouse gas inventory of our consolidated subsidiaries by 2028.
7. If internal carbon pricing is used as a planning tool, the basis for determining the price should be explained	Internal carbon pricing has not been implemented.
8. If climate-related goals are established, information on the activities covered, the scope of GHG emissions, the planning period, and the annual progress should be provided. If carbon offsetting or renewable energy certificates (RECs) are utilized to meet these goals, the source and quantity of carbon offsetting or the quantity of RECs should be specified	1. In 2022, greenhouse gas reduction targets were established. Through the replacement of high-energy-consuming equipment with energy-efficient ones and the implementation of solar green energy, the goal is to achieve a 15% reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2030 compared to the base year of 2023. By 2040, the aim is to reduce Scope 1 + Scope 2 greenhouse gas emissions by 25%. 2. Carbon offsetting or renewable energy certificates (RECs) have not yet been planned for use to achieve the relevant goals.
9. Inventory and confirmation of greenhouse gas emissions, reduction targets, strategies and specific action plans	1. Greenhouse gas inventory information Please refer to page 46 of the annual report. 2. Greenhouse gas confirmation information The greenhouse gas emissions of the Company for 2022 and 2023 have not been audited or verified. 3. Greenhouse gas reduction targets, strategies and specific action plans

Reduction target	Strategies and specific action plans	Achievement
Short-term Reduced carbon emissions by more than 1% in 2023 compared to 2022 Base year: 3,821 (metric tons of CO2e) in 2022 for Scope 1 and 2	Replacement of Fixed Frequency Air Compressor with Oil-Free Screw Variable Frequency Compressor	Reduction target achieved
Medium-term, long-term By 2030, greenhouse gas emissions in Scope 1+ Scope 2 are expected to decrease by 15% compared to 2023 By 2040, greenhouse gas emissions in Scope 1+ Scope 2 are expected to decrease by 25% compared to 2023 Base year: 3,421 (metric tons of CO2e) in 2023 for Scope 1 and 2	1. Purchased eco-labeled infrastructure equipment through green procurement and replaced all refrigeration and air-conditioning systems with energy-efficient level 1 2. Implementation of energy saving projects for facilities and equipment 3. Installation of solar energy for self-consumption	Review annually in the future

(VI) Implementation of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?	✓		(I) The Company has established the "Codes of Ethical Conduct", the "Guidelines for the Adoption of Codes of Ethical Conduct for A Director, or Managerial Officer", and "Etron Ethical Corporate Management Best Practice Principles", as approved by the Board of Directors, requiring the Board of Directors, senior managements and all employees to make commitment for and actively implement ethical corporate management.	No deviation
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis the business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the prevention measures specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) The Company has established the "Guidelines for the Adoption of Codes of Ethical Conduct for a Director, or Managerial Officer", the "Codes of Ethical Conduct", "Etron Ethical Corporate Management Best Practice Principles", "Sustainable Development Best Practice Principles", and other related rules, in order to allow its employees to be aware of and understand ethical acts, and it will publish its internal PDMS in ethical management-related rules and documents for employee's inquiry at any time. In addition, the Company has established accounting system and internal control system. The internal auditors and external auditors regularly and irregularly inspect and review the compliance with and implementation of the said systems.	No deviation
(III) Has the Company provided any solutions to prevent the unethical conducts, and specify the definite procedures, conduct guidelines, punishment for violation as well as appeals system, and put them into practice, and review and revise on a regular basis the aforesaid solutions?	✓		(III) The Company has established related rules, specifying the definite procedures, conduct guidelines, punishment for violation as well as appeals system, and put them into practice, review the aforesaid solutions regularly, and revise them depending on actual situation.	No deviation
II. Implementation of ethical corporate management				
(I) Does the Company evaluate counterparties' ethical records and expressly specify ethics-related clauses in the business contracts signed with counterparties?	✓		(I) The Company makes relevant evaluations on all of its counterparties, and signs similar clauses. In the future, it will continue to request signing relevant statements with its counterparties or incorporating such clauses into the contracts between the parties.	No deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?		✓	(II) The Company is committed to promoting the matters related to corporate social responsibility and ethical corporate management. However, no regular report is made to the Board of Directors at present.	Description
(III) Has the Company established policies to prevent conflict of interest, provide appropriate communication channels, and implement them accordingly?	✓		(III) The Company has specified related policies in the "Codes of Ethical", and required employees to sign relevant commitments upon employing them, and has set up whistle-blowing systems on the Company's internal and external websites. If any reports are accepted, a special team will be established to make investigation.	No deviation
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	✓		(IV) The Company has established effective accounting systems and internal control systems, and had its internal audit unit to conduct regular audit to ensure their design and implementation continue to be effective, and entrusted CPAs to conduct the audit.	No deviation
(V) Does the Company regularly hold internal and external educations and trainings on ethical management?	✓		(V) The Company promotes integrity management in 4 labor-management meetings per year, and includes integrity management programs in occasional training for new employees. In December 2023, a three-hour training session on integrity in operation issues related to sustainable development awareness was conducted (covering compliance with laws and regulations, principles and case studies of integrity in operation, trends and case studies of anti-corruption efforts, human rights issues and development, environmental issues, and measures to achieve net-zero emissions). A total of 264 individuals completed the training.	No deviation
III. Operation of the whistle-blowing system				
(I) Does the Company establish specific whistle-blowing system, reward/punishment system, and convenient whistle-blowing channels, and appoint proper dedicated person for the whistle-blowing objects?	✓		(I) In case of serious violation by any employee, necessary criminal and civil lawsuits will be made against him/her in accordance with laws, in addition to appropriate handling or termination of employment according to internal rules. Employees may submit reports to their direct supervisors or human resources supervisor via e-mail, whistle-blowing hotline, or confidential written documents. If the report is accepted, a special team will be established to make investigation.	No deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(II) The Company has established the "Codes of Ethical". There are clear operating procedures for making complaints, investigations, and completion of investigations. The Company keeps confidential all related personnel who report or are reported.	No deviation
(III) Does the Company take measures to protect whistleblowers against improper treatment due to whistle-blowing?	✓		(III) The Company shall be obligated to keep confidential the identity of whistleblowers. If it is deemed as necessary during the investigation, the whistleblowers and the reported persons may be notified to make explanation, provide evidences, or conduct defend separately, so as to prevent whistleblowers from being treated improperly due to the whistle-blowing.	No deviation
IV. Enhanced disclosure of information Does the Company disclose its Ethical Corporate Management Best Practice Principles and the results of its implementation on the Company website and MOPS?	✓		The Company has disclosed the “Code of Corporate Policies Management” and effect on the Company website and MOPS. Please refer to https://www.etron.com/esg/integrity-management/	No deviation
V. If the Company has established its Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any deviation of implementation from the Principles: The Company's has established “Code of Corporate Policies Management” requiring all Etron employees to conduct businesses under the Principles, so as to establish the corporate culture and sound development of ethical management. No deviation of implementation from the Principles formulated by the Company.				
VI. Other important information to facilitate the understanding of the implementation of ethical corporate management: The Company also has established the “Codes of Ethical” expressly specifying the terms and provisions related to employees’ acts and code of ethics.				

(VII) Method for Inquiring the "Corporate Governance Best Practice Principles" and Relevant Regulations

1. Website (https://www.etron.com) →ESG →Responsible Governance →Corporate Policies.
2. Market Observation Post System →Corporate Governance →Corporate Governance Structure →Formulation of relevant rules and regulations for corporate governance.

(VIII) Other important information to facilitate a better understanding of the Company's corporate governance implementation status

1. Website (https://www.etron.com) →ESG →Responsible Governance →Corporate Governance.
2. Website (https://www.etron.com) →ESG →Sustainability (ESG) Report.

(IX) Implementation status of internal control system

1. Statement on Internal Control

Etron Technology, Inc.
Statement on Internal Control System

Date: March 13, 2024

The Company hereby states the results of the self-evaluation on the internal control system for 2023 as follows:

I. The Company duly understands that it is the responsibility of its Board of Directors and Managerial Officers to establish, implement, and maintain an internal control system, and the Company has established such system. Its purpose is to reasonably ensure the achievement of the goals for the effectiveness and efficiency of operations (including income, performance, and asset safety), the reliability, timeliness, and transparency of reporting, as well as to ensure compliance with relevant regulations and laws.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to the changes in environment and circumstances. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate correction actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.

IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the aforesaid criteria.

V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2023, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.

VI. This Statement is an integral part of the Company's Annual Report and prospectus and will be disclosed to the public. Any falsehood, concealment, or other illegality in the contents disclosed to the public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. It is hereby stated that this Statement was approved by the Board of Directors on March 13, 2024, and none of the nine Directors in attendance objected to it and all consented to the contents expressed in this Statement.

Etron Technology, Inc.

Chairman & CEO: Nicky Lu

President: Elvis Deng

2. Where a CPA has been engaged to carry out an audit on the internal control system, the CPA audit report shall be disclosed: None.

(X) Penalty imposed on the Company or its personnel in accordance with laws, or disciplinary actions taken by the Company against its personnel for any violation of internal control rules in 2023 and as of the date of the publication of the Annual Report, as well as details of the penalties, major deficiencies and subsequent improvements if any possible significant impact of the penalties on shareholder's interests or security price: None.

(XI) Important Resolutions made by the Shareholders' Meeting and Board of Directors in 2023 and As of the Date of Publication of the Annual Report

1. Major Resolutions of Shareholders' Meeting and Implementation

Proposal in 2023 Shareholders' Meeting		Subsequent Implementation Status
Ratification	2022 Business Report and Financial Statement	Announcement in accordance with the resolution of the Shareholders' Meeting.
Ratification	2022 Earnings Distribution	Distribution of cash dividend for shareholders amounted to NT$5, 684,236, and the stock dividend amounted to NT$39,789,660; the ex-dividend base date was September 9, 2023, and the distribution date of cash dividend and listing date was October 6, 2023.
Discussion	Releasing Directors from Non-competition Restrictions	Releasing directors from non-competition restrictions per the resolution of the shareholders' meeting.
Discussion	2022 Capital Increase by Retained Earning	This proposal was approved by the Securities and Futures Bureau (SFC) on July 17, 2023 for the effective date of filing, and approved by the National Science and Technology Council on September 20, 2023 through Zhu Shang Zi No. 1120031235 to perform change of registration for capital increase by retained earning.

2. Important resolutions made by the Board of Directors

Date	Session	Summary
2023/3/13	The 8th session of the 11th Board of Directors' Meeting	■ 2022 Final Statement ■ Distribution of 2022 compensation to employees and Directors ■ 2022 Statement on Internal Control System ■ Proposal for evaluating the independence of CPAs in 2023 ■ Matters related to convening the Company's 2023 Annual Shareholders' Meeting
2023/5/8	The 9th session of the 11th Board of Directors' Meeting	■ 2022 Earnings Distribution ■ 2022 Capital Increase by Retained Earning ■ Proposal for addition of agenda items related to the reasons for convening the 2023 Annual Shareholders' Meeting ■ Consolidated Financial Report for the first quarter of 2023 ■ Proposal for releasing manager from non-competition restrictions
2023/8/8	The 10th session of the 11th Board of Directors' Meeting	■ Consolidated Financial Report for the second quarter of 2023 ■ Proposal for the issues of Capital Increase by Retained Earning and Distribution of Cash Dividends of the Company ■ Proposal for the establishment of the Company's " Nominating Committee Charter " ■ Proposal for the amendments to certain provisions of the "Procedures of Handling Material Inside Information and Prevention of Insider Trading" of the Company ■ Proposal for releasing manager from non-competition restrictions ■ Proposal for revising and releasing manager from non-competition restrictions ■ Proposal for 2022 compensation to employees and directors
2023/11/7	The 11th session of the 11th Board of Directors' Meeting	■ Consolidated Financial Report for the third quarter of 2023 ■ Proposal for the establishment of the Nominating Committee ■ Proposal for Amendment to the "Regulations Governing Financial Transactions with Group Companies, Specified Companies, and Related Parties" and renamed it as "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" ■ Proposal for Amendment to the "Internal Control System" and "Internal Audit Implementation Rules" ■ 2024 audit plan ■ 2024 business plan

Date	Session	Summary
2024/3/13	The 12th session of the 11th Board of Directors' Meeting	■ 2023 Final Statement ■ 2023 Deficit Compensation ■ 2023 Statement on Internal Control System ■ Proposal for replacing the independent certified CPAs of financial statements and evaluating their independence in 2024 ■ Proposal for Amendment to the "Internal Control System" and "Internal Audit Implementation Rules" ■ Proposal for releasing manager from non-competition restrictions ■ Proposal for the election of the Board of Directors and acceptance of nominations ■ Proposed the list of candidates nominated by the Board of Directors and the proposal for releasing new directors from non-competition restrictions at the Annual Shareholders' Meeting ■ Matters related to convening the Company's 2024 Annual Shareholders' Meeting

(XII) Where there are recorded or written important resolutions approved by the Board of Directors to which Directors or Audit Committee have/has different opinions in 2023 and as of the date of publication of the Annual Report, their major contents shall be specified: None.

(XIII) Resignation or dismissal of the Company's Chairman, President, Accounting Supervisor, Financial Supervisor, Internal Audit Supervisor, Corporate Governance Supervisor, and R&D Supervisor, etc. in 2023 and as of the date of publication of the Annual Report: None.

V. Information on CPA Professional Fees

(I) CPA Professional Fees

Unit: NT$ thousand

Name of CPA Firm	Name of CPA	Audit Fees	Non-audit Fees					Audit Period	Note
			System Design	Company Registration	Human Resources	Others	Subtotal		
Pricewaterhouse Coopers, Taiwan	Hsu, Sheng-Zhong, Chiang, Tsai-Yen	5,550	0	160	0	1,800	1,960	2023	The field of Others under Non-audit Fees lists NT$1,000 thousand for filing Profit-seeking Enterprise Income Tax certified and NT$800 thousand for certification of transfer pricing report.

(II) When the CPA Firm is changed, and decrease in the audit fees paid for the year when such change is made as compared with the previous year: None.

(III) Audit fees paid for the year are at least 10% less than those paid for the previous year: None.

VI. Information on Replacement of CPA

(I) Regarding the former CPAs

Date of Replacement		March 18, 2022		March 13, 2024	
Replacement Reasons and Explanations		Internal adjustment of PricewaterhouseCoopers, Taiwan			
Termination or refusal of appointment by the Company the CPAs	Party / Condition	CPA	Consignor	CPA	Consignor
	Termination by the Company	N/A	N/A	N/A	N/A
	Termination by the CPAs	N/A	N/A	N/A	N/A
Opinions (Other than Unmodified Opinions) in the Past 2 Years and Reasons		N/A		N/A	
Deviation form the Issuer	Yes		Accounting Principles or Practices		Accounting Principles or Practices
			Disclosure of Financial Reports		Disclosure of Financial Reports
			Audit Scope or Steps		Audit Scope or Steps
			Others		Others
	None	✓		None	✓
	Description: N/A				
Other Disclosures		N/A		N/A	

(II) Regarding the succeeding CPAs

Name of CPA Firm	PricewaterhouseCoopers, Taiwan	
Name of CPA	Chiang, Tsai-Yen/ Hsu, Sheng-Zhong	Hsieh, Chih-Cheng/ Hsu, Sheng-Zhong
Date of Appointment	March 18, 2022	March 13, 2024
Inquiries into Accounting Treatments or Principles for Specific Transactions and Possible Opinions on Financial Statements before Appointment	N/A	
Succeeding CPA's written opinion of disagreement toward the former CPA	N/A	

(III) Former CPAs' reply to disclosures under items 1 and 2-3, subparagraph 6, Article 10 of the Guidelines for the Items to be Recorded in the Annual Reports of Public Companies: N/A.

VII. The Company's Chairman, President, or Managerial Officers in Charge of Finance or Accounting Held any Positions in CPA Firm or Its Affiliates in the Most Recent One Year: None

VIII. Change in the Shareholding of and the Shares Pledged by the Directors, Managerial Officers, and Shareholders Holding More Than 10% Shares in the Company

(I) Change in the shareholding of the Directors, Managerial Officers, and major shareholders

Position	Name	2023		April 27, 2024	
		Increase (Decrease) in number of shares held	Pledged Shares Increase (Decrease)	Increase (Decrease) in number of shares held	Pledged Shares Increase (Decrease)
Chairman & CEO	Nicky Lu	176,113 (1,000,000)	0	(1,000,000)	0
Director & President	Elvis Deng	15,268 (89,000)	0	0	0
Director	Chiu Chiang Investment Co., Ltd.	10,782	0	0	0
Director Representative	Shi-Yi, Chen	0	0	0	0
Director	Kai Chun Investment Corp.	92	0	0	0
Director Representative	Mei-Ling, Hsu	755	0	0	0
Director Representative & Senior Vice President	Bor-Doou, Rong	1,009 (23,000)	0	0	0
Independent Director	Ai-Chen, Wang	0	0	0	0
Independent Director	Jen-Hung, Tseng	0	0	0	0
Independent Director	Yun-Chieh, Huang	0	0	0	0
Independent Director	Wilson Wang	0	0	0	0
Special Assistant	David Leu (note)	0	0	N/A	N/A
Vice President	Shiah, Chun	149	0	300,000	0
Vice President	Ming-Hong, Kuo	0	0	0	0
Vice President	Mei-li, Lin (note)	(40,000)	0	N/A	N/A
Group Legal Counsel	Teng-Wei, Wang	0	0	0	0
Associate Vice President	Tzu-Chin, Yao	0	0	0	0
Associate Vice President	Wen-Chi, Wang	50,161	0	200,000	0
Associate Vice President	Fu-Yung, Hung	253,616 (20,000)	0	0	0
Associate Vice President	Jung-Kun, Chung	150,000 (150,000)	0	0	0
Associate Vice President	San-Pu, Lin (note)	0	0	0	0
Associate Vice President	Justin, Chueh (note)	N/A	N/A	0	0
Division Director	Yu-Chia, Cheng	2,009 (53,000)	0	(11,000)	0
Division Director	Jui-Ling, Hsieh	0	0	110,000	0

Note: Special Assistant David Leu retired on June 29, 2023; Vice President Mei-li, Lin retired on August 15, 2023; Associate Manager San-Pu, Lin assumed office on November 15, 2023; Associate Manager Justin Chueh assumed office on March 28, 2024; this table only discloses changes in shareholdings during their terms of office.

(II) Information on Pledges of Shareholding: None.

(III) Information on Transfers of Shareholding

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between the Counterparties and Directors, Managerial Officers, and Shareholders Holding More Than 10% Shares in the Company	Number of shares (Unit: shares)	Transaction Price (NTD)
Nicky Lu	Transference through arranging with specific person (Offset establishment)	2023/6/30	TAT Ventures, Inc.	Shareholder of the counterparty	1,000,000	41.00
Nicky Lu	Transference through arranging with specific person (Offset establishment)	2024/4/19	Nature Genesis Innovation Co., Ltd.	Shareholder of the counterparty	1,000,000	54.00

IX. Relationship among the Company's Top 10 Shareholders in Shareholding Percentage

April 27, 2024; Unit: shares, %

Name	Current Shareholding		Spouse & Minor Child(ren) Shareholding		Shareholding under Others' Names		Among the top ten shareholders, name and relationship with any one who is a related party or a relative within the second degree of kinship		Note
	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Name	Relationship	
Shu-Chuan, Liao	12,115,345	4.17	11,779,978	4.05	0	0.00	Nicky Lu	Spouse	None
							Min-Chuan, Liao	Relative within the Second Degree of Kinship	
Nicky Lu	11,779,978	4.05	12,115,345	4.17	1,000,000	0.34	Shu-Chuan, Liao	Spouse	None
							Min-Chuan, Liao	Relative within the Second Degree of Kinship	
JPMorgan Chase Bank N.A. Taipei Branch - Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	3,647,060	1.26	N/A						None
Ming-Yu, Tsai	3,533,227	1.22	2,236,577	0.77	0	0.00	Mei-Jen, Liao	Spouse	None
Hsien-Jin Star Fund Series-Advanced International ETF Investment Account in custody of JP Morgan Chase Bank Taipei Branch	3,491,385	1.20	N/A						None
Mei-Jen, Liao	2,236,577	0.77	3,533,227	1.22	0	0.00	Ming-Yu, Tsai	Spouse	None
Min-Chuan, Liao	2,009,665	0.69	0	0.00	0	0.00	Nicky Lu	Relative within the Second Degree of Kinship	None
							Shu-Chuan, Liao	Relative within the Second Degree of Kinship	
JPMorgan Chase Bank N.A. - Vanguard Total Trust Stock Index II Investment Account	1,622,793	0.56	N/A						None
Citi Trust Barclays Capital SBL/PB Investment Account	1,503,454	0.52	N/A						None
Standard Chartered Trust iShares Emerging Markets ETF	1,211,916	0.42	N/A						None

X. Number of Shares and percentage of Reinvested Companies by the Company, Directors, Managerial Officers, and Any Companies Controlled Directly or Indirectly by the Company

December 31, 2023; Unit: shares, %

Reinvested Company	Investment by the Company		Investment by Directors, Managerial Officers and by the companies directly or indirectly controlled by the Company		Comprehensive Investment	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %
Eutrend Technology Inc.	2,702,522	93.57	54	0.00	2,702,576	93.57
Kinglord Corp.	25,458	100.00	0	0.00	25,458	100.00
Plusway Corp.	9,825	100.00	0	0.00	9,825	100.00
Kingwell Investment Corp.	14,083,000	100.00	0	0.00	14,083,000	100.00
Kingcharm Investment Corp.	18,000,000	100.00	0	0.00	18,000,000	100.00
Intercosmos Group Ltd.	4,488	100.00	0	0.00	4,488	100.00
Creative Ally Limited	4,220	100.00	0	0.00	4,220	100.00
eEver Technology Limited	14,250,001	50.42	6,213,978	21.99	20,463,979	72.41
eYs3D Microelectronics, Inc.	58,019,238	64.20	9,080,484	10.05	67,099,722	74.25
eCapture Ltd. Co.	11,666,667	100.00	0	0.00	11,666,667	100.00
Insignis Technologies, Inc.	24,500,000	100.00	0	0.00	24,500,000	100.00
DeCloak Intelligences Co.	4,155,203	79.98	592,704	11.41	4,747,907	91.39
T-Era Architecture Technology, Inc.	2,921,600	7.56	28,718,400	74.32	31,640,000	81.88
TAT Technology, Inc.	1,971,200	7.33	20,708,800	77.04	22,680,000	84.37
ValueCreation Technology, Inc.	1,500,000	100.00	0	0.00	1,500,000	100.00

Chapter 4 Capital Overview

I. Capital and Shares

(I) Source of Capital

1. Formation of capital

April 27, 2024

Year	Month	Issuing Price (NT$)	Authorized Capital		Paid-in Capital		Note		
			Number of Shares (thousand shares)	Amount (NT$ thousand)	Number of Shares (thousand shares)	Amount (NT$ thousand)	Source of Capital	Payment for Shares by Assets Other than Cash	Others
2023	3	23.9	650,000	6,500,000	284,211.8	2,842,118	Employee stock options: NT$1,500 thousand	None	Note 1
2023	5	23.9	650,000	6,500,000	284,461.8	2,844,618	Employee stock options: NT$2,500 thousand	None	Note 2
2023	9	N/A	650,000	6,500,000	288,440.8	2,884,408	Capital increase by retained earning: NT$39,790 thousand	None	Note 3
2023	11	23.6 23.9 43.2	650,000	6,500,000	288,932.8	2,889,328	Employee stock options: NT$4,920 thousand	None	Note 4
2024	3	23.6 43.2	650,000	6,500,000	289,381.8	2,893,818	Employee stock options: NT$4,490 thousand	None	Note 5

Note 1: Zhu Shang Zi No.1120009208 dated March 25, 2023.
Note 2: Zhu Shang Zi No.1120016904 dated May 24, 2023.
Note 3: Zhu Shang Zi No.1120031235 dated September 20, 2023.
Note 4: Zhu Shang Zi No.1120038956 dated November 28, 2023.
Note 5: Zhu Shang Zi No.1130008855 dated March 25, 2024.

2. Type of Shares

April 27, 2024

Type of Shares	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Registered Ordinary Shares	290,596 thousand shares	359,404 thousand shares	650,000 shares	1. 65,000 thousand shares were reserved for employee stock options. 2. The Company's ordinary shares are listed in TPEx.

Note: There are still 1,214 thousand ordinary shares exercised from employee stock options that have not been registered for change.

3. Shelf Registration-related information: The Company has not handled Shelf Registration.

(II) Structure of Shareholders

April 27, 2024; Unit: Persons, Shares

Structure of Shareholders / Number	Government Agencies	Financial Institutions	Other Corporate Shareholders	Foreign Institutions and Natural Persons	Individual	Total
Number of Shareholders	2	3	249	189	96,015	96,458
Number of Shares	53	548,654	5,391,856	24,748,668	259,906,550	290,595,781
Shareholding Ratio	0.00%	0.19%	1.86%	8.52%	89.43%	100.00%

(III) Distribution of Shares

April 27, 2024; Unit: Persons, Shares

Range of Shares	Number of Shareholders	Number of Shares	Shareholding Ratio
1 - 999	49,502	4,640,002	1.60%
1,000 - 5,000	37,885	72,454,230	24.92%
5,001 - 10,000	5,112	35,846,402	12.34%
10,001 - 15,000	1,694	20,131,969	6.93%
15,001 - 20,000	679	12,105,157	4.17%
20,001 - 30,000	658	16,071,265	5.53%
30,001 - 40,000	290	9,961,478	3.43%
40,001 - 50,000	156	7,050,970	2.43%
50,001 - 100,000	271	18,761,644	6.46%
100,001 - 200,000	126	17,441,490	6.00%
200,001 - 400,000	46	12,020,044	4.14%
400,001 - 600,000	12	6,120,320	2.11%
600,001 - 800,000	7	5,065,338	1.74%
800,001 - 1,000,000	6	5,506,530	1.89%
1,000,001 shares and above	14	47,418,942	16.31%
Total	96,458	290,595,781	100.00%

(IV) List of major shareholders

April 27, 2024; Unit: shares

Name of Major Shareholder	Number of Shares	Shareholding Ratio
Shu-Chuan, Liao	12,115,345	4.17%
Nicky Lu	11,779,978	4.05%
JPMorgan Chase Bank N.A. Taipei Branch - Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	3,647,060	1.26%
Ming-Yu, Tsai	3,533,227	1.22%
Hsien-Jin Star Fund Series-Advanced International ETF Investment Account in custody of JP Morgan Chase Bank Taipei Branch	3,491,385	1.20%
Mei-Jen, Liao	2,236,577	0.77%
Min-Chuan, Liao	2,009,665	0.69%
JPMorgan Chase Bank N.A. - Vanguard Total Trust Stock Index II Investment Account	1,622,793	0.56%
Citi Trust Barclays Capital SBL/PB Investment Account	1,503,454	0.52%
Standard Chartered Trust iShares Emerging Markets ETF	1,211,916	0.42%

(V) Market price per share, net worth, earnings, dividends, and related information in the most recent two years

Unit: NT$; thousand shares

Item \ Year			2022	2023	Current Year as of March 31, 2024
Market Price per Share	Highest	Before the adjustment	93.00	56.50	57.60
		After the adjustment	86.59	56.50	Note 1
	Lowest	Before the adjustment	29.15	38.10	47.80
		After the adjustment	28.73	37.56	Note 1
	Average		63.99	47.85	52.65
Net Worth per Share	Before Distribution		14.72	11.82	Note 2
	After Distribution		14.70	Note 1	Note 2
Earnings per Share	Weighted Average Shares		287,834	288,616	Note 2
	Original Earnings per Share		0.50	(3.09)	Note 2
	Adjusted Earnings per Share		0.49	(3.09)	Note 2
Dividends per Share	Cash Dividends		0.02	Note 1	Note 1
	Stock Dividends	Stock Dividends Appropriated from Earnings	0.14	Note 1	Note 1
		Stock Dividends Appropriated from Capital Surplus	—	Note 1	Note 1
	Accumulated Unpaid Dividends		—	Note 1	Note 1
Return on Investment	Price/Earnings Ratio (Note 3)		130.59	Note 1	Note 1
	Price/Dividend Ratio (Note 4)		3,199.50	Note 1	Note 1
	Cash Dividends Yield (Note 5)		0.0003	Note 1	Note 1

Note 1: Subject to the resolution of the shareholders' meeting.
Note 2: As at the date of printing of the annual report, no information has been reviewed by the CPAs.
Note 3: Price/Earnings Ratio=Current-Year Average Closing Price Per Share/Earnings per Share
Note 4: Price/Dividend Ratio=Current-Year Average Closing Price Per Share/Cash Dividend per Share
Note 5: Cash Dividends Yield=Cash Dividend per Share/Current-Year Average Closing Price Per Share

(VI) The Company's dividends policy and Implementation status

1. Dividend policy in the Articles of Incorporation

If the Company has earnings in its final account for the year, it shall first use the earnings to pay taxes and recover losses, and then set aside 10% as statutory surplus reserve and set aside or write off special surplus reserve according to the resolutions made by the Shareholders' Meeting or competent authority's order. Thereafter, the Board of Directors shall draft distribution proposal for any remaining balance in retained earnings and previously accumulated undistributed earnings, and shall make request to the Shareholders' Meeting for its resolution to distribute the same. The Company's dividends policy is formulated by its Board of Directors, based on the Company's mid- and long-term operating plans, investment plans, capital budgeting and changes in internal and external circumstances, by considering the rights and interests of shareholders. In addition to the distribution of earnings according to the provisions of the preceding paragraph, the cash dividends paid to shareholders in current year shall not be less than 5%.

2. Distribution of dividends proposed at this Shareholders' Meeting: The Company does not plan to distribute dividends for the fiscal year 2023.

(VII) Effect on the Company's operating performance and earnings per share of distribution of stock dividends proposed at the Shareholders' Meeting: None.

(VIII) Remuneration paid to employees and Directors

1. Percentage or range of the compensations paid to employees and Directors as set forth in the Articles of Incorporation

   The Company shall distribute no less than 12% of the current year's earnings as the remuneration to employees, and no more than 2% of the current year's earnings as the remuneration to Directors. If there are accumulated losses, the Company shall recover them. The employees to whom remuneration shall be paid in share or cash and the objects to whom shares or cash shall be distributed may include the employees of the Company's subordinated companies that meet certain criteria. The current year's earnings referred in paragraph one shall mean the pre-tax earnings of the current year before deduction of the remuneration to employees and Directors. Distribution of remuneration to employees and Directors shall be implemented as approved by more than half of the Directors attended at the Board of Directors' meeting attended by over two-thirds Directors, and shall be reported to the Shareholders' Meeting.

2. The basis for estimating the amount of employee and Director remuneration, and for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

   The remuneration to employees and Directors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be estimated reliably. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in accounting estimates. In addition, the Company calculates the number of bonus shares by using the fair value per share on the date before the resolution date of the Shareholders' Meeting in the following year of the publication date of the Financial Report and after considering the impact of ex-dividends amount.

3. Information on any approval by the Board of Directors of distribution of remuneration

   (1) Amount of remuneration paid to employees and Directors in cash or shares: None.

   (2) Proportion of employee remuneration paid by shares in the after-tax net profits specified in the Individual Financial Report of current period, and in the total employee remuneration: None.

4. Actual distribution of employee and Director remuneration for the previous year

Unit: NT$ thousand

Item	Amount presented in the 2022 financial report	Actual distribution	Balance
Employee remuneration - cash	24,420	24,420	0
Director remuneration - cash	4,070	4,070	0

(IX) The Company's shares repurchased by the Company: None.

II. Issuance of Corporate Bonds

(I) Information on Corporate Bonds not Repaid and Handled by the Company

Type of Corporate Bonds	The 3rd Domestic unsecured convertible bonds
Issuance Date	May 24, 2022
Face value	NT$ 100,000
Issuance and transaction place	Officially listed on Taipei Exchange
Issuing Price	Issued at the face value of 100.8%
Total Amount	NT$ 800,000 thousand
Interest rate	Coupon rate 0%
Maturity	Five years; Maturity date: May 24, 2027
Guarantor	None
Entrustee	KGI Bank
Underwriter	First Securities Inc.
Certified Lawyer	N/A
CPA	N/A
Method of Repayment	Except that (i) the holder of convertible corporate bonds converts the corporate bonds into the Company's ordinary shares in accordance with Article 11 of the Measures for Issuance and Conversion of Domestic Unsecured Convertible Bonds for the Third Time ("the Measures"), or (ii) the Company redeems corporate bonds in advance in accordance with Article 19 of the Measures, or (iii) the Company exercises the right to repurchase back in accordance with Article 20 of the Measures, or (iv) the Company purchases back corporate bonds from the premises of a securities firm for cancellation, the Company will, within ten business days after the maturity of the convertible corporate bonds, repay in one lump sum in cash according to the face value of the bonds; provided that the aforementioned date will be postponed to the next business day in case TWSE is closed for business.
Outstanding principal	NT$ 794,400 thousand
Redemption or early paying off conditions	Subject to Article 19 hereof.
Restrictive Clauses	None
Name of credit rating agency, date of credit rating, and credit rating results of corporate bond	None

Other rights	Amount of converted (exchanged or subscribed) ordinary shares, depositary receipts overseas or other securities as of the publication date of the annual report	As of April 27, 2024, there was no conversion of corporate bonds into ordinary shares yet.
	Issuance and conversion (exchange or subscription of shares) measures	The measures have been announced on the MOPS.
Impact of measures for issuance and conversion, exchange or subscription of shares, and issuance conditions on potential dilution and existing shareholder's interests		Instead of having a significant adverse impact on the existing shareholder's interests, the Company's evaluation data when submitting the report to the competent authority exhibit that the maximum potential dilution effect on the original shareholder's interests of the third unsecured conversion of corporate bonds in Taiwan is 3.78%.
Name of the custodian institution of the conversion subject		None

(II) Information on conversion of corporate bonds

Type of Corporate Bonds		The 3rd Domestic unsecured convertible bonds	
Item \ Year		2023	As of April 27, 2024
Market price of conversion of corporate bonds	Highest	108.00	106.00
	Lowest	94.10	99.50
	Average	100.68	102.71
Conversion price		59.10	59.10
Issuance date and conversion price at issuance		Issuance date: May 24, 2022 Conversion price at issuance: 63.90	
Way of performing the conversion obligation		Issuance of New Shares	

(III) Information on exchange of corporate bonds: none

(IV) Summary of declaration and issuance of corporate bonds: None.

(V) Attached information on subscription of corporate bonds: None.

(VI) Private Placement of Corporate Bonds Situation: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depository Receipts (GDRs): None.

V.Issuance of Employee stock options

(I) Information on the Employee stock options not due

April 27, 2024

Type of Employee stock options	2021
Effectiveness Date of Declaration and Total Number of Units	July 29, 2021; 8,000 units
Issuance Date	August 9, 2021
Duration	6 years
Number of Issued Units	8,000 units
Number of Units still Available for Issuance	0 units
Ratio of Shares Exercisable in Total Issued Shares	2.99%
Subscription Period	Stock option holders can exercise their stock options according to the schedule provided in the table, two years after receiving the employee stock option. The stock option has a duration of six years and is non-transferable.
Method of Performance	Issuance of New Shares
Vesting Period and Ratio	50% for 2 years, 75% for 3 years, and 100% for 4 years
Shares Exercised	603 thousand shares
Value of Shares Exercised	NT$26,050 thousand
Number of Unexercised Shares	6,229 thousand shares
Exercise price per share	NT$43.2
Ratio of Unexercised Shares in Total Issued Shares	2.14%
Impact on Shareholder's Interests	Small Proportion in Total Issued Shares, with little impact

Note 1: The total number of issued shares is 290,595,781 shares. The expired options have been deducted from the unexercised options.

Note 2: The employee stock option for the year 2015 has expired on March 22, 2024.

(II) The names, acquisition, and subscription status of the Managerial Officers and the top ten employees who obtained the Employee stock options

April 27, 2024; Unit: thousand shares; NT$ thousand, %

Position		Name	Stock Options Obtained	Ratio of the Stock Options Obtained in the Total Number of Shares Issued	Exercised				Unexercised			
					Stock Options Quantity	Exercise Price (NT$)	Value of Shares Exercised	Ratio of Shares Exercised in Total Issued Shares	Stock Options Quantity	Exercise Price (NT$)	Value of Shares Exercised	Ratio of Shares Exercised in Total Issued Shares
Managerial Officer	CEO	Nicky Lu	2,424	0.83	2,810	-	0	0	2,424	43.2	104,717	0.83
	President	Elvis Deng										
	Special Assistant	David Leu (Note 3)										
	Senior Vice President	Bor-Doou, Rong										
	Vice President	Chun, Shiah										
	Vice President	Ming-Hong, Kuo										
	Vice President	Mei-li, Lin (Note 3)										
	Associate Vice President	Tzu-Chin, Yao										
	Associate Vice President	Wen-Chi, Wang										
	Associate Vice President	Fu-Yung, Hung										
	Associate Vice President	Jung-Kun, Chung										
	Associate Vice President	Justin Chueh (Note 3)										
	Director	Yu-Chia, Cheng										
	Director	Jui-Ling, Hsieh										
Employee	Director	Robin Wang	1,140	0.39	80	43.2	3,456	0.03	1,060	43.2	45,792	0.36
	Director	Richard Lin										
	Director	Tun-Chih, Chan										
	Director	Lennon Chang										
	Director	Rossini Kuo										
	Director	Kate Shih										
	Director	Justine Tsai										
	Director	Mark Tseng (Note 3)										
	Director	Wei-Ta, Huang										
	Director	Yuan-Hung, Lin										

Note 1: The total number of issued shares is 290,595,781 shares.
Note 2: The 1st to the 3rd employee stock options in 2015 are all expired, and their information is not included in this table.
Note 3: Special Assistant David Leu retired on June 29, 2023; Vice President Lin, Mei-li retired on August 15, 2023; Director Mark Tseng passed away on July 22, 2023; Director Justin Chueh was promoted to Associate Vice President on March 28, 2024.

VI. Issuance of New Restricted Employee Shares: None

VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None

VIII. Implementation of Capital Allocation Programs: None.

Chapter 5 Operational Highlights

I. Business Contents

(I) Scope of Business

1. Major lines of business
   (1)Research, development, manufacturing (outsourcing), testing, and sales of semiconductor devices, including various types of integrated circuits and components thereof;
   (2)Management advisory, consulting service, and technology transfer regarding the products in the preceding paragraph;
   (3)Concurrently operating of the import and export tradings and businesses relating to the Company's businesses.

2. Proportion of main products

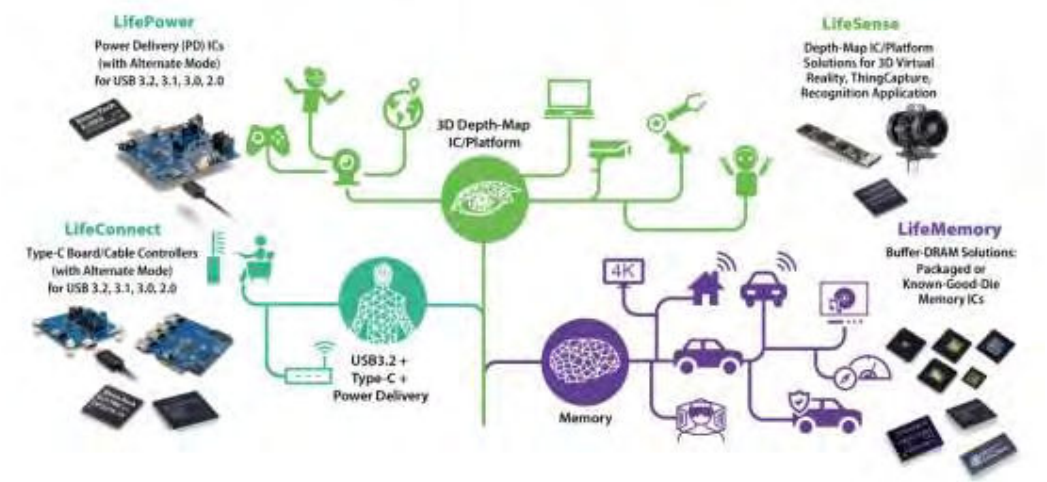
Unit: NT$ thousand; %

Year / Type of Product	2022		2023	
	Amount	%	Amount	%
Memory and analog logic ICs	4,683,659	99.98	2,660,978	99.96
Others (Note)	930	0.02	990	0.04
Total	4,684,589	100.00	2,661,968	100.00

Note: In 2022, the products have been redefined and reclassified as memory and analog logic system ICs.

3. Current products and services:
   The Company is an IC Fabless company, whose main business is the design, development, sales and technical services of specialty buffer memory and system chip products. The Company's memory products include dynamic random-access memory (DRAM) and SPI NAND, while its system chip products include 3D binocular depth-map vision processing chip, 3D binocular image capture control chip, spherical 360° image capture chip, USB Type-C Switch and Power Delivery chip. The products are mainly applied to various products in broadband communications, wireless networks, virtual reality, digital audio and video, consumer electronics, smart homes, and security surveillance. With the strong growth in demand driven by AI end points, and automotive electronics, the Company has gradually introduced a series of products required for relevant applications.

4. New products planned to be developed
   The Company has scheduled to develop more critical chips required for DRAM, System Chip, Multiple Baseline 3D ThingCapture & Imaging Controller, 2D/3D AI-ISP Wafer Platform, Machine Vision Sensing Sub-System, Type-C Switch, Power Delivery, Privacy-Preserving Image Processing System, and other relevant new products.



(II) Industry Overview

1. Industry Status and Development

Since the second half of 2022, the global semiconductor industry has entered a period of inventory adjustment. In 2023, due to weak end demand, the rate of inventory clearance in the industry chain was slower than anticipated, leading to a decline in the global semiconductor market output value to $526.8 billion, representing an 8.2% year-on-year decrease.

In Taiwan, the semiconductor industry is also impacted by the overall industry. According to statistics from the Industrial Technology Research Institute (ITRI), the total output value of the semiconductor industry in 2023 is estimated to be around NT$4.34 trillion, (a 10.2% year-on-year decrease). The output values of IC design, IC manufacturing, and IC packaging and testing in the upstream, midstream, and downstream industries were NT$1.97 trillion (an 11.0% year-on-year decrease), NT$2.66 trillion (an 8.8% year-on-year decrease), and NT$0.58 trillion (a 14.8% year-on-year decrease), respectively. Among them, the wafer foundry in IC manufacturing accounted for NT$2.49 trillion (a 7.2% year-on-year decrease), while memory and other manufacturing accounted for NT$0.17 trillion (a 27.8% year-on-year decrease). Looking ahead to 2024, as inventory adjustments near completion and emerging applications such as AI and high-performance computing gain traction, the market is expected to recover and grow by 15.4%.

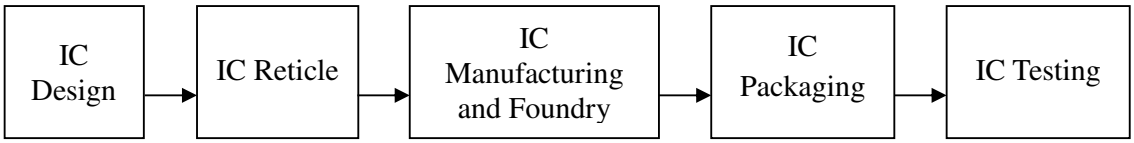
Source: Industrial Technology Research Institute (ITRI) (February 2024)

2. The relationship of the upstream, midstream, and downstream sections of the industry

The semiconductor industry can be divided into sub-industries, including sensor, discrete, optoelectronics, and IC. Among them, the IC sub-industry can be subdivided into four categories: Analog IC, Memory, Microprocessor, and Logic IC depending per the product type. Meanwhile, the IC sub-industry can be divided into IC design, IC wafer manufacturing, IC packaging, and IC testing as per the vertical division of labor among the upstream, midstream, and downstream. Even within the same technology category or industry, the capital and technology intensities vary.

The foundry that Taiwan's semiconductor industry has pioneered and the IC design models have developed rapidly. In addition, under the structure of a complete supply chain as required by the PC industry, many IC companies have emerged. With the complete vertical division of labor in the supply chain, businesses can engage in division of labor with domestic and overseas businesses in any section of the supply chain, and then concentrate resources on a single field in the industry, and the effect of "industrial cluster" has shown. This model has witnessed a positive effect. As per the industrial

characteristics of the vertical division of labor in the IC industry, the upstream, midstream, and downstream sections can be subdivided into:



(1) IC Design
An IC design company is an integrated circuit product design company, and its main business is to design products on its own or accept design projects entrusted by clients. A professional IC design company will understand a client's needs for IC functions first, and then leverage its expertise to design the most efficient layout with the simplest circuits so as to produce a wafer that represents an integration of multiple chips.

(2) IC Manufacturing and Foundry
The operation of IC manufacturing is to print basic circuit patterns on wafers made by fabs with masks; then, fabricate circuits and their components on the wafers through oxidation, diffusion, CVD, etching, ion implantation and other methods. As the circuit design on the IC is a layered structure, it is necessary to go through the procedure of masks, pattern production, and formation of circuits and components repetitively before a complete integrated circuit can be made.

(3) IC Packaging and Testing
The packaging and testing industry is the back-end process of IC, which is often referred to as the packaging and testing industry. IC packaging mainly provides IC protection, heat dissipation, and circuit conduction. The processed wafers and the diced dies are coated with plastic, ceramic, and metal to protect the dies from external pollution and make it easier to be assembled and applied. IC testing is to detect whether the IC function is normal. As in the IC design industry, the Company is in the upstream section of the overall IC industry value chain. IC design does not require too much investment in hardware equipment for mass production, but requires high-quality human resources. Taiwan's IC design industry has gradually played a leading role in the market against the background of the growing consumer electronics and communications industries.

3. Various development trends and competition of products

(1) Product development trends
DRAM is an indispensable critical components in electronic products. Mobile phones, servers, and personal computers are the top three applications in the current market in terms of demand, and the integration and development of AI, high-performance computing, 5G networks, and the Internet of Things (IoT) have driven more innovative applications. Driven by the demand for these end products, the development of DRAM in recent years has shown the trends below:

A. Low power consumption

In recent years, energy efficiency is a major requirement for the increasingly common wearable electronic products and relevant IoT applications, and therefore there are stricter requirements for the power consumption of DRAM.

B. High speed

With the stricter requirements for the speed of end products, the transmission specifications of DRAM are also evolving. The current specification in the market has been pushed from DDR4 to DDR5.

C. Miniaturization

To continuously enhance the competitiveness and cost effectiveness of products, the size of DRAM chips is bound to become smaller; as such, the output of chips from a single wafer will increase.

D. Diverse applications

With the emergence of more emerging applications, the application of DRAM will be more extensive. Either artificial intelligence of things (AIoT) or automotive or 5G applications, DRAM plays a crucial role.

(2) Competition

After many changes in the industry, the DRAM industry has entered an oligopolistic state. The top three players are Samsung, SKhynix and Micron, collectively accounting for more than 90% of the market. In order to be differentiated from these three major players, the Company mainly produces and sells IC products and solutions, including specialty DRAM and known-good-die (KGD) memory, and serves as product service providers while stepping into the specialty and application-driven buffer memory required for IoT-related products, such as cloud computing, automotive electronics, wireless communications, and wearable devices.

(III) Technology and R&D Status

1. Technology level and research and development of the business operated

Within the Etron Group, technology level and research and development of the business operated and R&D status are described as follows:

(1) Etron Technology, Inc.

The Company is a leading manufacturer of specialty buffer memory with consumer electronic products as the main market for a long time. We are committed to developing high-performance, low-power consumption specialty buffer memory products. The current full range of products include SDR, DDR, DDR2, DDR3, DDR3L, DDR4, LPDDR2, and LPDDR4/4X, with 4 to 64 bits of input and output, as well as a capacity covering 16Mb to 16Gb, among which 2x/1x nano advanced manufacturing process is adopted for the mass production of the high-capacity products DDR2, DDR3, DDR3L, DDR4, and LPDDR4/4X. As for products, the Company not only can provide the commercial specifications for consumer market, the industrial specifications for strict use environments, or the automotive specifications with the highest quality and reliability depending on customer's demands, but also can provide high-quality customized KGD (Known Good Die) solutions. The full series products were not only widely used by and in Netcom, set-top boxes, digital TVs, surveillance equipment, and other applications, but also used in the mass production and shipment of emerging applications such as 5G broadband communications, AI endpoints, and cloud storage, etc. in the supply chains of large-sized manufacturers.

For the demand of a large number of micro terminal devices in the era of artificial intelligence (AI), Etron Technology has the RPC DRAM® having the world's smallest Form Factor and supporting high bandwidth, the world's first DRAM product using the WLCSP micro-packaging technology with both cost and power advantages. Its application fields include micro AI cameras on various wearable devices, mobile devices or the like. Observing the needs of customers in the use of products, Etron Technology also opens a new business model and provides a complete solution of Controller+DRAM.

On the other hand, to overcome the limitations of traditional DRAM due to its

inherent physical characteristics and the performance degradation it experiences at higher temperatures, the Etron Technology R&D team has developed the LRTDRAM™ product using advanced DRAM circuit design. This product significantly extends the Retention Time of DRAM data, in compliance with JEDEC standards. It particularly enhances performance in high-temperature environments, heterogeneous integration packaging, and large-capacity settings.
In recent years, Etron Technology has also recognized the increasing demand from global customers for a comprehensive development platform that combines memory and memory controller support for logic chips. As one of the few companies in the industry that possesses both memory and memory controller design capabilities, Etron Technology has built upon this foundation. At the end of 2023, Etron Technology announced the launch of MemoraiLink, an integrated platform that supports system-on-chip (SoC) with memory and memory controller. In addition to offering a wide range of memory options to meet the capacity and bandwidth needs of SoC designs, we also utilize Etron Technology's expertise in heterogeneous integration to enhance the overall performance and cost-effectiveness of the SoC. Our comprehensive memory interface IP services ensure seamless communication between the SoC and memory, reducing complexity and accelerating time to market. This enables us to deliver more competitive solutions to our customers.

(2) eEver Technology, Inc.
The company is mainly engaged in USB Type-C high-speed interface chip products, and its products cover integrated USB high-speed transmission interface, power supply, Type-C, audio-visual capture, and other technologies. It also introduced new application of PD IC and Emarker IC for the latest DP 2.1, USB4, and Thunderbolt 5 specifications, which supports existing USB3.2, DP 1.4, Thunderbolt 3 and other compatibility to achieve the best interoperability of connected devices. The customers who formerly used eEver Technology, Inc.'s USB PD 3.0 can expand their products to a variety of different applications, such as PC, NB, Tablet, and Docking, thus improving their competitiveness. In addition, the new generation 4K@60Hz capture IC supports compressed video data in H.265 and H.264 formats. It also integrates multiple audio and video processing functions and can be applied in various industries such as live streaming, broadcasting, gaming, conference systems, medical, and industrial control. This enhances its presence in the professional audiovisual (Pro AV) market.

(3) eYs3D Microelectronics, Co.
The company is mainly engaged in 3D imaging chip products and adopts ultrawide vision imaging technology and depth-of-field point cloud depth algorithm to integrate and develop Machine Vision Sensing Modules as well as monocular, binocular, and multi-eye 3D ThingCapture Vision cameras. In 2023, it will march the field of computer vision system chips through strategic cooperation. It is combined exclusive SDK development kit for making Machine Learning models to be applied in image recognition, 3D gesture recognition, and 3D hologram. With improved image pixels, update rate, large viewing angles, and refined depth map processing algorithms of the Depthmap Processing Units, the company's derived product lines have ranked among the world's leading technology groups, and it has become a designated partner and supplier of international companies in metaverse, extended reality, robot, Digital Twin, and other programs.

(4) DeCloak Intelligences Co.
The company hammers at privacy computing, providing software and hardware data privacy computing solutions for personal privacy protection. The main technology

embraces protecting personal privacy and information security through de-identification of data and image information, which complies with the "General Data Protection Regulation" (GDPR) formulated by the European Union and the "California Consumer Privacy Act 2018" of the United States (CCPA). It employs Differential Privacy, Homomorphic Encryption, and Searchable Encryption technologies to develop various products, all of which can be widely used in enterprises, financial insurance, medical care, surveillance, etc. that contain massive data and image data that need to be de-identified and privacy-preserved.

2. Costs of R&D in the last year and up to the publication date of the annual report

Unit: NT$ thousand; %

Item	2022	2023
R&D Expense	666,079	688,596
Proportion to revenue	14	26

3. Technologies or products successfully developed during the last year

R&D Results
Completion of Long Retention Time (LRTDRAM™) technology development
Completed development of 25nm 4Gb DDR3
Presentation on Mid-Side Interconnections within Wafer Substrate for OMHI
Development 4K@60Hz capture card IC integrating multiple video and audio processing functions
Development and Delivery of a Binocular Stereo Vision Application for the Endoscope Subsystem
Development and Delivery of the Computer Vision Subsystem for Outdoor and Lawn Mower Robots
Development of DeCloakFace
Development of DeCloakVision (Privacy Security AI Image Monitoring System)
Development of SOE-Enterprise
Development of PPU and PPU-based Dongle

(IV) Long-term and short-term business development plans

1. Short-term business development plan

(1) Accelerate global business expansion and continue to increase the business growth from strategic clients and regional clients.

(2) Introduce new specialty memory, increase the sales of KGD and industrial and automotive application memory, thereby expanding the market and strengthening the stability of the long-term market layout and profitability.

(3) Develop a global layout together with clients and grasp new business opportunities arising from the reorganization of global supply chains.

(4) Keep abreast of the USB Type-C interface standard trends and accelerate the expansion of the Type-C product line and the revenue and client base of audio and video capture systems.

(5) Committed to occupying the emerging 3D depth image application market by means of the outstanding R&D achievements in 3D depth imaging technology. And marched the AI field by means of existing technical thresholds.

(6) By combining de-identification technology with artificial intelligence, efficiently integrate the required data and image applications into real-world markets and create a variety of responsible artificial intelligence applications.

2. Long-term development plan

(1) Continue to take advanced process technology as the core of development, and provide global clients with specialty, stacked, customized, and application-driven memory products and services through the most competitive advantages in the market.

(2) Break through and innovate the business model of non-standard memory products to accelerate the market penetration.

(3) Undertake multi-faceted product integration to expand services to international, strategically important clients.

(4) R&D new memory technologies are required for the advent of the AI generation, and innovate the business models for the cooperative application of IP achievements.

(5) The application of AI with privacy computation ensures that data and image recognition and analysis meet the requirements of international AI privacy protection.

II. Analysis of the market and production and marketing

(I) Market analysis

1. Sales regions of main products

Unit: NT$ thousand; %

Region \ Year		2022		2023	
		Amount	%	Amount	%
Domestic Sales		1,283,666	27.40	645,836	24.26
Foreign Sales	Asia	2,329,623	49.73	1,610,145	60.49
	Others	1,071,300	22.87	405,987	15.25
Total		4,684,589	100.00	2,661,968	100.00

2. Market Share

According to the statistics of a research institution, the scale of the overall global DRAM market in 2023 was approximately US$51.9 billion. As per the Company's revenue in 2023, the share of the global market is around 0.2%.

3. The future supply and demand and growth of the market

The global DRAM market is still experiencing a downward cycle in 2023. Major suppliers are reducing production and expanding production cuts to improve the market supply-demand structure and industry inventory. By the end of the third quarter, the price decline finally came to a halt, indicating that the worst moment of the economic downturn has passed. From the fourth quarter, the market supply and demand have gradually returned to a more favorable state.

Multiple international research institutions have predicted that the DRAM market will experience a recovery in the coming year. According to data released by DRAMeXchange in February 2024, the global DRAM industry is projected to experience an annual increase of 18% in supply bit in 2024. Furthermore, the average selling price (ASP) is expected to grow by 44% annually, driven by the rising shipment proportion of high-priced products like DDR5 and HBM.

4. Competitive niche, favorable and unfavorable factors of development prospects, and countermeasures

(1) Competitive niche

A. The Company has become a major supplier of specialty and application-driven memory in the markets of consumer electronics and computer peripheral products and applications in the world, and has established an image as a world-class high-quality memory supplier.

B. The Company has become a world-class professional supplier of Known-Good-Die as well as customized and other specialty and application-driven memory.

C. The Company has formed various design alliances with world-class clients.

D. The alliance relationship with various foundries has become more stable, and the partnership with upstream and downstream partners is excellent.

E. The Company's R&D and design teams have developed world-class design capabilities and an excellent image as professional leading teams.

F. The Company has a strong team and completely independent management and R&D and design teams.

G. The Company has complete R&D and testing equipment.

(2) Favorable factors

A. With the popularization of mobile devices, smart applications derived from the integration of AI and IoT, and the rise of 5G, end applications of DRAM will become more extensive, and the Company aims to address the needs from emerging AI applications through product innovation.

B. The product development of the logic business department has been recognized by clients, and it has gradually established a stable partnership with them.

C. The largest mainstream manufacturers gradually exited from the supply of DDR3/DDR2 memory, making room for the development of specialty memory by IC design companies.

D. With the rise of AIoT applications, the demand for innovative inventions of AI Memory creates new and emerging opportunities for specialty memory IC design companies.

(3) Unfavorable factors

A. The DRAM market is extremely responsive to changes in the supply and demand structure. The supply of the wafer foundry market is inconsistent, which can result in price fluctuations in the market supply chain, adding operational pressure and impacting growth momentum.

B. Excessive market inventory results in prolonged inventory adjustment and relatively weak customer demand.

C. When entering the high-density and high-end memory standard product market, to compete with mainstream companies, the cost pressure will increase as compared with 2x nano process technologies.

D. The increase in semiconductor miniaturization costs has led to an increase in the costs of foundries, masks, Probe Cards, testing machines, wafers, and packaging. It has also led to an increase in design companies' R&D investment costs and the time to cover the costs.

(4) Countermeasures

A. Implement global business development strategies, strengthen the regionalization and localization of business manpower, and provide instant services.

B. Pay attention to the rapidly growing emerging regional markets, such as India, Vietnam, and etc. Continuously expanding the number of strategic customer groups globally and enhancing design-in/design-win collaborations with original equipment manufacturers to serve end users.

C. Introduce advanced 2x/1x nano manufacturing process on a continuous basis, and develop high value-added special memory product lines through innovative inventions.

D. Memory and SoC products are expanded based on profitability, cash turnover rate, and market share considerations.

E. Pay close attention to the international situation and the trends in the industry, adjust response strategies flexibly, and implement comprehensive risk control.

(II) Important functions and production process of main products

1. Important Use of Main Products

Company	Category	Major products	Functions of products
Etron Technology, Inc.	DRAM	SDR DDR DDR2 DDR3 DDR4 LPDDR2 LPDDR4/4X	It is widely used for key components necessary for four major applications: computer peripherals, communications systems, consumer electronics, and automotive electronics. The scope of application is as follows: 1. Computers and peripherals: HDD, SSD, ODD, Graphic, Printer, Projector, Industrial PC, etc. 2. Communications systems: xDSL, FTTx/ PON, WiFi, IoT/ IoE, IP Cam, IP STB, UAV, etc. 3. Consumer electronics: DTV, Display, Set Top Box, DVD, Audio, Video, Intelligent Home, Game Console, etc. 4. Automotive electronics: Car Infotainment, DAB, Dash Cam, HUD, Navigator, ADAS, etc.
	Flash	SPI NAND Flash e.MMC	SPI NAND Mainly high-capacity, low-pin count SLC SPI NAND Flash for various applications such as networking, STB, IP Cam, and IoT. e.MMC is used for large-capacity storage and high reliability and cost-effective application requirements. It is suitable for common high-capacity devices such as many consumer electronics devices (including smartphones, tablets and mobile network devices), wearable electronic products and the IoT Storage components.
eEver Technology Inc.	Analog logic System IC	USB Power Delivery +DP Alt Mode MUX/ USB Capture Controller	It is mainly used for USB power transmission, controlling the switch of signal between the USB data and the DP video, electronic products that transmit power, USB data and video on the Type-C interface, and IC for capturing 4K@60Hz fps USB images.
eYs3D Microelectronics, Co.	Analog logic System IC	3D Stereo Vision Processor	3D depth sensing chip solution, through the dual-lens image acquisition and physical parallax algorithm can be completed through the ambient light source to capture 3D digital data, for AR/VR/MR, AIoT, robotics and automation applications are important key technologies.
		3D Stereo Vision Sub-System	Designed a 3D binocular sensing hardware module kit with our own 3D depth sensing chip. Applications include service robots, industrial robots, unmanned stores, and motion sensing.
		USB Image Controller	Mainly for image processing and transmission, it is used in general external PC-Cam, built-in NB Cam, Smart TV, Dash Cam, IP Cam, Digital Signage and Game Console.
DeCloak Intelligences Co.	Information Service	Privacy data protection related systems software and hardware	The software and hardware data privacy computing solutions for personal privacy protection, which are mainly used for electronic file security exchange platforms of enterprises, enterprise access control systems, electronic signatures, financial insurance, medical health, surveillance, and other applications with privacy data.

2. Production and manufacturing process

The IC production and manufacturing process is mainly divided into four stages:

(1) Circuit design stage

Circuit design starts with the definition of product functions, followed by the design of relevant logic and analog circuits, then simulation, verification, and graphical layout, and finally the circuit layout pattern is converted into electronic data for making masks and stored on tapes or optical discs.

(2) Wafer manufacturing stage

The wafer manufacturing process is based on the repetitive processes of photolithography, etching, oxidation, and diffusion to produce the designed circuit pattern (i.e. the circuit pattern on the mask) on a silicon wafer layer by layer.

(3) Wafer testing stage

There are hundreds to thousands of dies on a manufactured wafer, which must be tested one by one to select the integrated circuit dies which functions well. As die products do not need to undergo the packaging and testing stage, additional testing procedures are required to ensure product quality.

(4) Packaging and testing stage

In response to customers' demand for packaging of products, tiny dies must go through the assembly processes of cutting, bonding, soldering, and packaging. Final testing is required to ensure quality so as to conclude the entire production process.

(III) Supply of the major raw materials

The Company's major raw material is silicon wafer. The Company continues to maintain long-term collaboration with at least three foundries, so there should be no concern about the sources of wafer supply.

(IV) The names of individual customers/suppliers who have accounted for at least 10% of the total purchases (sales) in any of the last two years, their purchase (sale) amounts and proportions, and the reasons for the changes

1. Information on major suppliers in the last two years

Unit: NT$ thousand

Item	2022				2023			
	Name	Amount	Proportion to net purchase for the year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase for the year (%)	Relationship with the issuer
1	Supplier A	3,915,609	76.62	None	Supplier A	1,095,750	59.90	None
2					Supplier B	259,331	14.18	None
3	Others	1,194,635	23.38	-	Others	474,129	25.92	-
-	Net purchase	5,110,244	100.00	-	Net purchase	1,829,210	100.00	-

Reasons for the increase or decrease: The changes in customer demand have led to a change in customers' proportions and the increase or decrease.

2. Information on major sales customers in the last two years

Unit: NT$ thousand

Item	2022				2023			
	Name	Amount	Proportion to net sales for the year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales for the year (%)	Relationship with the issuer
1	Custom A	908,068	19.38	None	Custom A	282,571	10.62	None
2	Others	3,776,521	80.62	-	Others	2,379,397	89.38	None
-	Net sales	4,684,589	100.00	-	Net sales	2,661,968	100.00	-

Reasons for the increase or decrease: The changes in the demand for terminal products have led to a change in the customers' product mixes and the increase or decrease.

(V) Production volume and value in the last two years

Unit: Thousand units; NT$ thousand

Year / Production volume and value / Main products	2022			2023		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Memory and analog logic ICs	-	224,837	3,527,805	-	175,190	2,604,453

(VI) Sales volume and value in the last two years

Unit: Thousand units; NT$ thousand

Year / Sales volume and value / Main products	2022				2023			
	Domestic Sales		Foreign Sales		Domestic Sales		Foreign Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Memory and analog logic ICs	79,260	1,282,736	138,693	3,400,923	58,722	644,846	120,154	2,016,132
Others (Note)	-	930	-	-	-	990	-	-
Total	79,260	1,283,666	138,693	3,400,923	58,722	645,836	120,154	2,016,132

Note: In 2022, the products have been redefined and reclassified as memory and analog logic system ICs.

III. Number of employees, average length of service, average age, and education distribution

Unit: Person

Year		2022	2023	As of March 31, 2024
Number of employees	R&D personnel	264	271	271
	Management and marketing personnel	162	162	160
	Technicians	13	12	12
	Total	439	445	443
Average age		44.11	43.93	44.24
Average years of service		9.08	9.32	9.55
Distribution of education	Doctoral degree	2.96%	3.37%	3.39%
	Master's degree	46.70%	47.42%	44.70%
	University and college	45.33%	44.49%	47.18%
	Senior high school	4.33%	4.27%	4.29%
	Below senior high school	0.68%	0.45%	0.44%

IV. Environmental Protection Expenditure

(I) Information on losses incurred due to environmental pollution in 2023 and as of the publication date of the annual report: None.

(II) The estimated amount that may be incurred at present and in the future and countermeasures: The Company is a professional IC design company and did not cause material environmental pollution. In the future, we may adopt relevant operational control or filing operations in response to changes in laws and regulations. The current potential environmental protection expenditures include pollution prevention facility improvement expenses and disposal costs for environmental protection, and the annual amount is estimated to be less than NT$600,000.

V. Labor-management Relations

(I) Employee benefit plans, continuing education, training, and pension systems and the status of the implementation, and the status of labor-management agreements and measures for safeguarding employees' rights and interests

1. Employee benefits

(1)The Company's employee benefits are handled as per the Labor Standards Act and relevant laws, and also include an employee stock ownership trust system and group insurance policy, so that employees can devote themselves to work more fully.

(2)The Company has set up an Employee Welfare Committee to provide various allowances or subsidies for marriage, funerals, national holidays, childbirth, and emergencies, as well as various employee travel activities, birthday parties, and club activities to enhance employees' physical and psychological health and strengthen the interaction and relations among them. The employees have been satisfied with the benefits above since the implementation.

(3)To alleviate the burden on employees, the Company has set up after-school club, providing free childcare measures, such as after-school children pick-up service and after-school tutoring, and childcare facilities, such as children's playrooms, libraries, toilets, and showers; as such, employees can work without worries.

(4)To take care of employees' health and diet balance, we hire a group of professional chefs to provide services lunch, dinner, noodle dishes, vegetarian meals, and children's meals.

(5)The Company was awarded the National "Friendly Workplace" by the Council of Labor Affairs (currently known as the Ministry of Labor) in 2008, and selected as an enterprise for offering an excellent "Employee Assistance Program (EAP)" by the Council of Labor Affairs (currently known as the Ministry of Labor) in 2011. We were also honored the Family LOHAS Award and the Health LOHAS Award of the 1st Work-Life Balance Award launched by the Ministry of Labor in 2014, which were the highest national honor for the Company's promotion of work-life balance.

2. Pension system

Etron has formulated the "Employee Pension Measures of Etron Technology Inc." and established a Supervisory Committee of Labor Retirement Reserve as per the Labor Standards Act and the Labor Pension Act.

(1)For employees to whom the retirement criteria of the Labor Standards Act apply, the pension is calculated based on the years of service and average monthly salary in the month in which the retirement is approved. Employees will be given two base points for every full year of service in the first 15 years (inclusive), and will be given one

base point for every full year of service thereafter, but the cumulative number of base points is limited to a maximum of 45. The Company sets aside 2% of the employee's total salary each month as pension funds and deposit it to the designated account under the name of the Supervisory Committee of Labor Retirement Reserve at the Bank of Taiwan, and the committee is responsible for supervision, custody, and utilization of the funds.

(2)For employees to whom the retirement criteria of the Labor Pension Act apply, the Company will contribute 6% of the monthly salary as per the monthly contribution range table approved by the Executive Yuan to the individual pension account of the Bureau of Labor Insurance according to an employee's salary while cooperating with employees' voluntary contribution.

3. Employee education and training

Etron adheres to the concept of lifelong learning, encourages employees to learn actively and spontaneously, and focuses on the internalization of knowledge and the display of work performance. As such, we have formulated "Education and Training Regulations", "Employee On-the-job Training Regulations", and other relevant training regulations, and provide diverse training models. The training cost in 2023 was around NT$580,000. The average number of training sessions per person was 0.42, and the average training hours per person was 31.86.

Since 2005, we have been granted separate course subsidies under the Enterprise Human Resources Improvement Program launched by Workforce Development Agency, Ministry of Labor. In 2018, 2020, and 2023, we were awarded the Bronze Award by the Talent Quality Management System (TTQS) in the Taoyuan, Hsinchu, and Miaoli regions.

The Company's training methods are divided into three models: internal training, industry learning, and self-development, which are described as follows:

(1) "Internal training" focuses on departmental independent training and inter-departmental integrated training to leverage the effects of internal knowledge dissemination and teaching while learning.

(2) "Industry learning" refers to external courses and international seminars, which are arranged to strengthen the connectivity between knowledge, technology, and industry, and the information absorbed and integrated will be shared internally.

(3) As for "Self-development", self-growth space is provided to enhance individuals' learning willingness through resources, such as internal learning platforms, IEEE Database, and libraries.

The Company’s training system is divided into the components below:

A. In "management competency training" professional management training is provided to managers at all levels; lectures for managers are organized regularly, and outstanding leaders are trained actively.

B. As for "Departmental professional competency courses", professional knowledge, skills, and attitude that employees should possess in different job positions are drawn up as per the annual training plan.

C. The "School of Life and Knowledge" is planned to provide knowledge related to humanities, social sciences, and natural sciences to promote personal self-growth, expand the horizon exploration, and diversify the knowledge.

D. "Corporate culture" aims to cultivate the necessary skills that should be possessed by Etron's employees, such as new employee training to help new

employees quickly understand the Company's philosophy, spirit, system, and culture.

E. "Language training" trains employees to possess the language skills needed for internationalization and to enhance individual competitiveness.

F. As for "annual certifications" that need to be passed by specific professionals, such as quality inspectors, environmental safety and health personnel, and chefs, we arrange regular annual training sessions, and have formulated "specific personnel qualification certification implementation regulations" for personnel who are critical to product quality to ensure employees' skills are qualified for their jobs.

4. Agreements between labor and management and various measures to protect employees' rights and interests

The Company's appointment policy complies with internationally recognized international conventions (including the "Universal Declaration of Human Rights", "International Covenant on Economic, Social and Cultural Rights", "International Covenant on Civil and Political Rights", and "Declaration of Fundamental Principles and Rights of the International Labor Organization"), as well as other laws and regulations. The Company does not treat people in different ways due to their race, socioeconomic class, language, ideology, religion, party, birthplace, gender, marriage, appearance, physical obstacles or previous union memberships. The Company has established appropriate internal management methods and procedures, and regularly accepts the audit conducted by its internal units, certification units and customers, so as to ensure the implementation thereof. The Company holds four labor-management meetings every year to communicate various issues of concern with employees; At ordinary times, communication can also be achieved through the Company's internal mailboxes and bulletin boards for smooth communication.

(II) In 2023 and up to the publication date of the annual report, the situation of labor disputes and the estimated amount that may be incurred in the future and countermeasures: The Company did not suffer loss due to labor disputes, and the Company's labor-management relationship is harmonious. It is estimated that the possibility of losses incurred due to labor disputes in the future is extremely low.

VI. Cyber Security Management

(I) Cyber Security Risk Management Structure, Cyber Security Policies, Specific Management Schemes and Resources Invested in Cyber Security Management

1. Cyber Security Risk Management Structure

The Company has established the Cyber Security Committee that is responsible for formulating and reviewing information security policies, resource allocation, and inspection of the implementation of different measures. The senior executives—as management representatives—are responsible for the coordination and promotion of cyber security management affairs. They regularly convene security meetings and submit annual reports to the Board of Directors on the implementation status. In addition, in December 2023, the Company established a security director and security personnel in compliance with the law to improve the effectiveness of security operations. The executive secretary supports the dedicated security director in performing security-related tasks, and department managers serve as committee members to contribute to the development and execution of various information security plans and measures.

2. Cyber Security Policies

   The Company has formulated cyber security policies as guidelines for cyber security management in accordance with its own operating requirements and relevant laws and regulations to ensure the confidentiality, integrity, and availability of company information. The operation of internal cyber security organization helps to implement executive management measures. In addition, the Company should establish cyber security risk awareness among employees, and make the best of management procedures and security protection technologies to achieve the security goals of information collection, processing, transmission, storage, and circulation.

3. Specific Management Schemes and Resources Invested in Cyber Security Management

   With respect to "security and information security education and training of human resource to enhance personnel cyber security awareness":

   (1) Personnel employment change or termination of employment have been included in the cyber security process to manage the employees. These efforts are designed to ensure that employees can implement relevant cyber security measures in their positions, thereby reducing possible cyber security risks.

   (2) The Company regularly conducts cyber security awareness, social engineering attack, and prevention education training for employees (totaling 3 hours). This training is tailored to the nature of their job and the current cyber security environment requirements. In addition, a cyber security awareness zone is established to enhance employees' awareness of information security and improve the overall information security level of the company.

   (3) To enhance the Company's information security management capabilities and strengthen the training of our personnel, dedicated individuals have been assigned to attend external professional training courses for information security management (totaling 120 hours) and external training courses for information security functions (totaling 80 hours). Additionally, internal training courses on information security have been conducted for our IT staff (totaling 6 hours).

   (4) Periodically issue information security breach messages and email security notices (all of the messages and notices are 76), reminding them to remain vigilant and providing information on security incidents and preventive measures.

   With respect to "information asset identification and risk management":

   (1) The Company conducts an inventory and classification of information assets every year to examine the confidentiality, availability, and integrity of information assets, thus identifying company assets and ensuring that all assets are protected according to their importance. The Company strives to assess any possible weaknesses and threats of information assets, thereby formulating a risk treatment plan that will be tracked until the improvement is completed.

   (2) In response to external cyber security threats, the Company is continuously strengthening its defense measures in addition to the existing protection mechanisms. Our objective is to enhance cyber security protection in three key areas: antivirus, anti-hacking, and data leakage prevention. We have implemented a range of security solutions, including firewalls, intrusion detection and defense systems, antivirus software, endpoint detection and endpoint detection and response (EDR), and multi-factor authentication (MFA). These measures are designed to improve our ability to defend against external attacks and safeguard internal confidential information.

With respect to "notification and response of cyber security incident":

(1)The Company participates in domestic defense organizations of cyber security to obtain and share cyber security information to take timely response measures.

(2)The Company conducts simulation drilling for events that may impact operations. In terms of the Company's cyber security incidents, all departments should report the incidents according to the authority and responsibility and the incident grading mechanism when the incident occurs, take appropriate measures as per the prepared contingency plan, and properly record the handling process and results and report to the Cyber Security Committee.

The Company's Cyber Security Committee held ad hoc working group meetings and quarterly formal meetings in 2023. On November 7, 2023, a report on the implementation of information security was presented to the Board of Directors. The Company has invested NT$7200 thousand to continuously acquire software and hardware infrastructure in order to enhance network security mechanisms, system operations, and the security of confidential information management.

The Company has implemented a comprehensive ISO27001 information security management system. In April 2024, it successfully passed third-party verification to mitigate information security threats in terms of system, technical, and procedural aspects. The Company has created an information security protection environment that aligns with customer requirements and consistently follows the Plan-Do-Check-Act (PDCA) cycle for continuous improvement.

(II) For the most recent year and as of the printing date of the annual report, the losses, possible impacts and responses to major cyber security incidents, if not reasonably estimable, shall state the facts that they are not reasonably estimable: None.

VII. Important Agreements

Type of Contract	Party	Contract Duration	Main Content	Restrictive Clauses
Insurance	Chubb Insured	2023.09.16 ~ 2024.09.16	Liability insurance for directors, supervisors, and important employees	None
Production capacity reservation and supplementary agreement	Powerchip Semiconductor Manufacturing Corp.	2021.10.01 ~ 2024.08.31	Ensure a stable supply of wafers required by the Company's business	Confidentiality clause

Chapter 6 Financial Information

I. Condensed Financial Statements for the Most Recent Five Years

(I) Condensed Consolidated Balance Sheets

Unit: NT$ thousand

Item \ Year		2019	2020	2021	2022	2023
Current Assets		3,582,080	3,951,619	4,643,172	5,635,796	4,246,574
Property, Plant and Equipment, Net		810,414	689,421	624,685	667,688	646,729
Intangible Assets, Net		31,277	27,056	56,507	41,586	29,409
Other Assets		1,788,907	1,511,141	1,880,018	1,879,355	1,907,688
Total Assets		6,212,678	6,179,237	7,204,382	8,224,425	6,830,400
Current Liabilities	Before Distribution	1,859,229	1,750,292	2,277,866	2,314,729	1,992,236
	After Distribution	1,859,229	1,750,292	2,493,809	2,320,413	To be distributed
Non-current Liabilities		2,021,217	1,511,821	682,919	1,627,615	1,355,946
Total Liabilities	Before Distribution	3,880,446	3,262,113	2,960,785	3,942,344	3,348,182
	After Distribution	3,880,446	3,262,113	3,176,728	3,948,028	To be distributed
Equity Attributable to Owners of the Parent		2,300,215	2,881,220	4,139,643	4,182,304	3,421,135
Share Capital		4,352,398	2,677,073	2,698,693	2,840,618	2,889,328
Capital collected in advance		0	0	1,530	3,585	17,143
Capital Surplus		190,706	496,457	568,222	687,164	718,483
Retained Earnings	Before Distribution	(2,175,325)	(260,481)	784,069	618,191	(372,049)
	After Distribution	(2,175,325)	(260,481)	433,161	572,717	To be distributed
Other Equity		(64,024)	(31,829)	87,129	32,746	168,230
Treasury Stock		(3,540)	0	0	0	0
Non-controlling Interests		32,017	35,904	103,954	99,777	61,083
Total Equity	Before Distribution	2,332,232	2,917,124	4,243,597	4,282,081	3,482,218
	After Distribution	2,332,232	2,917,124	4,027,654	4,276,397	To be distributed

(II) Condensed Parent Company Only Balance Sheets

Unit: NT$ thousand

Item \ Year		2019	2020	2021	2022	2023
Current Assets		3,308,972	3,537,225	4,171,320	5,150,013	3,835,152
Investments Accounted for Using Equity Method		1,332,290	1,231,908	1,383,210	1,372,581	1,362,079
Property, Plant and Equipment, Net		791,245	676,503	611,154	652,242	628,990
Intangible Assets, Net		25,310	19,817	16,927	16,742	18,324
Other Assets		641,206	592,762	850,747	860,345	832,305
Total Assets		6,099,023	6,058,215	7,033,358	8,051,923	6,676,850
Current Liabilities	Before Distribution	1,788,260	1,634,675	2,213,578	2,244,314	1,901,798
	After Distribution	1,788,260	1,634,675	2,429,521	2,249,998	To be distributed
Non-current Liabilities		2,010,548	1,542,320	680,137	1,625,305	1,353,917
Total Liabilities	Before Distribution	3,798,808	3,176,995	2,893,715	3,869,619	3,255,715
	After Distribution	3,798,808	3,176,995	3,109,658	3,875,303	To be distributed
Share Capital		4,352,398	2,677,073	2,698,693	2,840,618	2,889,328
Capital collected in advance		0	0	1,530	3,585	17,143
Capital Surplus		190,706	496,457	568,222	687,164	718,483
Retained Earnings	Before Distribution	(2,175,325)	(260,481)	784,069	618,191	(372,049)
	After Distribution	(2,175,325)	(260,481)	433,161	572,717	To be distributed
Other Equity		(64,024)	(31,829)	87,129	32,746	168,230
Treasury Stock		(3,540)	0	0	0	0
Total Equity	Before Distribution	2,300,215	2,881,220	4,139,643	4,182,304	3,421,135
	After Distribution	2,300,215	2,881,220	3,923,700	4,176,620	To be distributed

(III) Condensed Consolidated Statements of Comprehensive Income

Unit: NT$ thousand

Item \ Year	2019	2020	2021	2022	2023
Operating Revenue	3,681,468	3,550,544	6,146,406	4,684,589	2,661,968
Operating Gross Profit	470,706	565,473	2,121,669	1,200,276	(82,701)
Operating Income	(523,084)	(222,561)	1,128,929	83,186	(1,173,151)
Non-operating Income and Expenses	1,038	(34,014)	(45,159)	24,126	180,470
Net Income before Tax (loss)	(522,046)	(256,575)	1,083,770	107,312	(992,681)
Income (loss) from Continuing Operations	(533,914)	(268,444)	1,015,035	74,200	(992,683)
Loss from Discontinued Operations	0	0	0	0	0
Net Income (Loss) for the Current Period	(533,914)	(268,444)	1,015,035	74,200	(992,683)
Other Comprehensive Income after Tax	(24,429)	24,698	111,714	(9,275)	83,644
Total Comprehensive Income	(558,343)	(243,746)	1,126,749	64,925	(909,039)
Net Income (Loss) Attributable to Owners of the Parent Company	(498,906)	(254,393)	1,051,071	141,895	(892,914)
Net Income (Loss) Attributable to Non-controlling Interests	(35,008)	(14,051)	(36,036)	(67,695)	(99,769)
Comprehensive Income Attributable to Owners of the Parent	(521,754)	(229,078)	1,163,508	130,647	(809,282)
Comprehensive Income Attributable to Non-controlling Interests	(36,589)	(14,668)	(36,759)	(65,722)	(99,757)
Earnings (Loss) per Share	(2.15)	(1.07)	3.67	0.49	(3.09)

(IV) Condensed Parent Company Only Composite Income Sheet

Unit: NT$ thousand

Item \ Year	2019	2020	2021	2022	2023
Operating Revenue	3,359,337	3,267,841	5,847,407	4,502,838	2,573,481
Operating Gross Profit	326,773	393,352	1,933,136	1,069,068	(133,028)
Operating Income	(317,129)	(128,590)	1,218,026	323,421	(788,888)
Non-operating Income and Expenses	(169,909)	(113,934)	(98,245)	(148,414)	(104,026)
Net Income before Tax (loss)	(487,038)	(242,524)	1,119,781	175,007	(892,914)
Income (loss) from Continuing Operations	(498,906)	(254,393)	1,051,071	141,895	(892,914)
Loss from Discontinued Operations	0	0	0	0	0
Net Income (Loss) for the Current Period	(498,906)	(254,393)	1,051,071	141,895	(892,914)
Other Comprehensive Income after Tax	(22,848)	25,315	112,437	(11,248)	83,632
Total Comprehensive Income	(521,754)	(229,078)	1,163,508	130,647	(809,282)
Earnings (Loss) per Share	(2.15)	(1.07)	3.67	0.49	(3.09)

(V) Names and Opinions of the CPAs for the Most Recent Five Years

Year of Certification	Name of CPA Firm	Name of CPA	Audit Opinion
2019	PricewaterhouseCoopers, Taiwan	Wen, Fang-Yu and Chiang, Tsai-Yen	Unmodified opinion
2020	PricewaterhouseCoopers, Taiwan	Chiang, Tsai-Yen and Wen, Fang-Yu	Unmodified opinion
2021	PricewaterhouseCoopers, Taiwan	Chiang,Tsai-Yen and Wen, Fang-Yu,	Unmodified opinion
2022	PricewaterhouseCoopers, Taiwan	Chiang, Tsai-Yen and Hsu, Sheng-Zhong	Unmodified opinion
2023	PricewaterhouseCoopers, Taiwan	Hsu, Sheng-Zhong and Chiang, Tsai- Yen	Unmodified opinion

II. Financial Analyses for the Most Recent Five Years

(I) Consolidated Financial Analyses

Analysis Item \ Year		2019	2020	2021	2022	2023
Financial structure (%)	Debt Ratio	62.46	52.79	41.10	47.93	49.02
	Ratio of Long-term Capital to Property, Plant and Equipment	537.19	642.42	788.64	855.10	748.10
Debt service ability (%)	Current Ratio	192.66	225.77	203.84	243.48	213.16
	Quick Ratio	95.99	129.23	122.19	82.26	69.82
	Interest Coverage Ratio	-	-	2,814.11	411.84	0
Operating Ability	Accounts Receivable Turnover Rate (Times)	3.16	3.58	4.99	3.67	3.03
	Average Days for Cash Receipts	116	102	74	100	121
	Inventory Turnover Rate (Times)	1.31	1.36	1.80	1.08	0.72
	Accounts Payable Turnover Rate (Times)	5.61	5.03	5.10	4.19	4.85
	Average Days for Sale of Goods	279	269	203	338	507
	Property, Plant and Equipment Turnover Rate (Times)	3.86	4.73	9.35	7.25	4.05
	Total Assets Turnover Rate (Times)	0.56	0.57	0.92	0.61	0.35
Profitability	Return on Assets (%)	(7.18)	(3.57)	15.65	1.32	(12.37)
	Return on Equity (%)	(20.67)	(10.23)	28.35	1.74	(25.57)
	Ratio of Income before Tax to Paid-in Capital (%)	(11.99)	(9.58)	40.16	3.78	(34.36)
	Net Profit Margin (%)	(14.50)	(7.56)	16.51	1.58	(37.29)
	Earnings (losses) per share (N)	(2.15)	(1.07)	3.67	0.49	(3.09)
Cash Flows	Cash Flow Ratio (%)	29.10	6.48	44.45	-	-
	Cash Flow Adequacy Ratio (%)	23.90	42.41	98.59	46.46	56.74
	Cash Reinvestment Ratio (%)	6.97	1.42	12.15	-	-
Leverage	Operating Leverage	-	-	2.03	16.59	-
	Financial Leverage	-	-	1.04	1.71	-
Note	Reason for the changes in the financial ratio in the most recent two years: 1. The interest coverage ratio, financial leverage, and operating leverage are all zero: mainly because of losses incurred in 2023. 2. Increase in average days for cash receipts: primarily attributed to the decline in net sales and average accounts receivable in 2023 compared to 2022. 3. Decrease in inventory turnover rate and the increase in average days for sales of goods: primarily attributed to the decrease in sales costs in 2023 compared to 2022 and the increase in average inventory in 2023 compared to 2022. 4. Decrease in property, plant and equipment turnover rate and total assets turnover rate: mainly due to the decrease in net sales in 2023 compared with 2022. 5. Decrease in return on assets, return on equity, and earnings per share: primarily attributed to the loss incurred in 2023. 6. Decrease in the ratio of income before tax to paid-in capital: mainly due to the loss before tax in 2023. 7. Decrease in net profit margin: primarily attributed to the loss incurred in 2023. 8. Increase in cash flow adequacy ratio: mainly due to the decrease in inventory in 2023.					

Note: The calculation formula for financial analysis is presented as follows:

1. Financial structure
   (1) Debt ratio = Total liabilities/Total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (Total equity + Non-current Liabilities) / Net property, plant and equipment.

2. Debt service ability
   (1) Current ratio = Current assets/Current liabilities
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities
   (3) Interest earned ratio = Earnings before interest and taxes/Interest expenses
3. Operating Ability
   (1) Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities).
   (2) Average days for cash receipts = 365/Accounts receivable turnover.
   (3) Inventory turnover rate= Cost of sales/Average inventory.
   (4) Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and bills payable from business activities).
   (5) Average days for sale of goods = 365/Inventory turnover.
   (6) Turnover rate for property, plant and equipment = Net sales/Average net property, plant, and equipment.
   (7) Total asset turnover rate = Net sales/Average total assets.
4. Profitability
   (1) Asset return ratio = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets.
   (2) Equity return ratio = Profit or loss after tax/Average total equity.
   (3) Net profit ratio = Profit or loss after tax/Net sales.
   (4) Earnings per share = (Income attributable to owners of parent company - Preferred shares dividends)/Weighted average number of shares issued.
5. Cash Flows
   (1) Cash flow ratio = Net cash flows from operating activities/Current liabilities.
   (2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increment + Cash dividends) for the most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross property, plant, and equipment + Long-term investment + 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).

(II) Parent Company Only Financial Analyses

Analysis Item \ Year		2019	2020	2021	2022	2023
Financial structure (%)	Debt Ratio	62.29	52.44	41.14	48.06	48.76
	Ratio of Long-term Capital to Property, Plant and Equipment	544.81	653.88	788.64	890.41	759.16
Debt service ability (%)	Current Ratio	185.04	216.39	188.44	229.47	201.66
	Quick Ratio	86.38	116.53	108.29	69.68	57.05
	Interest Coverage Ratio	-	-	2,866.00	611.00	-
Operating Ability	Accounts Receivable Turnover Rate (Times)	2.98	3.36	4.87	3.67	3.05
	Average Days for Cash Receipts	122	109	75	99	120
	Inventory Turnover Rate (Times)	1.28	1.34	1.80	1.09	0.72
	Accounts Payable Turnover Rate (Times)	5.43	4.93	5.07	4.20	4.86
	Average Days for Sale of Goods	286	273	203	335	504
	Property, Plant and Equipment Turnover Rate (Times)	3.87	4.45	9.08	7.13	4.02
	Total Assets Turnover Rate (Times)	0.53	0.54	0.89	0.60	0.35
Profitability	Return on Assets (%)	(6.94)	(3.46)	16.54	2.24	(11.30)
	Return on Equity (%)	(19.82)	(9.82)	29.94	3.41	(23.49)
	Ratio of Income before Tax to Paid-in Capital (%)	(11.19)	(9.06)	41.49	6.16	(30.90)
	Net Profit Margin (%)	(14.85)	(7.78)	17.97	3.15	(34.70)
	Earnings (losses) per share (N)	(2.15)	(1.07)	3.67	0.49	(3.09)
Cash Flows	Cash Flow Ratio (%)	37.82	7.19	51.48	-	8.25
	Cash Flow Adequacy Ratio (%)	29.59	46.28	97.21	50.11	61.84
	Cash Reinvestment Ratio (%)	9.07	1.52	14.01	-	1.85
Leverage	Operating Leverage	-	-	1.69	3.73	-
	Financial Leverage	-	-	1.03	1.12	-

Reason for the changes in the financial ratio in the most recent two years:

1. The interest coverage ratio, operating leverage, and financial leverage are all zero: mainly because of losses incurred in 2023.
2. Increase in average days for cash receipts: primarily attributed to the decline in net sales and average accounts receivable in 2023 compared to 2022.
3. Decrease in inventory turnover rate and the increase in average days for sales of goods: primarily attributed to the decrease in sales costs in 2023 compared to 2022 and the increase in average inventory in 2023 compared to 2022.
4. Decrease in property, plant and equipment turnover rate and total assets turnover rate: mainly due to the decrease in net sales in 2023 compared with 2022.
5. Decrease in return on assets, return on equity, and earnings per share: primarily attributed to decrease in income in 2023 compared to 2022.
6. Decrease in the ratio of income before tax to paid-in capital: mainly due to decrease in the loss before tax in 2023 compared to 2022.
7. Decrease in net profit margin: mainly due to the decrease in profits and net sales in 2023 compared with 2022.
8. Increase in cash flow ratio and cash reinvestment ratio: mainly due to the cash inflows from operating activities in 2023.
9. Increase in cash flow adequacy ratio: mainly due to the decrease in inventory in 2023.

Note:The calculation formula for financial analysis is the same as that under (I) Consolidated Financial Analyses.

III. Audit Committee's Report for the Most Recent Year's Financial Statements

Audit Committee's Review Report

The Board of Directors has submitted the Company's 2023 Financial Statements, 2023 Deficit Appropriation Statement, and 2023 Business Report, among which the Financial Statements have been audited, and Audit Report has been issued, by PwC Taiwan. The said Financial Statements, Deficit Appropriation Statement, and Business Report have been reviewed by us, the Audit Committee. We have not found any inconsistencies. Therefore, we, the Audit Committee, issue this Report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, for your review.

Sincerely,

2024 Annual Shareholders' Meeting of Etron Technology, Inc.

Convener of Audit Committee's Meeting: Wang, Ai-Chen

March 13, 2024

IV. Financial Report for the Most Recent Year: Refer to pages 109 to 196 of the Annual Report.

V. Parent Company Only Financial Statements for the Most Recent Year: Refer to pages 197 to 273 of the Annual Report.

VI. In the Most Recent Year and As of the Date of Publication of the Annual Report, Any Financial Difficulties Experienced by the Company or Its Affiliates and How Said Difficulties Will Affect the Company's Financial Status: None.

Chapter 7 Review and Analysis on Financial Status and Financial Performance and Risk Matters

I. Financial Status

Unit: NT$ thousand

Item \ Year	December 31, 2022	December 31, 2023	Difference	Percentage of Change (%)
Current Assets	5,635,796	4,246,574	(1,389,222)	(24.65)
Financial Assets at Fair Value through Other Comprehensive Income - Non-current and Investments Accounted for Using Equity Method	1,016,620	1,071,601	54,981	5.41
Property, Plant and Equipment, Net	667,688	646,729	(20,959)	(3.14)
Other Assets	904,321	865,496	(38,825)	(4.29)
Total Assets	8,224,425	6,830,400	(1,394,025)	(16.95)
Current Liabilities	2,314,729	1,992,236	(322,493)	(13.93)
Long-term Borrowings	1,314,715	1,068,950	(245,765)	(18.69)
Other Liabilities	312,900	286,996	(25,904)	(8.28)
Total Liabilities	3,942,344	3,348,182	(594,162)	(15.07)
Share Capital	2,840,618	2,889,328	48,710	1.71
Capital collected in advance	3,585	17,143	13,558	378.19
Capital Surplus	687,164	718,483	31,319	4.56
Retained Earnings	618,191	(372,049)	(990,240)	(160.18)
Other Equity	32,746	168,230	135,484	413.74
Non-controlling Interests	99,777	61,083	(38,694)	(38.78)
Total Equity	4,282,081	3,482,218	(799,863)	(18.68)

Explanation of the proportion of the changes (%):

1. Current Assets: Mainly due to the decrease in inventory in 2023.
2. Capital collected in advance: Mainly due to the advance payment received from the employees, whose registration of change for exercising their stock options in 2023 has not been completed.
3. Retained Earnings: Mainly due to the losses in 2023.
4. Other Equity: Mainly due to the disposal of unrealized gains on the valuation of equity instruments at fair value through other comprehensive income in 2023.
5. Non-controlling interests: Primarily attributable to the losses incurred by subsidiaries in 2023.

II. Financial Performance

(I) Analysis of Financial Performance

Unit: NT$ thousand

Item \ Year	2022	2023	Amount of Change	Percentage of Change (%)
Operating Revenue	4,684,589	2,661,968	(2,022,621)	(43.18)
Operating Costs	(3,484,313)	(2,744,669)	739,644	(21.23)
Operating Gross Profit	1,200,276	(82,701)	(1,282,977)	(106.89)
Operating Expenses	(1,179,613)	(1,157,756)	21,857	(1.85)
Other Income and Expenses	62,523	67,306	4,783	7.65
Operating Income (Loss)	83,186	(1,173,151)	(1,256,337)	(1,510.27)
Non-operating Income and Expenses	24,126	180,470	156,344	648.03
Income (Loss) from Continuing Operations before Tax	107,312	(992,681)	(1,099,993)	(1,025.04)
Income Tax (Expenses)	(33,112)	(2)	33,110	(99.99)
Net Income (Loss)	74,200	(992,683)	(1,066,883)	(1,437.85)
Net Income (Loss) Attributable to Owners of the Parent	141,895	(892,914)	(1,034,809)	(729.28)

Description of the percentage of change:
1. Operating Income and Gross Operating Profit: Mainly due to the decrease in IC revenue in 2023 caused by the significant slowdown in terminal market demand.
2. Non-operating Income and Expenses: Primarily arise from gains on the disposal of property, plant and equipment, as well as gains from financial assets (liabilities) measured at fair value through profit or loss.
3. Income Tax Expenses: Mainly due to the decrease in taxable income in the current period.
4. Operating Income and Net Income for the Period (Loss): The main reason for this is the significant decrease in operating revenue and gross profit in 2023.

(II) Expected Sales Volume in the Coming Year and Its Basis

The Company is an IC design house specializing in specialty DRAM, logic ICs, and combined with AI privacy computing such as USB chips and 3D image chips. These products have various applications in consumer electronics and artificial intelligence. The expected sales volume and operations in the future are based on the changes in demand for consumer electronics, according to which various response plans and strategies for financial business are formulated.

III. Cash Flows

(I) Analysis of the Changes in Cash Flows for the Most Recent Year

Unit: %

Item \ Year	2022	2023	Percentage of Change
Cash Flow Ratio	–	–	–
Cash Flow Adequacy Ratio	46.46	56.74	22.13
Cash Reinvestment Ratio	–	–	–

Description of the percentage of change:
1. Cash Flow Ratio: N/A, which was mainly due to the cash outflows from operating activities in 2023.
2. Cash flow adequacy ratio: mainly due to the decrease in inventory in 2023.
3. Cash Reinvestment Ratio: N/A, which was mainly due to the cash outflows from operating activities in 2023.

(II) Remedial Plans for Liquidity Shortfalls: Not applicable as the Company does not expect any liquidity shortfalls.

(III) Analysis of Liquidity for the Coming Year: Liquidity for the coming year is expected to better than that in the previous year.

IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Year

Unit: NT$ thousand

Program	Capital Expenditures		
	2021	2022	2023
Purchase of Equipment	97,207	161,725	115,072
Impact on financial operations	Such capital expenditures are expected to bring positive benefits to the production and sales of products.		

V. Reinvestment Policy for the Most Recent Year, Main Reasons for Profits/Losses Generated Thereby, Improvement Plan, and Investment Plans for Coming Year

(I) Reinvestment Policy for the Most Recent Year

For long-term strategic purposes, the Company's reinvestment policy targets companies in the relevant sectors of the industry. Getting a hold of integrated trends in the relevant sectors of the industry, the Company expects to develop new products, new customers, and new markets, so as to maximize the profits with augmented market share.

(II) Main Reasons for Profits/Losses Generated Thereby and Improvement Plan

In 2023, the business expansion efforts of each subsidiary did not meet expectations due to inflation and the impact of customer destocking, resulting in increased losses compared to the previous year. However, the subsidiaries are continuing to invest resources in developing new technologies and products to enhance the company's competitiveness. Looking ahead to 2024, although interest rates in major global countries remain high and the risk of economic recession persists, it is expected that the operational performance of each subsidiary company will gradually improve and show results as inflation eases and customer destocking nears completion. The Company will continue assisting the investee companies in improving their competitiveness and business results, so as to increase the Company's profitability as a whole.

(III) Investment Plans for Coming Year

The Company will continue to prudently evaluate its investment plans for long-term strategic purposes.

VI. Risk Assessment and Management

(I) Effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Effect of interest rate fluctuations and response measures to be taken in the future

The interest expenses in 2022 and 2023 were NT$34,413 thousand and NT$76,530 thousand respectively, accounting for 0.73% and 2.87% of the consolidated net operating revenue respectively. The Company will always pay attention to the trend of interest rates in the financial market, regularly evaluate bank interest rates, and closely liaise with banks to strive for more favorable interest rate terms.

2. Effect of exchange rate fluctuations and response measures to be taken in the future

   The Company's operating revenue was mainly denominated in USD. Net of certain payables on purchases denominated in foreign currencies, USD-denominated assets constituted most of the net position. Therefore, exchange rate fluctuations between the New Taiwan Dollar and the U.S. dollar could have an impact on the Company's profit or loss. In addition to natural hedging, the Company entered into forward contracts to mitigate the impact of exchange rate fluctuations on its profit and loss. To keep abreast of trends and changes in exchange rates, the Company's finance department constantly monitors changes in international financial markets, maintains close contact with banks, collects information on exchange rate fluctuations and financial markets; it also adjusts the USD position in a timely manner to reduce the exchange rate risk.

3. Effect of changes in the inflation rate and response measures to be taken in the future

   In the most recent year, inflation had an insignificant impact on the business operations and profit or loss of the Company and its subsidiaries. In the future, the Company and its subsidiaries will closely monitor the changes in the international prices of raw materials and products, maintain good relationships with customers and suppliers, and adjust the selling prices of products and inventories in a timely manner in order to reduce the effect of changes in the inflation rate.

(II) Policies on High Risk or Highly Leveraged Investments, Loans to Others, Endorsements and Guarantees, as well as Derivatives Trading, Main Reasons for Profits or Losses, and Response Measures to Be Taken in the Future: The Company and all its subsidiaries did not engage in any high risk or highly leveraged investments. To ensure sound financial management and to reduce the operational risks, the Company has formulated the "Operating Procedures for Loans to Others" and "Operating Procedures for Endorsements and Guarantees" according to law and required that the Company and all its subsidiaries should comply when providing loans or endorsements/guarantees to others. The Company engages in derivatives trading primarily for hedging purposes, using forward foreign exchange and swap contracts to reduce the adverse effects of fluctuations in foreign exchange rates on the Company's operating results.

(III) Future R&D Plan and Projected R&D Expenses: In response to the industry trend of heterogeneous integration and incorporating the sustainable concept of green design, the Company and its subsidiaries continue to develop application-driven memory and logic chip products with high speed, high bandwidth, low voltage, low power consumption, suitable capacity and low cost, and strive to provide a higher-end product portfolio to create added value. The R&D expenses in 2023 amounted to approximately NT$688,596 thousand, accounting for 26% of the Company's operating revenue. The equivalent percentage is expected in 2024 in terms of the R&D expenses in 2023.

(IV) Effect of Changes in Major Domestic and International Policies and Laws on the Company's Finances and Business Operations and Response Measures to Be Taken in the Future: The changes in major domestic and international policies and laws this year did not have any major impact on the finances and business operations of the Company and its subsidiaries. In the future, the Company will keep itself timely updated on relevant information and develop timely and necessary responses to meet the Company's operational needs.

(V) Effect of Changes in Technology and the Industry on the Company's Finances and Business Operations and Response Measures to Be Taken in the Future: The Company strengthened the R&D capabilities and followed technological developments and market trends at home and abroad to respond to changes in technology and the industry; in terms of financial management, the Company focused on cash flow management to keep the operations sound and robust. In addition, regarding the Company's responses to cyber security, please refer to

Chapter 5 Operational Highlights, Section VI Cyber Security Management of this annual report.

(VI) Effect of Changes in Corporate Image on Corporate Risk Management and Measures Taken in Response: The Company is a world-class fabless IC design house for cutting-edge CEDRAM and KGDM. With "honor, courage, innovation, teamwork" as the core, the Company continues to develop advanced technologies and enhance customer service, forging long-term and stable partnerships with many leading customers around the world. In terms of corporate image, the Company presents its core values, business strategies, visions, market trends, and other product or financial information through disclosures and channels of communication such as company website, DMs, press release, awards and credentials, participation in industry events; it also engages with the media and investors to increase the public's understanding and recognition of its business goals and to create a positive corporate image.

(VII) Expected Benefits and Possible Risks Associated with Mergers and Acquisition and Measures Taken in Response: None

(VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion and Measures Taken in Response: None

(IX) Risks Associated with Excessively Centralized Purchases or Sales and Measures Taken in Response: In terms of purchases, having been deeply involved in the field of semiconductor IC products for a long time, the Company has formed a stable and close partnership with suppliers and has considered more than two suppliers for the management of purchases, so that the Company can flexibly allocate production capacity to ensure stable supply and quality. As for sales, the Company sells to customers worldwide for a variety of consumer electronics products, and the sales are still actively expanding, with no centralized sales.

(X) Effect upon and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director, Supervisor, or Shareholder Holding Greater than a 10 Percent Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, and Measures Taken in Response: The equity changes of the above-mentioned personnel of the Company were mainly due to their personal financial management activities, which did not pose any risk to the Company's operations.

(XI) Effect of Changes in Management on the Company, Related Risks, and Measures Taken in Response: None

(XII) Litigation or Non-litigation Events: Securities and Futures Investors Protection Center has filed a lawsuit against our former subsidiary, TM Technology Inc. (referred to as "TM Technology"), and its former Chairman, Mr. Wu, for violating the Securities and Exchange Act in January 2016. Additionally, in February 2017, a civil lawsuit seeking compensation on behalf of TM Technology's investors was filed against Mr. Wu, TM Technology, and the Company. Currently, the Supreme Court has remanded the case to the Taiwan High Court for retrial. The Company is actively defending the case with the assistance of our lawyers to protect our rights and assess the potential impact on our shareholders' equity or securities, which is considered insignificant.

(XIII) Other Major Risks and Countermeasures: None

VII. Other Important Issues: None

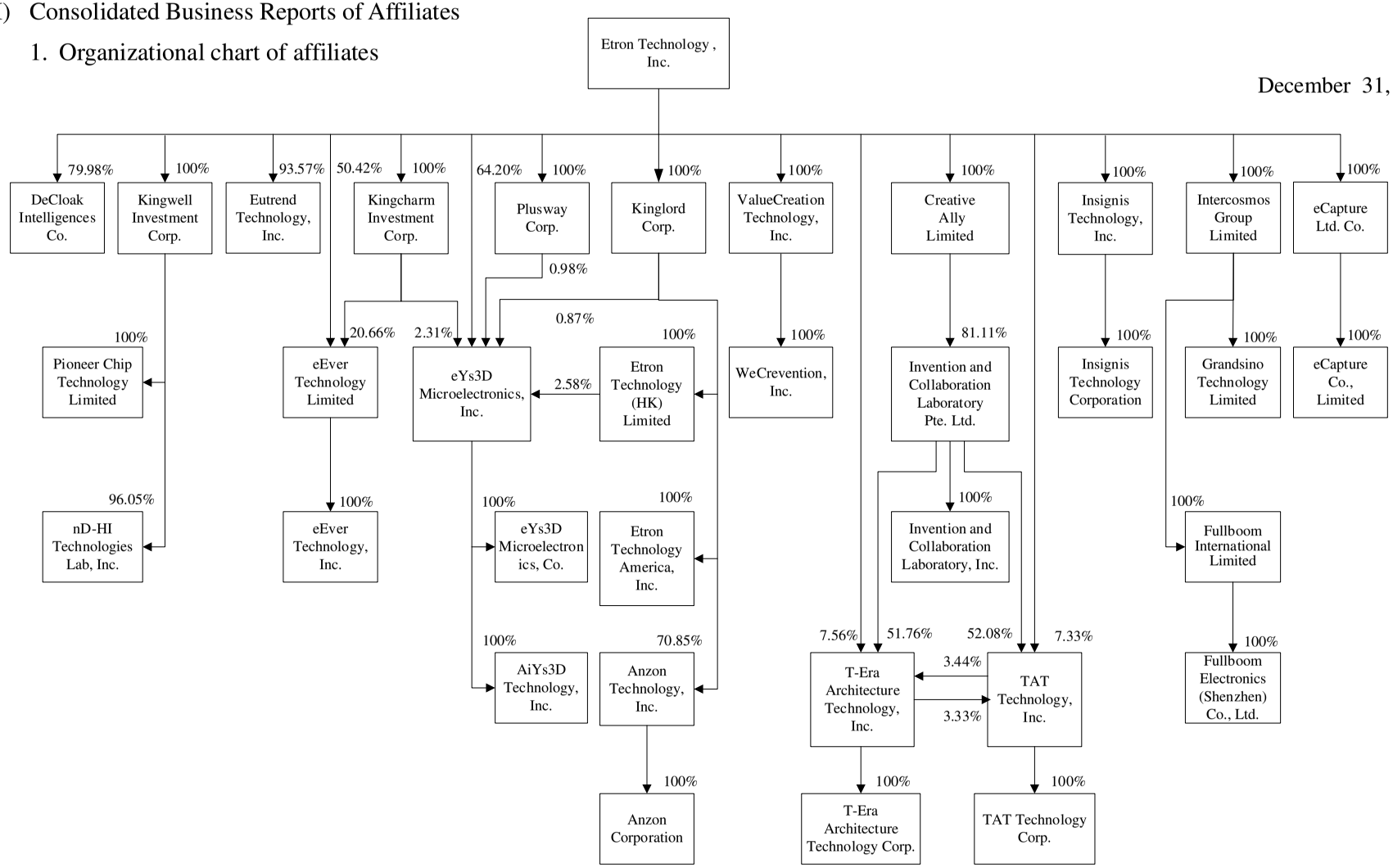
Chapter 8 Special Records

I. Relevant Information on Affiliates

(I) Consolidated Business Reports of Affiliates

1. Organizational chart of affiliates

December 31, 2023



2. Information on affiliates

December 31, 2023, Unit: NT$ thousand

Name of Affiliate	Date of Incorporation	Company Address	Currency	Paid-in Capital	Scope of Business
Kingwell Investment Corp.	1995/10/17	10F, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$140,830.00	Investment in production and service businesses
Kinglord Corp.	1996/8/13	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD	$27,107.62	General investment
Plusway Corp.	1997/11/24	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD	$9,825.00	General investment
Etron Technology America, Inc.	2000/3/28	3375 Scott BLVD, Suite 128, Santa Clara, CA95054, U.S.A.	USD	$5,620.00	Sales agency
Eutrend Technology Inc.	1997/4/1	1F, No. 6, Technology Road 5, Hsinchu Science Park, Hsinchu Taiwan	TWD	$28,883.69	Testing of high frequency or high power RF, analog, and digital mixed components
Kingcharm Investment Corp.	2000/5/10	10F, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$180,000.00	General investment
Anzon Technology, Inc.	2003/1/21	P.O Box 3152, Road Town, Tortola, Birtish Virgin Islands	USD	$584.50	General investment
Anzon Corporation	2004/1/16	3-4-1, Kami-osaki, Shinagawa-ku, Tokyo	JPY	$9,250.00	Sales agency
Etron Technology （HK） Limited	2005/3/16	Unit 613, Lakeside 2, East Wing, No. 10 Science Park West Avenue,HK Science Park Phase II, Shatin, N.T., Hong Kong	HKD	$37,440.00	Sale and purchase of electronic components
Intercosmos Group Limited	2005/7/6	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD	$4,488.00	General investment
Grandsino Technology Limited	2005/7/6	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD	$3,866.00	General investment
Fullboom International Limited	2007/1/8	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	$1,050.00	General investment
Fullboom Electronics (Shenzhen) Co., Ltd.	2007/11/1	No. A2503A, 25F, Building A, Galaxy WORLD, No. 1, Yabao Road, Longgang District, Shenzhen City, China	USD	$1,000.00	Wholesale and international trade of electronic components
Creative Ally Limited	2011/7/13	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD	$4,220.00	General investment
Invention and Collaboration Laboratory, Inc.	2012/6/20	10F, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$1,340.00	Manufacturing of electronic components
Pioneer Chip Technology Limited	2012/10/26	5F, No. 158, Section 1, Jiafeng 2nd Street, Zhubei City, Hsinchu County	TWD	$2,000.00	Manufacturing of electronic components
eEver Technology, Inc.	2015/7/30	2F, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$294,500.00	Manufacturing of electronic components
eYs3D Microelectronics, Co.	2015/7/30	2F, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$1,016,000.00	Manufacturing of electronic components

Name of Affiliate	Date of Incorporation	Company Address	Currency	Paid-in Capital	Scope of Business
eCapture Ltd. Co.	2015/5/19	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	USD	$1,001.67	General investment
eCapture Co., Limited	2016/9/12	Room 613, 6/F., Lakeside 2, East Wing, No. 10 Science Park West Avenue, HK Science Park Phase II, Shatin, N.T., Hong Kong	USD	$950.00	Development, marketing and sale of electronic products
Insignis Technology, Inc.	2016/11/3	P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205	USD	$1,955.00	General investment
Insignis Technology Corporation	2016/11/28	160 Greentree Drive, Suite 101, Dover, DE 19904	USD	$1,915.00	Sale and purchase of electronic components
eEver Technology Limited	2017/7/4	Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands	USD	$6,756.97	General investment
eYs3D Microelectronics, Inc.	2017/7/4	Suite 102, Cannon Place, North Sound Road, George Town, Grand Cayman, KY1-9006, Cayman Islands	USD	$31,049.33	General investment
nD-HI Technologies Lab, Inc.	2015/10/12	2F, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$2,602.86	Manufacturing of electronic components
DeCloak Intelligences Co.	2020/1/21	10F, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$65,949.99	Information software service industry
AiYs3D Technology, Inc.	2020/1/23	3375 Scott Blvd., Suite 128, Santa Clara, CA 95054	USD	$10.00	Marketing and customer service
Invention and Collaboration Laboratory Pte. Ltd.	2020/5/5	160 Robinson Rd., #23-02, Singapore 068914	USD	$1,200.86	Development, consulting, and design of semiconductor technology
T-Era Architecture Technology, Inc.	2022/4/7	P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205, Cayman Islands	USD	$862.00	General investment
TAT Technology, Inc.	2022/4/7	P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205, Cayman Islands	USD	$582.40	General investment
T-Era Architecture Technology Corp.	2022/7/29	2F-2, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$20,000.00	Development, consulting, and design of semiconductor technology
TAT Technology Corp.	2022/9/13	2F-2, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$11,280.00	Development, consulting, and design of semiconductor technology
ValueCreation Technology, Inc.	2023/4/25	2F-3, No. 22, Lane 35, Jihu Road, Xihu Village, Neihu District, Taipei City	TWD	$15,000.00	Intellectual Property Rights Industry
WeCrevention, Inc.	2023/6/7	5900 Balcones Drive, STE 100, Austin, Texas, US	USD	$100.00	Intellectual Property Rights Industry

3. Shareholders of the companies presumed to have a control and affiliation relation: None
4. The industries overall covered by the businesses of affiliates: The scope of business of the Company and its affiliates mainly covers the research and development, production, and sale of integrated circuits and peripherals, as well as related consulting service and general investment.

5. Information on directors, supervisors, and presidents of affiliates

December 31, 2023; Unit: Share; %

Name of Affiliate	Position	Name or Representative	Shareholding	
			Number of Shares	Shareholding Ratio
Kingwell Investment Corp.	Chairman	Etron Technology, Inc. (Representative: Tzu-Chin, Yao)	14,083,000	100.00%
	Director	Etron Technology, Inc. (Representative: Jui-Ling, Hsieh)	14,083,000	100.00%
	Director	Etron Technology, Inc. (Representative: Chia-Pao, Chung)	14,083,000	100.00%
	Supervisor	Etron Technology, Inc. (Representative: Pei-Shan, Shih)	14,083,000	100.00%
Kinglord Corp.	Chairman	Tzu-Chin, Yao	0	0.00%
	Director	Jui-Ling, Hsieh	0	0.00%
	Director	Chia-Pao, Chung	0	0.00%
Plusway Corp.	Director	Tzu-Chin, Yao	0	0.00%
	Director	Jui-Ling, Hsieh	0	0.00%
	Director	Chia-Pao, Chung	0	0.00%
Etron Technology America, Inc.	Director	Elvis Deng	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
EUTREND TECHNOLOGY INC.	Chairman	Tzu-Chin, Yao	0	0.00%
	Director	Jung-Kun, Chung	0	0.00%
	Director	Chia-Pao, Chung	0	0.00%
	Supervisor	Pei-Shan, Shih	0	0.00%
Kingcharm Investment Corp.	Chairman	Etron Technology, Inc. (Representative: Tzu-Chin, Yao)	18,000,000	100.00%
	Director	Etron Technology, Inc. (Representative: Jui-Ling, Hsieh)	18,000,000	100.00%
	Director	Etron Technology, Inc. (Representative: Chia-Pao, Chung)	18,000,000	100.00%
	Supervisor	Etron Technology, Inc. (Representative: Pei-Shan, Shih)	18,000,000	100.00%
Anzon Technology, Inc.	Director	Chikagami,Yasushi	0	0.00%
	Director	Shinya Zhoujin	0	0.00%
	Director	Elvis Deng	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
	Director	Rossini Kuo	0	0.00%
Anzon Corporation	Representative Director	Shinya Zhoujin	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
	Supervisor	Rossini Kuo	0	0.00%
Etron Technology (HK) Limited	Director	Tzu-Chin, Yao	0	0.00%
	Director	Chia-Pao, Chung	0	0.00%
Intercosmos Group Limited	Director	Tzu-Chin, Yao	0	0.00%
	Director	Jui-Ling, Hsieh	0	0.00%
	Director	Chia-Pao, Chung	0	0.00%
Grandsino Technology Limited	Director	Tzu-Chin, Yao	0	0.00%
	Director	Jui-Ling, Hsieh	0	0.00%
	Director	Chia-Pao, Chung	0	0.00%
Fullboom International Limited	Director	Intercosmos Group Limited (Representative: Tzu-Chin, Yao)	1,050,000	100.00%

Name of Affiliate	Position	Name or Representative	Shareholding	
			Number of Shares	Shareholding Ratio
Fullboom Electronics (Shenzhen) Co., Ltd.	Executive Director	Fullboom International Ltd. (Representative: Rong-Zhi, Chen)	0	100.00%
	Supervisor	Fullboom International Ltd. (Representative: Chia-Pao, Chung)	0	100.00%
Creative Ally Limited	Director	Tzu-Chin, Yao	0	0.00%
	Director	Jui-Ling, Hsieh	0	0.00%
	Director	Chia-Pao, Chung	0	0.00%
Invention and Collaboration Laboratory, Inc.	Chairman	Invention and Collaboration Laboratory Pte. Ltd. (Representative: Tzu-Chin, Yao)	134,000	100.00%
	Director	Invention and Collaboration Laboratory Pte. Ltd. (Representative: Jui-Ling, Hsieh)	134,000	100.00%
	Director	Invention and Collaboration Laboratory Pte. Ltd. (Representative: Chia-Pao, Chung)	134,000	100.00%
	Supervisor	Invention and Collaboration Laboratory Pte. Ltd. (Representative: Pei-Shan, Shih)	134,000	100.00%
Pioneer Chip Technology Limited	Chairman	Kingwell Investment Corp. (Representative: Tzu-Chin, Yao)	200,000	100.00%
	Director	Kingwell Investment Corp. (Representative: David Leu)	200,000	100.00%
	Director	Kingwell Investment Corp. (Representative: Jui-Ling, Hsieh)	200,000	100.00%
	Supervisor	Kingwell Investment Corp. (Representative: Chia-Pao, Chung)	200,000	100.00%
eEver Technology, Inc.	Chairman	eEver Technology Limited (Representative: Elvis Deng)	29,450,000	100.00%
	Director	eEver Technology Limited (Representative: Nicky Lu)	29,450,000	100.00%
	Director	eEver Technology Limited (Representative: Pang-Yen, Yang)	29,450,000	100.00%
	Director	eEver Technology Limited (Representative: Shih-Min, Hsu)	29,450,000	100.00%
	Supervisor	eEver Technology Limited (Representative: Mei-Ling, Hsu)	29,450,000	100.00%
	Supervisor	eEver Technology Limited (Representative: Tzu-Chin, Yao)	29,450,000	100.00%
eYs3D Microelectronics, Co.	Chairman	eYs3D Microelectronics, Inc. (Representative: Elvis Deng)	101,600,000	100.00%
	Director	eYs3D Microelectronics, Inc. (Representative: Nicky Lu)	101,600,000	100.00%
	Director	eYs3D Microelectronics, Inc. (Representative: Liang-Hua, Chen)	101,600,000	100.00%
	Supervisor	eYs3D Microelectronics, Inc. (Representative: Mei-Ling, Hsu)	101,600,000	100.00%
	Supervisor	eYs3D Microelectronics, Inc. (Representative: Tzu-Chin, Yao)	101,600,000	100.00%
eCapture Ltd. Co.	Director	Elvis Deng	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
eCapture Co., Limited	Director	Elvis Deng	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
Insignis Technology, Inc.	Director	Elvis Deng	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
	Director	William Lauer	0	0.00%
Insignis Technology Corporation	Director	Elvis Deng	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
	Director	William Lauer	0	0.00%
eEver Technology Limited	Director	Nicky Lu	123,001	0.44%
	Director	Elvis Deng	252,296	0.89%
	Director	Shih-Min, Hsu	17,001	0.06%
	Director	Mei-Ling, Hsu	0	0.00%
	Director	Pang-Yen, Yang	0	0.00%

Name of Affiliate	Position	Name or Representative	Shareholding	
			Number of Shares	Shareholding Ratio
eYs3D Microelectronics, Inc.	Director	Nicky Lu	524,913	1.04%
	Director	Elvis Deng	216,918	0.43%
	Director	Mei-Ling, Hsu	0	0.00%
	Director	Max Wu	0	0.00%
	Director	Liang-Hua, Chen	0	0.00%
	Director	Shao-Tsu Sun	0	0.00%
	Director	Yan-Rui, Chen	0	0.00%
nD-HI Technologies Lab, Inc.	Chairman	Kingwell Investment Corp. (Representative: Tzu-Chin, Yao)	2,500,000	96.05%
	Director	Kingwell Investment Corp. (Representative: Jui-Ling, Hsieh)	2,500,000	96.05%
	Director	Kingwell Investment Corp. (Representative: Chia-Pao, Chung)	2,500,000	96.05%
	Supervisor	Kingwell Investment Corp. (Representative: Pei-Shan, Shih)	2,500,000	96.05%
DeCloak Intelligences Co.	Chairman	Etron Technology, Inc. (Representative: Tzu-Chin, Yao)	4,155,203	79.98%
	Director	Nicky Lu	260,000	5.00%
	Director	Yao-Tung, Tsou	73,202	1.41%
	Supervisor	Elvis Deng	0	0.00%
	Supervisor	Ching-Jung, Wang	0	0.00%
AiYs3D Technology, Inc.	Director	Elvis Deng	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
Invention and Collaboration Laboratory Pte. Ltd.	Director	Elvis Deng	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
	Director	Yu-Fen, Chen	0	0.00%
	Director	TAN SZE LIAN CELINE	0	0.00%
T-Era Architecture Technology, Inc.	Director	Teng-Wei, Wang	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
TAT Technology, Inc.	Director	Teng-Wei, Wang	0	0.00%
	Director	Tzu-Chin, Yao	0	0.00%
T-Era Architecture Technology Corp.	Chairman	T-Era Architecture Technology, Inc. (Representative: Tzu-Chin, Yao)	2,000,000	100.00%
	Director	T-Era Architecture Technology, Inc. (Representative: Teng-Wei, Wang)	2,000,000	100.00%
	Supervisor	T-Era Architecture Technology, Inc. (Representative: Chia-Pao, Chung)	2,000,000	100.00%
TAT Technology Corp.	Chairman	TAT Technology, Inc. (Representative: Tzu-Chin, Yao)	1,128,000	100.00%
	Director	TAT Technology, Inc. (Representative: Teng-Wei, Wang)	1,128,000	100.00%
	Supervisor	TAT Technology, Inc. (Representative: Pei-Shan, Shih)	1,128,000	100.00%
ValueCreation Technology, Inc.	Chairman	Etron Technology, Inc. (Representative: Tzu-Chin, Yao)	1,500,000	100.00%
	Director	Etron Technology, Inc. (Representative: Teng-Wei, Wang)	1,500,000	100.00%
	Supervisor	Etron Technology, Inc. (Representative: Pei-Shan, Shih)	1,500,000	100.00%
WeCrevention, Inc.	Director	Meng-Yao, Peng	0	0.00%

6. Operational overview of affiliates

December 31, 2023; Unit: NT$ thousand

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income (after Tax)	Earnings per Share (NT$) (after Tax)
Kingwell Investment Corp.	140,830	418,514	537	417,977	22,458	8,607	8,607	0.61
Kinglord Corp.	821,593	473,167	136	473,031	40,382	39,843	39,843	1,565.06
Plusway Corp.	301,677	139,147	106	139,041	1,161	(1,162)	(1,162)	(110.94)
Etron Technology America, Inc.	172,562	25,697	5,616	20,081	35,887	(8,879)	(8,414)	(0.18)
Eutrend Technology Inc.	28,884	292	10	282	0	(75)	(75)	(0.03)
Kingcharm Investment Corp.	180,000	10,833	909	9,924	405	(23,986)	(23,986)	(1.33)
Anzon Technology, Inc.	12,907	2,368	0	2,368	0	(880)	(820)	(0.35)
Anzon Corporation	2,009	2,389	105	2,284	2,683	(959)	(921)	(4,977.00)
Etron Technology (HK) Limited	147,384	468,768	26,716	442,052	110,436	(2,830)	50,932	1.36
Intercosmos Group Limited	137,804	193,133	0	193,133	1,001	896	896	169.74
Grandsino Technology Limited	118,706	177,016	0	177,016	341	307	307	66.72
Fullboom International Limited	32,210	14,678	0	14,678	739	704	704	0.67
Fullboom Electronics (Shenzhen) Co., Ltd.	30,705	17,060	3,305	13,755	33,053	(195)	645	0.00
Creative Ally Limited	129,575	32,444	0	32,444	26	(16,345)	(16,345)	(4,006.20)
Invention and Collaboration Laboratory, Inc.	1,340	3,759	2,508	1,251	0	(574)	72	0.54
Pioneer Chip Technology Limited	2,000	103	30	73	0	(4)	(4)	(0.02)
eEver Technology, Inc.	294,500	64,049	56,857	7,192	61,432	(89,089)	(89,404)	(3.04)
eYs3D Microelectronics, Co.	1,016,000	140,143	39,602	100,541	22,066	(206,503)	(206,624)	(2.20)
eCapture Ltd. Co.	30,756	2,083	0	2,083	2	(258)	(258)	(0.02)
eCapture Co., Limited	29,170	1,961	92	1,869	0	(128)	(92)	(0.10)
Insignis Technology, Inc.	60,028	17,658	0	17,658	2	(6,423)	(6,423)	(0.26)
Insignis Technology Corporation	58,800	20,764	3,236	17,528	53,099	(6,922)	(6,159)	(3.22)
eEver Technology Limited	207,473	10,058	67	9,991	64	(91,836)	(91,836)	(3.25)
eYs3D Microelectronics, Inc.	953,370	101,801	79	101,722	47	(208,621)	(208,621)	(2.47)
nD-HI Technologies Lab,Inc.	2,603	2,178	2,606	(428)	0	(14,282)	(13,229)	(5.28)
DeCloak Intelligences Co.	65,950	17,373	4,084	13,289	990	(22,393)	(22,324)	(5.39)
AiYs3D Technology, Inc.	307	958	351	607	6,122	7	7	0.73
Invention and Collaboration Laboratory Pte. Ltd.	36,872	22,266	3,148	19,118	0	(15,061)	(20,305)	(1.84)
TAT Technology Corp.	11,280	5,288	489	4,799	0	(4,993)	(4,968)	(5.75)
T-Era Architecture Technology Corp.	20,000	9,723	721	9,002	0	(7,350)	(7,319)	(5.62)
T-Era Architecture Technology, Inc.	26,468	11,762	0	11,762	65	(7,607)	(7,607)	(0.21)
TAT Technology, Inc.	17,883	6,105	0	6,105	15	(5,367)	(5,367)	(0.21)
ValueCreation Technology, Inc.	15,000	11,655	11	11,644	0	(3,159)	(3,224)	(2.92)
WeCrevention, Inc.	3,071	2,924	17	2,907	0	(170)	(170)	(5.39)

Note: The profile of affiliates is disclosed in the current year's self-concluded report or CPAs' audit report.

(II) Consolidated Financial Statements of Affiliates

Etron Technology, Inc.
Statement on the Consolidated Financial Statements of Affiliates

In 2023 (from January 1, 2023 to December 31, 2023), the companies required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. The Company hereby produces this statement to the effect that no preparation for the separate consolidated financial statements of affiliates is required.

Sincerely,

Company: Etron Technology Inc.

Responsible person: Nicky Lu

March 13, 2024

(III) Affiliation Reports: Not applicable

II. Issuance of Private Placement Securities in the Most Recent Year and As of the Date of Publication of the Annual Report: None.

III. Holding or Disposal of Shares in the Company by Subsidiaries during the Most Recent Year and Up to the Date of Publication of the Annual Report: None

IV. Other Necessary and Supplemental Description: None.

V. Conditions that Materially Affect Shareholders' Interests or Price of Securities: None.

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23003853

To the Board of Directors and Shareholders of Etron Technology, Inc.:

Opinions

We have audited the accompanying consolidated balance sheets of Etron Technology, Inc. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for Opinions

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

Key audit matters

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

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Key audit matters - Valuation of accounts receivable

Description

Please refer to Note 4(10) for accounting policies on valuation of accounts receivable, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of accounts receivable, and Note 6(5) for details of accounts receivable. As of December 31, 2023, the total amount of accounts receivable and allowance for uncollectible accounts were NT$721,380 thousand and NT$76,780 thousand, respectively.

The Group assesses the allowance for uncollectible receivables by each individual counterparty when there are significant past due accounts receivable arising from each individual counterparty. The valuation of allowance for uncollectible accounts receivable for the remaining counterparties is based on the default risk and expected loss rate. The amount of accounts receivable is material to the parent company only financial statements and the valuation involves subjective judgment made by management. Thus, we consider the valuation of accounts receivable a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter, these procedures included obtaining an understanding and evaluating the design and operating effectiveness of internal controls related to revenue and receivable business process, obtaining the aging report of accounts receivable and validating the accuracy, obtaining and validating the assessment made by management in identifying significant expected credit loss for each individual counterparty and respective supporting documents, obtaining and validating the expected credit loss ratios calculated by management based on the Company's historical data of similar credit risk and forward-looking information, and testing subsequent collection in order to assess the reasonableness of allowance for uncollectable accounts.

Key audit matters- Valuation of inventories

Description

Refer to Note 4(14) for accounting policies on valuation of inventories, Note 5 of the consolidated financial statements for the uncertainty of accounting estimates and assumptions related to valuation of inventories, and Note 6(6) of the consolidated financial statements for details of inventories. As of December 31, 2023, the total amount of inventories and allowance for inventory valuation loss were NT$3,309,688 thousand and NT$528,123 thousand, respectively.

The Group is primarily engaged in the design, manufacturing and sale of niche memory chips. Due to rapidly technology changing and market demand, there is a higher risk of decline in market values of inventories or obsolescence. The Group's inventories are measured at the lower of cost and net realizable value. The estimation of net realizable value for inventories aged over a certain period of time and individually identified as obsolete involves management's subjective judgment and the amount of inventories is material to the Group's financial statements. Thus, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above matter in order to ascertain the adequacy of allowance for inventory valuation losses include assessing the reasonableness of the provision policies on allowance for inventory valuation losses, checking whether the inventory quantities and amounts at the end of the year on the inventory aging report were consistent with those on the inventory subsidiary ledger, selecting samples to verify the accuracy of the inventory aging report, as well as assessing and verifying the reasonableness of the estimation of the net realizable value by sampling and testing the individual inventory items.

Other matter - Reference to the audits of other auditors

We did not audit the consolidated financial statements of certain investments accounted for under the equity method recognized by the Group's investee accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balances of these investments accounted for under the equity method amounted to NT$286,929 thousand and NT$336,110 thousand, constituting 4.20% and 4.08% of the consolidated total assets as at December 31, 2023 and 2022, and the comprehensive income recognized from investments accounted for under the equity method amounted to NT($4,245) thousand and NT($41,365) thousand, constituting 0.47% and (63.71%) of the consolidated total comprehensive income for the years then ended, respectively.

Other matter - Parent company only financial reports

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

Responsibilities of management and those charged with governance for the consolidated financial statements

To ensure that the consolidated financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the consolidated financial statements.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 the key audit matters of the Group in the audit of the consolidated financial statements for the year ended December 31, 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For and on Behalf of PricewaterhouseCoopers, Taiwan

Patrick Hsu

CPA

Chiang Tsai-yen

Financial Supervisory Commission
Approved letter No.:
Jin-Guan-Zheng-Shen-Zi No. 1010034097
Jin-Guan-Zheng-Shen-Zi No. 1060025097

March 13, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of NTD

	Assets	Note	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 707,095	10	$ 842,402	10
1110	Financial assets at fair value through profit or loss - current	6(2)	13,118	-	60,894	1
1136	Financial assets at amortized cost - current	6(4) and 8	3,307	-	30,057	-
1150	Notes receivable, net	6(5)	1,818	-	73,838	1
1170	Accounts receivable, net	6(5)	644,600	10	878,160	11
1200	Other receivables	7	21,075	-	18,819	-
1220	Current income tax assets		263	-	13	-
130X	Inventories	6(6)	2,781,565	41	3,583,188	44
1410	Prepayments		71,825	1	145,566	2
1470	Other current assets		1,908	-	2,859	-
11XX	**Total current assets**		4,246,574	62	5,635,796	69
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	784,672	12	680,510	8
1535	Financial assets at amortized cost - non-current	6(4) and 8	5,941	-	5,941	-
1550	Investments Accounted for Using the Equity Method	6(7)	286,929	4	336,110	4
1600	Property, plant, and equipment	6(8)(13) and 8	646,729	10	667,688	8
1755	Right-of-use assets	6(9)	194,785	3	211,371	3
1780	Intangible assets	6(11)	29,409	-	41,586	-
1840	Deferred income tax assets	6(33)	211,142	3	216,766	3
1900	Other non-current assets	6(12)	424,219	6	428,657	5
15XX	**Total non-current assets**		2,583,826	38	2,588,629	31
1XXX	**Total assets**		$ 6,830,400	100	$ 8,224,425	100

(Continued)

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of NTD

	Liabilities and Equity	Note	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Liabilities					
2100	Short-term borrowings	6(14)	$ 984,624	15	$ 1,083,088	13
2120	Financial liabilities at fair value through profit or loss - current	6(15)	2,939	-	8,662	-
2130	Contract liabilities - current	6(25)	2,437	-	2,164	-
2150	Notes payable		5,327	-	753	-
2170	Accounts payable		399,978	6	687,754	8
2200	Other payables	6(16)	233,707	3	298,604	4
2230	Current income tax liabilities		-	-	5,240	-
2280	Lease liabilities - current		24,181	-	22,514	-
2320	Long-term liabilities, current portion	6(18)	332,539	5	197,498	3
2399	Other current liabilities, other		6,504	-	8,452	-
21XX	**Total current liabilities**		1,992,236	29	2,314,729	28
	Non-current liabilities					
2530	Bonds payable	6(17)	752,129	11	739,984	9
2540	Long-term borrowings	6(18) and 8	316,821	5	574,731	7
2570	Deferred income tax liabilities	6(33)	221	-	3,444	-
2580	Lease liabilities - non-current		176,661	2	193,311	2
2600	Other non-current liabilities	6(19) and 7	110,114	2	116,145	2
25XX	**Total non-current liabilities**		1,355,946	20	1,627,615	20
2XXX	**Total liabilities**		3,348,182	49	3,942,344	48
	Equity attributable to owners of the parent company					
	Share capital	6(20)				
3110	Capital stock - common shares		2,889,328	42	2,840,618	34
3140	Capital collected in advance		17,143	-	3,585	-
	Capital surplus	6(21)				
3200	Capital surplus		718,483	11	687,164	9
	Retained earnings	6(22)				
3310	Legal reserve		96,910	1	78,407	1
3350	Accumulated deficits (undistributed earnings)		(468,959)	(7)	539,784	7
3400	Other equity interest	6(23)	168,230	3	32,746	-
31XX	**Equity attributable to owners of the parent company**		3,421,135	50	4,182,304	51
36XX	**Non-controlling interests**	4(3)	61,083	1	99,777	1
3XXX	**Total equity**		3,482,218	51	4,282,081	52
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 6,830,400	100	$ 8,224,425	100

Please consult the enclosed notes to the consolidated financial statements, as they form an essential component of this consolidated financial report.

Chairman: Nicky Lu Manager: Elvis Deng Accounting Supervisor: Cheng, Yu-Chia

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of NTD
(Except for earnings (loss) per share of NT$)

			2023		2022	
	Item	Note	Amount	%	Amount	%
4000	Operating revenue	6(25)	$ 2,661,968	100	$ 4,684,589	100
5000	Operating costs	6(6)(30)(31)	(2,744,669)	(103)	(3,484,313)	(74)
5950	Gross profit (loss) from operations		(82,701)	(3)	1,200,276	26
	Operating expenses	6(30)(31)				
6100	Selling and marketing expenses		(210,845)	(8)	(221,106)	(5)
6200	General and administrative expenses		(264,188)	(10)	(292,019)	(6)
6300	Research and development expenses		(688,596)	(26)	(666,079)	(14)
6450	Expected credit impairment gain (loss)	12(2)	5,873	-	(409)	-
6000	Total operating expenses		(1,157,756)	(44)	(1,179,613)	(25)
6500	Other operating income and expenses - net	6(26) and 7	67,306	3	62,523	1
6900	Operating (loss) profit		(1,173,151)	(44)	83,186	2
	Non-operating income and expenses					
7100	Interest income	6(27)	6,876	-	2,437	-
7010	Other income	6(28)	98,951	4	78,052	2
7020	Other gains and losses	6(29)	150,867	6	(33,454)	(1)
7050	Finance costs	6(32)	(76,530)	(3)	(34,413)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	6(7)	306	-	11,504	-
7000	Total non-operating income and expenses		180,470	7	24,126	-
7900	**Net income (loss) before tax**		(992,681)	(37)	107,312	2
7950	Income tax expense	6(33)	(2)	-	(33,112)	(1)
8200	**Net (loss) income for the year**		($ 992,683)	(37)	$ 74,200	1

(Continued)

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of NTD
(Except for earnings (loss) per share of NT$)

	Item	Note	2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income (loss)					
	Components that will not be reclassified to profit or loss					
8311	Gains (losses) on re-measurements of defined benefit plans	6(19)	$ 5,148	-	($ 821)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	6(3)(23)	83,547	3	(46,882)	(1)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)(23)	(5,003)	-	3,161	-
8310	Components that will not be reclassified to profit or loss		83,692	3	(44,542)	(1)
	Components that may be reclassified to profit or loss					
8361	Currency translation differences of foreign operations	6(23)	(500)	-	91,297	2
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss	6(7)(23)	452	-	(56,030)	(1)
8360	Components that may be reclassified to profit or loss		(48)	-	35,267	1
8300	**Other comprehensive income (net)**		$ 83,644	3	($ 9,275)	-
8500	**Total comprehensive income for the year**		($ 909,039)	(34)	$ 64,925	1
	Net income (loss) attributable to:					
8610	Owners of the parent company		($ 892,914)	(33)	$ 141,895	2
8620	Non-controlling interests		(99,769)	(4)	(67,695)	(1)
			($ 992,683)	(37)	$ 74,200	1
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent company		($ 809,282)	(30)	$ 130,647	2
8720	Non-controlling interests		(99,757)	(4)	(65,722)	(1)
			($ 909,039)	(34)	$ 64,925	1
9750	Basic (loss) earnings per share	6(34)	($ 3.09)		$ 0.49	
9850	Diluted (loss) earnings per share	6(34)	($ 3.09)		$ 0.49	

Please consult the enclosed notes to the consolidated financial statements, as they form an essential component of this consolidated financial report.

Chairman: Nicky Lu Manager: Elvis Deng Accounting Supervisor: Cheng, Yu-Chia

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of NTD

		Equity attributable to owners of the parent company								
		Share capital			Retained earnings					
	Note	Capital stock - common shares	Capital collected in advance	Capital surplus	Legal reserve	Accumulated deficits (undistributed earnings)	Other equity interest	Total	Non-controlling interests	Total equity
2022										
Balance at January 1, 2022		$ 2,698,693	$ 1,530	$ 568,222	$ -	$ 784,069	$ 87,129	$ 4,139,643	$ 103,954	$ 4,243,597
Net profit (loss) for the year		-	-	-	-	141,895	-	141,895	(67,695)	74,200
Other comprehensive income (loss) for the year	6(7)(19)(23)	-	-	-	-	(821)	(10,427)	(11,248)	1,973	(9,275)
Total comprehensive income for the year		-	-	-	-	141,074	(10,427)	130,647	(65,722)	64,925
Appropriation and distribution of 2021 retained earnings:	6(22)									
Legal reserve appropriated		-	-	-	78,407	(78,407)	-	-	-	-
Stock dividends		134,965	-	-	-	(134,965)	-	-	-	-
Cash dividends		-	-	-	-	(215,943)	-	(215,943)	-	(215,943)
Exercise of employee share options	6(20)(21)(24)	6,960	2,055	10,788	-	-	-	19,803	-	19,803
Net change in equity of associates	6(22)	-	-	30,939	-	-	-	30,939	-	30,939
Cost of share-based compensation	6(21)(24)	-	-	38,527	-	-	-	38,527	4,022	42,549
Capital contribution from non-controlling interests	6(21)(36)	-	-	2,613	-	-	-	2,613	32,974	35,587
Changes in ownership interests in subsidiaries	6(7)(21)	-	-	(24,549)	-	-	-	(24,549)	24,549	-
Disposal of equity instruments at fair value through other comprehensive income	6(3)(22)	-	-	-	-	43,956	(43,956)	-	-	-
Issuance of convertible bonds	6(17)(21)	-	-	60,648	-	-	-	60,648	-	60,648
Repurchase of convertible bonds	6(21)	-	-	(24)	-	-	-	(24)	-	(24)
Balance at December 31, 2022		$ 2,840,618	$ 3,585	$ 687,164	$ 78,407	$ 539,784	$ 32,746	$ 4,182,304	$ 99,777	$ 4,282,081
2023										
Balance at January 1, 2023		$ 2,840,618	$ 3,585	$ 687,164	$ 78,407	$ 539,784	$ 32,746	$ 4,182,304	$ 99,777	$ 4,282,081
Net loss for the year		-	-	-	-	(892,914)	-	(892,914)	(99,769)	(992,683)
Other comprehensive income (loss) for the year	6(7)(19)(23)	-	-	-	-	5,148	78,484	83,632	12	83,644
Total comprehensive income for the year		-	-	-	-	(887,766)	78,484	(809,282)	(99,757)	(909,039)
Appropriation and distribution of 2022 retained earnings:	6(22)									
Legal reserve appropriated		-	-	-	18,503	(18,503)	-	-	-	-
Stock dividends		39,790	-	-	-	(39,790)	-	-	-	-
Cash dividends		-	-	-	-	(5,684)	-	(5,684)	-	(5,684)
Exercise of employee share options	6(20)(21)(24)	8,920	13,558	12,537	-	-	-	35,015	-	35,015
Net change in equity of associates	6(21)	-	-	6,928	-	-	-	6,928	-	6,928
Cost of share-based compensation	6(21)(24)	-	-	24,166	-	-	-	24,166	3,886	28,052
Capital contribution from non-controlling interests	6(21)(36)	-	-	20,549	-	-	-	20,549	24,481	45,030
Changes in ownership interests in subsidiaries	6(21)	-	-	(32,696)	-	-	-	(32,696)	32,696	-
Disposal of equity instruments at fair value through other comprehensive income	6(3)(22)	-	-	-	-	(57,000)	57,000	-	-	-
Repurchase of convertible bonds	6(21)	-	-	(165)	-	-	-	(165)	-	(165)
Balance at December 31, 2023		$ 2,889,328	$ 17,143	$ 718,483	$ 96,910	($ 468,959)	$ 168,230	$ 3,421,135	$ 61,083	$ 3,482,218

Please consult the enclosed notes to the consolidated financial statements, as they form an essential component of this consolidated financial report.

Chairman: Nicky Lu Manager: Elvis Deng Accounting Supervisor: Cheng, Yu-Chia

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Expressed in thousands of NTD

	Note	2023	2022
Cash flows from operating activities			
Net profit (loss) before tax for the year		($ 992,681)	$ 107,312
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment (gain) loss	12(2)	(5,873)	409
Depreciation expenses	6(8)(9)(30)	136,413	157,477
Amortization expenses	6(11)(30)	75,872	71,931
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(15)(29)	(18,737)	45,680
Cost of share-based compensation	6(24)	28,052	42,549
Interest expenses	6(32)	72,270	31,153
Interest expense from lease liabilities	6(9)(32)	4,260	3,260
Interest income	6(27)	(6,876)	(2,437)
Dividend income	6(28)	(71,898)	(18,484)
Share of loss of associates accounted for using the equity method	6(7)	(306)	(11,504)
Gain on disposal of investments accounted for using equity method	6(29) and 7	-	(1,921)
Gains on disposal of property, plant and equipment	6(29)	(143,903)	(98)
Gains arising from lease modifications	6(29)	(31)	(55)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		72,020	(63,838)
Accounts receivable		239,433	546,615
Other receivables		(2,294)	36,428
Inventories		801,623	(1,780,707)
Prepayments		73,741	(89,577)
Other current assets		951	(1,591)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		(27)	1,956
Contract liabilities		273	(2,112)
Notes payable		4,574	(781)
Accounts payable		(287,776)	(255,576)
Other payables		(57,917)	(94,389)
Other current liabilities		(1,948)	(22,702)
Net defined benefit liabilities		(883)	(1,151)
Cash outflow generated from operations		(81,668)	(1,302,153)
Interest received		6,914	2,303
Dividends received		71,898	18,484
Interest paid		(63,744)	(24,842)
Income tax paid		(2)	-
Net cash outflows generated from operating activities		(66,602)	(1,306,208)

(Continued)

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Expressed in thousands of NTD

	Note	2023	2022
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss		$ -	($ 94,501)
Proceeds from disposal of financial assets at fair value through profit or loss		58,419	-
Acquisition of financial assets at fair value through other comprehensive income		(23,841)	(13,232)
Disposal of financial assets at fair value through other comprehensive income		-	75,473
Recovery of investment cost from financial assets at fair value through other comprehensive income		6,881	-
Increase on financial assets at amortized cost		-	(11,086)
Decrease on financial assets at amortized cost		26,750	-
Proceeds from liquidation of investments accounted for using equity method	6(7)	-	123
Investee accounted for under the equity method, reduced its capital and repurchased shares from the Group		51,899	-
Acquisition of property, plant, and equipment	6(35)	(115,072)	(161,725)
Proceeds from disposal of property, plant, and equipment		150,083	100
Acquisition of intangible assets	6(35)	(64,659)	(55,514)
Increase in refundable deposits		(135)	(241)
Decrease (Increase) in other non-current assets		4,573	(3,213)
Net cash flows from (used in) investing activities		94,898	(263,816)
Cash flows from financing activities			
Increase in short-term loans	6(37)	4,714,308	3,203,595
Decrease in short-term loans	6(37)	(4,812,772)	(2,261,227)
Increase in long-term loans	6(37)	250,000	776,000
Decrease in long-term loans	6(37)	(372,869)	(1,274,973)
Increase in guarantee deposits	6(37)	-	61,708
Payment of lease principal	6(37)	(23,732)	(22,794)
Issuance of convertible bonds payable	6(17)(37)	-	800,000
Repurchase of convertible bonds	6(17)(37)	-	(5,600)
Capital contribution from non-controlling interests	6(36)	45,030	35,587
Exercise of employee share options	6(20)	35,015	19,803
Cash dividends paid	6(22)	(5,684)	(215,943)
Net cash flows (used in) from financing activities		(170,704)	1,116,156
Effect of change in exchange rate		7,101	18,879
Net decrease in cash and cash equivalents		(135,307)	(434,989)
Cash and cash equivalents at beginning of year		842,402	1,277,391
Cash and cash equivalents at end of year		$ 707,095	$ 842,402

Please consult the enclosed notes to the consolidated financial statements, as they form an essential component of this consolidated financial report.

Chairman: Nicky Lu Manager: Elvis Deng Accounting Supervisor: Cheng, Yu-Chia

Expressed in thousands of NTD
(Except as otherwise indicated)

1. Company History

Etron Technology, Inc. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the manufacturing and design of various integrated circuits.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on March 13, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuance of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New/Revised/Amended Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of Accounting Policies'	January 1, 2023
Amendments to IAS 8, 'Definition of Accounting Estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	January 1, 2023
Amendments to IAS 12, 'International Tax Reform - Pillar Two Model Rules'	May 23, 2023

The above standards and interpretations have been assessed to have no significant impact on the Group's financial position and financial performance.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2024 are as follows:

New/Revised/Amended Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease Liability in a Sale and Leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of Liabilities as Current or Non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current Liabilities with Covenants'	January 1, 2024
Amendments to IFRS 7 and IAS 7, 'Supplier Finance Arrangements'	January 1, 2024

The above standards and interpretations have been assessed to have no significant impact on the Group's financial position and financial performance.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New/Revised/Amended Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of Exchangeability'	January 1, 2025

The above standards and interpretations have been assessed to have no significant impact on the Group's financial position and financial performance.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and

SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Preparation basis

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with "IFRSs" requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent

losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2023	December 31, 2022	
Etron Technology, Inc.	Kingwell Investment Corp.	Investment in the manufacturing and service industries	100	100	
Etron Technology, Inc.	Kingcharm Investment Corp.	Investment holdings	100	100	
Etron Technology, Inc.	Eutrend Technology, Inc.	Testing service for high frequency or high-power radio frequency, analog, digital, and mixed-signal components	93.57	93.57	
Etron Technology, Inc.	Kinglord Corp.	Investment holdings	100	100	
Etron Technology, Inc.	Intercosmos Group Limited	Investment holdings	100	100	
Etron Technology, Inc.	Plusway Corp.	Investment holdings	100	100	
Etron Technology, Inc.	Creative Ally Limited	Investment holdings	100	100	
Etron Technology, Inc.	eEver Technology Limited	Investment holdings	50.42	50.42	Note 1
Etron Technology, Inc.	eYs3D Microelectronics,Inc.	Investment holdings	64.20	61.98	Note 2
Etron Technology, Inc.	eCapture Ltd. Co.	Investment holdings	100	100	
Etron Technology, Inc.	Insignis Technolgy, Inc.	Investment holdings	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	
Etron Technology, Inc.	DeCloak Intelligences Co.	Information and software services	79.98	80.31	
Etron Technology, Inc.	T-Era Architecture Technology, Inc.	Investment holdings	7.56	4.71	Note 3
Etron Technology, Inc.	TAT Technology, Inc.	Investment holdings	7.33	5.01	Note 4
Etron Technology, Inc.	ValueCreation Technology, Inc.	Intellectual property industry	100	-	
eEver Technology Limited	eEver Technology, Inc.	Electronic component manufacturing industry	100	100	
eYs3D Microelectronics, Inc.	eYs3D Microelectronics Co.	Electronic component manufacturing industry	100	100	
eYs3D Microelectronics, Inc.	AiYs3D Technology, Inc.	Marketing and customer service	100	100	
Kingwell Investment Corp.	Pinoeer Chip Technology Limited	Electronic component manufacturing industry	100	100	
Kingwell Investment Corp.	nD-HI Technologies Lab, Inc.	Electronic component manufacturing industry	96.05	92.67	
Kingcharm Investment Corp.	eEver Technology Limited	Investment holdings	20.66	20.66	Note 1
Kingcharm Investment Corp.	eYs3D Microelectronics, Inc.	Investment holdings	2.31	2.63	Note 2
Kinglord Corp.	Etron Technology America, Inc.	Sales agent of electronic components	100	100	
Kinglord Corp.	Anzon Technology, Inc.	Investment holdings	70.85	70.85	
Kinglord Corp.	Etron Technology (HK) Limited	Sales of electronic components	100	100	
Kinglord Corp.	eYs3D Microelectronics, Inc.	Investment holdings	0.87	0.99	Note 2
Anzon Technology, Inc.	Anzon Corporation	Sales agent of electronic components	100	100	
Etron Technology (HK) Limited	eYs3D Microelectronics, Inc.	Investment holdings	2.58	2.94	Note 2
Plusway Corp.	eYs3D Microelectronics, Inc.	Investment holdings	0.98	1.12	Note 2
Intercosmos Group Limited	Grandsino Technology Limited	Investment holdings	100	100	
Intercosmos Group Limited	Fullboom International Limited	Investment holdings	100	100	
Fullboom International Limited	Fullboom Electronics (Shenzhen) Co., Ltd.	Wholesale and international trade of electronic components	100	100	
Creative Ally Limited	Invention and Collaboration Laboratory Pte. Ltd.	Semiconductor technology development, consulting, and design services	81.11	81.11	
eCapture Ltd. Co.	eCapture Co., Limited	Marketing, sales and development of electronic products	100	100	
Insignis Technology, Inc.	Insignis Technology Corporation	Sales of electronic components	100	100	
Invention and Collaboration Laboratory Pte. Ltd.	Invention and Collaboration Laboratory, Inc.	Electronic component manufacturing industry	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	
Invention and Collaboration Laboratory Pte. Ltd.	T-Era Architecture Technology, Inc.	Investment holdings	51.76	55.80	Note 3
Invention and Collaboration Laboratory Pte. Ltd.	TAT Technology, Inc.	Investment holdings	52.08	55.38	Note 4
T-Era Architecture Technology, Inc.	TAT Technology, Inc.	Investment holdings	3.33	2.28	Note 4
TAT Technology, Inc.	T-Era Architecture Technology, Inc.	Investment holdings	3.44	2.14	Note 3
T-Era Architecture Technology, Inc.	T-Era Architecture Technology Corp.	Semiconductor technology development, consulting, and design services	100	100	
TAT Technology, Inc.	TAT Technology Corp.	Semiconductor technology development, consulting, and design services	100	100	
ValueCreation Technology, Inc.	WeCrevention, Inc.	Intellectual property industry	100	-	

Note:1 As of December 31, 2023 and 2022, the comprehensive shareholding ratio held by the Group in eEver Technology Limited were both 71.08%.

Note:2 As of December 31, 2023 and 2022, the comprehensive shareholding ratios held by the Group in eYs3D Microelectronics, Inc. were70.94% and 69.66%, respectively.

Note:3 As of December 31, 2023 and 2022, the comprehensive shareholding ratios held by the Group in T-Era Architecture Technology, Inc. were 62.76% and 62.65%, respectively.

Note:4 As of December 31, 2023 and 2022, the comprehensive shareholding ratios held by the Group in TAT Technology, Inc. were 62.74% and 62.67%, respectively.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group

As of December 31, 2023 and 2022, the non-controlling interest amounted to $61,083 and $99,777, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interests December 31, 2023 Amount	Non-controlling interests December 31, 2023 Shareholding percentage	Non-controlling interests December 31, 2022 Amount	Non-controlling interests December 31, 2022 Shareholding percentage
eEver Technology Limited	Cayman Islands	$ 12,811	28.92%	$ 37,126	28.92%
eYs3D Microelectronics, Inc.	Cayman Islands	33,699	29.06%	49,812	30.34%

Summarized financial information of the subsidiaries:

Balance sheets

	eEver Technology Limited	
	December 31, 2023	December 31, 2022
Current assets	$ 2,867	$ 2,982
Non-current assets	7,192	96,596
Current liabilities	(67)	(71)
Non-current liabilities	-	-
Total net assets	$ 9,992	$ 99,507

	eYs3D Microelectronics, Inc.	
	December 31, 2023	December 31, 2022
Current assets	$ 653	$ 4,093
Non-current assets	101,148	149,765
Current liabilities	(79)	(82)
Non-current liabilities	-	-
Total net assets	$ 101,722	$ 153,776

Statements of comprehensive income

	eEver Technology Limited	
	2023	2022
Revenue	$ 64	$ 27
Expense	(91,900)	(52,283)
Net loss before income tax	(91,836)	(52,256)
Income tax expense	-	-
Net loss for the year	(91,836)	(52,256)
Other comprehensive loss, net of tax	(1,227)	(12,088)
Total comprehensive income for the year	($ 93,063)	($ 64,344)

	eYs3D Microelectronics, Inc.	
	2023	2022
Revenue	$ 47	$ 52
Expense	(208,668)	(135,092)
Net loss before income tax	(208,621)	(135,040)
Income tax expense	-	-
Net loss for the year	(208,621)	(135,040)
Other comprehensive loss, net of tax	(1,128)	(13,530)
Total comprehensive income for the year	($ 209,749)	($ 148,570)

Statements of cash flows

	eEver Technology Limited	
	2023	2022
Net cash outflows generated from operating activities	($ 182)	($ 245)
Net cash flows used in investing activities	-	(17,515)
Net cash flows from financing activities	-	-
Effect of exchange rates on cash and cash equivalents	2	1,492
Net decrease in cash and cash equivalents	(180)	(16,268)
Cash and cash equivalents at beginning of year	2,419	18,687
Cash and cash equivalents at end of year	$ 2,239	$ 2,419

	eYs3D Microelectronics, Inc.	
	2023	2022
Net cash outflows generated from operating activities	($ 621)	($ 615)
Net cash flows used in investing activities	(158,646)	(140,853)
Net cash flows from financing activities	155,777	142,954
Effect of exchange rates on cash and cash equivalents	49	284
(Decrease) Increase in cash and cash equivalents	(3,441)	1,770
Cash and cash equivalents at beginning of year	3,952	2,182
Cash and cash equivalents at end of year	$ 511	$ 3,952

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation differences of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.

(b) Assets held mainly for trading purposes.

(c) Assets that are expected to be realized within twelve months from the balance sheet date.

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged used to settle liabilities more than twelve months after the balance sheet date.

The Group classifies all other assets not meeting the above mentioned criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle.

(b) Assets held mainly for trading purposes.

(c) Liabilities that are to be settled within twelve months from the balance sheet date.

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities not meeting the above mentioned criteria as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to fulfill short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets that are not measured at amortized cost nor at fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

(b) The terms of the financial asset contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(9) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The terms of the financial asset contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Group’s time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

A. For financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts.

B. For accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventory is valued at the lower of cost or net realizable value, with cost calculated using the weighted average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

(15) Investments accounted for using the equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant, and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

C. Land is not depreciated. Other property, plant and equipment apply cost model for subsequent measurement and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors,' from the date of the change.

The estimated useful lives of the main property, plant and equipment are as follows:

Buildings and structures	3~50 years
Machinery and equipment	2~10 years
Other equipment	2~10 years

(17) Leasing arrangements (lessee) - right-of-use asset / lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the Group's incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost. Cost recognized is the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(18) Intangible assets

A. Patents and special technology

Separately acquired patents and special technology are stated at historical cost. Patents and special technology have a finite useful life and are amortized on a straight-line basis over their economic benefits.

B. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its contract period.

(19) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(20) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(21) Accounts and notes payable

Accounts and notes payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

Mandatory convertible bonds

A. Mandatory convertible bonds issued by the Group are initially recognized at fair value. The bonds will be settled by exchanging a fixed amount for an unfixed number of shares, which does not meet the definition of an equity component, and therefore are classified as liabilities. The bonds are subsequently remeasured at the present value of the redemption amount over the period of circulation.

B. The mandatory convertible bonds are transferred from liabilities to equity when the bonds are converted at maturity.

(23) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognized initially at net fair value as

'financial assets or financial liabilities at fair value through profit or loss.' They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss.'

B. The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus - share options.'

(24) Derecognition of financial liabilities

A financial liability is derecognized by the Group when the obligation specified in the contract is either discharged or cancelled or expired.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead and conducts an

actuarial valuation at the end of the year.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(26) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and nonvesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(27) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each

balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(28) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Group repurchases the Group's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

(29) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are resolved by the Group's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. Sales of goods

The Group designs, manufactures and sells integrated circuits. Sales are recognized 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. As the time interval between the transfer of committed goods and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

B. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(31) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group’s chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Valuation of accounts receivable

The Group evaluates the allowance for uncollectible accounts receivable by individual counterparties when there are significant past due accounts receivable arising from those individual counterparties. The evaluation of allowance for uncollectible accounts and notes receivable for the remaining counterparties is based on the default risk and expected loss rate. The Group considers the historical experience in determining the assumptions adopted and the inputs used when calculating the impairment. Such valuation of accounts receivable is estimated based on the reasonable expectation about expected credit losses on the basis of conditions existing at the balance sheet date although the estimation may differ from the actual result. Therefore, there might be material changes to the evaluation.
As of December 31, 2023, the carrying amount of accounts receivable was $644,600.

B. Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such valuation of inventories is valuated based on the current market conditions and historical sales experience. Any changes in the market conditions may have material impact on the results of valuation. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was $2,781,565.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 3,785	$ 2,346
Checking accounts and demand deposits	531,167	765,002
Time deposits	166,663	74,249
Deposits in transit	5,480	805
Total	$ 707,095	$ 842,402

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's cash and cash equivalents shown on the balance sheet were not pledged to others as collateral. Details of the Company's cash and cash equivalents (shown as current and noncurrent financial assets at amortized cost) pledged to others as collateral are provided in Note 8.

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

Item	December 31, 2023	December 31, 2022
Current items:		
Listed stocks	$ 27,602	$ 92,314
Hybrid instruments	-	3,071
Valuation adjustment		
Equity instruments	(16,904)	(34,747)
Foreign exchange swap contracts	2,420	-
Hybrid instruments	-	256
Total	$ 13,118	$ 60,894

A. The Group recognized net profit (loss) amounting to $13,041 and ($38,973) on financial assets at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively.

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2023	
Derivative financial assets	Contract amount (Notional principal)	Contract period
Assets - current items:		
Foreign exchange swap contracts	USD 4,000 (thousands)	2023.12.5～2024.2.29

December 31, 2022: None.

C. The Group entered into forward exchange contracts and foreign exchange swap contracts to hedge exchange rate risk of export proceeds. However, these contracts are not accounted for under hedge accounting.

D. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Financial assets at fair value through other comprehensive income

Item	December 31, 2023	December 31, 2022
Non-current items:		
Listed stocks	$ 91,248	$ 91,249
Unlisted stocks	499,347	478,624
Valuation adjustment	194,077	110,637
Total	$ 784,672	$ 680,510

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair

value of such investments amounted to $784,672 and $680,510 as at December 31, 2023 and 2022, respectively.

B. Amounts recognized in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive (loss) income	$ 83,547	($ 46,882)
Cumulative (losses) gains reclassified to retained earnings due to derecognition	$ 57,000	($ 43,956)
Dividend income recognized in profit or loss held at end of year	$ 71,246	$ 17,224

C. For the year ended December 31, 2022, the Group disposed the investee, PLSense Ltd. for proceeds of $83,867, and transferred cumulative valuation gain of $43,956 to retained earnings.

D. For the year ended December 31, 2023, the Group recovered investment cost of $6,881 from the investee, Walden Technology Ventures II, L.P.

E. During the fiscal year 2023, our group made the decision to exclude Feng Hong Technology Corporation, the investment target, from the consolidated financial statements. As a result, an accumulated evaluation loss of $57,000 was transferred to retained earnings.

F. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortized cost

	December 31, 2023	December 31, 2022
Current items		
Restricted time deposits and performance guarantee	$ 3,307	$ 30,057
Non-current items		
Preference share	$ -	$ 63,000
Restricted time deposits	5,941	5,941
	5,941	68,941
Less: Accumulated impairment	-	(63,000)
	$ 5,941	$ 5,941

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	2023	2022
Interest income	$ 52	$ 23

B. The preference shares are invested for a period of 7 years from May 6, 2017 to May 5, 2024 and cannot be converted into ordinary shares. The issue company may redeem the shares at the actual issue price at the maturity. The investors have no right to ask for early redemption of preference shares. The dividends are cumulative at the rate of 5% per annum. If the dividends are undistributed or are not distributed in full, it will be accumulated for deferred payment in the subsequent years where there are earnings.

C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 1,818	$ 73,838
Accounts receivable	721,380	960,813
Less: Allowance for uncollectible accounts	(76,780)	(82,653)
	$ 646,418	$ 951,998

A. The ageing analysis of accounts and notes receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not Past Due	$ 597,565	$ 1,818	$ 682,931	$ 73,838
Up to 30 days	41,366	-	140,870	-
31 to 90 days	81,491	-	134,368	-
91 to 120 days	958	-	1,984	-
Over 180 days	-	-	660	-
	$ 721,380	$ 1,818	$ 960,813	$ 73,838

The above aging schedule for ageing analysis was calculated based on expected payment date.

B. As of December 31, 2023 and 2022, and January 1, 2022, the balances of receivables from contracts with customers amounted to $723,198, $1,034,651, and $1,517,429, respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s accounts and notes receivable was $646,418 and $951,998, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Carrying amount
Raw materials	$ 884,740	($ 38,668)	$ 846,072
Work in progress	1,596,040	(326,906)	1,269,134
Finished goods	828,908	(162,549)	666,359
Total	$ 3,309,688	($ 528,123)	$ 2,781,565

	December 31, 2022		
	Cost	Allowance for valuation loss	Carrying amount
Raw materials	$ 1,694,511	($ 41,428)	$ 1,653,083
Work in progress	1,466,174	(264,541)	1,201,633
Finished goods	937,735	(209,263)	728,472
Total	$ 4,098,420	($ 515,232)	$ 3,583,188

The cost of inventories recognized as expense for the year:

	2023	2022
Cost of goods sold (including cost of services)	$ 2,653,094	$ 3,420,091
Loss on decline in market value	91,575	64,222
Transferred to expenses	17,049	16,703
	$ 2,761,718	$ 3,501,016

(7) Investments Accounted for Using the Equity Method

A. Details of changes in investments accounted for using the equity method are as follows:

	December 31, 2023		December 31, 2022	
Investees	Carrying amount	Shareholding ratio	Carrying amount	Shareholding ratio
Investments Accounted for Using the Equity Method				
Great Team Backend Foundry,Inc.	$ 286,929	42.18%	$ 336,110	41.39%

B. The summarized financial information of the associates that are material to the Group is as follows:

	December 31, 2023	December 31, 2022
Assets	$ 817,479	$ 818,832
Liabilities	$ 91,497	$ 99,862

	2023	2022
Revenue	$ -	$ -
Profit (loss) for the year	($ 4,096)	$ 20,486

C. For the years ended December 31, 2023 and 2022, the investment (loss) profit and other comprehensive (loss) income of investments accounted for using the equity method amounted to $306 and $11,504, ($4,551) and ($52,869), respectively.

D. In the fourth quarter of 2022, NetVinci, Inc. completed the liquidation process, and the Group recognized gain on disposal of investments accounted for using the equity method of $1,921. After the liquidation process, this company returned the residual proceeds from liquidation of $123.

E. The Group is the largest shareholder of Great Team Backend Foundry, Inc. with a 42.18% equity interest. However, in accordance with rule for director election stated in the Articles of Incorporation of the investee, the Group could not obtain more than half of the seats on the Board, which indicated that the Group has no right to direct the operating decisions. Thus, the investee was accounted for using the equity method.

(8) Property, plant, and equipment

	Buildings and structures	Machinery and equipment	Others	Total
January 1, 2023				
Cost	$ 542,242	$ 576,159	$ 3,083,966	$ 4,202,367
Accumulated depreciation and impairment	(247,570)	(557,537)	(2,729,572)	(3,534,679)
	$ 294,672	$ 18,622	$ 354,394	$ 667,688
January 1	$ 294,672	$ 18,622	$ 354,394	$ 667,688
Additions	467	20,396	75,415	96,278
Disposals	-	(6,114)	(66)	(6,180)
Depreciation charge for the year	(11,808)	(9,020)	(90,218)	(111,046)
Net exchange differences	-	-	(11)	(11)
December 31	$ 283,331	$ 23,884	$ 339,514	$ 646,729
December 31, 2023				
Cost	$ 542,709	$ 446,425	$ 3,142,174	$ 4,131,308
Accumulated depreciation and impairment	(259,378)	(422,541)	(2,802,660)	(3,484,579)
	$ 283,331	$ 23,884	$ 339,514	$ 646,729

	Buildings and structures	Machinery and equipment	Others	Total
January 1, 2022				
Cost	$ 536,498	$ 573,812	$ 2,918,312	$ 4,028,622
Accumulated depreciation and impairment	(235,943)	(538,442)	(2,629,552)	(3,403,937)
	$ 300,555	$ 35,370	$ 288,760	$ 624,685
January 1	$ 300,555	$ 35,370	$ 288,760	$ 624,685
Additions	5,744	2,679	168,351	176,774
Disposals	-	-	(2)	(2)
Depreciation charge for the year	(11,627)	(19,427)	(102,772)	(133,826)
Net exchange differences	-	-	57	57
December 31	$ 294,672	$ 18,622	$ 354,394	$ 667,688
December 31, 2022				
Cost	$ 542,242	$ 576,159	$ 3,083,966	$ 4,202,367
Accumulated depreciation and impairment	(247,570)	(557,537)	(2,729,572)	(3,534,679)
	$ 294,672	$ 18,622	$ 354,394	$ 667,688

A. Impairment information about the property, plant and equipment is provided in Note 6(13).

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 3 to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. Short-term leases with a lease term of 12 months or less comprise parking spaces.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount	
	December 31, 2023	December 31, 2022
Land	$ 116,023	$ 120,485
Buildings	72,021	84,659
Transportation equipment (Business vehicles)	6,741	6,227
	$ 194,785	$ 211,371

	Depreciation expenses	
	2023	2022
Land	$ 4,462	$ 4,430
Buildings	19,154	17,172
Transportation equipment (Business vehicles)	1,751	2,049
	$ 25,367	$ 23,651

D. The information on profit and loss accounts relating to lease contracts is as follows:

	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 4,260	$ 3,260
Expense on short-term lease contracts	$ 7,071	$ 6,830
Gains arising from lease modifications	$ 31	$ 55

E. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $8,620 and $96,001, respectively.

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $35,063 and $32,884, respectively.

(10) Leasing arrangements - lessor

A. The Group leases various assets including buildings and machinery and equipment. Rental contracts are typically made for periods of 2 to 5 years.

B. For the years ended December 31, 2023 and 2022, the Group recognized rent income in the amounts of $71,729 and $66,810 respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023	December 31, 2022
2023	$ -	$ 71,107
2024	71,870	68,991
2025	69,105	68,991
2026	67,510	67,396
2027	34,401	34,286
2028	86	-
Total	$ 242,972	$ 310,771

(11) Intangible assets

	Patents and special technology	Computer software	Total
January 1, 2023			
Cost	$ 181,196	$ 196,007	$ 377,203
Accumulated amortization and impairment	(157,496)	(178,121)	(335,617)
	$ 23,700	$ 17,886	$ 41,586
January 1	$ 23,700	$ 17,886	$ 41,586
Additions	1,697	61,991	63,688
Current period amortization expense	(17,894)	(57,978)	(75,872)
Net exchange differences	7	-	7
December 31	$ 7,510	$ 21,899	$ 29,409
December 31, 2023			
Cost	$ 182,900	$ 257,998	$ 440,898
Accumulated amortization and impairment	(175,390)	(236,099)	(411,489)
	$ 7,510	$ 21,899	$ 29,409

	Patents and special technology	Computer software	Total
January 1, 2022			
Cost	$ 175,556	$ 144,637	$ 320,193
Accumulated amortization and impairment	(133,658)	(130,028)	(263,686)
	$ 41,898	$ 14,609	$ 56,507

	Patents and special technology	Computer software	Total
January 1	$ 41,898	$ 14,609	$ 56,507
Additions	5,640	51,370	57,010
Current period amortization expense	(23,838)	(48,093)	(71,931)
December 31	$ 23,700	$ 17,886	$ 41,586
December 31, 2022			
Cost	$ 181,196	$ 196,007	$ 377,203
Accumulated amortization and impairment	(157,496)	(178,121)	(335,617)
	$ 23,700	$ 17,886	$ 41,586

Details of amortization on intangible assets are as follows:

	2023	2022
Operating costs	$ 568	$ 412
Operating expenses	75,304	71,519
	$ 75,872	$ 71,931

(12) Other non-current assets

	December 31, 2023	December 31, 2022
Refundable deposits	$ 419,961	$ 419,826
Prepayments for equipment	4,258	8,831
	$ 424,219	$ 428,657

Part of the refundable deposits were prepayments made under the production capacity reservation agreements with suppliers.

(13) Impairment of non-financial assets

Idle assets

	December 31, 2023	December 31, 2022
Idle assets (shown as machinery and equipment)	$ 43,144	$ 43,144
Less: Accumulated depreciation	(43,144)	(43,144)
Net realizable value	$ -	$ -

(14) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Bank borrowings		
Unsecured borrowings	$ 984,624	$ 1,083,088

The interest rate ranges as of December 31, 2023 and 2022 were 2.05%~7.09% and 1.66%~6.31%, respectively.

(15) Financial liabilities at fair value through profit or loss

Item	December 31, 2023	December 31, 2022
Current items:		
Financial liabilities designated at fair value through profit or loss		
Call options and put options of convertible bonds	1,928	1,955
Valuation adjustment	1,011	6,707
Total	$ 2,939	$ 8,662

The Group recognized net gain (loss) amounting to $5,696 and ($6,707) on financial liabilities at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively.

(16) Other payables

	December 31, 2023	December 31, 2022
Wages and salaries payable	$ 104,149	$ 107,776
Employees' compensation payable	-	24,510
Directors' remuneration payable	-	4,070
Payable on equipment	5,871	25,636
Others	123,687	136,612
	$ 233,707	$ 298,604

(17) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	$ 794,400	$ 794,400
Less: Discount on bonds payable	(42,271)	(54,416)
	$ 752,129	$ 739,984

A. Domestic convertible bonds issued by the Company

(a) The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

i. The Company issued $800,000 at 100.8% of face value, the third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 5 years from the issue date (May 24, 2022 ~ May 24, 2027) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on May 24, 2022.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Group during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The effective date for the conversion price of the convertible bonds was set on May 16, 2022. The conversion price was set up based on multiplying a benchmark price which was the closing price of the Company's common share calculated at simple arithmetic mean of one of 1, 3, 5 trading days before the effective date (effective date is excluded) by convertible premium rate of 106%. If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion price shall be adjusted based on the conversion price adjustment formula. The conversion price was NT$63.9 (in dollars) per share based on the aforementioned method. After the effective date of the ex-right and ex-dividend, September 20, 2022, the conversion price was adjusted from NT$63.9 (in dollars) to NT$59.9 (in dollars). After the effective date of the ex-right and ex-dividend, September 9, 2023, the conversion price was adjusted from NT$59.9 (in dollars) to NT$59.1 (in dollars).

iv. The Company may repurchase the bonds held by bondholders in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period within 30 days after three months of the bonds issue to 40 days before the maturity date.

v. The date of full three years after the issuance of the convertible bonds shall be the early redemption reference date for bondholders to request the Company to redeem their convertible bonds in cash at a redemption price (100.751877% of the face value of the bonds, including interest) 40 days prior to the redemption reference date.

vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $60,648 were separated from the liability component and were recognized in 'capital

surplus— share options' in accordance with IAS 32. The call and put options and put options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

C. As of December 31, 2023, the Company's the third domestic unsecured convertible bonds have not been exercised.

D. For the year ended December 31, 2022, the amount of convertible bonds repurchased by the Group (including repurchased from Taipei Exchange) was $5,600.

(18) Long-term borrowings

Type of borrowings	Repayment term	December 31, 2023	December 31, 2022
Installment loans			
Secured borrowings - Land Bank of Taiwan	Installment before 2031.2.17	$ 9,260	$ 10,436
Secured borrowings - Sunny Bank	Installment before 2027.9.23	26,000	26,000
Long-term unsecured borrowings from Mega International Commercial Bank	Installment before 2025.10.14	88,889	50,000
Long-term unsecured borrowings from KGI Bank	Installment before 2024.8.8	50,000	300,000
Long-term unsecured borrowings from Taichung Commercial Bank Co., Ltd	Installment before 2025.8.30	59,136	89,185
Long-term unsecured borrowings from First Commercial Bank	Installment before 2025.9.8	61,337	94,059
Long-term unsecured borrowings from First Commercial Bank	Installment before 2026.1.9	77,249	-
Long-term unsecured borrowings from Taiwan Cooperative Bank Co., Ltd.	Installment before 2025.9.15	175,000	200,000
Long-term unsecured borrowings from Chang Hwa Bank	Installment before 2026.3.2	100,000	-
U.S. Small Business Administration (SBA) secured borrowings	Installment before 2050.10.7	2,489	2,549
		649,360	772,229
Less: Current portion		(332,539)	(197,498)
		$ 316,821	$ 574,731

A. Interest rate ranges as of December 31, 2023 and 2022 for the above borrowings were 2.178%~3.75% and 1.95%~3.75%, respectively.

B. Information about the collateral pledged for the aforementioned secured borrowings is provided in Note 8.

(19) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement

of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) The amounts recognized in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	($ 86,924)	($ 102,167)
Fair value of plan assets	55,616	64,829
Net defined benefit liability (shown as other non-current liabilities)	($ 31,308)	($ 37,338)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
2023			
Balance at January 1	($ 102,167)	$ 64,829	($ 37,338)
Current service cost	(546)	-	(546)
Interest (expense) income	(1,261)	807	(454)
	(103,974)	65,636	(38,338)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	520	520
Change in demographic assumptions	(10)	-	(10)
Change in financial assumptions	(345)	-	(345)
Experience adjustments	4,983	-	4,983
	4,628	520	5,148
Amount of benefit payment	12,422	(12,422)	-
Pension fund contribution	-	1,882	1,882
Balance at December 31	($ 86,924)	$ 55,616	($ 31,308)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
2022			
Balance at January 1	($ 95,745)	$ 58,077	($ 37,668)
Current service cost	(490)	-	(490)
Interest (expense) income	(663)	405	(258)
Amount of benefit payment	-	-	-
	(96,898)	58,482	(38,416)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,448	4,448
Change in demographic assumptions	(176)	-	(176)
Change in financial assumptions	4,769	-	4,769
Experience adjustments	(9,862)	-	(9,862)
	(5,269)	4,448	(821)
Pension fund contribution	-	1,899	1,899
Balance at December 31	($ 102,167)	$ 64,829	($ 37,338)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the “Regulations for Revenues, Expenditures, Safeguard and utilization of the Labor Retirement Fund” (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	2023	2022
Discount rate	1.20%	1.25%
Future salary increases	2.50%	2.50%

Assumptions regarding future mortality experience are set based on the 6th Taiwan

Standard Ordinary Experience Mortality Table for the years ended December 31, 2023 and 2022.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 1,707)	$ 1,758	$ 1,731	($ 1,690)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 2,070)	$ 2,134	$ 2,102	($ 2,050)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ended December 31, 2024 amount to $1,824.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

	Amount
Within 1 year	$ 2,221
1-2 year(s)	6,073
2-5 years	22,780
Over 5 years	63,363
	$ 94,437

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Group's mainland China subsidiary, Fullboom Electronic (Shenzhen), has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic

of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) Etron Technology (HK) Limited have a defined contribution plan. Annual pension contributions or retirement allowance for the locally hired employees are based on their salaries and wages. Other than the annual contributions, the Group has no further obligations.

(d) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022, were $30,302 and $28,008, respectively.

(20) Share capital

A. As of December 31, 2023, the Company's authorized capital was $6,500,000, consisting of 650 million shares of ordinary stock (including 65 million shares reserved for employee stock options), and the paid-in capital was $2,889,328 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit: Thousand shares

	2023	2022
January 1	284,062	269,869
Capitalization of earnings	3,979	13,497
Exercise of employee share options	892	696
December 31	288,933	284,062

B. For the year ended December 31, 2023, the employees exercised 1,191 thousand shares of stock options in accordance with the terms of stock options. 892 thousand shares have been registered (including 150 thousand shares paid but yet to be registered at the beginning of the period). Proceeds from the remaining 449 thousand shares amounting to $17,143 have been collected as of December 31, 2023 and the effective date of the capital increase for conversion was set on March 14, 2024 as resolved by the Board of Directors on March 13, 2024.

C. For the year ended December 31, 2022, the employees exercised 786 thousand shares of stock options in accordance with the terms of stock options. 696 thousand shares have been registered (60 thousand shares paid but yet to be registered at the beginning of the period). Proceeds from the remaining 150 thousand shares amounting to $3,585 have been collected as of December 31, 2022 and the effective date of the capital increase for conversion was set on March 15, 2023 as resolved by the Board of Directors on March 13, 2023.

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Item	Issuance premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
January 1, 2023	$ 291,802	$ 88,153	$ 167,411	$ 75,632	$ 60,648	$ 348	$3,170
Exercise of employee share options	12,537	-	-	-	-	-	-
Capital contribution from non-controlling interests	-	-	20,549	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	(32,696)	-	-	-	-
Net change in equity of associates	-	6,928	-	-	-	-	-
Cost of share-based compensation	-	-	-	24,166	-	-	-
Repurchase of convertible bonds	-	-	-	-	-	(165)	-
December 31, 2023	$ 304,339	$ 95,081	$ 155,264	$ 99,798	$ 60,648	$ 183	$3,170

Item	Issuance premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
January 1, 2022	$ 281,014	$ 57,214	$ 189,347	$ 37,105	$ -	$ 372	$3,170
Exercise of employee share options	10,788	-	-	-	-	-	-
Capital contribution from non-controlling interests	-	-	2,613	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	(24,549)	-	-	-	-
Net change in equity of associates	-	30,939	-	-	-	-	-
Cost of share-based compensation	-	-	-	38,527	-	-	-
Issuance of convertible bonds	-	-	-	-	60,648	-	-
Repurchase of convertible bonds	-	-	-	-	-	(24)	-
December 31, 2022	$ 291,802	$ 88,153	$ 167,411	$ 75,632	$ 60,648	$ 348	$3,170

(22) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Also, the Company shall set aside or reverse special reserve as resolved by the stockholders, or by order of the competent authority. The appropriation of remaining earnings along with accumulated unappropriated earnings from prior years shall be proposed by the Board of Directors and approved by the shareholders.

B. The Company's dividend policy is set out by the Board of Directors according to the Company's medium- and long-term operational plan, investment plans, capital budget as well as internal and external situations, while considering the interests of stockholders. Except for the aforementioned regulations, cash dividends shall not be less than 5% of total dividends when appropriating the dividends to stockholders.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriation of 2022 and 2021 earnings as proposed by the stockholders on June 27, 2023 and June 8, 2022 are as follows:

	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 18,503		$ 78,407	
Cash dividends	5,684	$ 0.02	215,943	$ 0.8
Stock dividends	39,790	0.14	134,965	0.5
Total	$ 63,977		$ 429,315	

(23) Other equity interest

	Currency translation differences of foreign operations	Financial assets at fair value through other comprehensive income	Total
January 1, 2023	($ 67,871)	$ 100,617	$ 32,746
Revaluation - Group	-	83,547	83,547
Revaluation - Associates	-	(5,003)	(5,003)
Revaluation transferred to retained earnings – disposal of financial assets	-	57,000	57,000
Currency translation differences:			
— Group	(512)	-	(512)
— Associates	452	-	452
December 31, 2023	($ 67,931)	$ 236,161	$ 168,230

	Currency translation differences of foreign operations	Financial assets at fair value through other comprehensive income	Total
January 1, 2022	($ 101,165)	$ 188,294	$ 87,129
Revaluation - Group	-	(46,882)	(46,882)
Revaluation - Associates	-	3,161	3,161
Revaluation transferred to retained earnings – disposal of financial assets	-	(43,956)	(43,956)
Currency translation differences:			
— Group	89,324	-	89,324
— Associates	(56,030)	-	(56,030)
December 31, 2022	($ 67,871)	$ 100,617	$ 32,746

(24) Share-based payment

A. (a) For the years ended December 31, 2023 and 2022, the Company's share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
The 4th employee stock options plan	2016.3.23	7,300	8 years	Note 1
The 4th employee stock options plan	2016.8.10	300	8 years	Note 1
The 4th employee stock options plan	2016.11.10	400	8 years	Note 1
Employee stock options plan in 2021	2021.8.9	8,000	6 years	Note 2

The share-based payment arrangements above are settled by equity.

Note:1 40% vested after two years of issuance; 70% after three years; 100% after four years.

Note:2 50% vested after two years of issuance; 75% after three years; 100% after four years.

(b) For the years ended December 31, 2023 and 2022, details of the share-based payment arrangements are as follows:

	2023		2022	
Options	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	9,544	$ 39.44	10,818	$ 41.10
Options exercised	(1,191)	29.40	(786)	25.20
Options forfeited due to resignations	(620)	-	(488)	-
Outstanding at the end of the year	7,733	40.04	9,544	39.44
Exercisable at the end of the year	4,317	37.55	2,092	23.90

(c) Details of stock options outstanding are as follows:

Date	Weighted-average period remaining contractual life	Range of exercise prices (in dollars) (Note)
December 31, 2023	3.06 years	$23.60~43.20
December 31, 2022	3.87 years	$23.90~43.80

Note: The range of exercise prices was adjusted according to annual stock dividends and cash dividends after the grant date.

(d) The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	Grant date	Grant date	Grant date
	March 23, 2016	August 10, 2016	November 10, 2016
Dividend yield	0%	0%	0%
Expected price volatility	44.51% ~ 44.71%	43.38% ~ 45.60%	41.80% ~ 44.32%
Risk-free interest rate	0.375% ~ 0.400%	0.375% ~ 0.500%	0.375% ~ 0.625%
Expected option life	8 years	8 years	8 years
Fair value per share	3.73 ~ 4.92 (in dollars)	3.45~4.64 (in dollars)	3.02~4.18 (in dollars)

	Grant date
	August 9, 2021
Dividend yield	0%
Expected price volatility	51.78% ~ 59.71%
Risk-free interest rate	0.125%
Expected option life	6 years
Fair value per share	16.03 ~ 18.77 (in dollars)

B. For the years ended December 31, 2023 and 2022, the subsidiaries' share-based payment arrangements are as follows:

Number	Type of arrangement	Company	Grant date	Quantity granted (share in thousands)	Vesting conditions
1	Employee stock options	eEver Technology Limited	November 2017	2,340	Description (a)
			August 2019	1,080	
			May and October 2020	3,070	
			November 2021	30	
			March, May, and August 2022	1,400	
			March 2023	30	
2	Employee stock options	eYs3D Microelectronics, Inc.	November 2017	3,429	Description (b)
			August and November 2018	400	
			March, August and November 2019	2,120	
			February, May, August and November 2020	3,470	
			March, September and November 2021	1,450	
			March and August 2022	1,165	
			May and August 2023	255	
3	Employee stock options	DeCloak Intelligences Co.	March and November 2021	212	Description (c)
			August 2022	315	
			September 2023	261	
4	Employee stock options	Invention and Collaboration Laboratory Pte. Ltd.	August and October 2021	1,063	Description (d)
			February and August 2022	267	
5	Employee stock options	TAT Technology, Inc.	October 2022	84	Description (e)
			March 2023	172	
6	Employee stock options	T-Era Architecture Technology, Inc.	September 2022	495	Description (f)
7	Employee stock options	Insignis Technology Inc.	January 2017	1875	Description (g)
			February 2023	1800	
8	Employee stock options	nD-HI Technologies Lab, Inc.	March 2023	216	Description (h)

Description:

(a) i. It refers to the employee stock options issued by eEver Technology Limited to the employees of its subsidiary, eEver Technology, Inc.

ii. Due to the reorganization, eEver Technology Limited assumed the eEver Technology, Inc.'s liabilities to issue employee stock options.

iii The employees whose service year longer than 1 years' service can be vested with 25%, 2 years' service with 50%, 3 years' service with 75% and 4 years' service with 100%.

(b) i. Due to the reorganization, eYs3D Microelectronics, Inc. assumed the eYs3D Microelectronics, Co.'s liabilities to issue employee stock options.

ii. The employees whose service year longer than 1 years' service can be vested with 25%, 2 years' service with 50%, 3 years' service with 75% and 4 years' service with 100%.

(c) The employees whose service year longer than 2 years' service can be vested with 50% and 4 years' service with 100%.

(d) The employees whose service year longer than 1 years' service can be vested with 25%, 2 years' service with 50%, 3 years' service with 75% and 4 years' service with 100%.

(e) 2.08% vested after one month of services.

(f) 2.08% vested after one month of services.

(g) 100% vested after four years of services.

(h) 50% vested after two years of services, 75% vested after three years of services, 100% vested after four years of services.

C. Employee share option - eEver Technology Limited

	2023		2022	
Options	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	6,850	$ 10.00	6,530	$ 10.00
Options granted	30	10.00	1,150	10.00
Options forfeited due to resignations	(745)	-	(830)	-
Outstanding at the end of the year	6,135	10.00	6,850	10.00
Exercisable at the end of the year	4,460	10.00	3,345	10.00

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

D. Employee share option - eYs3D Microelectronics, Inc.

Options	2023 No. of options (share in thousands)	2023 Weighted-average exercise price (in dollars)	2022 No. of options (share in thousands)	2022 Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	7,300	$ 10.00	6,488	$ 10.00
Options granted	255	7.61	1,165	10.00
Options forfeited due to resignations	(580)	-	(353)	-
Outstanding at the end of the year	6,975	7.62	7,300	10.00
Exercisable at the end of the year	4,916	7.77	3,711	10.00

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

E. Employee share option - DeCloak Intelligences Co.

Options	2023 No. of options (share in thousands)	2023 Weighted-average exercise price (in dollars)	2022 No. of options (share in thousands)	2022 Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	505	$ 1.00	190	$ 1.00
Options granted	261	1.00	315	1.00
Outstanding at the end of the year	766	1.00	505	1.00
Exercisable at the end of the year	95	1.00	-	-

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

F. Employee share option - Invention and Collaboration Laboratory Pte. Ltd.

	2023		2022	
Options	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	1,330	$ 0.14	1,063	$ 0.14
Options granted	-	-	267	0.14
Outstanding at the end of the year	1,330	0.14	1,330	0.14
Exercisable at the end of the year	598	0.14	266	0.14

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

G. Employee share option - TAT Technology, Inc.

	2023		2022	
Options	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	84	$ 0.066	-	$ 0.066
Options granted	172	0.066	84	0.066
Outstanding at the end of the year	256	0.066	84	0.066
Exercisable at the end of the year	53	0.066	3	0.066

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

H. Employee share option - T-Era Architecture Technology, Inc.

Options	2023 No. of options (share in thousands)	2023 Weighted-average exercise price (in dollars)	2022 No. of options (share in thousands)	2022 Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	495	$ 0.066	-	$ -
Options granted	-	-	495	0.066
Outstanding at the end of the year	495	0.066	495	0.066
Exercisable at the end of the year	124	0.066	31	0.066

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

I. Employee share option - Insignis Technology Inc.

Options	2023 No. of options (share in thousands)	2023 Weighted-average exercise price (in dollars)	2022 No. of options (share in thousands)	2022 Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	1,875	$ 0.001	1,875	$ 0.001
Options granted	1,800	0.001	-	-
Outstanding at the end of the year	3,675	0.001	1,875	0.001
Exercisable at the end of the year	1,875	0.001	1,875	0.001

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

J. Employee share option - nD-HI Technologies Lab, Inc.

Options	2023 No. of options (share in thousands)	2023 Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	-	$ -
Options granted	216	1.000
Outstanding at the end of the year	216	1.000
Exercisable at the end of the year	-	-

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

K. For the years ended December 31, 2023 and 2022, expenses incurred on equity-settled share-based payment transactions amounted to $28,052 and $42,549, respectively.

(25) Operating revenue

	2023	2022
Revenue from contracts with customers	$ 2,661,968	$ 4,684,589

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time as follows:

	2023	2022
Integrated circuits related	$ 2,660,978	$ 4,683,659
Others	990	930
	$ 2,661,968	$ 4,684,589

B. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities:	$ 2,437	$ 2,164	$ 4,276

	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the year	$ 2,162	$ 4,272

(26) Other operating income and expenses - net

	2023	2022
Rent income, net	$ 67,306	$ 62,523

(27) Interest income

	2023	2022
Interest income from bank deposits	$ 6,876	$ 2,437

(28) Other income

	2023	2022
Dividend income	$ 71,898	$ 18,484
Other income - others	27,053	59,568
	$ 98,951	$ 78,052

(29) Other gains and losses

	2023	2022
Gains on disposals of investments	$ -	$ 1,921
Gains arising from lease modifications	31	55
Gains on disposal of property, plant and equipment	143,903	98
Foreign exchange (losses) gains	(11,804)	10,848
Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	18,737	(45,680)
Miscellaneous disbursements	-	(696)
	$ 150,867	($ 33,454)

(30) Expenses by nature

	2023	2022
Employee benefit expense	$ 795,986	$ 859,365
Depreciation charges on property, plant and equipment (Note)	$ 136,413	$ 157,477
Amortization charges on intangible assets	$ 75,872	$ 71,931

Note: Including the depreciation charges presented as a deduction item to rent income under other income.

(31) Employee benefit expense

	2023	2022
Post-employment benefits		
Defined contribution plans	$ 30,302	$ 28,008
Defined benefit plans	1,000	748
	31,302	28,756
Other personnel expenses	764,684	830,609
	$ 795,986	$ 859,365

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 12% for employees' compensation and shall not be higher than 2% for directors' remuneration. The employees' compensation can be distributed in the form of shares or cash. Including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned shares or cash.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $0 and $24,420, respectively; while directors' remuneration was accrued at $0 and $4,070, respectively. The aforementioned amounts were recognized in salary expenses. Employees' compensation of $24,420 and directors' remuneration of $4,070 for the year ended December 31, 2022 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2022 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Finance costs

	2023	2022
Interest expense on bank loan	$ 60,333	$ 24,232
Interest expense on bonds payable	11,937	6,921
Interest expense from lease liabilities	4,260	3,260
	$ 76,530	$ 34,413

(33) Income tax

A. Components of income tax expense:

Relationship between income tax expense and accounting profit:

	2023	2022
Current tax:		
Overestimated income tax from the previous fiscal year	($ 2,399)	$ -
Tax on undistributed surplus earnings	-	5,416
Total current tax	(2,399)	5,416
Deferred tax:		
Origination and reversal of temporary differences	$ 22,872	$ 21,269
Change in tax losses	(20,471)	6,427
Total deferred tax	2,401	27,696
Income tax expense	$ 2	$ 33,112

B. Relationship between income tax expense and accounting profit:

	2023	2022
Tax calculated based on net (loss) income before tax and statutory tax rate	($ 178,583)	$ 21,462
Effects from items disallowed by tax regulation	7,865	1,791
Temporary difference not recognized as deferred tax assets	40,902	41,656
Change in realization of deferred tax assets	-	(52,261)
Overestimated income tax from the previous fiscal year	(2,399)	-
Tax on undistributed surplus earnings	-	5,416
Taxable loss not recognized as deferred tax assets	132,217	15,048
Income tax expense	$ 2	$ 33,112

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
— Deferred income tax assets:			
Unrealized allowance for loss on decline in value of inventories	$ 90,202	($ 15,737)	$ 74,465
Others	25,333	(6,390)	18,943
Tax losses	101,231	16,503	117,734
Subtotal	$ 216,766	($ 5,624)	$ 211,142
— Deferred income tax liabilities:			
Unrealized exchange gains	($ 3,444)	$ 3,223	($ 221)
Total	$ 213,322	($ 2,401)	$ 210,921

	2022		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
— Deferred income tax assets:			
Unrealized allowance for loss on decline in value of inventories	$ 90,202	$ -	$ 90,202
Unrealized investment losses	27,473	(27,473)	-
Others	16,168	9,165	25,333
Tax losses	107,658	(6,427)	101,231
Subtotal	$ 241,501	($ 24,735)	$ 216,766
— Deferred income tax liabilities:			
Unrealized exchange gains	($ 483)	($ 2,961)	($ 3,444)
Total	$ 241,018	($ 27,696)	$ 213,322

D. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2015	$ 70,039	$ 26,083	$ 26,083	2025
2016	252,201	213,186	213,186	2026
2017	398,425	398,425	398,425	2027
2018	568,288	561,966	561,966	2028
2019	737,250	737,250	399,463	2029
2020	344,285	344,285	93,402	2030
2021	124,111	124,111	124,111	2031
2022	184,559	184,559	184,559	2032
2023	661,085	661,085	661,085	2033
	$ 3,340,243	$ 3,250,950	$ 2,662,280	

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2015	$ 70,139	$ 64,514	$ 64,514	2025
2016	252,201	213,186	213,186	2026
2017	398,425	398,425	398,425	2027
2018	568,288	568,288	568,288	2028
2019	737,250	737,250	481,978	2029
2020	354,398	354,398	103,515	2030
	$ 2,380,701	$ 2,336,061	$ 1,829,906	

E. The Company's, Kingcharm Investment Corp.'s, Kingwell Investment Corp.'s, Invention and Collaboration Laboratory, Inc., Eutrend Technology, Inc., DeCloak Intelligences Co., eEver Technology, Inc., eYs3D Microelectronics, Co., Pioneer Chip Technology Limited and nD-HI Technologies Lab, Inc. (formerly named Silicon Spintronics Inc.) income tax returns through 2021 have been assessed.

(34) (Loss) earnings per share

	2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Net loss for the current period that can be attributed to common stock shareholders of the parent company	($ 892,914)	288,616	($ 3.09)
Diluted loss per share			
Net loss for the current period that can be attributed to common stock shareholders of the parent company	($ 892,914)	288,616	($ 3.09)

	2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net profit for the current period that can be attributed to common stock shareholders of the parent company	$ 141,895	287,834	$ 0.49
Diluted earnings per share			
Net profit for the current period that can be attributed to common stock shareholders of the parent company	$ 141,895	287,834	
Assumed conversion of all dilutive potential ordinary shares			
— Employee stock options	-	1,231	
— Employees' compensation	-	627	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 141,895	$ 289,692	$ 0.49

Note:1 For the year ended December 31, 2023, if the employees' compensation and the convertible bonds were accrued, there would be anti-dilutive effect, thus, they would not be included in the calculation of dilutive number of shares.

Note:2 For the year ended December 31, 2022, if the convertible bonds were accrued, there would be anti-dilutive effect, thus, it would not be included in the calculation of dilutive number of shares.

Note:3 For the years ended December 31, 2023 and 2022, the weighted average numbers of outstanding shares were retrospectively adjusted in proportion to 101.4% and 105% of the capitalized amount of unappropriated earnings in September 2023 and September 2022.

(35) Supplemental cash flow information

Investing activities with partial cash payments:

	2023	2022
Purchase of property, plant, equipment and intangible assets	$ 159,966	$ 233,784
Add: Opening balance of payable	25,636	9,091
Less: Ending balance of payable	(5,871)	(25,636)
Cash paid during the year	$ 179,731	$ 217,239

(36) Transactions with non-controlling interest

A. The Group's subsidiary, eYs3D Microelectronics, Inc.(eYs3D), increased its capital by issuing new shares in 2023 and 2022. As a result, the Group increased its share interest by 1.28% and 2.09% due to the above effects, respectively.

B. For the years ended December 31, 2023 and 2022, the Group's subsidiary, DeCloak Intelligences Co., increased its capital by issuing new shares, as a result, the Group increased its share interest by 0.33% and 2.56%, respectively.

C. The Group's subsidiary, T-Era Architecture Technology, Inc., increased its capital by issuing new shares in 2023. As a result, the Group increased its share interest by 0.11% due to the above effects. The Group's subsidiary, T-Era Architecture Technology, Inc., increased its capital by issuing new shares in 2022, and the Group held 62.65% share interest in the end of period.

D. The Group's subsidiary, TAT Technology, Inc., increased its capital by issuing new shares in 2023. As a result, the Group increased its share interest by 0.07% due to the above effects. In 2022, T-Era Architecture Technology, Inc. increased its capital by issuing new shares, and the Group held 62.67% share interest in the end of period as a result.

E. The Group's subsidiary, nD-HI Technologies Lab, Inc., increased its capital by issuing new shares in 2023. As a result, the Group increased its share interest by 3.38% due to the above effects.

The effect of change in interest contributed to the aforementioned transactions on the equity attributable to owners of the parent for the year ended December 31, 2023 is shown below:

	2023	2022
Cash contributed by non-controlling interests	$ 45,030	$ 35,587
Changes in ownership interests in subsidiaries	(24,481)	(32,974)
	$ 20,549	$ 2,613
Increase in capital surplus attributable to:		
Owners of the parent	$ 20,549	$ 2,613

(37) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term loans (note)	Lease liability	Guarantee deposits received
January 1, 2023	$ 1,083,088	$ 739,984	$ 772,229	$ 215,825	$ 78,807
Changes in cash flows	(98,464)	-	(122,869)	(23,732)	-
Changes in non-cash					
Bond discount payable	-	208	-	-	-
Amortization of bond discount payable	-	11,937	-	-	-
New lease agreement	-	-	-	8,620	-
Lease agreement amendment	-	-	-	(68)	-
Net exchange differences	-	-	-	197	-
December 31, 2023	$ 984,624	$ 752,129	$ 649,360	$ 200,842	$ 78,807

	Short-term borrowings	Bonds payable	Long-term loans (note)	Lease liability	Guarantee deposits received
January 1, 2022	$ 140,720	$ -	$ 1,271,250	$ 146,070	$ 17,099
Changes in cash flows	942,368	794,400	(498,973)	(22,794)	61,708
Changes in non-cash					
Bond discount payable	-	(61,337)	-	-	-
Amortization of bond discount payable	-	6,921	-	-	-
New lease agreement	-	-	-	96,001	-
Lease agreement amendment	-	-	-	(3,314)	-
Net exchange differences	-	-	(48)	(138)	-
December 31, 2022	$ 1,083,088	$ 739,984	$ 772,229	$ 215,825	$ 78,807

Note: Including current portion

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Giga Solution Tech Co., Ltd.	The chairman of the investee and the chairman of the Company are relatives within the second degree of kinship
Kai Chun Investment Corp.	The Company’s corporate director
Great Team Backend Foundry,Inc.	The Company's investees indirectly accounted for using the equity method

(2) Significant related party transactions

A. Receivables from related parties

	December 31, 2023	December 31, 2022
Other receivables:		
— Other related parties	$ 6,535	$ 6,329

Other receivables arose from leasing assets to related parties and are collected within 30 days after the invoices are issued. The receivables are unsecured in nature and bear no interest.

B. Guarantee deposits received

	December 31, 2023	December 31, 2022
Other related parties		
Giga Solution Tech Co., Ltd.	$ 16,487	$ 16,487
Others	3	3
	$ 16,490	$ 16,490

It refers to lease deposits.

C. Other transactions

Other related party transactions are summarized below:

	2023	2022
Rent income:		
— Giga Solution Tech Co., Ltd.	$ 69,475	$ 65,929
— Others	11	11
	$ 69,486	$ 65,940

The Group's investee, Great Team Backend Foundry, Inc., which accounted for the equity method, reduced its capital and repurchased its shares from the Group in the number of 2,445 thousand shares totaling $51,899 in 2023.

(3) Information on remuneration to the management

	2023	2022
Salaries and other short-term employee benefits	$ 81,686	$ 84,190
Post-employment benefits	1,371	1,435
Service expenses	2,148	1,860
Cost of share-based compensation	5,682	8,997
Total	$ 90,887	$ 96,482

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2023	Book value December 31, 2022	Purpose
Time deposits and performance guarantee (shown as "Current financial assets at amortized cost")	$ 3,307	$ 30,057	Government subsidy programs and tariff guarantees
Time deposits (shown as "Non-current financial assets at amortized cost")	5,941	5,941	Land lease agreement guarantee
Buildings and structures	43,995	45,093	Long-term borrowings
	$ 53,243	$ 81,091	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

In February 2017, Securities and Futures Investors Protection Center (the "SFIPC") filed a civil lawsuit against the Company, the former subsidiary, TM Technology, Inc. and other defendants, claiming that they are jointly liable for compensation, on behalf of the investors of the former subsidiary, TM Technology, Inc., as the company's former director Mr. Wu was sued for violating the Securities and Exchange Act in January 2016. On March 18, 2019, Taiwan HsinChu District Court dismissed the lawsuit. However, the SFIPC filed an appeal with Taiwan High Court, which was dismissed on February 26, 2021. On March 24, 2021, SFIPC disagreed with the ruling rendered by the Taiwan High Court and filed an application for an appeal; On March 16, 2023, the Company received a notice of judgment in chief from the Supreme Court, which ruled that the original judgment was annulled and remanded to the High Court for trial.

Important Contracts

The Company entered into a production capacity reservation agreement with a supplier. Under the agreement, the supplier provides production capacity to the Company after the Company makes a deposit in advance. Please refer to Note 6(12) for details of the guarantee deposits paid by the Company.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On March 13, 2024, the Board of Directors of the Company resolved the effective date of capital increase for exercise of employee stock option. Refer to Note 6(20) for details.

12. Others

(1) Capital management

The Group must maintain adequate capital to expand product lines and that sales could achieve economic of scale. The Group's objectives when managing capital are to secure necessary financial resources to meet the needs of operating funds for the next year, capital expenditure, research and development activities expenditures and debt repayment.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 13,118	$ 60,894
Equity instrument investments designated at fair value through other comprehensive income	$ 784,672	$ 680,510
Financial assets at amortized cost/Loans and receivables		
Cash and cash equivalents	707,095	842,402
Financial assets at amortized cost	9,248	35,998
Notes receivable	1,818	73,838
Accounts receivable	644,600	878,160
Other receivables	21,075	18,819
Guarantee deposits paid (shown as other non-current assets)	419,961	419,826
	$ 1,803,797	$ 2,269,043
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities designated at fair value through profit or loss	$ 2,939	$ 8,662
Financial liabilities at amortized cost		
Short-term borrowings	984,624	1,083,088
Notes payable	5,327	753
Accounts payable	399,978	687,754
Other payables	233,707	298,604
Convertible bonds payable	752,129	739,984
Long-term borrowings (including current portion)	649,360	772,229
Guarantee deposits received (shown as other non-current liabilities)	78,807	78,807
	$ 3,103,932	$ 3,661,219
Lease liability	$ 200,842	$ 215,825

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including

foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's entire risk management policies focus on unpredictable matters in financial market and reducing the potential negative effects on the Group's financial condition and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and reduce financial risks in close co-operation with the Group's operating units. The Group provides written principles for specific areas and matters, such as use of derivative financial instruments.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The consolidated entities exposed to the exchange rate risk arising from operating activities which were denominated in non-functional currency. The Group's functional currency includes New Taiwan dollars, US Dollars, RMB and JPY. Those transactions were mainly denominated in New Taiwan dollars, US Dollars, RMB, HKD and JPY.

ii. The Group employs foreign currency derivative financial instruments, including forward exchange contracts or foreign exchange swap contracts to hedge exchange rate risk arising from monetary financial assets and liabilities and forecast transactions that are not denominated in NTD. These hedges can minimize the effects of changes in foreign exchange rates on assets and liabilities, but the risk cannot be eliminated entirely.

iii. The Group's businesses involve some non-functional currency operations (The Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 27,992	30.705	$ 859,494
Non-monetary items			
USD:NTD	52,964	30.705	1,626,245
JPY:NTD	10,516	0.2172	2,284
Financial liabilities			
Monetary items			
USD:NTD	17,507	30.705	537,552

(Foreign currency: functional currency)	December 31, 2022 Foreign currency amount (In thousands)	Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 37,142	30.710	$ 1,140,616
Non-monetary items			
USD:NTD	54,835	30.710	1,683,982
JPY:NTD	14,251	0.2324	3,312
Financial liabilities			
Monetary items			
USD:NTD	28,117	30.710	863,457

iv. The unrealized exchange gain (loss) arising from the monetary items with significant influence held by the Group for the years ended December 31, 2023 and 2022, amounted to $968 and $13,119, respectively.

Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	2023 Sensitivity analysis Degree of variation	Effects on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 8,595	$ -
Non-monetary items			
USD:NTD	1%	-	16,263
JPY:NTD	1%	-	23
Financial liabilities			
Monetary items			
USD:NTD	1%	5,376	-

(Foreign currency: functional currency)	2022 Sensitivity analysis Degree of variation	Effects on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 11,406	$ -
Non-monetary items			
USD:NTD	1%	-	16,840
JPY:NTD	1%	-	33
Financial liabilities			
Monetary items			
USD:NTD	1%	8,635	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

ii. The Group invested in domestic and foreign listed and unlisted equity securities. The prices of equity securities would change due to the change of the future value of investee companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, before-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $535 and $3,045, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $39,234 and $34,026, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from time deposits maturing over three months and long-term borrowings at variable rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2023 and 2022, the Group's borrowings were denominated in New Taiwan dollars and US Dollars.

ii. On December 31, 2023 and 2022, if the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have decreased / increased by $1,294 and $1,539, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

iii. On December 31, 2023 and 2022, if the interest rate of New Taiwan dollars time deposits and time deposits maturing over three months had increased/decreased by 0.25% with all other variables held constant, the impact to profit, net of tax for the years ended December 31, 2023 and 2022 would be immaterial. The main factor is that changes in interest income result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. Policy for credit risk management of the Group's operating units is as follows:

(i) The Company sets the relevant procedures to monitor, manage and reduce the credit risk of accounts receivable; however, it is not guaranteed that the procedures can effectively exclude the credit risk and avoid losses. The exposure of such credit risk will increase in the deteriorating economic environment.

(ii) The Group periodically monitors, reviews and adjusts the credit limits based on the market conditions and credit status of counterparties to timely manage the credit risk. The Group only transacts with banks and financial institutions with high credit quality, and therefore does not expect to assume the credit

risk.

(iii) The main credit risks arise from deposits with bank and financial institutions, financial assets at amortized cost and receivables.

ii. The situation that the Group regards as breach of contract specified in the contract are as follows: when the contract payments may not be recovered and have to be transferred to overdue receivables, the default has occurred.

iii. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies loss rate methodology to estimate expected credit loss under the provision matrix basis.

iv. The Group adopts following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments.

vi. The Group used the historical information and the forecastability of Taiwan Institute of Economic Research boom observation report to assess the default possibility of accounts receivable.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the loss rate methodology is as follows:

	Accounts receivable		
December 31, 2023	Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	$ -	$ 721,380	$ 721,380
Loss allowance	$ -	$ 76,780	$ 76,780

	Accounts receivable		
December 31, 2022	Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	$ -	$ 960,813	$ 960,813
Loss allowance	$ -	$ 82,653	$ 82,653

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2023	2022
January 1	$ 82,653	$ 82,244
Provision for impairment loss	-	409
Gain on reversal of expected credit loss	(5,873)	-
December 31	$ 76,780	$ 82,653

x. As of December 31, 2023 and 2022, the collateral held by the Group as security for accounts receivable was letters of credit, promissory note and cheques with book value amounting to $733,001 and $880,157, respectively.

xi. Movements in loss allowance for investments in debt instruments carried at amortized cost are as follows:

	2023		
		Lifetime	
	12 months	Significant increase in credit risk	Impairment of credit
January 1	$ -	$ 63,000	$ -
Derecognition	-	(63,000)	-
December 31	$ -	$ -	$ -

In 2023, the Group derecognized its investment in preferred stock, which was measured at amortized cost.

	2022		
		Lifetime	
	12 months	Significant increase in credit risk	Impairment of credit
January 1 (December 31)	$ -	$ 63,000	$ -

(c) Liquidity risk

i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs for the next one year.

ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

December 31, 2023	Less than 1 year	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 989,786	$ -	$ -
Notes payable	5,327	-	-

December 31, 2023	Less than 1 year	Between 1 and 5 years	Over 5 years
Accounts payable	399,978	-	-
Other payables	233,707	-	-
Lease liability	28,012	73,274	125,213
Long-term liabilities, current portion	344,043	-	-
Bonds payable	-	794,400	-
Long-term borrowings	-	317,004	6,019
Guarantee deposits received	-	78,807	-

December 31, 2022	Less than 1 year	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 1,088,285	$ -	$ -
Notes payable	753	-	-
Accounts payable	687,754	-	-
Other payables	298,604	-	-
Lease liability	12,459	28,685	131,176
Long-term liabilities, current portion	211,697	-	-
Bonds payable	-	794,400	-
Long-term borrowings	-	578,934	7,493
Guarantee deposits received	-	78,807	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in the listed stocks classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities and long-term borrowings are approximate to their fair values.

C. The related information of financial instruments and non-financial instruments measured at

fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 10,698	$ -	$ -	$ 10,698
Foreign exchange swap contracts	-	2,420	-	2,420
Financial assets at fair value through other comprehensive income				
Equity securities	277,001	-	507,671	784,672
Total	$ 287,699	$ 2,420	$ 507,671	$ 797,790
Liabilities				
Financial liabilities at fair value through profit or loss				
Call options and put options of convertible bonds	-	-	2,939	2,939
Total	$ -	$ -	$ 2,939	$ 2,939

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 57,567	$ -	$ -	$ 57,567
Hybrid instruments	-	-	3,327	3,327
Financial assets at fair value through other comprehensive income				
Equity securities	187,885	-	492,625	680,510
Total	$ 245,452	$ -	$ 495,952	$ 741,404
Liabilities				
Financial liabilities at fair value through profit or loss				
Call options and put options of convertible bonds	$ -	$ -	$ 8,662	$ 8,662

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed share
Market quoted price	Closing price

(b) When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(c) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants. Forward exchange contracts and foreign exchange swap contracts are usually valued based on the current forward exchange rate.

(d) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. If one or more of the significant inputs are not based on observable market data, such financial instrument is included in level 3.

G. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	Equity securities	
	2023	2022
January 1	$ 492,625	$ 542,813
Gains or losses recognized in other comprehensive income	(5,532)	(16,953)
Acquired in the year	23,841	13,232
Disposal and liquidation in the year	-	(83,968)
Transfer to (from) Level 3	4,253	(9,316)
Recovery of investment cost	(6,881)	-
Effect of change in exchange rate	(635)	46,817
December 31	$ 507,671	$ 492,625

H. Because Senti Bioscience Inc. was listed in the public market from the second quarter of 2022, and there is sufficient observable market information, thus the Group has transferred the fair value from Level 3 into Level 1 at the end of the month when the event occurred.

I. Investment segment is in charge of valuation procedures for fair value measurements being adopted within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent

information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 53,377	Market price method	Discount for lack of marketability	10%~50%	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	454,294	Net asset value	Net asset value	15%~30%	The higher the net asset value, the higher the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 67,587	Market price method	Discount for lack of marketability	15%~35%	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	425,038	Net asset value	Net asset value	15%~35%	The higher the net asset value, the higher the fair value
Hybrid instruments:					
Convertible bond	3,327	Binomial Model	Discount rate	-	The higher the discount rate, the lower the fair value

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount for lack of marketability, weighted average cost of capital and long-term revenue growth rate.	± 1%	$ -	$ -	$ 5,077	($ 5,077)

			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount for lack of marketability, weighted average cost of capital and long-term revenue growth rate.	± 1%	$ -	$ -	$ 4,926	($ 4,926)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 2.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 6(15).

J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The details of commissions expense and service expense paid by the Group to Fullboom Electronics (Shenzhen) Co., Ltd. for the years ended December 31, 2023 and 2022, and their outstanding balances (shown as 'other payables') as of December 31, 2023 and 2022 are as follows:

	2023	2022
Commission expenses	$ 10,589	$ 15,382
Service expense	$ 22,259	$ 17,178
	December 31, 2023	December 31, 2022
Other payables	$ 4,688	$ 3,880

(4) Information on major shareholders

None.

14. Operating Segment Information

(1) General information

The Group operates business only in a single industry. The Board of Directors who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment. The Group manages the business from each consolidated entity's perspective.

(2) Segment information

Years ended December 31, 2023 and 2022: Only one reportable operating segment. Refer to the statements of comprehensive income for details.

The accounting policies of the operating segments are no significant different to the significant accounting policies summarized in Note 4. The Company's reportable segment income or loss are measured using the income/(loss) before tax.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

Years ended December 31, 2023 and 2022: Only one reportable operating segment. Refer to the statements of comprehensive income for details.

(4) Information on products and services

Revenue from external customers is mainly from design, manufacturing and sale of integrated circuits. Components of revenue are as follows:

	2023	2022
Sales revenue	$ 2,660,978	$ 4,683,659
Others	990	930
Total	$ 2,661,968	$ 4,684,589

(5) Geographical information

	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 645,836	$ 1,284,988	$ 1,283,666	$ 1,338,348
Hong Kong	977,031	2,964	1,398,744	882
Mainland China	96,781	635	203,129	445
Others	942,320	2,299	1,799,050	797
Total	$ 2,661,968	$ 1,290,886	$ 4,684,589	$ 1,340,472

(6) Major customer information

	2023			2022	
	Revenue	Segment		Revenue	Segment
ALM	$ 282,571	The Group	ALM	$ 908,068	The Group

Etron Technology, Inc.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2023

Table1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Remark
					Number of shares	Carrying amount	Shareholding ratio	Fair value	
Etron Technology, Inc.	Stock	uPI Semiconductor Corp.	None	Financial assets at fair value through profit or loss - current	32,000	$ 10,048	-	$ 10,048	
Kingwell Investment Corp.	Stock	Macronix International Co., Ltd.	The president of the investee and the chairman of the Company are relatives within second degree of kinship	Financial assets at fair value through profit or loss - current	15,840	497	-	497	
Kingcharm Investment Corp.	Stock	Walton Advanced Engineering, Inc.	None	Financial assets at fair value through profit or loss - current	10,000	153	-	153	
Kingcharm Investment Corp.	Stock	ProMos Technology, Inc.	None	Financial assets at fair value through profit or loss - current	6	-	-	-	
Creative Ally Limited	Stock	Cognito Health International Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,010,101	16,748	1.07%	16,748	
Etron Technology (HK) Limited	Equity investment	Shanghai Walden Venture Capital Enterprise	None	Financial assets at fair value through other comprehensive income - non-current	-	177,332	1.52%	177,332	
Etron Technology (HK) Limited	Equity investment	Walden Technology Ventures II,L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	147,752	2.64%	147,752	
Etron Technology (HK) Limited	Equity investment	Arm IoT Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	28,115	4.65%	28,115	
Etron Technology (HK) Limited	Equity investment	WI Harper Fund IX, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	16,035	1.06%	16,035	
Kinglord Corp.	Stock	Senti Biosciences, Inc.	The chairman of the investee and the chairman of the Company are relatives within the second degree of kinship	Financial assets at fair value through other comprehensive income - non-current	41,475	840	0.09%	840	
Kinglord Corp.	Stock	Personal Genomics, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	741,926	2,659	0.91%	2,659	
Plusway Corp.	Stock	Personal Genomics, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	6,261,451	6,911	7.69%	6,911	

Securities held by	Type of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Remark
					Number of shares	Carrying amount	Shareholding ratio	Fair value	
Plusway Corp.	Equity investment	WI Harper Fund IX, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	24,053	1.59%	24,053	
Plusway Corp.	Equity investment	IT-Farm J-Tech Fund Investment Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	-	8,943	4.55%	8,943	
Plusway Corp.	Stock	Cognito Health International Inc.	None	Financial assets at fair value through other comprehensive income - non-current	219,635	3,642	0.23%	3,642	
Kingwell Investment Corp.	Stock	Bridge Semiconductor Corporation	None	Financial assets at fair value through other comprehensive income - non-current	1,375,000	$ -	5.75%	$ -	
Kingwell Investment Corp.	Stock	Innorich Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income - non-current	6,000,000	28,748	11.21%	28,748	
Kingwell Investment Corp.	Stock	Raytek Semiconductor, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,852,000	23,417	1.54%	23,417	
Kingwell Investment Corp.	Stock	Ardentec Corporation	The chairman of the investee and the chairman of the Company are relatives within second degree of kinship	Financial assets at fair value through other comprehensive income - non-current	3,712,457	274,722	0.76%	274,722	
Kingwell Investment Corp.	Stock	Anqing Innovation Investment Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000,000	13,180	4.33%	13,180	
Kingwell Investment Corp.	Stock	Mosa Industrial Corporation	None	Financial assets at fair value through other comprehensive income - non-current	38,000	903	0.02%	903	
Kingwell Investment Corp.	Equity investment	Arm IoT Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	9,311	1.54%	9,311	
Kingwell Investment Corp.	Stock	IQE PLC	None	Financial assets at fair value through other comprehensive income - non-current	55,916	536	0.01%	536	
Kingcharm Investment Corp.	Stock	Bridge Semiconductor Corporation	None	Financial assets at fair value through other comprehensive income - non-current	1,988,970	-	8.32%	-	
Kingcharm Investment Corp.	Stock	Digitimes Inc.	None	Financial assets at fair value through other comprehensive income - non-current	78,750	825	0.37%	825	

Etron Technology, Inc.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table2

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction Situation				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Remark (Note 2)
Etron Technology, Inc.	Etron Technology (HK) Limited	An indirectly held subsidiary of the Company	Sales	($ 107,553)	4.18%	90 days end of month	Not applicable	Not applicable	$ 22,820	3.61%	

Etron Technology, Inc.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table3

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transactions			
				General ledger account	Amount	Transaction terms (Note 4)	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Service expense	$ 18,605	-	0.70%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Commission expenses	16,299	-	0.61%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Other accrued expense	1,840	-	0.03%
0	Etron Technology, Inc.	Anzon Corporation	1	Service expense	2,522	-	0.09%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Commission expenses	10,589	-	0.40%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Service expense	4,855	-	0.18%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Other accrued expense	2,159	-	0.03%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Sales revenue	107,553	-	4.04%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Accounts receivable	22,820	-	0.33%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Sales revenue	1,137	-	0.04%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other receivables	6,605	-	0.10%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other income	15,527	-	0.58%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Support service income	2,645	-	0.10%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Support service income	4,450	-	0.17%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Other receivables	14,356	-	0.21%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Other income	20,773	-	0.78%
0	Etron Technology, Inc.	Insignis Technology Corporation	1	Sales revenue	20,337	-	0.76%
0	Etron Technology, Inc.	ValueCreation Technology, Inc.	1	Miscellaneous income	8,174	-	0.31%
0	Etron Technology, Inc.	Invention and Collaboration Laboratory Pte. Ltd.	1	Service expense	1,446	-	0.05%
1	eYs3D Microelectronics Co.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Service expense	13,094	-	0.49%
1	eYs3D Microelectronics Co.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Other accrued expense	2,170	-	0.03%
1	eYs3D Microelectronics Co.	AiYs3D Technology, Inc.	3	Service expense	6,081	-	0.23%
2	eEver Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Service expense	4,310	-	0.16%
3	Invention and Collaboration Laboratory, Inc.	Invention and Collaboration Laboratory Pte. Ltd.	3	Income received in advance	2,401	-	0.04%

Note:1 The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is 0.

(2) The subsidiaries are numbered in order starting from 1.

Note:2 Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) The parent company to subsidiaries.

(2) Subsidiaries to the parent company.

(3) Subsidiaries to subsidiaries.

Note:3 Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note:4 The prices and credit terms for the transactions between parent company and subsidiaries would be available for third parties. The terms for incomparable transactions are negotiated by the both parties.

Etron Technology, Inc.
Names, locations and other information of investees (not including investees in Mainland China)
Year ended December 31, 2023

Table4

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Carrying amount			
Etron Technology, Inc.	Eutrend Technology, Inc.	Taiwan	Testing service for high frequency or high-power radio frequency, analog, digital, and mixed-signal components	$ 112,099	$ 112,099	2,702,522	93.57%	$ 263	($ 75)	($ 70)	Subsidiaries
Etron Technology, Inc.	Kinglord Corp.	British Virgin Islands	Investment holdings	853,849	853,849	25,458	100.00%	473,031	39,843	39,843	Subsidiaries
Etron Technology, Inc.	Plusway Corp.	British Virgin Islands	Investment holdings	501,877	511,185	9,825	100.00%	139,041	(1,162)	(1,162)	Subsidiaries
Etron Technology, Inc.	Kingwell Investment Corp.	Taiwan	Investment in the manufacturing and service industries	8,215	22,861	14,083,000	100.00%	417,977	8,607	8,607	Subsidiaries
Etron Technology, Inc.	Kingcharm Investment Corp.	Taiwan	Investment holdings	188,512	188,512	18,000,000	100.00%	9,924	(23,986)	(23,986)	Subsidiaries
Etron Technology, Inc.	Intercosmos Group Limited	British Virgin Islands	Investment holdings	106,429	142,188	4,488	100.00%	193,133	896	896	Subsidiaries
Etron Technology, Inc.	Creative Ally Limited	British Virgin Islands	Investment holdings	127,141	111,921	4,220	100.00%	32,451	(16,345)	(16,345)	Subsidiaries
Etron Technology, Inc.	eCapture Ltd. Co.	Cayman Islands	Investment holdings	31,051	31,051	11,666,667	100.00%	2,083	(258)	(258)	Subsidiaries
Etron Technology, Inc.	Insignis Technology, Inc.	Cayman Islands	Investment holdings	60,488	60,488	24,500,000	100.00%	17,634	(6,423)	(6,423)	Subsidiaries
Etron Technology, Inc.	eEver Technology Limited	Cayman Islands	Investment holdings	44,857	44,857	14,250,001	50.42%	(2,001)	(91,836)	(43,270)	Subsidiaries
Etron Technology, Inc.	eYs3D Microelectronics,Inc.	Cayman Islands	Investment holdings	553,326	429,195	58,019,238	64.20%	60,962	(208,621)	(133,567)	Subsidiaries
Etron Technology, Inc.	DeCloak Intelligences Co.	Taiwan	Information and software services	53,017	35,600	4,155,203	79.98%	10,569	(22,324)	(17,904)	Subsidiaries
Etron Technology, Inc.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	11,249	6,309	2,921,600	7.56%	888	(7,607)	(442)	Subsidiaries
Etron Technology, Inc.	TAT Technology, Inc.	Cayman Islands	Investment holdings	7,553	4,730	1,971,200	7.33%	448	(5,367)	(313)	Subsidiaries
Etron Technology, Inc.	ValueCreation Technology, Inc.	Taiwan	Intellectual property industry	15,000	-	1,500,000	100.00%	3,675	(3,224)	(11,193)	Subsidiaries
Kingwell Investment Corp.	Pinoeer Chip Technology Limited.	Taiwan	Electronic component manufacturing industry	2,000	2,000	200,000	100.00%	73	(4)	(4)	Second-tier subsidiary
Kingwell Investment Corp.	nD-HI Technologies Lab, Inc.	Taiwan	Electronic component manufacturing industry	24,093	12,093	2,500,000	96.05%	(427)	(13,229)	(12,707)	Second-tier subsidiary
Kingwell Investment Corp.	Great Team Backend Foundry,Inc.	British Virgin Islands	Investment holdings	27,020	33,737	1,555,390	5.39%	31,170	(4,096)	39	Investee company of the subsidiary
Kingcharm Investment Corp.	eEver Technology Limited	Cayman Islands	Investment holdings	58,969	58,969	5,838,680	20.66%	(820)	(91,836)	(18,958)	Subsidiaries
Kingcharm Investment Corp.	eYs3D Microelectronics,Inc.	Cayman Islands	Investment holdings	21,654	21,654	2,084,340	2.31%	2,214	(208,621)	(5,088)	Subsidiaries
Kinglord Corp.	Etron Technology America,Inc.	U.S.A	Sales agent of electronic components	172,562	172,590	47,666,666	100.00%	20,081	(8,414)	(8,095)	Second-tier subsidiary
Kinglord Corp.	Anzon Technology, Inc.	British Virgin Islands	Investment holdings	11,085	11,086	1,681,000	70.85%	1,678	(820)	(606)	Second-tier subsidiary
Kinglord Corp.	Etron Technology (HK) Limited	Hong Kong	Sales of electronic components	147,384	147,408	37,440,000	100.00%	442,052	50,932	50,932	Second-tier subsidiary
Kinglord Corp.	eYs3D Microelectronics,Inc.	Cayman Islands	Investment holdings	8,608	8,609	785,273	0.87%	834	(208,621)	(1,916)	Subsidiaries
Etron Technology (HK) Limited	eYs3D Microelectronics,Inc.	Cayman Islands	Investment holdings	25,540	25,544	2,329,918	2.58%	2,472	(208,621)	(5,693)	Subsidiaries

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Carrying amount			
Anzon Technology, Inc.	Anzon Corporation	Japan	Sales agent of electronic components	17,365	17,368	185	100.00%	2,284	(921)	(830)	Third-tier subsidiary
Intercosmos Group Limited	Grandsino Technology Limited	British Virgin Islands	Investment holdings	42,763	78,346	3,866	100.00%	177,016	307	307	Second-tier subsidiary
Intercosmos Group Limited	Fullboom International Limited	Samoa	Investment holdings	32,240	32,246	1,050,000	100.00%	14,678	704	670	Second-tier subsidiary
Grandsino Technology Limited	Great Team Backend Foundry,Inc.	British Virgin Islands	Investment holdings	41,192	75,186	7,979,999	27.67%	175,666	(4,096)	201	Investee of the second-tier subsidiary
Plusway Corp.	Great Team Backend Foundry,Inc.	British Virgin Islands	Investment holdings	64,938	76,151	2,410,886	9.12%	80,093	(4,096)	66	Investee company of the subsidiary
Plusway Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	8,989	8,990	887,121	0.98%	939	(208,621)	(2,167)	Subsidiaries
Creative Ally Limited	Invention and Collaboration Laboratory Pte. Ltd.	Singapore	Semiconductor technology development, consulting, and design services	30,718	15,362	10,428,000	81.11%	14,642	(20,305)	(16,470)	Second-tier subsidiary
eCapture Ltd. Co.	eCapture Co., Limited	Hong Kong	Marketing, sales and development of electronic products	29,170	29,175	950,000	100.00%	1,869	(92)	(92)	Second-tier subsidiary
Insignis Technology, Inc.	Insignis Technology Corporation	U.S.A	Sales of electronic components	58,800	58,810	1,915,000	100.00%	17,528	(6,159)	(6,311)	Second-tier subsidiary
eEver Technology Limited	eEver Technology, Inc.	Taiwan	Electronic component manufacturing industry	200,739	200,772	29,450,000	100.00%	7,192	(89,404)	(89,404)	Second-tier subsidiary
eYs3D Microelectrions, Inc.	eYs3D Microelectronics Co.	Taiwan	Electronic component manufacturing industry	935,941	779,718	101,600,000	100.00%	100,541	(206,624)	(206,624)	Second-tier subsidiary
eYs3D Microelectrions, Inc.	AiYs3D Technology, Inc	U.S.A	Marketing and customer service	307	307	10,000	100.00%	607	7	7	Second-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	Invention and Collaboration Laboratory, Inc.	Taiwan	Electronic component manufacturing industry	$ 1,476	$ 1,477	$ 134,000	100.00%	$ 1,251	$ 72	$ 72	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	614	614	20,000,000	51.76%	6,082	(7,607)	(4,129)	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	TAT Technology, Inc.	Cayman Islands	Investment holdings	430	430	14,000,000	52.08%	3,178	(5,367)	(2,911)	Third-tier subsidiary
T-Era Architecture Technology, Inc.	T-Era Architecture Technology Corp.	Taiwan	Semiconductor technology development, consulting, and design services	19,868	10,281	2,000,000	100.00%	9,002	(7,319)	(7,319)	Third-tier subsidiary
T-Era Architecture Technology, Inc.	TAT Technology, Inc.	Cayman Islands	Investment holdings	3,439	2,211	896,000	3.33%	210	(5,367)	(136)	Third-tier subsidiary
TAT Technology, Inc.	TAT Technology Corp.	Taiwan	Semiconductor technology development, consulting, and design services	11,334	7,711	1,128,000	100.00%	4,799	(4,968)	(4,968)	Third-tier subsidiary
TAT Technology, Inc.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	5,097	2,948	1,328,000	3.44%	409	(7,607)	(196)	Third-tier subsidiary
ValueCreation Technology, Inc.	WeCrevention, Inc.	U.S.A	Intellectual property industry	3,209	-	100,000	100.00%	2,907	(170)	(170)	Second-tier subsidiary

Etron Technology, Inc.
Information on investments in Mainland China
Year ended December 31, 2023

Table5

Expressed in thousands of NTD
(Except as otherwise indicated)

1. Basic information

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Profit (loss) of the investee for the year	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year (Note 2)	Carrying amount of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
Great Team Backend Foundry (Dongguan), Ltd.	Other transistors	$ 2,705,620	(2)	$248,045	$ -	$ 51,784	$196,261	$ 19,507	12.65%	$ 2,468	$ 258,908	$ -	Note 3, Note 4, Note 5
Fullboom Electronics (Shenzhen) Co., Ltd.	Wholesale and international trade of electronic components	30,705	(2)	32,285	-	-	32,285	704	100.00%	704	13,755	-	Note 6
Shanghai Walden Venture Capital Enterprise	Investment in new venture companies	39,633	(2)	35,154	-	-	35,154	-	1.52%	-	177,332	-	Note 7
Walden Technology Ventures II, L.P.	Investment in new venture companies	2,163,751	(2)	95,668	-	-	95,668	-	2.64%	-	147,752	-	Note 7

Note:1 Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in 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 Investment income from Fullboom Electronics (Shenzhen) Co., Ltd. was recognized based on the financial statements that are audited and attested by R.O.C. parent company's CPA; Investment income from Great Team Backend Foundry (Dongguan), Ltd. was recognized based on the financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note:3 Investing through Great Team Backend Foundry, Inc., which is invested by Kingwell Investment Corp.

Note:4 Investing through Great Team Backend Foundry, Inc., which is invested by Grandsino Technology Limited and Grandsino Technology Limited is invested by Intercosmos Group Limited.

Note:5 Investing through Great Team Backend Foundry, Inc., which is invested by Plusway Corp.

Note:6 Investing through Fullboom International Limited, which is invested by Intercosmos Group Limited.

Note:7 Investing through Etron Technology (HK) Limited, which is invested by Kinglord Corp.

2. Ceiling on reinvestments in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China
Etron Technology, Inc.	$ 359,368 (USD 10,790 thousands)	$ 437,086 (USD 14,235 thousands)	$ 2,089,331

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23003758

To the Board of Directors and Shareholders of Etron Technology, Inc.:

Opinion

We have audited the accompanying parent company only balance sheets of Etron Technology, Inc. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years ended 2023 and 2022, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years ended 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only 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 the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's 2023 parent company only financial statements of the current period are stated as follows:

Key audit matters - Valuation of accounts receivable

Description

Please refer to Note 4(8) for accounting policies on valuation of accounts receivable, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of accounts receivable, and Note 6(4) for details of accounts receivable. As of December 31, 2023, the total amount of accounts receivable and allowance for uncollectible accounts were NT$706,469 thousand and NT$76,017 thousand, respectively.

The Company assesses the allowance for uncollectible accounts receivable by each individual counterparty when there are significant past due accounts receivable arising from each individual counterparty. The valuation of allowance for uncollectible accounts receivable for the remaining counterparties is based on the default risk and expected loss rate. The amount of accounts receivable is material to the parent company only financial statements and the valuation involves subjective judgment made by management. Thus, we consider the valuation of accounts receivable a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter, these procedures included obtaining an understanding and evaluating the design and operating effectiveness of internal controls related to revenue and receivable business process, obtaining the aging report of accounts receivable and validating the accuracy, obtaining and validating the assessment made by management in identifying significant expected credit loss for each individual counterparty and respective supporting documents, obtaining and validating the expected credit loss ratios calculated by management based on the Company's historical data of similar credit risk and forward-looking information, and testing subsequent collection in order to assess the reasonableness of allowance for uncollectable accounts.

Key audit matters - Valuation of inventories

Description

Refer to Note 4(12) for accounting policies on valuation of inventories, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of inventories, and Note 6(5) for details of inventories. As of December 31, 2023, the total amount of inventories and allowance for inventory valuation loss were NT$3,223,130 thousand and NT$525,244 thousand, respectively.

The Company is primarily engaged in the design, manufacturing and sale of niche memory chips. Due to rapidly technology changing and market demand, there is a higher risk of decline in market values of inventories or obsolescence. The Company's inventories are measured at the lower of cost and net realizable value. The estimation of net realizable value for inventories aged over a certain period of time and individually identified as obsolete involves management's subjective judgment and the amount of inventories is material to the Company's financial statements. Thus, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above matter in order to ascertain the adequacy of allowance for inventory valuation losses include assessing the reasonableness of the provision policies on allowance for inventory valuation losses, checking whether the inventory quantities and amounts at the end of the year on the inventory aging report were consistent with those on the inventory subsidiary ledger, selecting samples to verify the accuracy of the inventory aging report, as well as assessing and verifying the reasonableness of the estimation of the net realizable value by sampling and testing the individual inventory items.

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method recognized by the Company's investee accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balances of these investments accounted for under the equity method amounted to NT$286,929 thousand and NT$336,110 thousand, constituting 4.30% and 4.17% of the parent company only total assets as at December 31, 2023 and 2022, and the comprehensive income recognized from investments accounted for under the equity method amounted to NT($4,245) thousand and NT($41,365) thousand, constituting 0.52% and (31.66%) of the parent company only total comprehensive income for the years then ended, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

In preparing the parent company only 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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 the key audit matters of the Company in the audit of the parent company only financial statements for the year ended December 31, 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For and on Behalf of PricewaterhouseCoopers, Taiwan

Hsu, Sheng-Chung

CPA

Chiang, Tsai-Yen

Financial Supervisory Commission
Approved letter No.:
Jin-Guan-Zheng-Shen-Zi No. 1010034097
Jin-Guan-Zheng-Shen-Zi No. 1060025097

March 13, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ETRON TECHNOLOGY, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of NTD

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 399,076	6	$ 558,543	7
1110	Financial assets at fair value through profit or loss - current	6(2)	12,468	-	56,919	1
1136	Financial assets at amortized cost, current	6(3) and 8	2,000	-	2,000	-
1150	Notes receivable, net	6(4)	1,818	-	41,759	1
1160	Notes receivable - related parties, net	6(4) and 7	-	-	31,756	-
1170	Accounts receivable, net	6(4)	605,208	9	788,167	10
1180	Accounts receivable - related parties, net	6(4) and 7	24,254	-	36,960	-
1200	Other receivables		11,683	-	9,516	-
1210	Other receivables - related parties	7	28,485	1	38,323	1
1220	Current income tax assets		247	-	-	-
130X	Inventories	6(5)	2,697,886	40	3,491,924	43
1410	Prepayments		51,411	1	92,485	1
1470	Other current assets		616	-	1,661	-
11XX	**Total current assets**		3,835,152	57	5,150,013	64
	Non-current assets					
1535	Financial assets at amortized cost - non-current	6(3) and 8	5,941	-	5,941	-
1550	Investments accounted for using equity method	6(6)	1,362,079	21	1,372,581	17
1600	Property, plant, and equipment	6(7)(12) and 8	628,990	10	652,242	8
1755	Right-of-use assets	6(8)	191,836	3	210,702	3
1780	Intangible assets	6(10)	18,324	-	16,742	-
1840	Deferred income tax assets	6(32)	211,142	3	216,766	3
1900	Other non-current assets	6(11)	423,386	6	426,936	5
15XX	**Total non-current assets**		2,841,698	43	2,901,910	36
1XXX	**Total assets**		$ 6,676,850	100	$ 8,051,923	100

(Continued)

ETRON TECHNOLOGY, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of NTD

	Liabilities and Equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(13)	$ 955,224	14	$ 1,083,088	14
2120	Financial liabilities at fair value through profit or loss - current	6(14)	2,939	-	8,662	-
2150	Notes payable		5,327	-	752	-
2170	Accounts payable		393,838	6	676,746	8
2200	Other payables	6(15) and 7	182,453	3	240,461	3
2230	Current tax liabilities		-	-	5,240	-
2280	Current lease liabilities		23,055	1	21,828	-
2320	Long-term liabilities, current portion	6(17)	332,477	5	197,439	3
2399	Other current liabilities, other	6(9)(24) and 7	6,485	-	10,098	-
21XX	**Total current liabilities**		1,901,798	29	2,244,314	28
	Non-current liabilities					
2530	Bonds payable	6(16)	752,129	11	739,984	9
2540	Long-term borrowings	6(17) and 8	314,394	5	572,241	7
2570	Deferred income tax liabilities	6(32)	221	-	3,444	-
2580	Non-current lease liabilities		174,823	2	193,311	2
2600	Other non-current liabilities	6(18) and 7	112,350	2	116,325	2
25XX	**Total non-current liabilities**		1,353,917	20	1,625,305	20
2XXX	**Total liabilities**		3,255,715	49	3,869,619	48
	Equity					
	Share capital	6(19)				
3110	Common stock		2,889,328	43	2,840,618	35
3140	Capital collected in advance		17,143	-	3,585	-
	Capital surplus	6(20)				
3200	Capital surplus		718,483	11	687,164	9
	Retained earnings	6(21)				
3310	Legal reserve		96,910	1	78,407	1
3350	Unappropriated retained earnings		(468,959)	(7)	539,784	7
3400	Other equity interest	6(22)	168,230	3	32,746	-
3XXX	**Total equity**		3,421,135	51	4,182,304	52
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 6,676,850	100	$ 8,051,923	100

Please consult the enclosed notes to the parent company only financial statements, as they form an essential component of this parent company only financial report.

Chairman: Nicky Lu Manager: Elvis Deng Accounting Supervisor: Cheng, Yu-Chia

Etron Technology, Inc.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Expressed in thousands of NTD
(Except for earnings (loss) per share of NT$)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue	6(24) and 7	$ 2,573,481	100	$ 4,502,838	100
5000	Operating costs	6(5)(29)(30)	(2,706,509)	(105)	(3,433,770)	(76)
5950	Gross profit (loss), net		(133,028)	(5)	1,069,068	24
	Operating expenses	6(29)(30) and 7				
6100	Selling expenses		(143,487)	(5)	(172,580)	(4)
6200	General and administrative expenses		(211,201)	(8)	(241,335)	(5)
6300	Research and development expenses		(376,974)	(15)	(392,528)	(9)
6450	Expected credit impairment gain	12(2)	6,000	-	-	-
6000	Total operating expenses		(725,662)	(28)	(806,443)	(18)
6500	Other operating income and expenses - net	6(25) and 7	69,802	3	60,796	1
6900	Operating (loss) profit		(788,888)	(30)	323,421	7
	Non-operating income and expenses					
7100	Interest income	6(26)	2,640	-	1,273	-
7010	Other income	6(27) and 7	24,120	1	50,612	1
7020	Other gains and losses	6(28)	151,070	6	(41,854)	(1)
7050	Finance costs	6(31)	(76,269)	(3)	(34,248)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	6(6)	(205,587)	(8)	(124,197)	(3)
7000	Total non-operating income and expenses		(104,026)	(4)	(148,414)	(3)
7900	**Net profit (loss) before income tax**		(892,914)	(34)	175,007	4
7950	Income tax expense	6(32)	-	-	(33,112)	(1)
8200	**Net income (loss) for the year**		($ 892,914)	(34)	$ 141,895	3
	Other comprehensive income (loss)					
	Items that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurements of defined benefit plans	6(18)	$ 5,148	-	($ 821)	-
8316	Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income	6(22)	-	-	35,449	1
8330	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(22)	78,544	3	(79,170)	(2)
	Item that will be reclassified to profit or loss					
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss	6(22)	(60)	-	33,294	1
8300	**Other comprehensive (loss) income for the year**		$ 83,632	3	($ 11,248)	-
8500	**Total comprehensive income for the year**		($ 809,282)	(31)	$ 130,647	3
9750	Basic (loss) earnings per share	6(33)	($ 3.09)		$ 0.49	
9850	Diluted (loss) earnings per share	6(33)	($ 3.09)		$ 0.49	

Please consult the enclosed notes to the parent company only financial statements, as they form an essential component of this parent company only financial report.

Chairman: Nicky Lu Manager: Elvis Deng Accounting Supervisor: Cheng, Yu-Chia

Etron Technology, Inc.
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Expressed in thousands of NTD

	Notes	Share capital			Retained earnings			
		Common stock	Capital collected in advance	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Other equity interest	Total equity
2022								
Balance at January 1, 2022		$ 2,698,693	$ 1,530	$ 568,222	$ -	$ 784,069	$ 87,129	$ 4,139,643
Net income for the year		-	-	-	-	141,895	-	141,895
Other comprehensive income (loss) for the year	6(6)(18)(22)	-	-	-	-	(821)	(10,427)	(11,248)
Total comprehensive income for the year		-	-	-	-	141,074	(10,427)	130,647
Appropriation and distribution of 2021 retained earnings:	6(21)							
Legal reserve appropriated		-	-	-	78,407	(78,407)	-	-
Stock Dividends		134,965	-	-	-	(134,965)	-	-
Cash dividends		-	-	-	-	(215,943)	-	(215,943)
Employee stock options exercised	6(19)(20)(23)	6,960	2,055	10,788	-	-	-	19,803
Net change in equity of associates	6(20)	-	-	30,939	-	-	-	30,939
Share-based compensation	6(20)(23)	-	-	38,527	-	-	-	38,527
Capital contribution from non-controlling interests	6(20)	-	-	2,613	-	-	-	2,613
Changes in ownership interests in subsidiaries	6(6)(20)	-	-	(24,549)	-	-	-	(24,549)
Disposal of equity instruments at fair value through other comprehensive income	6(21)	-	-	-	-	43,956	(43,956)	-
Issuance of convertible bonds	6(16)(20)	-	-	60,648	-	-	-	60,648
Repurchase of convertible bonds	6(20)	-	-	(24)	-	-	-	(24)
Balance at December 31, 2022		$ 2,840,618	$ 3,585	$ 687,164	$ 78,407	$ 539,784	$ 32,746	$ 4,182,304
2023								
Balance at January 1, 2023		$ 2,840,618	$ 3,585	$ 687,164	$ 78,407	$ 539,784	$ 32,746	$ 4,182,304
Net loss for the year		-	-	-	-	(892,914)	-	(892,914)
Other comprehensive income (loss) for the year	6(6)(18)(22)	-	-	-	-	5,148	78,484	83,632
Total comprehensive income for the year		-	-	-	-	(887,766)	78,484	(809,282)
Appropriation and distribution of 2022 retained earnings:	6(21)							
Legal reserve		-	-	-	18,503	(18,503)	-	-
Stock Dividends		39,790	-	-	-	(39,790)	-	-
Cash dividends		-	-	-	-	(5,684)	-	(5,684)
Employee stock options exercised	6(19)(20)(23)	8,920	13,558	12,537	-	-	-	35,015
Net change in equity of associates	6(20)	-	-	6,928	-	-	-	6,928
Share-based compensation	6(20)(23)	-	-	24,166	-	-	-	24,166
Capital contribution from non-controlling interests	6(20)	-	-	20,549	-	-	-	20,549
Changes in ownership interests in subsidiaries	6(20)	-	-	(32,696)	-	-	-	(32,696)
Disposal of equity instruments at fair value through other comprehensive income	6(22)	-	-	-	-	(57,000)	57,000	-
Repurchase of convertible bonds	6(20)	-	-	(165)	-	-	-	(165)
Balance at December 31, 2023		$ 2,889,328	$ 17,143	$ 718,483	$ 96,910	($ 468,959)	$ 168,230	$ 3,421,135

Please consult the enclosed notes to the parent company only financial statements, as they form an essential component of this parent company only financial report.

Chairman: Nicky Lu Manager: Elvis Deng Accounting Supervisor: Cheng, Yu-Chia

Etron Technology, Inc.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Expressed in thousands of NTD

	Notes	2023	2022
Cash flows from operating activities			
Net profit (loss) before tax for the year		($ 892,914)	$ 175,007
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expenses	6(7)(8)(29)	126,813	148,832
Amortization expenses	6(10)(29)	56,245	48,029
Expected credit impairment gain	12(2)	(6,000)	-
Interest expenses	6(31)	72,050	31,014
Interest income	6(26)	(2,640)	(1,273)
Dividend income	6(27)	(621)	(1,230)
Share of loss of associates accounted for using the equity method	6(6)	205,587	124,197
Loss (gain) on financial assets at fair value through profit or loss	6(28)	(18,149)	45,707
Gain on disposal of property, plant, and equipment	6(28)	(143,968)	-
Interest expense on lease liabilities	6(8)(31)	4,219	3,234
Gains arising from lease modifications	6(28)	(31)	(55)
Share-based compensation	6(23)	24,166	38,527
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		39,941	(31,759)
Notes receivable - related parties		31,756	(31,756)
Accounts receivable		188,959	453,753
Accounts receivable - related parties		12,706	102,159
Other receivables		(1,977)	40,687
Other receivables - related parties		9,838	(6,712)
Inventories		794,038	(1,766,389)
Prepayments		41,074	(44,456)
Other current assets		1,045	(1,051)
Changes in operating liabilities			
Contract liabilities		(500)	(2,192)
Financial liabilities at fair value through profit or loss		(27)	1,955
Notes payable		4,575	751
Accounts payable		(282,908)	(251,312)
Other payables		(39,032)	(110,510)
Other current liabilities		(3,113)	(19,733)
Net defined benefit liability		(882)	(1,151)
Cash inflow (outflow) generated from operations		220,250	(1,055,727)
Interest received		2,450	1,271
Dividends received		621	1,230
Interest paid		(63,279)	(24,677)
Income tax paid		(3,086)	-
Net cash flows (used in) from operating activities		156,956	(1,077,903)

(Continued)

Etron Technology, Inc.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Expressed in thousands of NTD

	Notes	2023	2022
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss		$ -	($ 91,523)
Proceeds from disposal of financial assets at fair value through profit or loss		56,904	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	70,358
Proceeds from capital reduction of investment accounted for using equity method	6(6)	45,067	-
Acquisition of investments accounted for using equity method - subsidiaries	6(6) and 7	(179,531)	(150,451)
Dividends received from investments accounted for using equity method	6(6)	14,646	-
Acquisition of property, plant, and equipment	6(34)	(104,488)	(151,373)
Proceeds from disposal of property, plant, and equipment		150,082	-
Acquisition of intangible assets	6(34)	(58,798)	(46,347)
Increase in refundable deposits		(162)	(10)
Decrease (Increase) in other non-current assets		3,712	(3,713)
Net cash flows used in investing activities		(72,568)	(373,059)
Cash flows from financing activities			
Increase in short-term loans	6(35)	4,684,908	3,203,595
Decrease in short-term loans	6(35)	(4,812,772)	(2,261,227)
Increase in long-term loans	6(35)	250,000	776,000
Decrease in long-term loans	6(35)	(372,809)	(1,275,228)
Increase in guarantee deposits	6(35)	55	61,762
Payment of lease principal	6(35)	(22,568)	(21,673)
Issuance of convertible bonds payable	6(16)(35)	-	800,000
Repurchase of convertible bonds	6(16)(35)	-	(5,600)
Employee stock options exercised	6(19)	35,015	19,803
Cash dividends paid	6(21)	(5,684)	(215,943)
Net cash flows (used in) from financing activities		(243,855)	1,081,489
Net decrease in cash and cash equivalents		(159,467)	(369,473)
Cash and cash equivalents at beginning of year		558,543	928,016
Cash and cash equivalents at end of year		$ 399,076	$ 558,543

Please consult the enclosed notes to the parent company only financial statements, as they form an essential component of this parent company only financial report.

Chairman: Nicky Lu Manager: Elvis Deng Accounting Supervisor: Cheng, Yu-Chia

Expressed in thousands of NTD
(Except as otherwise indicated)

1. Company History

Etron Technology, Inc. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the manufacturing and design of various integrated circuits.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These parent company only financial statements were authorized for issuance by the Board of Directors on March 13, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuance of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New/Revised/Amended Standards and Interpretations	Publication Effective Date of the International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of Accounting Policies'	January 1, 2023
Amendments to IAS 8, 'Definition of Accounting Estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	January 1, 2023
Amendments to IAS 12, 'International Tax Reform - Pillar Two Model Rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2024 are as follows:

New/Revised/Amended Standards and Interpretations	Publication Effective Date of the International Accounting Standards Board
Amendments to IFRS 16, 'Lease Liability in a Sale and Leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of Liabilities as Current or Non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current Liabilities with Covenants'	January 1, 2024
Amendments to IFRS 7 and IAS 7, 'Supplier Finance Arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New/Revised/Amended Standards and Interpretations	Publication Effective Date of the International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of Exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financing Reporting Standards, International Accounting Standards, IFRIC International, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

(a) The operating results and financial position of all the subsidiaries and associates that

have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.

(b) Assets held mainly for trading purposes.

(c) Assets that are expected to be realized within twelve months from the balance sheet date.

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged used to settle liabilities more than twelve months after the balance sheet date.

The Company classifies all other assets not meeting the above mentioned criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle.

(b) Liabilities arising mainly from trading activities.

(c) Liabilities that are to be settled within twelve months from the balance sheet date.

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do

not affect its classification.

The Company classifies all other liabilities not meeting the above mentioned criteria as non-current liabilities.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to fulfill short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets that are not measured at amortized cost nor at fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The terms of the financial asset contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes payable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently

measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

A. For financial assets at amortized cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts.

B. For accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(11) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(12) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

(13) Investments accounted for using the equity method / subsidiaries and associates

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, 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.

B. Unrealized gains or losses on transactions between the Company and subsidiaries have been eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

F. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.

G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

H. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

J. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in

relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

M. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant, and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors,' from the date of the change.

The estimated useful lives of the main property, plant and equipment are as follows:

Buildings and structures	3~50 years
Machinery and equipment	2~10 years
Other equipment	2~10 years

(15) Leasing arrangements (lessee) - right-of-use asset / lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost. Cost recognized is the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(16) Intangible assets

A. Patents and special technology

Separately acquired patents and special technology are stated at historical cost. Patents and special technology have a finite useful life and are amortized on a straight-line basis over their economic benefits.

B. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its contract period.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(18) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(19) Accounts and notes payable

Accounts and notes payable are obligations to pay for goods or services that have been acquired

in the ordinary course of business from suppliers. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Financial liabilities at fair value through profit or loss

Mandatory convertible bonds

A. Mandatory convertible bonds issued by the Company are initially recognized at fair value. The bonds will be settled by exchanging a fixed amount for an unfixed number of shares, which does not meet the definition of an equity component, and therefore are classified as liabilities. The bonds are subsequently remeasured at the present value of the redemption amount over the period of circulation.

B. The mandatory convertible bonds are transferred from liabilities to equity when the bonds are converted at maturity.

(21) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss.' They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss.'

B. The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and

'capital surplus - share options.'

(22) Derecognition of financial liabilities

A financial liability is derecognized by the Company when the obligation specified in the contract is either discharged or cancelled or expired.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead and conducts an actuarial valuation at the end of the year.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are

measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and nonvesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(25) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(26) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue

of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

A. Sales of goods

The Company designs, manufactures and sells integrated circuits. Sales are recognized 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. As the time interval between the transfer of committed goods and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

B. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(29) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying

amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Valuation of accounts receivable

The Company evaluates the allowance for uncollectible accounts receivable by individual counterparties when there are significant past due accounts receivable arising from those individual counterparties. The evaluation of allowance for uncollectible accounts and notes receivable for the remaining counterparties is based on the default risk and expected loss rate. The Company considers the historical experience in determining the assumptions adopted and the inputs used when calculating the impairment. Such valuation of accounts receivable is estimated based on the reasonable expectation about expected credit losses on the basis of conditions existing at the balance sheet date although the estimation may differ from the actual result. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of accounts receivable (including related parties) was $629,462.

B. Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such valuation of inventories is valuated based on the current market conditions and historical sales experience. Any changes in the market conditions may have material impact on the results of valuation. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was $2,697,886.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 2,265	$ 2,271
Checking accounts and demand deposits	346,811	555,467
Deposits in transit	-	805
Time deposits	50,000	-
Total	$ 399,076	$ 558,543

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company's cash and cash equivalents shown on the balance sheet were not pledged to others as collateral. Details of the Company's cash and cash equivalents (shown as current and noncurrent financial assets at amortized cost) pledged to others as collateral are provided in Note 8.

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

Items	December 31, 2023	December 31, 2022
Assets		
Current items:		
Listed stocks	$ 26,811	$ 91,523
Valuation adjustment		
Foreign exchange swap contracts	2,420	-
Equity instruments	(16,763)	(34,604)
	$ 12,468	$ 56,919

A. The Company recognized net profit (loss) amounting to $12,453 and ($39,000) on financial assets and liabilities at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively.

B. The Company entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2023	
Derivative financial assets	Contract amount (Notional principal)	Contract period
Assets - current items:		
Foreign exchange swap contracts	USD 4,000 (thousands)	2023.12.5～2024.2.29

December 31, 2022: None.

C. The Company entered into forward exchange contracts and foreign exchange swap contracts to hedge exchange rate risk of export proceeds. However, these contracts are not accounted for under hedge accounting.

D. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Financial assets at amortized cost

Current items	December 31, 2023	December 31, 2022
Restricted time deposits and performance guarantee	$ 2,000	$ 2,000

Non-current items	December 31, 2023	December 31, 2022
Preference share	$ -	$ 63,000
Restricted time deposits	5,941	5,941
	$ 5,941	$ 68,941
Less: Accumulated impairment	-	(63,000)
	$ 5,941	$ 5,941

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	2023	2022
Interest income	$ 52	$ 23

B. The preference shares are invested for a period of 7 years from May 6, 2017 to May 5, 2024 and cannot be converted into ordinary shares. The issue company may redeem the shares at the actual issue price at the maturity. The investors have no right to ask for early redemption of preference shares. The dividends are cumulative at the rate of 5% per annum. If the dividends are undistributed or are not distributed in full, it will be accumulated for deferred payment in the subsequent years where there are earnings.

C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable (including related parties)	$ 1,818	$ 73,515
Accounts receivable (including related parties)	705,479	907,144
Less: Allowance for uncollectible accounts	(76,017)	(82,017)
	$ 631,280	$ 898,642

A. The ageing analysis of accounts and notes receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 581,664	$ 1,818	$ 644,147	$ 73,515
Up to 30 days	41,366	-	131,463	-
31 to 90 days	81,491	-	130,874	-
91 to 120 days	958	-	-	-
Over 181 days	-	-	660	-
	$ 705,479	$ 1,818	$ 907,144	$ 73,515

The above aging schedule for ageing analysis was calculated based on expected payment date.

B. As of December 31, 2023 and 2022, and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to $707,297, $980,659 and $1,473,056 respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts and notes receivable were $631,280 and $898,642, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Carrying amount
Raw materials	$ 873,936	($ 38,133)	$ 835,803
Work in progress	1,561,276	(325,594)	1,235,682
Finished goods	787,918	(161,517)	626,401
Total	$ 3,223,130	($ 525,244)	$ 2,697,886

	December 31, 2022		
	Cost	Allowance for valuation loss	Carrying amount
Raw materials	$ 1,684,516	($ 41,428)	$ 1,643,088
Work in progress	1,424,977	(264,541)	1,160,436
Finished goods	897,303	(208,903)	688,400
Total	$ 4,006,796	($ 514,872)	$ 3,491,924

The cost of inventories recognized as expense for the year:

	2023	2022
Cost of goods sold	$ 2,617,453	$ 3,369,908
Loss on decline in market value	89,056	63,862
Transferred to expenses	13,568	12,779
	$ 2,720,077	$ 3,446,549

(6) Investments accounted for using the equity method

A. The information on investments accounted for using the equity method is as follows:

	December 31, 2023		December 31, 2022	
Investees	Carrying amount	Shareholding ratio	Carrying amount	Shareholding ratio
Subsidiaries				
Eutrend Technology Inc.	$ 263	93.57%	$ 333	93.57%
Kinglord Corp.	473,031	100%	412,666	100%
Plusway Corp.	139,041	100%	184,619	100%
Kingwell Investment Corp.	417,977	100%	336,369	100%
Kingcharm Investment Corp.	9,924	100%	30,555	100%
Intercosmos Group Limited	193,133	100%	226,458	100%
Creative Ally Limited	32,451	100%	11,144	100%
eCapture Ltd.Co.	2,083	100%	2,337	100%
Insignis Technology, Inc.	17,634	100%	23,881	100%
eEver Technology Limited	(2,001)	50.42%	41,252	50.42%
eYs3D Microelectronics, Inc.	60,962	64.20%	91,312	61.98%
DeCloak Intelligences Co.	10,569	79.98%	10,873	80.31%
T-Era Architecture Technology, Inc.	888	7.56%	436	4.71%
TAT Technology, Inc.	448	7.33%	346	5.01%
ValueCreation Technology, Inc.	3,675	100%	-	
Subtotal	$ 1,360,078		$ 1,372,581	
Investments accounted for using the equity method - credit balance (recorded as other liabilities)	2,001		-	
Total	$ 1,362,079		$ 1,372,581	

B. The information on the Company's subsidiaries is provided in Note 4(3) in the consolidated financial statements for the year ended December 31, 2023.

C. The Company's subsidiary - Kingwell Investment Corp. distributed cash dividends of $14,646 in March 2023, and distributed 900,000 shares of stock dividends in July 2022.

D. In 2023, the Company's subsidiaries Plusway Corp. and Intercosmos Group Limited underwent capital reduction, returning share capital of $45,067.

E. The Company increased the capital of its subsidiaries, Decloak Intelligences Co. and eYs3D Microelectronics Inc. during 2022. In total share capital of $139,412. The shareholding ratio in Decloak Intelligences Co. increased to 80.31% and in eYs3D Microelectronics, Inc. increased to 61.98%. For the year ended December 31, 2022, the Company acquired 4.71% and 5.01% of ownership interests in subsidiaries, T-Era Architecture Technology, Inc. and TAT Technology, Inc., respectively, and the total investment amounted to $11,039.

F. The associate, NetVinci, Inc., has completed the liquidation process in the fourth quarter of 2022.

G. The investment loss and other comprehensive gain (loss) recognized for the investments accounted for using the equity method for the years ended December 31, 2023 and 2022 amounted to $205,587 and $124,197, $78,484 and $($45,876), respectively.

(7) Property, plant, and equipment

	Buildings and structures	Machinery and equipment	Others	Total
January 1, 2023				
Cost	$ 542,242	$ 546,339	$ 3,001,895	$ 4,090,476
Accumulated depreciation and impairment	(247,570)	(530,269)	(2,660,395)	(3,438,234)
	$ 294,672	$ 16,070	$ 341,500	$ 652,242
2023				
January 1	$ 294,672	$ 16,070	$ 341,500	652,242
Additions	467	20,266	64,737	85,470
Depreciation charge for the year	(11,808)	(7,547)	(83,253)	(102,608)
Disposal	-	(6,114)	-	(6,114)
December 31	$ 283,331	$ 22,675	$ 322,984	$ 628,990
December 31, 2023				
Cost	$ 542,239	$ 416,523	$ 3,052,660	$ 4,011,422
Accumulated depreciation and impairment	(258,908)	(393,848)	(2,729,676)	(3,382,432)
	$ 283,331	$ 22,675	$ 322,984	$ 628,990

	Buildings and structures	Machinery and equipment	Others	Total
January 1, 2022				
Cost	$ 536,498	$ 544,880	$ 2,845,162	$ 3,926,540
Accumulated depreciation and impairment	(235,943)	(512,632)	(2,566,811)	(3,315,386)
	$ 300,555	$ 32,248	$ 278,351	$ 611,154
2022				
January 1	$ 300,555	$ 32,248	$ 278,351	$ 611,154
Additions	5,744	1,458	160,179	167,381
Depreciation charge for the year	(11,627)	(17,636)	(97,030)	(126,293)
December 31	$ 294,672	$ 16,070	$ 341,500	$ 652,242
December 31, 2022				
Cost	$ 542,242	$ 546,339	$ 3,001,895	$ 4,090,476
Accumulated depreciation and impairment	(247,570)	(530,269)	(2,660,395)	(3,438,234)
	$ 294,672	$ 16,070	$ 341,500	$ 652,242

A. Impairment information about the property, plant and equipment is provided in Note 6(12).

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements－lessee

A. The Company leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 3 to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. Short-term leases with a lease term of 12 months or less comprise parking spaces.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount	
	December 31, 2023	December 31, 2022
Land	$ 116,023	$ 120,485
Buildings	69,072	83,990
Transportation equipment (Business vehicles)	6,741	6,227
	$ 191,836	$ 210,702

	Depreciation expenses	
	2023	2022
Land	$ 4,462	$ 4,430
Buildings	17,992	16,060
Transportation equipment (Business vehicles)	1,751	2,049
	$ 24,205	$ 22,539

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets amounted to $5,374 and $96,001, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 4,219	$ 3,234
Expense on short-term lease contracts	$ 1,389	$ 1,099
Gains arising from lease modifications	$ 31	$ 55

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $28,176 and $26,006, respectively.

(9) Leasing arrangements - lessor

A. The Company leases various assets including buildings and machinery and equipment.

Rental contracts are typically made for periods of 2 to 5 years.

B. For the years ended December 31, 2023 and 2022, the Company recognized rent income in the amounts of $106,796 and $97,382 respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023	December 31, 2022
2023	$ -	103,657
2024	106,053	69,135
2025	69,362	69,128
2026	67,761	67,527
2027	34,615	34,395
2028	86	-
Total	$ 277,877	$ 343,842

For the years ended December 31, 2023 and 2022, The amounts include the advance rent of $0 and $1,117, respectively, (shown as 'other current liabilities'). Refer to Note 7 for advance rent made by the related parties.

(10) Intangible assets

	Patents and special technology	Computer software	Total
January 1, 2023			
Cost	$ 114,440	$ 185,169	$ 299,609
Accumulated amortization and impairment	(110,269)	(172,598)	(282,867)
	$ 4,171	$ 12,571	$ 16,742
2023			
January 1	$ 4,171	$ 12,571	$ 16,742
Additions	-	57,827	57,827
Amortization charge for the year	(2,387)	(53,858)	(56,245)
December 31	$ 1,784	$ 16,540	$ 18,324
December 31, 2023			
Cost	$ 114,439	$ 121,879	$ 236,318
Accumulated amortization and impairment	(112,655)	(105,339)	(217,994)
	$ 1,784	$ 16,540	$ 18,324

	Patents and special technology	Computer software	Total
January 1, 2022			
Cost	$ 113,885	$ 137,880	$ 251,765
Accumulated amortization and impairment	(107,760)	(127,078)	(234,838)
	$ 6,125	$ 10,802	$ 16,927
2022			
January 1	$ 6,125	$ 10,802	$ 16,927
Additions	555	47,289	47,844
Amortization charge for the year	(2,509)	(45,520)	(48,029)
December 31	$ 4,171	$ 12,571	$ 16,742
December 31, 2022			
Cost	$ 114,440	$ 185,169	$ 299,609
Accumulated amortization and impairment	(110,269)	(172,598)	(282,867)
	$ 4,171	$ 12,571	$ 16,742

Details of amortization on intangible assets are as follows:

	2023	2022
Operating costs	$ 568	$ 412
Operating expenses	55,677	47,617
	$ 56,245	$ 48,029

(11) Other non-current assets

	December 31, 2023	December 31, 2022
Refundable deposits	$ 419,128	$ 418,966
Prepayments for business facilities	4,258	7,970
	$ 423,386	$ 426,936

Part of the refundable deposits were prepayments made under the production capacity reservation agreements with suppliers.

(12) Impairment of non-financial assets

	December 31, 2023	December 31, 2022
Idle assets (shown as machinery and equipment)	$ 43,144	$ 43,144
Less: Accumulated depreciation	(43,144)	(43,144)
Net realizable value	$ -	$ -

(13) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Bank unsecured borrowings	$ 955,224	$ 1,083,088

The interest rate ranges as of December 31, 2023 and 2022 were 2.05%~7.09% and 1.66%~6.31%, respectively.

(14) Financial liabilities at fair value through profit or loss

Items	December 31, 2023	December 31, 2022
Current items:		
Financial liabilities designated at fair value through profit or loss		
Call and put options of convertible bonds	$ 1,928	$ 1,955
Valuation adjustment	1,011	6,707
Total	$ 2,939	$ 8,662

The Company recognized net gain (loss) amounting to $5,696 and ($6,707) on financial liabilities at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively.

(15) Other payables

	December 31, 2023	December 31, 2022
Salaries and bonuses payable	$ 73,221	$ 74,549
Employees' compensation payable	-	24,510
Directors' remuneration payable	-	4,070
Payable on equipment	5,279	25,268
Others	103,953	112,064
	$ 182,453	$ 240,461

(16) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	$ 794,400	$ 794,400
Less: Discount on bonds payable	(42,271)	(54,416)
	$ 752,129	$ 739,984

A. Domestic convertible bonds issued by the Company

(a) The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

i. The Company issued $800,000 at 100.8% of face value, the third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 5 years from the issue date (May 24, 2022 ~ May 24, 2027) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on May 24, 2022.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The effective date for the conversion price of the convertible bonds was set on May 16, 2022. The conversion price was set up based on multiplying a benchmark price which was the closing price of the Company's common share calculated at simple arithmetic mean of one of 1, 3, 5 trading days before the effective date (effective date is excluded) by convertible premium rate of 106%. If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion price shall be adjusted based on the conversion price adjustment formula. The conversion price was NT$63.9 (in dollars) per share based on the aforementioned method. After the effective date of the ex-right and ex-dividend, September 20, 2022, the conversion price was adjusted from NT$63.9 (in dollars) to NT$59.9 (in dollars). After the effective date of the ex-right and ex-dividend, September 9, 2023, the conversion price was adjusted from NT$59.9 (in dollars) to NT$59.1 (in dollars).

iv. The Company may repurchase the bonds held by bondholders in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the

Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period within 30 days after three months of the bonds issue to 40 days before the maturity date.

v. The date of full three years after the issuance of the convertible bonds shall be the early redemption reference date for bondholders to request the Company to redeem their convertible bonds in cash at a redemption price (100.751877% of the face value of the bonds, including interest) 40 days prior to the redemption reference date.

vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $60,648 were separated from the liability component and were recognized in 'capital surplus—share options' in accordance with IAS 32. The call and put options and put options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

C. As of December 31, 2023, the Company's the third domestic unsecured convertible bonds have not been exercised.

D. For the year ended December 31, 2022, the amount of convertible bonds repurchased by the Company (including repurchased from Taipei Exchange) was $5,600.

(17) Long-term borrowings

Type of borrowings	Repayment term	December 31, 2023	December 31, 2022
Secured borrowings - Land Bank of Taiwan	Installment repayments before 2031.2.17	$ 9,260	$ 10,436
Secured borrowings - Sunny Bank	Installment repayments before 2027.9.23	26,000	26,000
Long-term secured borrowings - Mega International Commercial Bank	Installment repayments before 2025.10.14	88,889	50,000
Long-term secured borrowings - KGI Bank	Installment repayments before 2024.8.8	50,000	300,000
Long-term secured borrowings - Taichung Commercial Bank Co., Ltd	Installment repayments before 2025.8.30	59,136	89,185

Type of borrowings	Repayment term	December 31, 2023	December 31, 2022
Long-term secured borrowings - First Commercial Bank	Installment repayments before 2025.9.8	61,337	94,059
Long-term secured borrowings - First Commercial Bank	Installment repayments before 2026.1.9	77,249	-
Long-term secured borrowings - Taiwan Cooperative Bank	Installment repayments before 2025.9.15	175,000	200,000
Long-term secured borrowings - Chang Hwa Bank	Installment repayments before 2026.3.2	100,000	-
		646,871	769,680
Less: Current portion		(332,477)	(197,439)
		$ 314,394	$ 572,241

A. Interest rate ranges as of December 31, 2023 and 2022 for the above borrowings were 2.18%~2.42% and 1.95%~2.14%, respectively.

B. Information about the collateral pledged for the aforementioned secured borrowings is provided in Note 8.

C. On August 13, 2020, the Company entered into the second supplemental agreement with the Land Bank of Taiwan and five other banks, the maturity date of borrowing was February 16, 2023, and the borrowings were repaid in the full amount in June 2022.

(18) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) The amounts recognized in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 86,924)	($ 102,167)
Fair value of plan assets	55,616	64,829
Net defined benefit liability (shown as other non-current liabilities)	($ 31,308)	($ 37,338)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance at January 1	($ 102,167)	$ 64,829	($ 37,338)
Current service cost	(546)	-	(546)
Interest (expense) income	(1,261)	807	(454)
	(103,974)	65,636	(38,338)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	520	520
Change in demographic assumptions	(10)	-	(10)
Change in financial assumptions	(345)	-	(345)
Experience adjustments	4,983	-	4,983
	4,628	520	5,148
Amount of benefit payment	12,422	(12,422)	-
Pension fund contribution	-	1,882	1,882
Balance at December 31	($ 86,924)	$ 55,616	($ 31,308)

2022	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 95,745)	$ 58,077	($ 37,668)
Current service cost	(490)	-	(490)
Interest (expense) income	(663)	405	(258)
	(96,898)	58,482	(38,416)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,448	4,448
Change in demographic assumptions	(176)	-	(176)
Change in financial assumptions	4,769	-	4,769
Experience adjustments	(9,862)	-	(9,862)
	(5,269)	4,448	(821)
Pension fund contribution	-	1,899	1,899
Balance at December 31	($ 102,167)	$ 64,829	($ 37,338)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the “Regulations for Revenues, Expenditures, Safeguard and utilization of the Labor Retirement Fund” (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of

fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	2023	2022
Discount rate	1.20%	1.25%
Future salary increases	2.50%	2.50%

Assumption regarding future mortality rate is set based on the 6th Taiwan Standard Ordinary Experience Morality Table for the years ended December 31, 2023 and 2022, respectively.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 1,707)	$ 1,758	$ 1,731	($ 1,690)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 2,070)	$ 2,134	$ 2,102	($ 2,050)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ended December 31, 2024 amount to $1,824.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

	Amount
Within 1 year	$ 2,221
1-2 year(s)	6,073
2-5 years	22,780
Over 5 years	63,363
	$ 94,437

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022, were $18,201 and $17,020, respectively.

(19) Share capital

A. As of December 31, 2023, the Company's authorized capital was $6,500,000, consisting of 650 million shares of ordinary stock (including 65 million shares reserved for employee stock options), and the paid-in capital was $2,889,328 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit: Thousand shares

	2023	2022
January 1	284,062	269,869
Capitalization of earnings	3,979	13,497
Employee stock options exercised	892	696
December 31	288,933	284,062

B. For the year ended December 31, 2023, the employees exercised 1,191 thousand shares of stock options in accordance with the terms of stock options. 892 thousand shares have been registered (including 150 thousand shares paid but yet to be registered at the beginning of the period). Proceeds from the remaining 449 thousand shares amounting to $17,143 have been collected as of December 31, 2023 and the effective date of the capital increase for conversion was set on March 14, 2024 as resolved by the Board of Directors on March 13, 2024.

C. For the year ended December 31, 2022, the employees exercised 786 thousand shares of stock options in accordance with the terms of stock options. 696 thousand shares have been registered (including 60 thousand shares paid but yet to be registered at the beginning of the period). Proceeds from the remaining 150 thousand shares amounting to $3,585 have been collected as of December 31, 2022 and the effective date of the capital increase for conversion was set on March 15, 2023 as resolved by the Board of Directors on March 13, 2023.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par

value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Items	Share premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
January 1, 2023	$ 291,802	$ 88,153	$ 167,411	$ 75,632	$ 60,648	$ 348	$ 3,170
Employee stock options exercised	12,537	-	-	-	-	-	-
Capital contribution from non-controlling interests	-	-	20,549	-	-	-	-
Net change in equity of associates	-	6,928	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	(32,696)	-	-	-	-
Share-based compensation	-	-	-	24,166	-	-	-
Repurchase of convertible bonds	-	-	-	-	-	(165)	-
December 31, 2023	$ 304,339	$ 95,081	$ 155,264	$ 99,798	$ 60,648	$ 183	$ 3,170

Items	Share premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
January 1, 2022	$ 281,014	$ 57,214	$ 189,347	$ 37,105	$ -	$ 372	$ 3,170
Employee stock options exercised	10,788	-	-	-	-	-	-
Capital contribution from non-controlling interests	-	-	2,613	-	-	-	-
Issuance of convertible bonds	-	-	-	-	60,648	-	-
Net change in equity of associates	-	30,939	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	(24,549)	-	-	-	-
Share-based compensation	-	-	-	38,527	-	-	-
Repurchase of convertible bonds	-	-	-	-	-	(24)	-
December 31, 2022	$ 291,802	$ 88,153	$ 167,411	$ 75,632	$ 60,648	$ 348	$ 3,170

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset operating losses and then 10% of the remaining amount

shall be set aside as legal reserve. Also, the Company shall set aside or reverse special reserve as resolved by the stockholders, or by order of the competent authority. The appropriation of remaining earnings along with accumulated unappropriated earnings from prior years shall be proposed by the Board of Directors and approved by the shareholders.

B. The Company's dividend policy is set out by the Board of Directors according to the Company's medium- and long-term operational plan, investment plans, capital budget as well as internal and external situations, while considering the interests of stockholders. Except for the aforementioned regulations, cash dividends shall not be less than 5% of total dividends when appropriating the dividends to stockholders.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriation of 2022 and 2021 earnings as proposed by the stockholders on June 27, 2023 and June 8, 2022 are as follows:

	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 18,503		$ 78,407	
Cash dividends	5,684	$ 0.02	215,943	$ 0.8
Stock dividends	39,790	0.14	134,965	0.5
Total	$ 63,977		$ 429,315	

(22) Other equity interest

	Currency translation	Financial assets at fair value through other comprehensive income	Total
January 1, 2023	($ 67,871)	$ 100,617	$ 32,746
Revaluation - Subsidiaries	-	83,547	83,547
Revaluation - Associates	-	(5,003)	(5,003)
Revaluation transferred to retained earnings – disposal of financial assets	-	57,000	57,000
Currency translation differences:			
— Group	(512)	-	(512)
— Associates	452	-	452
December 31, 2023	($ 67,931)	$ 236,161	$ 168,230

	Currency translation	Financial assets at fair value through other comprehensive income	Total
January 1, 2022	($ 101,165)	$ 188,294	$ 87,129
Revaluation - the parent company	-	35,449	35,449
Revaluation - Subsidiaries	-	(82,331)	(82,331)
Revaluation - Associates	-	3,161	3,161
Revaluation transferred to retained earnings – disposal of financial assets	-	(42,387)	(42,387)
Revaluation transferred to retained earnings – disposal of financial assets-subsidiaries	-	(1,569)	(1,569)
Currency translation differences:			
— Group	89,324	-	89,324
— Associates	(56,030)	-	(56,030)
December 31, 2022	($ 67,871)	$ 100,617	$ 32,746

(23) Share-based payment

A. (a) For the years ended December 31, 2023 and 2022, the Company's share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
The 4th employee stock options plan	2016.03.23	7,300	8 years	40% vested after two years of issuance; 70% after three years; 100% after four years

Type of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
The 4th employee stock options plan	2016.08.10	300	8 years	40% vested after two years of issuance; 70% after three years; 100% after four years
The 4th employee stock options plan	2016.11.10	400	8 years	40% vested after two years of issuance; 70% after three years; 100% after four years
Employee stock options plan in 2021	2021.08.09	8,000	6 years	50% vested after two years of issuance; 75% after three years; 100% after four years

The share-based payment arrangements above are settled by equity.

(b) For the years ended December 31, 2023 and 2022, details of the share-based payment arrangements are as follows:

	2023		2022	
Options	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	9,544	$ 39.44	10,818	$ 41.10
Options exercised	(1,191)	29.40	(786)	25.20
Options forfeited due to resignations	(620)	-	(488)	-
Outstanding at the end of the year	7,733	40.04	9,544	39.44
Exercisable at the end of the year	4,317	37.55	2,092	23.90

(c) Details of stock options outstanding are as follows:

Date	Weighted-average period remaining contractual life	Range of exercise prices (in dollars)
December 31, 2023	3.06 years	$23.6~43.20
December 31, 2022	3.87 years	$23.9~43.80

(d) The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	Grant date	Grant date	Grant date
	March 23, 2016	August 10, 2016	November 10, 2016
Dividend yield	0.00%	0.00%	0.00%
Expected price volatility	44.51% ~ 44.71%	43.38% ~ 45.60%	41.80% ~ 44.32%
Risk-free interest rate	0.375% ~ 0.400%	0.375% ~ 0.500%	0.375% ~ 0.625%
Expected option lifetime	8 years	8 years	8 years
Fair value (dollar/share)	3.73 ~ 4.92 (in dollars)	3.45~4.64 (in dollars)	3.02~4.18 (in dollars)

	Grant date
	August 9, 2021
Dividend yield	0.00%
Expected price volatility	51.78% ~ 59.71%
Risk-free interest rate	0.125%
Expected option lifetime	6 years
Fair value (dollar/share)	16.03 ~ 18.77 (in dollars)

B. For the years ended December 31, 2023 and 2022, expenses incurred on equity-settled share-based payment transactions amounted to $24,166 and $38,527, respectively.

(24) Operating revenue

	2023	2022
Revenue from contracts with customers	$ 2,573,481	$ 4,502,838

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time as follows:

	2023	2022
Integrated circuits	$ 2,566,713	$ 4,474,833
Others	6,768	28,005
	$ 2,573,481	$ 4,502,838

B. Contract liabilities

The Company has recognized the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities:	$ 1,551	$ 2,051	$ 4,243

	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the year	$ 2,048	$ 4,239

(25) Other income and expenses - net

	2023	2022
Rent income, net	$ 69,802	$ 60,796

(26) Interest income

	2023	2022
Interest income from bank deposits	$ 2,640	$ 1,273

(27) Other income

	2023	2022
Dividend income	$ 621	$ 1,230
Miscellaneous income	23,499	49,382
	$ 24,120	$ 50,612

(28) Other gains and losses

	2023	2022
Gains (Losses) on financial assets at fair value through profit or loss	$ 18,149	($ 45,707)
Foreign exchange (losses) gains	(11,078)	3,808
Losses on disposals of investments	-	(10)
Gains arising from lease modifications	31	55
Gain on disposal of property, plant, and equipment	143,968	-
	$ 151,070	($ 41,854)

(29) Expenses by nature

	2023	2022
Employee benefit expense	$ 501,621	$ 582,499
Depreciation charges on property, plant and equipment (Note)	$ 126,813	$ 148,832
Amortization charges on intangible assets	$ 56,245	$ 48,029

Note: Including the depreciation charges presented as a deduction item to rent income under other income.

(30) Employee benefit expense

	2023	2022
Post-employment benefits		
Defined contribution plans	$ 18,201	$ 17,020
Defined benefit plans	1,000	748
	19,201	17,768
Other personnel expenses	482,420	564,731
	$ 501,621	$ 582,499

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 12% for employees' compensation and shall not be higher than 2% for directors' remuneration. The employees' compensation can be distributed in the form of shares or cash. Including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned shares or cash.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $0 and $24,420, respectively; while directors' remuneration was accrued at $0 and $4,070, respectively. The aforementioned amounts were recognized in salary expenses. Due to the loss incurred by the Company in 2023, no provision was made for employee remuneration and director remuneration.

Employees' compensation of $24,420 and directors' remuneration of $4,070 for the year ended December 31, 2022 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2022 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Finance costs

	2023	2022
Interest expense on bank loan	$ 60,113	$ 24,093
Interest expense on bonds payable	11,937	6,921
Interest expense on lease liabilities	4,219	3,234
	$ 76,269	$ 34,248

(32) Income tax

A. Income tax expense

(a) Components of income tax expense:

	2023	2022
Current tax:		
Overestimated income tax from the previous fiscal year	($ 2,401)	$ -
Tax on undistributed surplus earnings	-	5,416
Total current tax	(2,401)	5,416
Deferred tax:		
Origination and reversal of temporary differences	18,904	21,269
Change in tax losses	(16,503)	6,427
Total deferred tax	2,401	27,696
Income tax expense	$ -	$ 33,112

(b) Reconciliation between income tax expense and accounting profit:

	2023	2022
Tax calculated based on (loss) income before tax and statutory tax rate	($ 178,583)	$ 35,001
Effects from items disallowed by tax regulation	10,471	3,702
Temporary difference not recognized as deferred tax assets	51,096	33,665
Change in assessment of realization of deferred tax assets	-	(44,672)
Taxable loss not recognized as deferred tax assets	119,417	-
Overestimated income tax from the previous fiscal year	(2,401)	-
Tax on undistributed surplus earnings	-	5,416
Income tax expense	$ -	$ 33,112

B. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
— Deferred tax assets:			
Unrealized allowance for inventory valuation losses	$ 90,202	($ 15,737)	$ 74,465
Others	25,333	(6,390)	18,943
Tax losses	101,231	16,503	117,734
Subtotal	216,766	(5,624)	211,142
— Deferred tax liabilities:			
Unrealized exchange gain	(3,444)	3,223	(221)
Total	$ 213,322	($ 2,401)	$ 210,921

	2022		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
— Deferred tax assets:			
Unrealized allowance for inventory valuation losses	$ 90,202	$ -	$ 90,202
Unrealized investment losses	27,473	(27,473)	-
Others	16,168	9,165	25,333
Tax losses	107,658	(6,427)	101,231
Subtotal	241,501	(24,735)	216,766
— Deferred tax liabilities:			
Unrealized exchange gain	(483)	(2,961)	(3,444)
Total	$ 241,018	($ 27,696)	$ 213,322

C. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2015	$ 52,485	$ 8,529	$ 8,529	2025
2016	65,732	65,732	65,732	2026
2017	258,459	258,459	258,459	2027
2018	353,228	353,228	353,228	2028
2019	593,449	593,449	255,662	2029
2020	250,883	250,883	-	2030
2023	597,082	597,082	597,082	2033
	$ 2,171,318	$ 2,127,362	$ 1,538,692	

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2015	$ 52,485	$ 46,960	$ 46,960	2025
2016	65,732	65,732	65,732	2026
2017	258,459	258,459	258,459	2027
2018	353,228	353,228	353,228	2028
2019	593,449	593,449	338,177	2029
2020	250,883	250,883	-	2030
	$ 1,574,236	$ 1,568,711	$ 1,062,556	

D. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(33) (Loss) earnings per share

	2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Net loss for the year	($ 892,914)	288,616	($ 3.09)
Diluted loss per share			
Net loss for the year	($ 892,914)	288,616	($ 3.09)

	2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net income for the year	$ 141,895	287,834	$ 0.49
Diluted earnings per share			
Net income for the year	$ 141,895	$ 287,834	$ 0.49
Assumed conversion of all dilutive potential ordinary shares			
—Employee stock options	-	1,231	
—Employees' compensation	-	627	
Diluted earnings per share	$ 141,895	289,692	$ 0.49

Notes:1 For the year ended December 31, 2023, if the employees' compensation and the convertible bonds were accrued, there would be anti-dilutive effect, thus, they would not be included in the calculation of dilutive number of shares.

Notes:2 For the year ended December 31, 2022, if the convertible bonds were accrued, there would be anti-dilutive effect, thus, it would not be included in the calculation of dilutive number of shares.

Notes:3 For the years ended December 31, 2023 and 2022, the weighted average numbers of outstanding shares were retrospectively adjusted in proportion to 101.4% and 105% of the capitalized amount of unappropriated earnings in September 2023 and September 2022.

(34) Supplemental cash flow information

Investing activities with partial cash payments:

	December 31, 2023	December 31, 2022
Purchase of property, plant, equipment and intangible assets	$ 143,297	$ 215,225
Add: Opening balance of payable	25,268	7,763
Less: Ending balance of payable	(5,279)	(25,268)
Cash paid during the year	$ 163,286	$ 197,720

(35) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term borrowings (Note)	Lease liability	Guarantee deposits received
January 1, 2023	$1,083,088	$ 739,984	$ 769,680	$ 215,139	$ 78,987
Changes in cash flows	(127,864)	-	(122,809)	(22,568)	55
Discount on bonds payable	-	208	-	-	-
Amortization of discount on bonds payable	-	11,937	-	-	-
Increased lease contract	-	-	-	5,374	-
Modification of lease contract	-	-	-	(67)	-
December 31, 2023	$ 955,224	$ 752,129	$ 646,871	$ 197,878	$ 79,042

	Short-term borrowings	Bonds payable	Long-term borrowings (Note)	Lease liability	Guarantee deposits received
January 1, 2022	$ 140,720	$ -	$ 1,268,908	$ 144,410	$ 17,225
Changes in cash flow from financing activities	942,368	794,400	(499,228)	(21,673)	61,762
Discount on bonds payable	-	(61,337)	-	-	-
Amortization of discount on bonds payable	-	6,921	-	-	-
Increased leases	-	-	-	96,001	-
Modification of lease contract	-	-	-	(3,599)	-
December 31, 2022	$1,083,088	$ 739,984	$ 769,680	$ 215,139	$ 78,987

Note: Including current portion.

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Eutrend Technology Inc.	A subsidiary directly owned by the Company
Kinglord Corp.	A subsidiary directly owned by the Company
Plusway Corp.	A subsidiary directly owned by the Company
Kingwell Investment Corp.	A subsidiary directly owned by the Company

Names of related parties	Relationship with the Company
Kingcharm Investment Corp.	A subsidiary directly owned by the Company
eEver Technology Limited	A subsidiary directly owned by the Company
eYs3D Microelectronics, Inc.	A subsidiary directly owned by the Company
DeCloak Intelligences Co.	A subsidiary directly owned by the Company
T-Era Architecture Technology, Inc.	A subsidiary directly owned by the Company
TAT Technology, Inc.	A subsidiary directly owned by the Company
ValueCreation Technology, Inc.	A subsidiary directly owned by the Company
Creative Ally Limited	A subsidiary directly owned by the Company
Invention and Collaboration Laboratory, Inc.	Subsidiary indirectly held by the Company
eEver Technology, Inc.	Subsidiary indirectly held by the Company
nD-HI Technologies Lab, Inc.	Subsidiary indirectly held by the Company
eYs3D Microelectronics, Co.	Subsidiary indirectly held by the Company
Etron Technology America, Inc.	Subsidiary indirectly held by the Company
Etron Technology (HK) Limited	Subsidiary indirectly held by the Company
Anzon Corporation	Subsidiary indirectly held by the Company
Insignis Technology Corporation	Subsidiary indirectly held by the Company
Fullboom Electronics (Shenzhen) Co., Ltd.	Subsidiary indirectly held by the Company
T-Era Architecture Technology Corp.	Subsidiary indirectly held by the Company
TAT Technology Corp.	Subsidiary indirectly held by the Company
Invention and Collaboration Laboratory Pte. Ltd.	Subsidiary indirectly held by the Company
Giga Solution Tech. Co., Ltd.	The chairman of the investee and the chairman of the Company are relatives within the second degree of kinship
eCapture Co., Limited Taiwan Branch (Hong Kong)	Subsidiary indirectly held by the Company
Kai Chun Investment Corp.	Corporate director of the Company

(2) Significant Transactions with Related People

A. Operating revenue

	2023	2022
Sales of goods:		
— Subsidiaries	$ 130,019	$ 173,851

Goods sold to related parties are based on normal commercial terms and conditions.

B. Receivables from related parties

	December 31, 2023	December 31, 2022
Notes receivable:		
— Subsidiaries		
Etron Technology (HK) Limited	$ -	$ 31,756
Accounts receivable:		
— Subsidiaries	24,254	36,960
Other receivables:		
— Subsidiaries		
eYs3D Microelectronics, Co.	15,346	28,104
eEver Technology, Inc.	6,604	3,847
Others	-	43
— Other related parties	6,535	6,329
	28,485	38,323
Total	$ 52,739	$ 107,039

The receivables from related parties arise mainly from sales transactions. The receivables are due 30 to 90 days after the shipment. The receivables are unsecured in nature and bear no interest. Other receivables refer to rent income and service revenue.

C. Payables to related parties

	December 31, 2023	December 31, 2022
Other payables:		
— Subsidiaries	$ 4,496	$ 5,483

Payables to related parties arise mainly from commissions and service fees, etc.

D. Advance receipts

	December 31, 2023	December 31, 2022
Subsidiaries	$ -	$ 1,117

E. Guarantee deposits received

	December 31, 2023	December 31, 2022
Subsidiaries	$ 235	$ 180
Other related party		
Giga Solution Tech. Co., Ltd.	16,487	16,487
Others	3	3
	$ 16,725	$ 16,670

It refers to lease deposits.

F. Other transactions

	2023	2022
Commissions expense and service expense:		
— Subsidiaries	$ 54,463	$ 69,113
Support service income (Note):		
— Subsidiaries	7,095	8,298
Rent income:		
— Subsidiaries		
eEver Technology, Inc.	15,527	13,999
eYs3D Microelectronics, Co.	20,773	17,643
Other subsidiary	790	627
— Other related parties		
Giga Solution Tech. Co., Ltd.	69,475	65,929
Others	11	11
Other income:		
— Subsidiaries	8,348	232

Note: Expenses are accounted for as a deduction.

G. Capital Increase for Related Parties

2023	Accounting Subject	Number of shares traded	Price
Subsidiaries:			
eYs3D Microelectronics, Inc.	Investments accounted for using the equity method	8,888,888	$ 124,131
DeCloak Intelligences Co.	Investments accounted for using the equity method	1,161,150	17,417
Creative Ally Limited	Investments accounted for using the equity method	500	15,220
T-Era Architecture Technology,Inc.	Investments accounted for using the equity method	1,232,000	4,940
TAT Technology,Inc.	Investments accounted for using the equity method	704,000	2,823
ValueCreation Technology, Inc.	Investments accounted for using the equity method	1,500,000	15,000
			$ 179,531

2022	Accounting Subject	Number of shares traded	Price
Subsidiaries:			
eYs3D Microelectronics, Inc.	Investments accounted for using the equity method	9,079,366	$ 122,434
DeCloak Intelligences Co.	Investments accounted for using the equity method	1,131,844	16,978
T-Era Architecture Technology,Inc.	Investments accounted for using the equity method	1,689,600	6,309
TAT Technology,Inc.	Investments accounted for using the equity method	1,267,200	4,730
			$ 150,451

(3) Information on compensation to key management

	2023	2022
Salaries and other short-term employee benefits	$ 40,540	$ 49,863
Post-employment benefits	788	863
Service expenses	1,656	1,387
Share-based payment	4,769	7,615
Total	$ 47,753	$ 59,728

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2023	Book value December 31, 2022	Purpose
Time deposits (shown as current financial assets at amortized cost)	$ 2,000	$ 2,000	Customs duty guarantee
Time deposits (shown as non-current financial assets at amortized cost)	5,941	5,941	Land lease agreement guarantee
Buildings and structures	43,995	45,093	Long-term borrowings
	$ 51,936	$ 53,034	

9. Significant contingent liabilities and unrecognized contract commitments

In February 2017, Securities and Futures Investors Protection Center (the "SFIPC") filed a civil lawsuit against the Company, the former subsidiary, TM Technology, Inc. and other defendants, claiming that they are jointly liable for compensation, on behalf of the investors of the former subsidiary, TM Technology, Inc., as the company's former director Mr. Wu was sued for violating the Securities and Exchange Act in January 2016. On March 18, 2019, Taiwan HsinChu District Court dismissed the lawsuit. However, the SFIPC filed an appeal with Taiwan High Court, which was dismissed on February 26, 2021. On March 24, 2021, SFIPC disagreed with the ruling rendered by the Taiwan High Court and filed an application for an appeal; On March 16, 2023, the Company received a notice of judgment in chief from the Supreme Court, which ruled that the original judgment was annulled and remanded to the High Court for trial.

Important Contracts

The Company entered into a production capacity reservation agreement with a supplier. Under the agreement, the supplier provides production capacity to the Company after the Company makes a deposit in advance. Please refer to Note 6(11) for details of the guarantee deposits paid by the Company.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On March 13, 2024, the Board of Directors of the Company resolved the effective date of capital increase for exercise of employee stock option. Refer to Note 6(19) for details.

12. Others

(1) Capital management

The Company must maintain adequate capital to expand product lines and that sales could achieve economic of scale. The Company's objectives when managing capital are to secure necessary financial resources to meet the needs of operating funds for the next year, capital expenditure, research and development activities expenditures and debt repayment.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 12,468	$ 56,919
Financial assets at amortized cost/Loans and receivables		
Cash and cash equivalents	$ 399,076	$ 558,543
Financial assets at amortized cost	7,941	7,941
Notes receivable (including related parties)	1,818	73,515
Accounts receivable (including related parties)	629,462	825,127
Other receivables (including related parties)	40,168	47,839
Guarantee deposits paid (shown as other non-current assets)	419,128	418,966
	$ 1,497,593	$ 1,931,931
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities mandatorily measured at fair value through profit or loss	$ 2,939	$ 8,662
Financial liabilities at amortized cost		
Short-term borrowings	$ 955,224	$ 1,083,088
Notes payable	5,327	752
Accounts payable	393,838	676,746
Other payables (including related parties)	182,453	240,461
Convertible bonds payable	752,129	739,984
Long-term borrowings (including current portion)	646,871	769,680
Guarantee deposits received (shown as other non-current liabilities)	79,042	78,987
	$ 3,014,884	$ 3,589,698
Lease liability	$ 197,878	$ 215,139

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's entire risk management policies focus on unpredictable matters in financial market and reducing the potential negative effects on the Company's financial condition and financial performance.

(b) Risk management is carried out by a central treasury department (the Company treasury) under policies approved by the Board of Directors. During the implementation of financial plans, the central treasury department complied with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Company is exposed to the exchange rate risk arising from operating activities which were denominated in non-functional currency. Those transactions were mainly denominated in New Taiwan dollars, US Dollars and RMB. In addition, the Company implements natural hedge in accordance with the capital needs of each currency and the net position of assets and liabilities denominated in foreign currencies, and implements hedge on the risk exposures in accordance with the foreign exchange market conditions.

ii. The Company employs foreign currency derivative financial instruments, including forward exchange contracts or foreign exchange swap contracts to hedge exchange rate risk arising from monetary financial assets and liabilities and forecast transactions that are not denominated in NTD. These hedges can minimize the effects of changes in foreign exchange rates on assets and liabilities, but the risk cannot be eliminated entirely.

iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: New Taiwan dollars). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 27,385	30.705	$ 840,856
Non-monetary items			
USD:NTD	29,887	30.705	917,670
Financial liabilities			
Monetary items			
USD:NTD	17,158	30.705	526,836

(Foreign currency: functional currency)	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange Rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 36,659	30.710	$ 1,125,798
Non-monetary items			
USD:NTD	32,382	30.710	994,451
Financial liabilities			
Monetary items			
USD:NTD	27,092	30.710	831,995

iv. The unrealized exchange gain arising from the monetary items with significant influence held by the Company for the years ended December 31, 2023 and 2022, amounted to $1,254 and $16,531, respectively.

Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	2023		
	Sensitivity analysis		
Financial assets	Degree of variation	Effects on profit or loss	Effect on other comprehensive income
Monetary items			
USD:NTD	1%	$ 8,409	$ -
Non-monetary items			
USD:NTD	1%	-	9,177
Financial liabilities			
Monetary items			
USD:NTD	1%	5,268	-

(Foreign currency: functional currency)	2022		
	Sensitivity analysis		
Financial assets	Degree of variation	Effects on profit or loss	Effect on other comprehensive income
Monetary items			
USD:NTD	1%	$ 11,258	$ -
Non-monetary items			
USD:NTD	1%	-	9,945
Financial liabilities			
Monetary items			
USD:NTD	1%	8,320	-

Price risk

i. The Company's equity securities, which are exposed to price risk, are the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

ii. The Company invested in domestic and foreign listed and unlisted equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, profit before tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $502 and $2,846, respectively, as a result of gains/losses on financial assets at fair value through profit or loss.

Cash flow and fair value interest rate risk

i. The Company's interest rate risk arises from time deposits, restricted time deposits and long-term borrowings at variable rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2023 and 2022, the Company's borrowings were denominated in New Taiwan dollars and US Dollars.

ii. On December 31, 2023 and 2022, if the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have decreased / increased by $1,294 and $1,539, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

iii. On December 31, 2023 and 2022, if the borrowing interest rate of New Taiwan dollars time deposits (shown as financial assets at amortized cost) had increased/decreased by 0.25% with all other variables held constant, the impact to profit, net of tax for the years ended December 31, 2023 and 2022 would be immaterial. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the counterparties on the contract obligations. Policy for credit risk management of the Company is as follows:

(i) The Company sets the relevant procedures to monitor, manage and reduce the credit risk of accounts receivable; however, it is not guaranteed that the procedures can effectively exclude the credit risk and avoid losses. The exposure of such credit risk will increase in the deteriorating economic environment.

(ii) The Company periodically monitors, reviews and adjusts the credit limits based on the market conditions and credit status of counterparties to timely manage the credit risk. The Company only transacts with banks and financial institutions with high credit quality, and therefore does not expect to assume the credit risk.

(iii) The main credit risks arise from deposits with bank and financial institutions, financial assets at amortized cost and receivables.

ii. The situation that the Company regards as breach of contract specified in the contract are as follows: when the contract payments may not be recovered and have to be transferred to overdue receivables, the default has occurred.

iii. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies loss rate methodology to estimate expected credit loss under the provision matrix basis.

iv. The Company adopts following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
   (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
   (ii) The disappearance of an active market for that financial asset because of financial difficulties;
   (iii) Default or delinquency in interest or principal repayments.

vi. The Company used the historical information and the forecastability of Taiwan Institute of Economic Research boom observation report to assess the default possibility of accounts receivable.

vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

viii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the loss rate methodology is as follows:

December 31, 2023	Accounts receivable		
	Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	$ -	$ 705,479	$ 705,479
Loss allowance	$ -	$ 76,017	$ 76,017

December 31, 2022	Accounts receivable		
	Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	$ -	$ 907,144	$ 907,144
Loss allowance	$ -	$ 82,017	$ 82,017

ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2023	2022
January 1	$ 82,017	$ 82,017
Gain on reversal of expected credit loss	(6,000)	-
December 31	$ 76,017	$ 82,017

x. As of December 31, 2023 and 2022, the collateral held by the Company as security for accounts receivable was letters of credit, promissory note and cheques with book value amounting to $631,657 and $778,776, respectively.

xi. Movements in loss allowance for investments in debt instruments carried at amortized cost are as follows:

	2023		
		Lifetime	
	12 months	Significant increase in credit risk	Impairment of credit
January 1	$ -	$ 63,000	$ -
Derecognition	-	(63,000)	-
December 31	$ -	$ -	$ -

In 2023, the Company derecognized its investment in preferred stock, which was measured at amortized cost.

	2022		
		Lifetime	
	12 months	Significant increase in credit risk	Impairment of credit
January 1 (December 31)	$ -	$ 63,000	$ -

(c) Liquidity risk

i. The objective of liquidity risk management is to ensure sufficient liquidity to meet operating requirements for the coming year.

ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities:

December 31, 2023	Less than 1 year	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 960,296	$ -	$ -
Notes payable	5,327	-	-
Accounts payable (including related parties)	393,838	-	-
Other payables	182,453	-	-
Lease liability	26,828	71,401	125,213
Long-term liabilities, current portion	343,889	-	-

December 31, 2023	Less than 1 year	Between 1 and 5 years	Over 5 years
Bonds payable	-	794,400	-
Long-term borrowings	-	316,387	2,965
Guarantee deposits received	-	79,042	-

December 31, 2022	Less than 1 year	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 1,088,285	$ -	$ -
Notes payable	752	-	-
Accounts payable (including related parties)	676,746	-	-
Other payables	240,461	-	-
Lease liability	11,773	28,685	131,176
Long-term liabilities, current portion	210,943	-	-
Bonds payable	-	794,400	-
Long-term borrowings	-	578,316	4,284
Guarantee deposits received	-	78,987	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks classified as financial assets at fair value through profit or loss is included to Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities and long-term borrowings are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Forward exchange contracts and foreign exchange swap contracts	$ -	$ 2,420	$ -	$ 2,420
Equity securities	10,048	-	-	10,048
Total	$ 10,048	$ 2,420	$ -	$ 12,468
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Call and put options of convertible bonds	$ -	$ -	$ 2,939	$ 2,939

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 56,919	$ -	$ -	$ 56,919
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Call and put options of convertible bonds	$ -	$ -	$ 8,662	$ 8,662

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed share
Market quoted price	Closing price

(b) When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(c) The valuation of derivative financial instruments is based on valuation model widely

accepted by market participants. Forward exchange contracts and foreign exchange swap contracts are usually valued based on the current forward exchange rate.

(d) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Table 2.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Note 6 (2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The details of commissions expense and service expense paid by the Company to Fullboom Electronics (Shenzhen) Co., Ltd. for the years ended December 31, 2023 and 2022, and their outstanding balances (shown as 'other payables') as of December 31, 2023 and 2022 are as follows:

	Years Ended December 31	
	2023	2022
Commission expenses	$ 10,589	$ 15,382
Service expense	$ 4,855	$ 4,667
	December 31, 2023	December 31, 2022
Other payables	$ 2,159	$ 2,222

(4) Information on major shareholders

None.

Etron Technology, Inc.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Remark
					Number of shares	Book value	Ownership (%)	Fair value	
Etron Technology, Inc.	Stock	uPI Semiconductor Corp.	None	Financial assets at fair value through profit or loss - current	32,000	$ 10,048	-	$ 10,048	
Kingwell Investment Corp.	Stock	Macronix International Co., Ltd.	The president of the investee and the chairman of the Company are relatives within second degree of kinship	Financial assets at fair value through profit or loss - current	15,840	497	-	497	
Kingcharm Investment Corp.	Stock	Walton Advanced Engineering, Inc.	None	Financial assets at fair value through profit or loss - current	10,000	153	-	153	
Kingcharm Investment Corp.	Stock	ProMos Technology, Inc.	None	Financial assets at fair value through profit or loss - current	6	-	-	-	
Creative Ally Limited	Stock	Cognito Health International, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,010,101	16,748	1.07%	16,748	
Etron Technology (HK) Limited	Equity investment	Shanghai Walden Venture Capital Enterprise	None	Financial assets at fair value through other comprehensive income - non-current	-	177,332	1.52%	177,332	
Etron Technology (HK) Limited	Equity investment	Walden Technology Ventures II,L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	147,752	2.64%	147,752	
Etron Technology (HK) Limited	Equity investment	Arm IoT Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	28,115	4.65%	28,115	
Etron Technology (HK) Limited	Equity investment	WI Harper Fund IX, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	16,035	1.06%	16,035	
Kinglord Corp.	Stock	Senti Biosciences, Inc.	The chairman of the investee and the chairman of the Company are relatives within the second degree of kinship	Financial assets at fair value through other comprehensive income - non-current	41,475	840	0.09%	840	
Kinglord Corp.	Stock	Personal Genomics, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	741,926	2,659	0.91%	2,659	
Plusway Corp.	Stock	Personal Genomics, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	6,261,451	6,911	7.69%	6,911	

Securities held by	Type of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Remark
					Number of shares	Book value	Ownership (%)	Fair value	
Plusway Corp.	Equity investment	WI Harper Fund IX, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	24,053	1.59%	24,053	
Plusway Corp.	Equity investment	IT-Farm J-Tech Fund Investment Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	-	8,943	4.55%	8,943	
Plusway Corp.	Stock	Cognito Health International, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	219,635	3,642	0.23%	3,642	
Kingwell Investment Corp.	Stock	Bridge Semiconductor Corporation	None	Financial assets at fair value through other comprehensive income - non-current	1,375,000	$ -	5.75%	$ -	
Kingwell Investment Corp.	Stock	Innorich Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income - non-current	6,000,000	28,748	11.21%	28,748	
Kingwell Investment Corp.	Stock	Raytek Semiconductor, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,852,000	23,417	1.54%	23,417	
Kingwell Investment Corp.	Stock	Ardentec Corporation	The chairman of the investee and the chairman of the Company are relatives within second degree of kinship	Financial assets at fair value through other comprehensive income - non-current	3,712,457	274,722	0.76%	274,722	
Kingwell Investment Corp.	Stock	Anqing Innovation Investment Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000,000	13,180	4.33%	13,180	
Kingwell Investment Corp.	Stock	Mosa Industrial Corporation	None	Financial assets at fair value through other comprehensive income - non-current	38,000	903	0.02%	903	
Kingwell Investment Corp.	Equity investment	Arm IoT Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	9,311	1.54%	9,311	
Kingwell Investment Corp.	Stock	IQE PLC	None	Financial assets at fair value through other comprehensive income - non-current	55,916	536	0.01%	536	
Kingcharm Investment Corp.	Stock	Bridge Semiconductor Corporation	None	Financial assets at fair value through other comprehensive income - non-current	1,988,970	-	8.32%	-	
Kingcharm Investment Corp.	Stock	Digitimes Inc.	None	Financial assets at fair value through other comprehensive income - non-current	78,750	825	0.37%	825	

Etron Technology, Inc.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction Situation				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Remark (Note 2)
Etron Technology, Inc.	Etron Technology (HK) Limited	Subsidiary indirectly held by the Company	Sales	($ 107,553)	4.18%	90 days end of month	Not applicable	Not applicable	$ 22,820	3.61%	

Etron Technology, Inc.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				Description of Transactions			
No. (Note 1)	Company	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms (Note 4)	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Service expense	$ 18,605	-	0.70%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Commission expenses	16,299	-	0.61%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Other Expenses Payable	1,840	-	0.03%
0	Etron Technology, Inc.	Anzon Corporation	1	Service expense	2,522	-	0.09%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Commission expenses	10,589	-	0.40%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Service expense	4,855	-	0.18%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Other Expenses Payable	2,159	-	0.03%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Sales revenue	107,553	-	4.04%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Accounts receivable	22,820	-	0.33%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Sales revenue	1,137	-	0.04%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other receivables	6,605	-	0.10%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other income	15,527	-	0.58%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Support service income	2,645	-	0.10%
0	Etron Technology, Inc.	eYs3D Microelectronics, Co.	1	Support service income	4,450	-	0.17%
0	Etron Technology, Inc.	eYs3D Microelectronics, Co.	1	Other receivables	14,356	-	0.21%
0	Etron Technology, Inc.	eYs3D Microelectronics, Co.	1	Other income	20,773	-	0.78%
0	Etron Technology, Inc.	Insignis Technology Corporation	1	Sales revenue	20,337	-	0.76%
0	Etron Technology, Inc.	ValueCreation Technology, Inc.	1	Miscellaneous income	8,174	-	0.31%
0	Etron Technology, Inc.	Invention and Collaboration Laboratory Pte. Ltd.	1	Service expense	1,446	-	0.05%
1	eYs3D Microelectronics, Co.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Service expense	13,094	-	0.49%
1	eYs3D Microelectronics, Co.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Other Expenses Payable	2,170	-	0.03%
1	eYs3D Microelectronics, Co.	AiYs3D Technology, Inc.	3	Service expense	6,081	-	0.23%
2	eEver Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Service expense	4,310	-	0.16%
3	Invention and Collaboration Laboratory, Inc.	Invention and Collaboration Laboratory Pte. Ltd.	3	Income received in advance	2,401	-	0.04%

Notes:1 The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is 0.
(2) The subsidiaries are numbered in order starting from 1.

Notes:2 Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Notes:3 Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Notes:4 The prices and credit terms for the transactions between parent company and subsidiaries would be available for third parties. The terms for incomparable transactions are negotiated by the both parties.

Etron Technology, Inc.

Names, locations and other information of investees (not including investees in Mainland China)

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Carrying amount			
Etron Technology, Inc.	Eutrend Technology Inc.	Taiwan	Testing service for highfrequency or high-power radio frequency, analog, digital, and mixed-signal components	$ 112,099	$ 112,099	2,702,522	93.57%	$ 263	($ 75)	($ 70)	Subsidiaries
Etron Technology, Inc.	Kinglord Corp.	British Virgin Islands	Investment holdings	853,849	853,849	25,458	100.00%	473,031	39,843	39,843	Subsidiaries
Etron Technology, Inc.	Plusway Corp.	British Virgin Islands	Investment holdings	501,877	511,185	9,825	100.00%	139,041	(1,162)	(1,162)	Subsidiaries
Etron Technology, Inc.	Kingwell Investment Corp.	Taiwan	Investment in the manufacturing and service industries	8,215	22,861	14,083,000	100.00%	417,977	8,607	8,607	Subsidiaries
Etron Technology, Inc.	Kingcharm Investment Corp.	Taiwan	Investment holdings	188,512	188,512	18,000,000	100.00%	9,924	(23,986)	(23,986)	Subsidiaries
Etron Technology, Inc.	Intercosmos Group Limited	British Virgin Islands	Investment holdings	106,429	142,188	4,488	100.00%	193,133	896	896	Subsidiaries
Etron Technology, Inc.	Creative Ally Limited	British Virgin Islands	Investment holdings	127,141	111,921	4,220	100.00%	32,451	(16,345)	(16,345)	Subsidiaries
Etron Technology, Inc.	eCapture Ltd. Co.	Cayman Islands	Investment holdings	31,051	31,051	11,666,667	100.00%	2,083	(258)	(258)	Subsidiaries
Etron Technology, Inc.	Insignis Technology, Inc.	Cayman Islands	Investment holdings	60,488	60,488	24,500,000	100.00%	17,634	(6,423)	(6,423)	Subsidiaries
Etron Technology, Inc.	eEver Technology Limited	Cayman Islands	Investment holdings	44,857	44,857	14,250,001	50.42%	(2,001)	(91,836)	(43,270)	Subsidiaries
Etron Technology, Inc.	eYs3D Microelectronics,Inc.	Cayman Islands	Investment holdings	553,326	429,195	58,019,238	64.20%	60,962	(208,621)	(133,567)	Subsidiaries
Etron Technology, Inc.	DeCloak Intelligences Co.	Taiwan	Information and software services	53,017	35,600	4,155,203	79.98%	10,569	(22,324)	(17,904)	Subsidiaries
Etron Technology, Inc.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	11,249	6,309	2,921,600	7.56%	888	(7,607)	(442)	Subsidiaries
Etron Technology, Inc.	TAT Technology, Inc.	Cayman Islands	Investment holdings	7,553	4,730	1,971,200	7.33%	448	(5,367)	(313)	Subsidiaries
Etron Technology, Inc.	ValueCreation Technology, Inc.	Taiwan	Intellectual property industry	15,000	-	1,500,000	100.00%	3,675	(3,224)	(11,193)	Subsidiaries
Kingwell Investment Corp.	Pioneer Chip Technology Limited	Taiwan	Electronic component manufacturing industry	2,000	2,000	200,000	100.00%	73	(4)	(4)	Second-tier subsidiary
Kingwell Investment Corp.	nD-HI Technologies Lab, Inc.	Taiwan	Electronic component manufacturing industry	24,093	12,093	2,500,000	96.05%	(427)	(13,229)	(12,707)	Second-tier subsidiary
Kingwell Investment Corp.	Great Team Backend Foundry,Inc.	British Virgin Islands	Investment holdings	27,020	33,737	1,555,390	5.39%	31,170	(4,096)	39	Reinvestment Company of Subsidiary
Kingcharm Investment Corp.	eEver Technology Limited	Cayman Islands	Investment holdings	58,969	58,969	5,838,680	20.66%	(820)	(91,836)	(18,958)	Subsidiaries
Kingcharm Investment Corp.	eYs3D Microelectronics,Inc.	Cayman Islands	Investment holdings	21,654	21,654	2,084,340	2.31%	2,214	(208,621)	(5,088)	Subsidiaries
Kinglord Corp.	Etron Technology America,Inc.	U.S.A	Sales agent	172,562	172,590	47,666,666	100.00%	20,081	(8,414)	(8,095)	Second-tier subsidiary
Kinglord Corp.	Anzon Technology, Inc.	British Virgin Islands	Investment holdings	11,085	11,086	1,681,000	70.85%	1,678	(820)	(606)	Second-tier subsidiary
Kinglord Corp.	Etron Technology (HK) Limited	Hong Kong	Electronic component sales industry	147,384	147,408	37,440,000	100.00%	442,052	50,932	50,932	Second-tier subsidiary
Kinglord Corp.	eYs3D Microelectronics,Inc.	Cayman Islands	Investment holdings	8,608	8,609	785,273	0.87%	834	(208,621)	(1,916)	Subsidiaries
Etron Technology (HK) Limited	eYs3D Microelectronics,Inc.	Cayman Islands	Investment holdings	25,540	25,544	2,329,918	2.58%	2,472	(208,621)	(5,693)	Subsidiaries
Anzon Technology, Inc.	Anzon Corporation	Japan	Sales agent	17,365	17,368	185	100.00%	2,284	(921)	(830)	Third-tier subsidiary
Intercosmos Group Limited	Grandsino Technology Limited	British Virgin Islands	Investment holdings	42,763	78,346	3,866	100.00%	177,016	307	307	Second-tier subsidiary
Intercosmos Group Limited	Fullboom International Limited	Samoa	Investment holdings	32,240	32,246	1,050,000	100.00%	14,678	704	670	Second-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Carrying amount			
Grandsino Technology Limited	Great Team Backend Foundry,Inc.	British Virgin Islands	Investment holdings	41,192	75,186	7,979,999	27.67%	175,666	(4,096)	201	Investee of the second-tier subsidiary
Plusway Corp.	Great Team Backend Foundry,Inc.	British Virgin Islands	Investment holdings	64,938	76,151	2,410,886	9.12%	80,093	(4,096)	66	Reinvestment Company of Subsidiary
Plusway Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	8,989	8,990	887,121	0.98%	939	(208,621)	(2,167)	Subsidiaries
Creative Ally Limited	Invention and Collaboration Laboratory Pte. Ltd.	Singapore	Semiconductor technology development, consulting, and design services	30,718	15,362	10,428,000	81.11%	14,642	(20,305)	(16,470)	Second-tier subsidiary
eCapture Ltd. Co.	eCapture Co., Limited	Hong Kong	Marketing, sales and development of electronic products	29,170	29,175	950,000	100.00%	1,869	(92)	(92)	Second-tier subsidiary
Insignis Technology, Inc.	Insignis Technology Corporation	U.S.A	Electronic component sales industry	58,800	58,810	1,915,000	100.00%	17,528	(6,159)	(6,311)	Second-tier subsidiary
eEver Technology Limited	eEver Technology, Inc.	Taiwan	Electronic component manufacturing industry	200,739	200,772	29,450,000	100.00%	7,192	(89,404)	(89,404)	Second-tier subsidiary
eYs3D Microelectrions, Inc.	eYs3D Microelectronics, Co.	Taiwan	Electronic component manufacturing industry	935,941	779,718	101,600,000	100.00%	100,541	(206,624)	(206,624)	Second-tier subsidiary
eYs3D Microelectrions, Inc.	AiYs3D Technology, Inc	U.S.A	Marketing and customer services	307	307	10,000	100.00%	607	7	7	Second-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	Invention and Collaboration Laboratory, Inc.	Taiwan	Electronic component manufacturing industry	$ 1,476	$ 1,477	$ 134,000	100.00%	$ 1,251	$ 72	$ 72	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	614	614	20,000,000	51.76%	6,082	(7,607)	(4,129)	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	TAT Technology, Inc.	Cayman Islands	Investment holdings	430	430	14,000,000	52.08%	3,178	(5,367)	(2,911)	Third-tier subsidiary
T-Era Architecture Technology, Inc.	T-Era Architecture Technology Corp.	Taiwan	Semiconductor technology development, consulting, and design services	19,868	10,281	2,000,000	100.00%	9,002	(7,319)	(7,319)	Third-tier subsidiary
T-Era Architecture Technology, Inc.	TAT Technology, Inc.	Cayman Islands	Investment holdings	3,439	2,211	896,000	3.33%	210	(5,367)	(136)	Third-tier subsidiary
TAT Technology, Inc.	TAT Technology Corp.	Taiwan	Semiconductor technology development, consulting, and design services	11,334	7,711	1,128,000	100.00%	4,799	(4,968)	(4,968)	Third-tier subsidiary
TAT Technology, Inc.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	5,097	2,948	1,328,000	3.44%	409	(7,607)	(196)	Third-tier subsidiary
ValueCreation Technology, Inc.	WeCrevention, Inc.	U.S.A	Intellectual property industry	3,209	-	100,000	100.00%	2,907	(170)	(170)	Second-tier subsidiary

Etron Technology, Inc.

Information on investments in Mainland China

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

1. Basic information

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Profit (loss) of the investee for the year	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year (Note 2)	Carrying amount of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
Great Team Backend Foundry (Dongguan), Ltd.	Other transistors	$ 2,705,620	(2)	$ 248,045	$ -	$ 51,784	$ 196,261	$ 19,507	12.65%	$ 2,468	$ 258,908	$ -	Note 3, Note 4, Note 5
Fullboom Electronics (Shenzhen) Co., Ltd.	Wholesale and international trading of electronic components	30,705	(2)	32,285	-	-	32,285	704	100.00%	704	13,755	-	Note 6
Shanghai Walden Venture Capital Enterprise	Investment in Start-up Businesses	39,633	(2)	35,154	-	-	35,154	-	1.52%	-	177,332	-	Note 7
Walden Technology Ventures II, L.P.	Investment in Start-up Businesses	2,163,751	(2)	95,668	-	-	95,668	-	2.64%	-	147,752	-	Note 7

Notes:1 Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

（1）Directly invest in a company in Mainland China

（2）Through investing in an existing company in the third area, which then invested in the investee in Mainland China

（3）Others

Notes:2 Investment income from Fullboom Electronics (Shenzhen) Co., Ltd. was recognized based on the financial statements that are audited and attested by R.O.C. parent company's CPA; Investment income from Great Team Backend Foundry (Dongguan), Ltd. was recognized based on the financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Notes:3 Investing through Great Team Backend Foundry, Inc., which is invested by Kingwell Investment Corp.

Notes:4 Investing through Great Team Backend Foundry, Inc., which is invested by Grandsino Technology Limited and Grandsino Technology Limited is invested by Intercosmos Group Limited.

Notes:5 Investing through Great Team Backend Foundry, Inc., which is invested by Plusway Corp.

Notes:6 Investing through Fullboom International Limited, which is invested by Intercosmos Group Limited.

Notes:7 Investing through Etron Technology (HK) Limited, which is invested Kinglord Corp.

2. Ceiling on reinvestments in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China
Etron Technology, Inc.	$ 359,368	$ 437,086	$ 2,089,331
	(USD 10,790 thousands)	(USD 14,235 thousands)	

Etron Technology, Inc.

Chairman: Nicky Lu