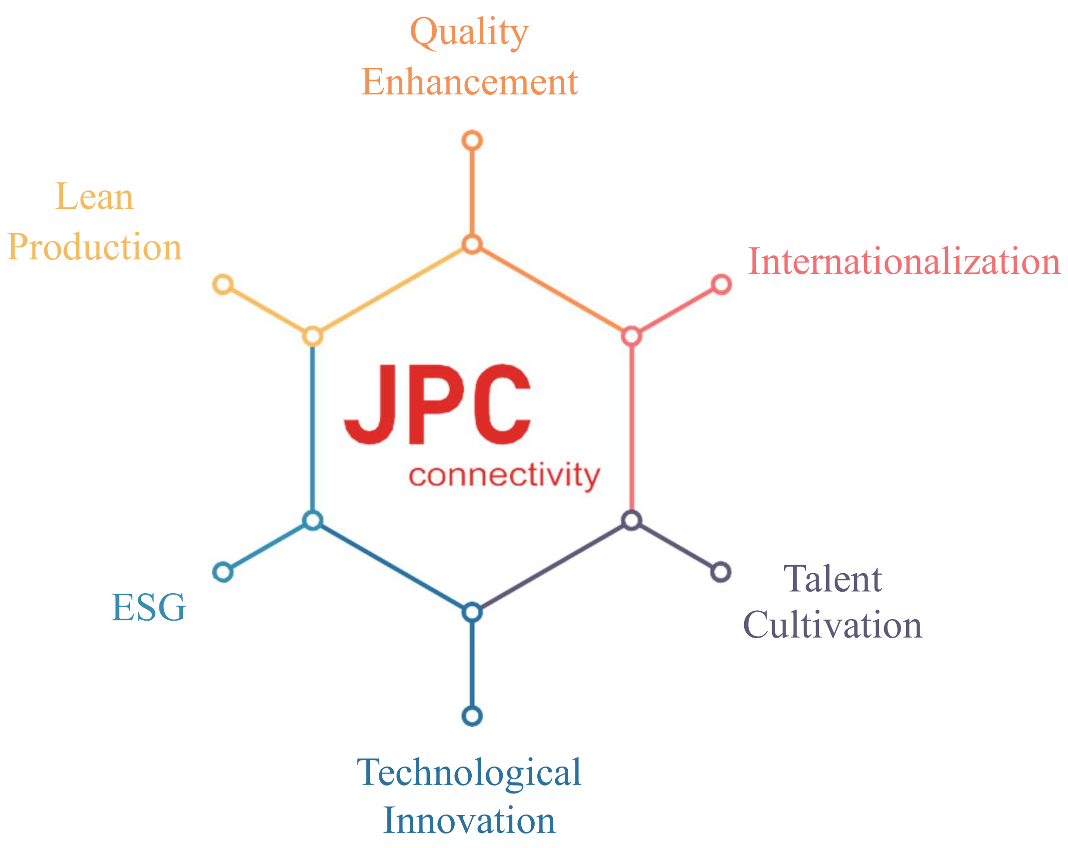
Stock Code: 6197

JESS-LINK PRODUCTS CO., LTD.

2023 Annual Report



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Chapter 1. Report for Shareholders

Dear Ladies and Gentlemen:

First of all, I would like to thank all shareholders for attending the 2024 Annual Shareholders' Meeting and for your support to the Company during the past year. The business results for 2023 and the business plan for 2024 are reported as follows:

I. 2023 Business Results

(I) Implementation result of business plan:

For 2023, the Company's consolidated revenue was NT$4,962,135 thousand; consolidated operating profit was NT$641,210 thousand; and current after-tax net profit attributable to the owners of parent Company was NT$635,395 thousand.

(II) Implementation status of budget:

The Company had not announced its financial forecast for 2023.

(III) Analysis of financial income, expenditure and profitability:

1. Analysis of financial income and expenditure:

The Company's main products are data, network and telecommunication products, smart connection, and IoT systems…etc. There was an increase of NT$622,707 thousand in the Company's consolidated revenue of 2023 relative to 2022. The main reasons of growth are (1) new products and new clients of the Datacenter/Networking/Telecom division, (2) the ongoing exploration of new clients and the optimization of product portfolio of the Smart Connection Industry division, (3) the acquisition of SACO ENTERPRISES, INC. of USA in July 2023, and (4) the joint venture of ASTRON Connectivity CO., LTD in April 2023. The Company's consolidated operating gross profit in 2023 was NT$1,436,531 thousand, an increase of NT$336,432 thousand (30.58%) relative to 2022. The consolidated operating profit in 2023 was NT$641,210 thousand, an increase of NT$262,872 thousand relative to 2022, and current after-tax net profit attributable to the owners of parent Company was NT$635,395 thousand in 2023.

2. Analysis of profitability:

Item		2022	2023
Return on assets (%)		9.89	13.48
Return on equity (%)		14.23	19.28
Ratio in paid-in capital (%)	Operating profit	30.99	52.52
	Before-tax net profit	44.64	66.38
Net profit ratio (%)		10.26	12.35
Earnings per Share (Note)		3.60	5.20

Note: It is calculated based on the weighted average number of outstanding shares in the current year after adjustment has been made to the weighted number of outstanding shares that were increased due to employees' bonuses in the previous years, i.e., basic earnings per share.

(IV) R&D Status:

1. Annual R&D expenses invested in the past three years

Unit: NT$ thousand

Item/Year	2021	2022	2023
Consolidated net revenue	3,866,828	4,339,428	4,962,135
Consolidated R&D expenses	133,028	151,244	163,891
Ratio of consolidated R&D expenses to consolidated net revenue	3.44%	3.49%	3.30%

2. 2023 R&D Results

The Company made R&D mainly for high-speed connectors, connection harnesses and optical modules in the three major industrial fields that are applied to AI servers, CSP (Cloud Service Provider), data center switches, 5G telecommunications, ISP server rooms, IoT and smart connection industries…etc.

The Company focused on:

(1) Developing PCI-e CEM interface that support SFF-TA-1002/SFF-TA-1020, OCP 3.0, motherboard, AI GPU and storage devices.

(2) Developing PCI-e CEM interface that support SFF-TA-1016/SFF-TA-1033, motherboard, AI GPU and storage devices.

(3) Developing SFF-TA-1016 that is qualified for PCI-e Gen 5 and also upgradable to PCI-e Gen 6, fulfilling the needs of AI servers that require low height connectors due to limited space.

(4) Developing SFF-TA-1033 that is qualified for PCI-e Gen 5 and also upgradable to PCI-e Gen 6, and support current transmission exceeding 55 amperes.

(5) Developing connectors that are suitable for SFF-TA-1006, SFF-TA-1007, SFF-TA-1008, SFF-TA-1009 and EDSFF, fulfilling the needs of various system designs.

(6) Launching 800G internet switch, network interface card and DPU interconnection products, including products of 8-channel (OSFP/OSFP-RHS) 800G and 4-channel (QSFP) 400G, improving the completeness of product lines.

(7) Developing 400G/200G loop back modules to increase the shipping of 400G products in data centers.

(8) Developing 8-channel (OSFP/OSFP-RHS) 800G and 8-channel

(OSFP/QSFP-DD) 400G active copper cables in response to the substantial data transmission required by AI applications.

(9) Developing multi-channel 800G, single-channel 50G optic transceiver module and multi-channel 200G AOC/400G AOC in response to the substantial data transmission required by AI applications. Also successfully secured invention patent and provided samples to North American clients.

(10) Accelerating expansion of the application of connector products in vehicles, with the covering scope as follows:

Item	Covering scope	Description
1	Electronic wiring harness for vehicles: ADAS advanced driving-assistance system	Coaxial harness for radar and imaging devices
2	Vehicle information system	Signal and control wiring harness for connecting audio-visual entertainment and smart phone to the peripherals of vehicle system
3	Wiring harness for applying electric power	Wiring harness for management on batteries, and for energy storage devices, DC rapid charging system and power supply devices, of electric vehicles

Improving the ability to research, develop, and design connector + wire assembly and to integrate proposals, and providing management process certification in line with ISO and IATF 16949 under the comprehensive service of QCDS to research and develop:

- High-voltage and high-current connectors for vehicles
- High-voltage power harness
- Vehicle ethernet
- Wiring harness related to new energy storage system

The Company has successfully become a formally qualified supplier of first-line brands by vertically integrating design and manufacturing.

(11) JPC focused on the development of high-voltage and high-current connectors for vehicles:

- with 45A~200A~250A~500A series of wiring harness, in response to electric vehicles that are powered by power batteries
- TL series are mainly the core components of electric vehicles:

Item	Core components of electric vehicles	Description
1	Three power-related big components	Power battery (Battery), driving motor (Motor), motor controlling unit (MCU)
2	Three power-related small components	(DC/DC converter, On-Board Charger (OBC), Power Distribution Unit (PDU)

(12) Developing PSL200 series of energy storage systems: to provide power, commercial, household, communication ESS and UPS solutions.

(13) Characteristics of high power series of connector products:

Item	Characteristics	Description
1	Different water-proof and dust-proof options	Including IP67, IP68, P69K…etc.
2	High voltage interlock (HVIL)	It can provide protection based on detection (failure alarm/cutting off HV power output/reducing HV output power).
3	The secondary lock	It can prevent buckle from loosening during operation and provide secondary protection of non-disconnection to increase safety.

Future trend: The Company will become the first choice of major manufacturers upon choosing the best OEM/ODM partner in vehicle electronics industry by providing the value-added services to meet customer’s demands. The Company will also expand the promotion of its standard products, accelerate its development in electric vehicle and new energy markets, and is committed to becoming the best supplier for all-around solutions of NEV connectors and cables.

(14) For the high-speed application of high-performance and vehicle grade of PCIe 5.0 & GENZ:

- Self-driving vehicles will require a large amount of storage devices.
- Providing built-in ADAS advanced driving-assistance system (ACC, LKA, AEB and other functions)
- Establishing multiple sensors (radar, lidar, camera)

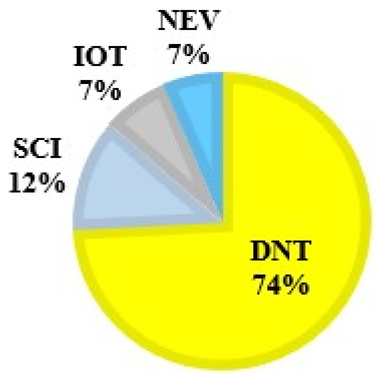
These products can meet the demands of PCIe interfaces that require high-performance, reliability and maintainability, and will become the best choices in vehicle market.

(15) The Company’s patents cover Taiwan, America, China, Japan and Europe, and has over 200 patents accumulatively, including:

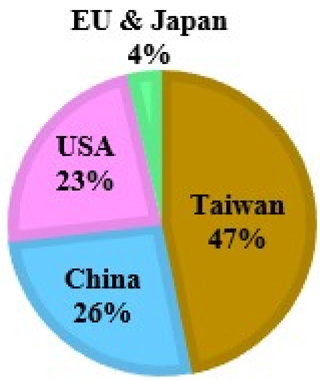
Item	Scope of Patents
1	High-speed cable assembly structural design (including shielding structure, unfastening structure, heat dissipation structure)
2	Signal integrity PCB board structural design
3	High-speed optical core technology
4	High-current connector design
5	High-frequency connector design

The number and proportion of patents of each BU and in different countries as of 2023:

Proportion of patents by BU

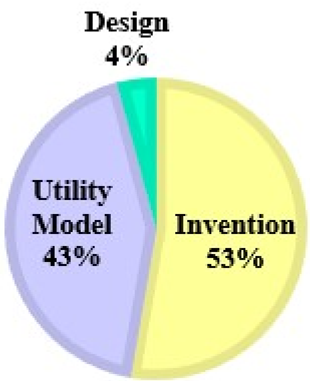


Proportion of patents by region



DNT：Datacenter/Networking/Telecom
SCI：Smart Connection Industry
IOT：Internet of Things
NEV：New Energy Vehicle

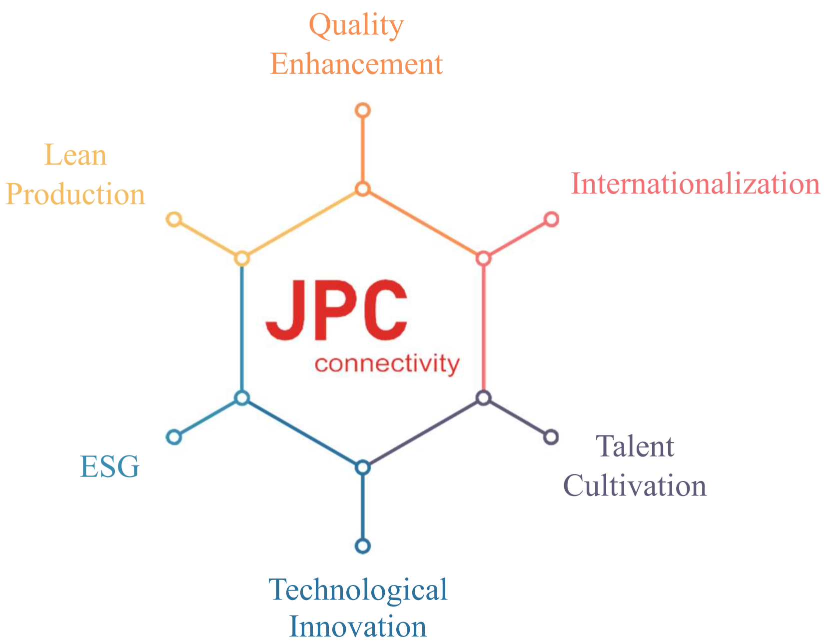
Proportion of patent types



There is cumulative total of 220 patents obtained as of 2023.

II. Overview of 2024 Business Plan

(I) JPC's vision



(II) Business policies

1. Products that the Company will focus on:

   Anticipating the integration of AI with cloud services, the Company aims to deepen the connectivity of AI critical supply chains and seize the opportunities for incorporating new product developments. With the increasing demand for high-speed requirements facilitated by AI servers and propelled by advancements in data networking, telecommunications, intelligent connectivity industries, as well as the new energy sector, the Company endeavors to grasp growth trends and profit opportunities, thus becoming the primary driving force behind the Company.

2. Upgrade of management:

   The Company will continue to keep and develop talents to make arrangement for sustainable business in advance. It will make information digitized and transparent, further making the managing process more efficient and the Company more competitive.

3. Digital transformation:

   In addition to America and Japan, the Company will accelerate the expansion of digital sales channels (website: https://www.jpcco.com/zh-tw/) and service localization in order to promote its products to the markets in Southeast Asia, Russia, Brazil, Eastern Europe and Europe.

(III) Expected sales volume and its basis

With the increasing demand for speed driven by AI servers, the Company aims to deepen the connectivity of AI critical supply chains and seize the opportunities for new product development integration in 2024. Through technological enhancements and raising the technical threshold, the Company focuses on advanced and high-margin products. Additionally, the Company maintains well and long-standing relationships with major CSP (Cloud Service Provider) of data centers and equipments in the United States and Japan, establishing profound partnerships characterized by smooth communication to ensure stability in production and sales quantities.

(IV) Important manufacturing and sales policies

1. In order to maintain a competitive edge, the Company has increased investment in a second factory in Vietnam, boosting production capacity and shipment stability. Concurrently, the production lines at the Company's Taipei headquarter are being upgraded and expanded to mitigate risks. Additionally, strategic partnerships with additional factory sites and product alliances are being pursued, with the aim of providing the Company a broader stage for production and sales momentum.
2. Embracing lean management principles, the Company proactively manages business opportunities through systematic approaches, aiming to control and expedite processes to achieve higher win rates, thereby enhancing business output and efficiency. This strategy enables the sales teams to serve clients more effectively and precisely. Furthermore, it assists the Company in enhancing regulatory compliance, process clarity, and information integration. With a global perspective, the Company actively seeks additional agents, sales representatives and distribution channels with the goal to strengthen localization while simultaneously expanding the international presence.

III. Future Development Strategies of the Company

In 2024, the Company will lead the management team and staff to make changes in thought, practice, attitude, learning ability and resilience fully from the inside to the outside, and improve the morale and professional ability of the team through learning and individual development, in addition to continuing to be committed to the development of technologies for products and innovation for services.

JPC will also make alliance and cooperate with the strategic partners specializing in energy solutions as well as medical and industrial connectors to share business bases and channel resources to create complementary advantages, and to promote businesses to each other and extend their service for customers to the markets in various continents as a team, which will facilitate JPC to build a more extensive scope and strengthen its operating strength in industrial and vehicle markets.

JPC shows its ambition for future development that it will upgrade its smart production lines in Taipei, stabilize the mass manufacturing and shipment in its factories in Vietnam and the sales platform of its subsidiaries in Thailand, and expand the complementary strategic cooperation with the factories in Taiwan and mainland China. JPC is fully prepared. Looking forward to 2024, we will provide different and professional services based on the core value of fine and good management to move forward steadily, with a view to change our knowledge and experience accumulated in many years into the power to provide external services to improve the application value of JPC's overall solutions in relevant fields.

The Company will develop and operate in 2024 by focusing on the following:

(I) R&D strategies:

Item	Product Application	R&D Focus	Future Development
1	Datacenter/ Networking/ Telecom (DNT)	High-speed optical module cables and connectors used in AI server, 5G telecom, edge computing, storage device, high-speed switches and data center.	− Remain closely aligned with the technological development pathways of PCI-e, CXL, and JEDEC associations − 1.6T high-speed transmission technology − Upgrade of PCI-e Gen 6 specification − New application interfaces such as SFF-TA-1026/SFF-TA-1033/SFF-TA-1034/SFF-TA-1035 and transmission exceeding 55 amperes − Increase the length of 800Gbps ethernet − Develop 800Gbps InfiniBand application − Develop NVLink 224Gbps application − Application of liquid cooling − High-current series products
2	Smart Connection Industry (SCI)	Integrate industrial automation, automotive electronics, new energy, and medical-related intelligent connectivity, with a focus on high-speed, high-voltage, waterproof and diverse services. − High-end consumer products such as VR and TV	− Continued adoption of the sophisticated R&D and integration of Vehicle-to-everything in multiple fields − Continued development in the industries related to IIoT, electric vehicles and new energy storage − Development of high-voltage and high-current connectors and Ethernet for vehicles, and new energy storage system-related wiring harnesses in compliance

		− Various combined services for high-end European and Japanese brand DSC cameras − PCI-e 5.0 ~ 6.0 for gaming − Drive the industrial automation in Taiwan by promoting the Yamaha robotic arms	with ISO, IATF 16949 and IS013485 management certification

(II) Sales strategies:

In 2024, the Company focuses on brand localization and expanding the presence in American CSP (Cloud Service Provider) data centers, offering AI server customers more flexible options. Simultaneously, the Company enhances the relationship-building efforts in order to explore future market trends and gather market information, further improving market penetration and share. Additionally, the Company actively participates in domestic and international exhibitions to increase brand visibility.

In 2024, the Company collaborates with SACO, a US-based company, to integrate resources and deepen the engagement with SACO's existing clients. In the European market, the Company continues to improve localization and enhance brand awareness. In Asia, the Company persists in developing markets in Southeast and Northeast Asia.

In 2024, the Company accelerates globalization efforts by establishing multiple subsidiaries and sales offices. Concurrently, the Company actively participates in significant domestic and international exhibitions such as the OptoElectronics and Communications Conference (OECC) and COMPUTEX, as well as industry associations such as O-RAN, BICSI, TECA Automotive Alliance, connector association and 5G Smart Pole Standard Promotion Alliance. Through electronic advertising platforms and media interactions, the Company continues to enhance brand visibility, explore new clients, gather market information, and grasp demand trends, further increasing market penetration and share.

(III) Manufacturing strategies:

With a focus on customer-centricity, JPC's manufacturing strategy aligns with international market demands, which require greater flexibility and agility. Given the ongoing fluctuations in the global economy and government policies, JPC adapts to such fast-changing conditions by adopting a strategy centered around Multiple Production Sites. This approach enables JPC to deploy flexible production strategies, offering clients more versatile and comprehensive product solutions. Recently, the Company has expanded the footprint to Northern Vietnam, establishing a new manufacturing base that primarily produce products such as Power Cables and High-Speed Connectors for data centers, automotive, and new energy industries. Furthermore, JPC integrates automation and intelligent manufacturing technologies while collaborating with strategic supply partners for key component materials across all production bases simultaneously.

In response to the prevailing trend of short lead times and small-batch, high-variety purchases, JPC has established a dedicated department called the "Equipment Technology Development Division." This department actively collaborates with production units across various factories to integrate current automation technologies into production process in order to fulfill market trends, whether cyclical or seasonal, and any other irregular needs. By incorporating automation technologies and leveraging business intelligence (BI), big data and machine learning, JPC aims to improve predictive accuracy and mitigate risks, further creating more value and competitive edge.

Furthermore, JPC is proactively assessing the lead times for critical materials and collaborating with strategic partners to reduce production costs, share resources, enhance information transparency and optimize stock levels. This collaborative effort aims to provide clients with more stable supplies and also achieve a balance between demand and output in order to better manage the stock levels, further improving the profitability and competitiveness.

IV. Impacts of External Competitive Environment, Regulatory Environment and Overall Business Environment

(I) External competitive environment:

There are many uncontrollable external factors such as exchange rate fluctuation, exhaustion of resources, international energy crisis, greenhouse effect, sharp rise in the prices of international crude oil and raw materials, and the decrease in population. Fortunately, driven by the market trends of AI and new energy, Taiwan possesses a remarkable ability to integrate downstream products with significant differentiation and niche characteristics. This will inevitably lead the overall manufacturing industry towards a transformation from traditional manufacturing to "manufacturing as a service," emphasizing highly customized, value-added products and services as the decisive factor.

(II) Regulatory environment:

1. The Company continues to promote ESG actively, and implement compliance with laws and regulations, so as to be a sustainable enterprise that complies with

information transparency requirements and relevant laws and regulations.

2. ESG:

JPC has established a Sustainable Development Committee to contemplate its corporate social responsibility, taking into account the interests of all stakeholders, including employees, clients, suppliers, consumers, communities and natural environment. The committee sets medium to long-term ESG directions, measures the Company's sustainable operation capabilities from three ESG dimensions, aligns with international standards, establishes and implements sustainable strategies and goals, and balances the interests of all stakeholders, fully integrating ESG policies into daily operations.

3. Public welfare and giving back to the society:

(1) The Company has been a long-time supporter of the annual performances of XinXin Nanguan Ensemble, Cloud Gate Dance Theater and promotion of dance education…etc. The Company not only participates in diversified arts and cultural groups, but also encourages employees to actively take part in enjoying high-quality performances to bring an artistic and cultural atmosphere into its corporate culture.

(2) The Company initiates love-transmitting, care and public welfare project. JPC would like to donate its relevant products (such as copper-axis cables, optical receiving and sending modules, energy storage and EV new energy…etc.) if there are demands related to smart connection industry, data, network, telecommunication, IoT, vehicle and new energy, in order to provide assistance to public welfare groups and encourage education groups to make innovation continuously, with a hope to make public welfare and care services more powerful by virtue of its expertise to create a better and more diversified society.

(III) Overall business environment:

In addition to main products in AI/cloud high-speed/netcom/ 5G telecom fields, there is a continued acceleration of market penetration rate regarding the current popular NEV energy & vehicle electronics, medical electronics, industry 4.0 and other forward-looking industries, which brings better product portfolios for the Company and increases the sales with a high value, high gross profit and high growth.

At present, the Company faces challenges that are fiercer than before, but there are also various opportunities such as 5G and cloud computing. The Company's rapid responsiveness, coupled with strong cohesion, has enabled us to swiftly address challenges at the outset. Looking ahead, JPC will continue to establish service centers and deploy sales representatives globally, ensuring to provide clients with faster and more value-added services.

JPC also integrates ESG principles into its business operations and aim for three goals of corporate happiness, mutual prosperity, and sustainable Earth. With professionalism and teamwork, JPC provides services and technologies while fostering a supportive environment for employees to work and grow safely. The Company prioritizes the protection of employee, clients, society and the environment, and actively promotes carbon reduction and environmental friendliness. JPC is committed to long-term, sustainable operations and fulfilling corporate social responsibility while in pursuit of performance.

We sincerely thank all our shareholders for their care, trust, and support. We are committed to working hand in hand with our partners to face future challenges together. We appreciate the support and encouragement from our shareholders over the past year.

Chairman：SHU-MEI CHANG

President：SHU-MEI CHANG

Accounting Supervisor：CHIH-PING CHENG

Chapter 2. Company Profile

I. Date of Incorporation: May 7, 1992

II. Company History

1992	Jess-Link Products Co., Ltd. was established with a capital of NT$5 million. Initially, the main business was trading, import and export of computer hardware, software and peripherals, electronic products and parts.
1993	Started the sales of connectors and cable sets.
1994	Entered into OEM business of computer peripherals.
1998	Expanded the operation scale and increased the capital by NT$ 25 million to NT$ 30 million in cash.
1999	In order to meet the need for expanded operation scale, increased the capital by NT$30 million in cash to NT$60 million for the purchase of business headquarters on Keelung Road, Taipei City.
2000	In order to meet the need for plant purchase, increased the capital to NT$145 million by a cash capital increase of NT$55 million and a capital increase from earnings of NT$30 million to establish the Zhonghe Factory. The second capital increase of NT$35 million increased the paid-in capital to NT$180 million. Purchased land and buildings in Zhonghe District.
2001	Capital increase from earnings and capital surplus of NT$108 million increased the paid-in capital to NT$288 million.
2002	Capital increase from earnings, capital surplus and employee bonuses of NT$124.1 million increased the paid-in capital to NT$412.1 million. On December 11, the Company's shares were approved to be traded on Taipei Exchange.
2003	Capital increase from earnings and capital surplus of NT$134.03 million increased the paid-in capital to NT$546.13 million. In order to meet the need for expansion of business scale, the first domestic unsecured convertible bonds of NT$520 million were issued and approved to be traded on Taipei Exchange on November 25.
2004	On October 8, the Company's shares were approved by the Taiwan Stock Exchange Corporation to be listed on the centralized securities market. Capital increase from earnings and capital surplus of NT$151.83 million increased the paid-in capital to NT$710.65 million. Indirectly invested in the establishment of Dongguan Jiexun Electronic Technology Co., Ltd., a wholly-owned company in Dongguan, China. Purchased the 9F&6F, No. 176 Jian 1st Road, Zhonghe District as the Company's office premise and factory warehouse.

2005	Indirectly invested in the establishment of Celesta International Co., Ltd., a wholly-owned company in Shenzhen, China. In order to meet the need for expansion of business scale, increased the paid-in capital to NT$849.67 million by capital increase from earnings and conversion of convertible bonds and employee stock options. The Company adjusted its organization. In order to meet the needs for expansion of business scale and resources integration, the Company adjusted four business divisions - Connector and Cable Division, Data Storage Division, Japan Division, and IPS and Brand Planning Division.
2006	Indirectly invested 100% of stock equity of Dongguan Jia Zhan Rong Electronics Factory in Mainland China, a subsidiary of FLAST ENTERPRISE INC. Increased the paid-in capital to NT$1,014.38 million by capital increase from earnings and conversion of convertible bonds and employee stock options.
2007	Acquired 100% of stock equity of MIM Depot Inc. and merged it into the Connector and Cable Division. Indirectly acquired 100% of stock equity of ULTRA ELECTRONICS ENTERPRISE INC. and its subsidiary, Dongguan Qingxi Hongqi Electronics Factory in Mainland China. Indirectly acquired 100% of stock equity of ASKA Technologies Inc. in Mainland China. Indirectly invested in Jiaqi Wire & Cable Co. Ltd., a sole proprietorship in Mainland China. Indirectly and partially invested in RICHMAN LTD. and its subsidiary, Humen Songxing Electronic Hardware Factory in Mainland China. In order to meet the need for expansion of business scale, increased the paid-in capital to NT$1,283.57 million by capital increase from earnings, conversion of convertible bonds and cash.
2008	Increased the paid-in capital to NT$1,474.98 million by capital increase from earnings and conversion of employee stock options. The Company adjusted its organization. In order to respond to changes in political and economic environment and effectively utilize the resources, the Company's business divisions were changed to the Connector and Cable Division, the Electronics Division and the Japan Division.
2009	Indirectly acquired 100% of stock equity of HUNG FU (SAMOA) INTERNATIONAL CO., LTD and its subsidiary, Hung Fu Electronic Plastic Factory in Mainland China. Indirectly acquired 100% of stock equity of Hongduan Electronic Technology Co., Ltd. in Mainland China.
2010	The Company acquired LUCKY STAR INVESTMENT CORP. and MAIN SUPER ENTERPRISES CO., LTD. On May 1, 2010, the Company merged MIM Depot Inc., a 100% owned investee

	company. Increased the paid-in capital to NT$1,622.48 million by capital increase from earnings and capital surplus.
2011	In order to meet the needs for the Group's organizational restructuring and business integration and development, from January 1, 2011, Best Link Properties Ltd. purchased 100% of stock equity of Flast Enterprise Inc. from Multiple Hope International Limited, a 100% owned investee company of Shi Jung, a subsidiary of the Company, and held Jia Zhan Rong Electronics Factory, a contract processing plant of Flast. In order to meet the need for expansion of business scale, increased the paid-in capital to NT$1,734.48 million by capital increase from conversion of convertible bonds and cash. Indirectly invested in the establishment of Dongguan Hung Fu Electronic Technology Co., Ltd., Dongguan Houlie Hua-Bao Electronics Technical Limited Company, and Dongguan Chieh Hsi Electronic Technology Co. Ltd., wholly-owned companies in Dongguan, China. Indirectly invested in the establishment of Chieh Ssu Ta International Co., Ltd. to engage in Internet marketing business. On December 23, 2011, the Company established the Compensation Committee.
2012	The Company made a group organizational integration, and merged Dongguan Jiexun Electronic Technology Co., Ltd. and Dongguan Huabao Precision Electronics Co., Ltd. into Dongguan Houlie Hua-Bao Electronics Technical Limited Company.
2013	The Company adjusted its organization. In order to meet the needs for the Group's organizational restructuring and business integration and development, the Company’s business divisions were changed into Connector and Cable Business Division and Japan Business Division. The Company established an Audit Committee on June 19, 2013.
2014	In order to motivate employees and enhance their cohesion, the Company purchased 2,000,000 shares of treasury stock from the Taiwan Stock Exchange and transferred them to employees in accordance with the Securities and Exchange Act and the Regulations Governing the Buyback of Shares of the TWSE/TPEx Listed Companies, which was approved by the Board of Directors.
2015	The Company adjusts its product and industry development to focus on Cloud Computing & Data Communication, Internet of Things Systems, and Personal IT & Consumer. QFSP 28 100G, a cloud networking product, passed the certification.
2016	In response to the organizational integration of the Group, the Company completed the cancellation of the invstee companies GOODSEND ENTERPRISE INC. and MULTIPLE HOPE INTERNATIONAL. The Company promoted the “Strength Enhancement” and “Intelligence” projects.
2017	In response to the organizational integration of the Group, the Company completed

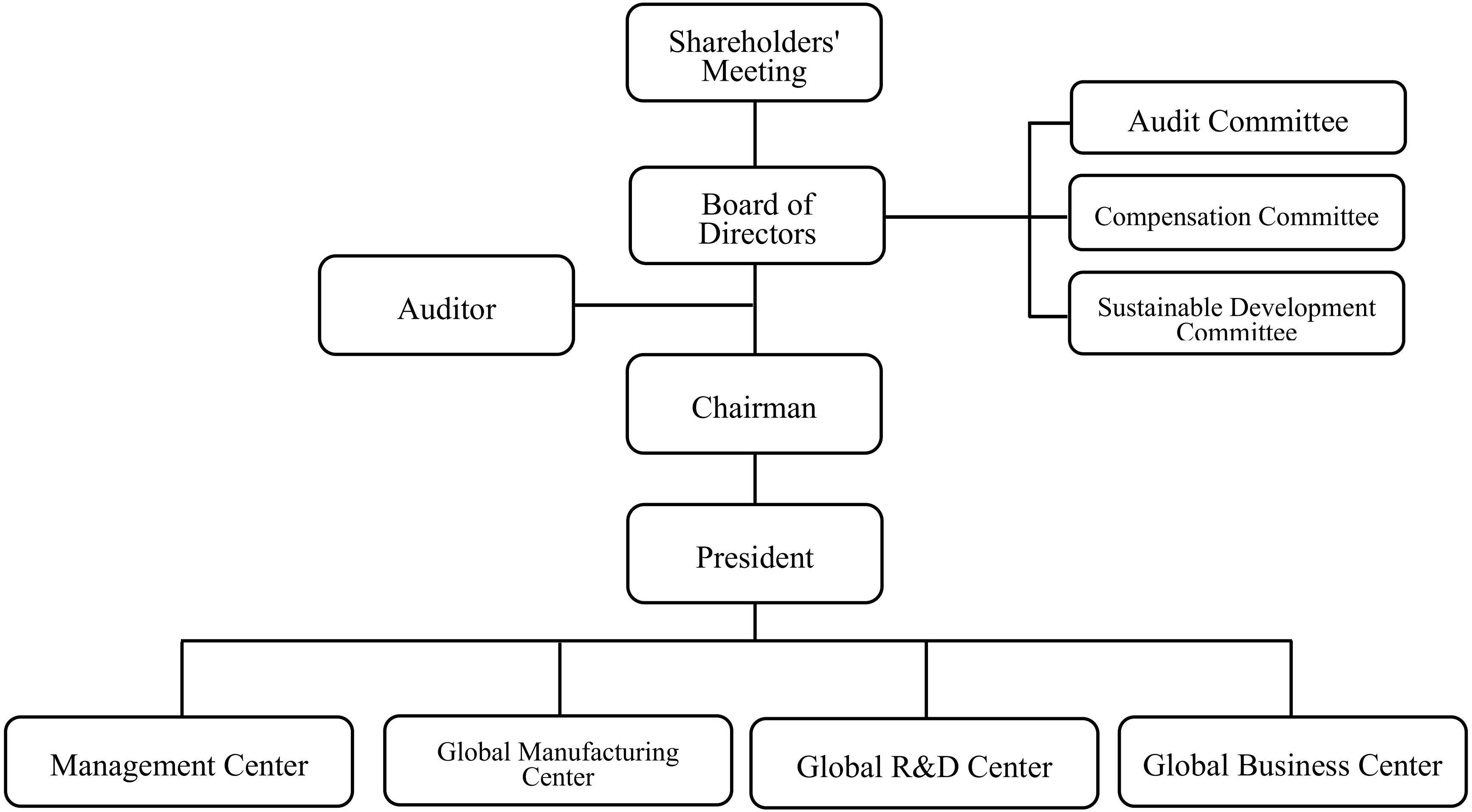
	the cancellation of the invstee companies CHEERBEST LIMITED, JPC CO LTD. and Dongguan Jiexun Electronic Technology Co., Ltd. Sold 100% of stock equity of Hongduan Electronic Technology Co., Ltd. in Mainland China. The paid-in capital was $1,300.86 million after the cash capital reduction of NT$433.6 million for refund of stock payment.
2018	Guangzhou JPC Electronics Technical Limited Company was established in Guangzhou, China in response to NEV market promotion. The Company continued to promote group integration. Dongguan Hung Fu Electronic Technology Co., Ltd. merged with Dongguan Jiaqi Wire & Cable Co. Ltd., Main Super Enterprises Co., Ltd. merged with Chieh Ssu Ta International Co., Ltd. In response to the U.S. market, the Company expanded its investment in its U.S. subsidiary JPCCO CORP. and successively increased its capital to USD3,050,000. Purchased 8,000,000 shares of the Company's stock and transferred to treasury for cancellation, resulting in a paid-in capital of NT$1,220.86 million after the capital reduction.
2019	In response to the rise of the Southeast Asian market, the Company decided to expand its business to Thailand and invested in 49.87% of stock equity of SWS Group Company Limited and its subsidiary BPPG Service Co. Ltd., and provided sales services in Thailand. In response to the trade war between the United States and China, the Company expanded its production capacity in Taiwan, and established a subsidiary in Vietnam, PEC MANUFACTURING VIETNAM COMPANY LIMITED.
2020	BEST LINK PROPERTIES LTD., an important subsidiary of the Company, completed a cash capital reduction of US$6.8 million to refund the share payment, resulting in a paid-in capital of US$29.2 million. Won the subsidy for "Prospective Technology R&D Center Program for High Speed Network, IOT Intelligent Applications and Next Generation Energy Vehicles" from the Ministry of Economic Affairs' A+ Enterprise Innovation and R&D Cultivation Program - Program for Encouraging Domestic Enterprises to Set Up R&D Centers in Taiwan.
2021	To enhance market competitiveness and increase the opportunities for industry exchanges and cooperation with strategic alliances, the Company invested in Jyh Eng Technology Co., Ltd. and acquired 7.03% of its stock equity. In order to promote corporate integration and improve operational efficiency, the Company simply merged its 100% owned subsidiary TOPSEED Technology Corp. The relocation of the Company's Kunshan plant was completed in September 2021.
2022	In January 2022, the Company acquired 70.11% of stock equity of Ultraspeed Electronics Co., Ltd. with NT$20,000 thousand, improving market competitiveness

	and promote the development of R&D technologies. On November 4, 2022, the Company established the Sustainable Development Committee. On November 12, 2022, the Company won the Golden Dragon Award for the Best Model at the 4th Global Internet of Things Smart Service Conference. [Organization] Excellent IOT Enterprise Award. On December 16, 2022, the Company appointed Wei-San Chang as the COO.
2023	In April 2023, the Company established the joint venture of Astron Connectivity Co., LTD and held 51% of stock equity. In July 2023, the Company acquired 100% of stock equity of SACO ENTERPRISES, INC. better serving the USA clients and improving NPI. In 2023, the Company established a second factory in Vietnam, JPC CONNECTIVITY CO. LTD., expanding the production sites in Southeast Asia. On December 15, 2023, the Company appointed Wei-San Chang as the Chief Information Security Officer.

Chapter 3. Corporate Governance Report

I. Organizational System

(I) Organization Chart



(II) Department Functions

Department Name	Functions
Global Business Center	Responsible for sales and customer service of Datacenter/Networking/Telecom, Smart Connection, and Internet of Things products, development of potential markets and customers, formulation and establishment of operational goals and market planning, production and sales coordination, and trial production analysis.
Global R&D Center	1. Focus on key technology research and development, including smart home networking software and hardware integration system, cloud networking application and EV connector prospective technology development. 2. Writing, application and placement of prospective technology patents. 3. Industry technology competition analysis and verification specifications, planning of innovative technology blueprints, and mastering of long-term high-end R&D directions. 4. Planning and execution of the design and development of Datacenter/Networking/Telecom, Smart Connection, Internet of Things (product function oriented) according to market commercialization requirements. 5. Technical support and consultation for new products. 6. Setting and control of product development schedules.
Global Manufacturing Center	1. Each plant is responsible for production, manpower, equipment, development, engineering materials, production of main products in accordance with production orders, establishment and maintenance of manufacturing processes, and analysis of production capacity. 2. Be responsible for product quality inspection, functional testing and quality assurance, etc. 3. Warehouse management. 4. Setting, tracking, coordination and control of production plan and delivery date. 5. Be responsible for the execution of procurement operations, vendor control, supplier evaluation and performance assessment. 6. Subcontractor evaluation, delivery time, quality control and production technology provision and support.

Management Center	1. Be responsible for management and control of the Company’s finance, capital management, accounting operations, budgeting and various transaction cycles. 2. Be responsible for the planning and execution of the Company's taxes. 3. Information communication between the Company and external stakeholders. 4. Management of investee business. 5. Be responsible for operation management plan promotion, assessment and analysis, personnel, labor, training, finance, information, cost management, and formulation of implementation guidelines. 6. Be responsible for planning and maintenance of departmental operating systems and computerized information management.
Audit	1. Formulation of internal control cycle operation system. 2. Regular or irregular auditing of internal control cycle. 3. Provide improvement suggestions to promote business efficiency and effective implementation of internal controls.

II. Information of the Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

(I) Directors and Supervisors

1. Information of Directors and Supervisors (I)

April 15, 2024 ; Unit: shares

Title	Nationality/ Place of Registration	Name	Gender/ Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Current Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	R.O.C.	Shu-Mei Chang	Female 61-70	2022.06.15	3	1992.05.07	18,472,480	15.13	18,472,480	15.13	—	—	6,000,000	4.92	Education: Department of Economics, Tunghai University Experience: President of Tecobar (Germany)	The Company: President Other companies: (Note 2)	—	—	—	(Note 1)
Vice Chairman	R.O.C.	Mega Power Investments Limited	Male 71-80	2022.06.15	3	2009.06.10	2,295,750	1.88	2,295,750	1.88	—	—	2,640,000	2.16	Education: Military Academy Experience: Founder of Hung Fu Information Co., Ltd.	The Company: Vice Chairman Other companies: Chairman of Mega Power Investments Limited Chairman of Hung Fu Information Co., Ltd. Director of Mega Power Investments Limited (Samoa)	—	—	—	—
	Representative: R.O.C.	Representative: Cin-Chih Jiang					8,705	0.01	8,705	0.01	19,500	0.02	—	—						—
Director	R.O.C.	Tone Investments Ltd.	Female 61-70	2022.06.15	3	2016.06.15	4,394,000	3.60	4,500,000	3.69	—	—	—	—	Education: Department of Law, National Taiwan University Experience: (Note 3)	The Company: None Other companies: (Note 4)	—	—	—	—
	Representative: R.O.C.	Representative: Yu-Ling Tsai					—	—	—	—	—	—	—	—						—
Director	R.O.C.	Top Point Investment Ltd.	Male 61-70	2022.06.15	3	2016.06.15	6,144,750	5.03	6,144,750	5.03	—	—	—	—	Education: Sanchong Elementary School Experience: Chairman of Main Super Enterprises Co., Ltd.	The Company: None Other companies: Director of SciVision Biotech Inc. Director of Ivy Life Science Co., Ltd.	—	—	—	—
	Representative: R.O.C.	Representative: Ming-Kung Yang					825,120	0.68	825,120	0.68	—	—	—	—						—

Title	Nationality/ Place of Registration	Name	Gender/ Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Current Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	R.O.C.	FSP Technology Inc.	Male 31-40	2022.06.15	3	2022.06.15	9,820,000	8.04	10,000,000	8.19	—	—	—	—	Education: MBA-Politecnicodi Milano School of Management; Department of Public Finance, National Chengchi University Experience: Marketing Supervisor/Overseas Business Supervisor/Marketing Strategy Supervisor, FSP Technology Inc., Segment Marketing of Shanghai Philips Lighting	The Company: None Other companies: (Note 5)	—	—	—	—
	Representative: R.O.C.	Representative: Ming-Hsiang Cheng					—	—	—	—	6,000	—	—	—						—
Independent Director	R.O.C.	Jing-Hua He	Male 61-70	2022.06.15	3	2004.05.27	—	—	—	—	7,500	0.01	—	—	Education: Master of Computer Science, University of Maryland Experience: President of A.Best Shopping Mall and Supermarket Chain Store, President of Yonyou Software Group, COO of Kelote Group	The Company: None Other companies: Representative of the corporate director of MAYO Human Capital Inc. Independent Director of Appier Inc.	—	—	—	—
Independent Director	R.O.C.	Li-Chih Lo	Male 51-60	2022.06.15	3	2022.06.15	—	—	—	—	—	—	—	—	Education: National Taiwan University EMBA Experience: President of Visual Computing Division, ASRock Inc.	The Company: None Other companies: Independent Director of Oriental System Technology Inc.	—	—	—	—

Title	Nationality/ Place of Registration	Name	Gender/ Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Current Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	R.O.C.	Shu-Ling Wang	Female 61-70	2022.06.15	3	2022.06.15	—	—	—	—	—	—	—	—	Education: Institute of Finance, College of Management, National Taiwan University Experience: Senior Vice President of Delta Electronics, Inc. and CFO of Delta Group Consultant of Chenbro Micom Co., Ltd	The Company: None Other companies: Adjunct Expert (Professor), Institute of International Business, College of Management, National Cheng Kung University Independent Director of AVerMedia Technologies, Inc. Director of CTBC Bank Director of Snail Travel Village Co., Ltd.	—	—	—	—
Independent Director	R.O.C.	Chih-Feng Lin	Male 51-60	2022.06.15	3	2022.06.15	—	—	—	—	—	—	—	—	Education: Master of Laws, National Taiwan University Experience: Chief Legal Officer of Taiwan Broadband Communications Consulting Co., Ltd. Vice President of Legal Affairs, New Century InfoComm Tech Co., Ltd. Senior Attorney, Jones Day International Law Firm	The Company: None Other companies: Director of Lin Chih-Feng Law Firm Senior Law Consultant of EMQ Limited Taiwan Branch	—	—	—	—

Note 1: The Chairman and the President are the same person, which is mainly due to the Company has been promoting transformation in recent years, and the Chairman concurrently serving as the President can better implement the transformation policy. The number of independent directors was increased to 4 through the re-election of directors at the Company's 2022 Annual Shareholders' Meeting, and more than half of the directors do not hold concurrent post of employees or managers.

Note 2: Chairman of Tone Investments Ltd., Chairman of Very Mulan Investment Co., Ltd., Chairman of Cha Shin Chi Investment Co., Ltd., Chairman of Main Super Enterprises Co., Ltd., representative of the corporate director of JYH Eng Technology Co., Ltd., and the representative of the corporate director of Best Link Properties Ltd., JPC (HK) Company Ltd., Lucky Star Investment Corp, Best Match Investments Limited, Best Sky Limited, Hung Fu (Samoa) International Co., Ltd., Diamond Creative Holding Limited and SWS Group Company Limited.

Note 3: Government Affairs Member of the Executive Yuan, Chief Legal Officer of IBM Greater China (Hong Kong, Taiwan, Mainland China), District Court Judge of Taipei Shilin, Changhua, Taoyuan, etc.

Note 4: Member of Taipei City Government Smart City Committee, Member of Taipei City Government International Affairs Committee, Member of Taipei City Government Data Governance Committee, Director of the K.T. Li Foundation for Development of Science and Technology, Director of Chenbro Micom Co., Ltd., Co-founder of Lee, Tsai & Partners, Chairman of Taiwan Financial Technology Association, Founding Honorary Chairman of Taiwan Women on Boards Association, Supervisor of Huafan University, Independent Director of Asia Pacific Telecom, Director of the Cleaner Production and Regional Development Foundation, Supervisor of the Artificial Intelligence Foundation, Managing Supervisor of the Monte Jade Science and Technology Association of Taiwan, Managing Supervisor of the Taiwan Impact Investing Association, Director of the Chinese Arbitration Association, Director of the Taiwan Jurist Association, and Director of J-REACH Co. Ltd.

Note 5: Legal representative of FSP TECHNOLOGY VIETNAM CO., LTD., Director of CHAMP-RAY INDUSTRIAL CO., LTD., Director of Stockfeel Co., Ltd., Supervisor of the Jiangsu Subsidiary of FSP Group, Chairman of Xiangzan Investment Co., Ltd., Chairman of Jinyu Investment Co., Ltd., Supervisor of FSP CAPITAL CO., LTD.

2. Major shareholders of corporate shareholders

April 15, 2024

Name of Institutional Shareholder	Major Shareholder of Institutional Shareholder	Shareholding Ratio
FSP Technology Inc.	Chuan Han Investment Co., Ltd.	8.11%
	Fu-An Yang	6.30%
	Ya-Jen Cheng	5.96%
	Hsiang Tsan Investment Co., Ltd.	3.90%
	First Commercial Bank Trust Account of Chung-Shun Wang	3.74%
	Wang Kuang Tung Investment Co., Ltd.	3.50%
	2K Industries Inc., British Virgin Islands	2.77%
	2K Industries Inc. (BVI)	2.67%
	Chung-Shun Wang	2.46%
	Pai Chuang Investment Co., Ltd.	1.68%
Mega Power Investments Limited	Mega Power Investments Ltd., Samoa	100%
Top Point Investment Ltd.	Top Point Investments Ltd., Samoa	100%
Tone Investments Ltd.	Shu-Mei Chang	100%

3. Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders

April 15, 2024

Name of Legal Person	Major Shareholder of Legal Person	Shareholding Ratio
Chuan Han Investment Co., Ltd.	Ya-Jen Cheng	37.50%
	Fu-An Yang	37.50%
	Chung-Shun Wang	5.00%
	Pik-Ling Cheng	9.00%
	Hsiang Tsan Investment Co., Ltd.	5.00%
	Ji Chuang Investment Ltd.	5.00%
	Ming-Hsiang Cheng	1.00%
Hsiang Tsan Investment Co., Ltd.	Ya-Jen Cheng	55%
	Ming-Hsiang Cheng	45%
Wang Kuang Tung Investment Co., Ltd.	ALTOS INTERNATIONAL CORPORATION	100%
2K Industries Inc., British Virgin Islands	ALTOS INTERNATIONAL CORPORATION	65.30%
	ETERNAL WELTH HOLDINGS LIMITED	34.70%
Pai Chuang Investment Co., Ltd.	Ya-Jen Cheng	49.50%
	Fu-An Yang	49.50%
	Pik-Ling Cheng	1.00%
Bicheng Investment Advisory Limited	Xiu-Qin Huang	95.00%
	Pei-Qi Huang	2.50%
	Ning-Qi Huang	2.50%
Mega Power Investments Limited, Samoa	Cin-Chih Jiang	100%
Top Point Investments Ltd., Samoa	Shu-Lan Li Yang	100%

4. Information on Directors and Supervisors (II)

I. Information on Professional Qualifications of Directors and Supervisors and Independence of Independent Directors:

Qualifications / Name	Professional Qualification and Experience (Note)	Independence Criteria (Note)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Shu-Mei Chang	(1) Having the work experience in the areas of commerce and otherwise necessary for the business. (2) Ms. Shu-Mei, Chang has practical experience in strategy setting, management and leadership, and product marketing experience and ability, and is able to propose relevant business strategies and policies and provide management opinions to the Board of Directors. (3) Not under any of the categories stated in Article 30 of the Company Act.	(1) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (2) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with compensation in the past two years. (3) Not a spouse or a relative within the second degree of kinship to any other director of the Company. (4) Not a governmental or judicial person or a representative thereof as defined in Article 27 of the Company Act.	—
Mega Power Investments Limited (Representative: Cin-Chih Jiang)	Having the work experience in the areas of commerce and otherwise necessary for the business. Former founder of Hung Fu Information Co., Ltd. Current Chairman of Hung Fu Information Co., Ltd. and Director of Mega Power Investments Limited (Samoa). Not under any of the categories stated in Article 30 of the Company Act.	(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 affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding subparagraph (1), or of any of the persons in the preceding subparagraphs (2) and (3). (5) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats	—

Name / Qualifications	Professional Qualification and Experience (Note)	Independence Criteria (Note)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		or voting rights. (6) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company. (7) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (8) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with compensation in the past two years. (9) Not a spouse or a relative within the second degree of kinship to any other director of the Company.	
Tone Investments Ltd. (Representative: Yu-Ling Tsai)	A Professional or Technical Specialist who Has Passed a National Examination and Has Been Awarded a Certificate such as Judge and Attorney. Former Government Affairs Member of the Executive Yuan, Chief Legal Officer of IBM Greater China (Hong Kong, Taiwan, Mainland China), District Court Judge of Taipei Shilin, Changhua, Taoyuan, etc. Current Member of Taipei City Government Smart City Committee, Member of Taipei City Government International Affairs Committee, Member of Taipei City Government Data Governance Committee, Director of the K.T. Li Foundation for Development of Science and Technology, Director of Chenbro Micom Co., Ltd., Co-founder of Lee, Tsai & Partners, Chairman of Taiwan Financial Technology Association, Founding Honorary Chairman of Taiwan Women on Boards Association, Supervisor of Huafan University, Independent Director of Asia Pacific Telecom, Director of the Cleaner Production and Regional Development Foundation, Supervisor of the Artificial Intelligence Foundation, Managing Supervisor of the Monte Jade Science and Technology Association of Taiwan, Managing Supervisor of the Taiwan Impact Investing Association, Director of the Chinese Arbitration Association, Director of the Taiwan Jurist Association, and Director of J-REACH Co. Ltd. Not under any of the categories stated in Article 30 of the Company Act.	(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 affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding subparagraph (1), or of any of the persons in the preceding subparagraphs (2) and (3). (5) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (6) Not a professional individual,	—

Qualifications / Name	Professional Qualification and Experience (Note)	Independence Criteria (Note)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with compensation in the past two years. (7) Not a spouse or a relative within the second degree of kinship to any other director of the Company.	
Top Point Investment Ltd. (Representative: Ming-Kung Yang)	Having the work experience in the areas of commerce and otherwise necessary for the business. Former Chairman of Main Super Enterprises Co., Ltd. Current Director of SciVision Biotech Inc. Not under any of the categories stated in Article 30 of the Company Act.	(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 affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding subparagraph (1), or of any of the persons in the preceding subparagraphs (2) and (3). (5) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights. (6) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company. (7) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with compensation in the past two years.	–

Qualifications / Name	Professional Qualification and Experience (Note)	Independence Criteria (Note)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		(8) Not a spouse or a relative within the second degree of kinship to any other director of the Company.	
FSP Technology Inc. (Representative: Ming-Hsiang Cheng)	Having the work experience in the areas of commerce and otherwise necessary for the business. Former Marketing Supervisor/Overseas Business Supervisor/Marketing Strategy Supervisor, FSP Technology Inc., Segment Marketing of Shanghai Philips Lighting. Current Legal representative of FSP TECHNOLOGY VIETNAM CO., LTD., Director of CHAMP-RAY INDUSTRIAL CO., LTD., Director of Stockfeel Co., Ltd., Director of Weiyi Sustainable Co., Ltd., Supervisor of the Jiangsu Subsidiary of FSP Group, Chairman of Xiangzan Investment Co., Ltd., Chairman of Jinyu Investment Co., Ltd., Supervisor of FSP CAPITAL CO., LTD., Chairman of Jin Yu Investment Co., Ltd., and Supervisor of FSP Capital Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	(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 affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding subparagraph (1), or of any of the persons in the preceding subparagraphs (2) and (3). (5) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights. (6) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company. (7) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with compensation in the past two years. (8) Not a spouse or a relative within the second degree of kinship to any other director of the Company.	–
Jing-Hua He	Having the work experience in the areas of commerce and otherwise necessary for the business. Former President of A.Best Shopping Mall and Supermarket Chain Store, President of Yonyou Software Group, COO of Kelote Group. Current representative of the corporate director of MAYO Human Capital Inc. and Independent	(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 affiliates. (3) Not a natural-person shareholder who holds shares,	–

<table>
<tr><th>Qualifications
Name</th><th>Professional Qualification and Experience (Note)</th><th>Independence Criteria (Note)</th><th>Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director</th></tr>
<tr><td></td><td>Director of Appier Inc.
Not under any of the categories stated in Article 30 of the Company Act.</td><td rowspan="4">together with those held by the person's spouse, minor children, 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 is ranked in the top 10 in shareholdings.
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding subparagraph (1), or of any of the persons in the preceding subparagraphs (2) and (3).
(5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act.
(6) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.
(7) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company.
(8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.
(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with compensation in the past two years.
(10) Not a spouse or a relative within the second degree of</td><td></td></tr>
<tr><td>Li-Chih Lo</td><td>Having the work experience in the areas of commerce and otherwise necessary for the business.
Former President of Visual Computing Division, ASRock Inc.
Current Independent Director of Oriental System Technology Inc.
Not under any of the categories stated in Article 30 of the Company Act.</td><td>1</td></tr>
<tr><td>Shu-Ling Wang</td><td>Having the Work Experience as an Instructor or Higher Position in a Department of Commerce, Accounting, or Other Academic Department Related to the Business Needs in a Public or Private Junior College, College or University.
Former Senior Vice President of Delta Electronics, Inc. and CFO of Delta Group, and Consultant of Chenbro Micom Co., Ltd.
Current Adjunct Expert (Professor), Institute of International Business, College of Management, National Cheng Kung University, Independent Director of AVerMedia Technologies, Inc., Director of CTBC Bank, and Director of Snail Travel Village Co., Ltd.
Not under any of the categories stated in Article 30 of the Company Act.</td><td>1</td></tr>
<tr><td>Chih-Feng Lin</td><td>A Professional or Technical Specialist who Has Passed a National Examination and Has Been Awarded a Certificate such as Judge and Attorney.
Former Chief Legal Officer of Taiwan Broadband Communications Consulting Co., Ltd., Vice President of Legal Affairs, New Century InfoComm Tech Co., Ltd., and Senior Attorney, Jones Day International Law Firm.
Current Director of Lin Chih-Feng Law Firm and Senior Law Consultant of EMQ Limited Taiwan Branch.
Not under any of the categories stated in Article 30 of the Company Act.</td><td>—</td></tr>
</table>

Name \ Qualifications	Professional Qualification and Experience (Note)	Independence Criteria (Note)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		kinship to any other director of the Company. (11) Not a governmental or judicial person or a representative thereof as defined in Article 27 of the Company Act.	

Note: In accordance with the Listing Review Standards and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company has obtained a Declaration of Independence from the independent directors and confirmed that they meet the independence criteria set forth in laws and regulations.

II. Diversity and Independence of the Board of Directors:

(I) Diversity of the Board of Directors:

1. The Company's Corporate Governance Best Practice Principles stipulate that the composition of the Board of Directors should be diversified and promote the development of the composition and structure of the Board of Directors. The candidates for directors are nominated according to the candidate nomination system specified in the Company's Articles of Association. The number of members of the Board of Directors who are also managers of the Company shall not exceed one-third of the total number of directors, and all members shall have different professional backgrounds, work areas and knowledge, skills and qualities necessary for the execution of their duties. The Company's Board of Directors shall have the following abilities as a whole: operational judgment ability, accounting and financial abilities, business management ability, crisis management ability, industry knowledge, international market perspective, leadership, laws, and risk management. The Company also places attention to gender equality in the composition of the Board of Directors and aims to have at least one-third (included) of female Board members. At present, 67% (6) of the Board members are male and 33% (3) are female.

2. Diversity of Board of Directors:

Diversity Item / Name	Gender	A Concurrent Employee of the Company	Basic Composition							Diversified professional and industrial experience								
			Age				Independent Director Seniority											
			31~40	51~60	61~70	71~80	Below 3 years	3~9 Years	9 years and above	Operational judgment ability	Accounting and financial abilities	Business management ability	Crisis management ability	Industrial Knowledge	International Market Perspective	Leadership	Law	Risk Management
Shu-Mei Chang	Female	✓			✓					✓		✓	✓	✓	✓	✓		✓
Mega Power Investments Limited (Representative: Cin-Chih Jiang)	Male					✓				✓		✓	✓	✓	✓	✓		✓
Tone Investments Ltd. (Representative: Yu-Ling Tsai)	Female				✓					✓		✓	✓	✓	✓	✓	✓	✓
Top Point Investment Ltd. (Representative: Ming-Kung Yang)	Male				✓					✓		✓	✓	✓	✓	✓		✓
FSP Technology Inc. (Representative: Ming-Hsiang Cheng)	Male		✓							✓		✓	✓	✓	✓	✓		✓
Jing-Hua He	Male				✓				✓	✓		✓	✓	✓	✓	✓		✓
Li-Chih Lo	Male			✓			✓			✓		✓	✓	✓	✓	✓		✓
Shu-Ling Wang	Female				✓		✓				✓	✓	✓	✓	✓	✓		✓
Chih-Feng Lin	Male			✓			✓			✓			✓	✓	✓	✓	✓	✓

3. Achievement of Management Objectives:

The Company's Board of Directors has already met the diversity requirements, but will continue to review the elements of diversified composition to meet future development needs and continue to strengthen the diversity goals of the Board of Directors during the re-election.

(II) Independence of the Board of Directors:

The Board of Directors of the Company consists of nine directors, including four independent directors, and the number of independent directors accounts for 44% of the total number of directors. All independent directors comply with the regulations of the Financial Supervisory Commission and the Securities and Futures

Bureau regarding independent directors, and all directors and independent directors are not under any of the categories stated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Therefore, the board of directors of the Company conform to the requisite standards of independence.

(III) Information of the President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

April 15, 2024; Unit: Shares; %

Title	Nationality	Name	Gender/ Age	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman and President	R.O.C.	Shu-Mei Chang	Female 61-70	2022.06.15	18,472,480	15.13	–	–	6,000,000	4.92	Education: Department of Economics, Tunghai University Experience: President of Tecobar (Germany)	The Company: Chairman Other companies: (Note 2)	–	–	–	(Note 1)
COO	R.O.C.	Wei-San Chang	Male 61-70	2022.12.16	–	–	–	–	–	–	Education: Department of Industrial Engineering, Feng Chia University Experience: Director of Marketing Operations Division, ACES Electronics Co., Ltd.	Chairman of Astron Connectivity Co., Ltd.	–	–	–	–
Vice President of Smart Connection Industry BU	R.O.C.	Wei-Ting Chen	Female 41-50	2022.11.04	193,000	0.16	–	–	–	–	Education: Master of Management of Technology , Fu Jen Catholic University Experience: Assistant Vice President of Smart Connection Industry BU	–	–	–	–	–
Vice President of Strategic Procurement Division	R.O.C.	Chun-Hsing Ho	Male 51-60	2022.09.01	30,000	0.02	–	–	–	–	Education: Department of International Trade, Fu Jen Catholic University Experience: Assistant Vice President of Strategic Procurement Division, Greater China - Taiwan Region, JPC	–	–	–	–	–

Title	Nationality	Name	Gender/ Age	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Assistant Vice President of COO Office	R.O.C.	Li-Ling Huang	Female 51-60	2013.01.31	52,312	0.04	4,000	—	—	—	Education: Department of Banking and Insurance, Ming Chuan University Experience:Sales Specialist, Invax System & Trading Corp.	–	–	–	–	–
Corporate Governance Officer/CFO	R.O.C.	Chih-Ping Cheng	Male 51-60	2010.12.01	153,250	0.13	—	—	—	—	Education: Department of Accounting, National Chung Hsing University Experience: Senior Auditor of KPMG Taiwan; Auditor of Natural Beauty Cosmetics Co., Ltd.	Legal representative of SWS Group Company Limited Representative of the corporate director of Ultraspeed Electronics Co., Ltd.	–	–	–	–
Assistant Vice President of DNT-SPM	R.O.C.	Chi-Hsien Sun	Male 31-40	2021.06.30	145,000	0.12	16,000	0.01	—	—	Education: Doctor of Electrical Engineering, Tamkang University Experience: Senior R&D Engineer of Zinwell Corporation; Chief R&D Engineer of Axcen Photonics Corporation	–	–	–	–	–
Assistant Vice President of RD-PM	R.O.C.	Yun-Chang Yang	Male 51-60	2022.06.01	20,000	0.02	—	—	—	—	Education: Master, Department of Mechanical Engineering, National Cheng Kung University Experience: Assistant Vice President of Research and Development, Main Super Enterprises Co., Ltd.	–	–	–	–	–

Title	Nationality	Name	Gender/ Age	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Assistant Vice President of High Frequency Development Division	R.O.C.	Kun-Chan Wu	Male 51-60	2022.06.01	37,000	0.03	155	–	–	–	Education: Department of Electronic Engineering, National Taipei University of Technology Experience: Electrical Engineer, Forward Electronics Co., Ltd.	–	–	–	–	–
Assistant Vice President of Greater China - Key Account	R.O.C.	Kang-Chiang Chen	Male 41-50	2023.01.02	66,000	0.05	–	–	–	–	Education: Department of Business Administration, National Chengchi University Experience: INTERPLEX BDM	–	–	–	–	(Note 3)
Assistant Vice President of DNT - Sales Department I/II	R.O.C.	Chia-Wen Hung	Female 31-40	2023.01.02	56,000	0.05	–	–	–	–	Education: Department of English, Jinwen University of Science and Technology Experience: PM of Billion	–	–	–	–	(Note 4)
Assistant Vice President of DNT - Sales Department III/IV	R.O.C.	Ju-Jung Chang	Female 41-50	2024.01.01	–	–	–	–	–	–	Education: Department of Information Management, National Taiwan Ocean University Experience: INTEL Component sourcer	–	–	–	–	(Note 5)

Note 1: The Chairman and the President are the same person, which is mainly due to the Company has been promoting transformation in recent years, and the Chairman concurrently serving as the President can better implement the transformation policy. The number of independent directors was increased to 4 through the re-election of directors at the Company's 2022 Shareholders' Meeting, and more than half of the directors do not hold concurrent post of employees or managers.

Note 2: Chairman of Tone Investments Ltd., Chairman of Very Mulan Investment Co., Ltd., Chairman of Cha Shin Chi Investment Co., Ltd., Chairman of Main Super Enterprises Co., Ltd.; and the representative of the corporate director of JYH Eng Technology Co., Ltd., Best Link Properties Ltd., JPC (HK) Company Ltd., Lucky Star Investment Corp, Best Match Investments Limited, Best Sky Limited, Hung Fu (Samoa) International Co., Ltd., Diamond Creative Holding Limited and SWS Group Company Limited.

Note 3: Kang-Chiang Chen, Assistant Vice President of Greater China - Key Account, was newly appointed on January 2, 2023.

Note 4: Chia-Wen Hung, Assistant Vice President of DNT - Sales Department I/II, was newly appointed on January 2, 2023.

Note 5: Ju-Jung Chang, Assistant Vice President of DNT - Sales Department III/IV, was newly appointed on January 1, 2024.

III. Compensation Paid to the Directors, Supervisors, Presidents and Vice Presidents during the Most Recent Fiscal Year

(I) Compensation Paid to Directors and Independent Directors

Compensation Paid to Directors and Independent Directors (disclosed by individual compensation)

2023; Unit: NT$1,000; 1,000 shares

Title	Name	Compensation Paid to Directors								Ratio of Total Compensation (A+B+C+D) to Net Income		Relevant Compensation Received by Directors who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Compensation from Invested Companies Other than Subsidiaries or the Parent Company
		Base Compensation (A)		Severance Pay and Pension (B)		Directors (C)		Business Execution Expenses (D)				Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G) (Note 2)						
																The Company		All Companies in Consolidated Financial Statements				
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All Companies in Consolidated Financial Statements	
Chairman	Shu-Mei Chang	-	-	-	-	600	600	90	90	0.11%	0.11%	3,258	3,258	-	-	4,000	-	4,000	-	1.25%	1.25%	-
Vice Chairman	Cin-Chih Jiang	-	-	-	-	600	600	90	90	0.11%	0.11%	-	-	-	-	-	-	-	-	0.11%	0.11%	-
Director	Ming-Kung Yang	-	-	-	-	600	600	90	90	0.11%	0.11%	-	-	-	-	-	-	-	-	0.11%	0.11%	-
Director	Yu-Ling Tsai	-	-	-	-	600	600	75	75	0.11%	0.11%	-	-	-	-	-	-	-	-	0.11%	0.11%	-
Director	Ming-Hsiang Cheng	-	-	-	-	600	600	90	90	0.11%	0.11%	-	-	-	-	-	-	-	-	0.11%	0.11%	-
Independent Director	Jing-Hua He	-	-	-	-	600	600	90	90	0.11%	0.11%	-	-	-	-	-	-	-	-	0.11%	0.11%	-
Independent Director	Li-Chih Lo	-	-	-	-	600	600	90	90	0.11%	0.11%	-	-	-	-	-	-	-	-	0.11%	0.11%	-
Independent Director	Shu-Ling Wang	-	-	-	-	600	600	120	120	0.11%	0.11%	-	-	-	-	-	-	-	-	0.11%	0.11%	-
Independent Director	Chih-Feng Lin	-	-	-	-	600	600	120	120	0.11%	0.11%	-	-	-	-	-	-	-	-	0.11%	0.11%	-
*Other than disclosures in the above table, compensation paid to directors for providing services (e.g., providing consulting services as a non-employee) for all companies in consolidated financial statements in the most recent year: None.																						

Note 1: The compensations to employees and directors for 2023 have been approved by the Board of Directors on March 6, 2024, and the compensation to employees for 2023 is the proposed distribution amount.

Note 2: The Business Execution Expenses include the compensation for the part-time members of Compensation Committee. Please explain the independent director compensation policy, system, standard, and structure, and the connection between the amount of compensation and the considered factors such as their job responsibilities, risks, and working time: The compensation to the directors of the Company is determined by the Board of Directors in accordance with the Company's Articles of Association, taking into account the degree of participation in and the contribution to the Company's operations. If the Company makes a profit, the Board of

Directors shall determine the amount of compensation to directors in accordance with the Company's Articles of Association. The independent directors are members of the Audit Committee and mainly receive the compensation to directors and payment for travel expenses.

(II) Compensation Paid to President and Vice Presidents

Compensation Paid to President and Vice Presidents (disclosed by name in an aggregate manner according to range of compensation)

2023; Unit: NT$1,000; 1,000 shares

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D) (Note 1)				Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Compensation from Invested Companies Other than Subsidiaries or the Parent Company
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman and President	Shu-Mei Chang	11,290	11,290	–	–	723	723	6,500	–	6,500	–	2.91%	2.91%	–
COO	Wei-San Chang													
Vice President of Smart Connection Industry BU	Wei-Ting Chen													
Vice President of Strategic Procurement Division	Chun-Hsing Ho													

Note 1: The compensation to employees for 2023 has been approved by the Board of Directors on March 6, 2024, and the compensation to employees for 2023 is the proposed distribution amount.

Range of Compensation

Range of Compensation Paid to President and Vice Presidents	Name of President and Vice President	
	The Company	All Companies in Consolidated Financial Statements
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)	Wei-Ting Chen, Chun-Hsing Ho	Wei-Ting Chen, Chun-Hsing Ho
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)	Wei-San Chang	Wei-San Chang
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)	Shu-Mei Chang	Shu-Mei Chang
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)	-	-
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	4	4

(III) If a TWSE/TPEx listed company has any of the following circumstances, the compensations of the top five highest paid executives shall be disclosed separately: None, therefore it is not applicable.

1. Loss after tax occurred in the parent company only or individual financial statements for the past three years: None.
2. The TWSE/TPEx listed company's corporate governance evaluation results for the most recent year are at the last level: None.

(IV) Names of the managers who received employee compensation and the distribution status for 2023.

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

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Stock Amount</th><th>Cash Amount</th><th>Total</th><th>Ratio of Total Amount to Net Income (%)</th></tr>
<tr><td rowspan="10">Managerial Officer</td><td>Chairman and President</td><td>Shu-Mei Chang</td><td rowspan="10">–</td><td rowspan="10">11,500</td><td rowspan="10">11,500</td><td rowspan="10">1.81%</td></tr>
<tr><td>COO</td><td>Wei-San Chang</td></tr>
<tr><td>Vice President of Smart Connection Industry BU</td><td>Wei-Ting Chen</td></tr>
<tr><td>Vice President of Strategic Procurement Division</td><td>Chun-Hsing Ho</td></tr>
<tr><td>Assistant Vice President of COO Office</td><td>Li-Ling Huang</td></tr>
<tr><td>CFO</td><td>Chih-Ping Cheng</td></tr>
<tr><td>Assistant Vice President of DNT-SPM</td><td>Chi-Hsien Sun</td></tr>
<tr><td>Assistant Vice President of RD-PM</td><td>Yun-Chang Yang</td></tr>
<tr><td>Assistant Vice President of DNT - Sales Department I/II (Note 1)</td><td>Chia-Wen Hung</td></tr>
<tr><td>Assistant Vice President of Greater China - Key Account (Note 2)</td><td>Kang-Chiang Chen</td></tr>
</table>

Note 1: Chia-Wen Hung, Assistant Vice President of DNT - Sales Department I/II, was newly appointed on January 2, 2023.

Note 2: Kang-Chiang Chen, Assistant Vice President of Greater China - Key Account, was newly appointed on January 2, 2023.

(V) Analysis of Total Compensation, as a Percentage of Net Income Stated in the Parent Company Only Financial Statements, Paid by the Company and All Companies in Consolidated Financial Statements during the past two fiscal years to the Directors, Supervisors, President, and Vice Presidents, along with Description of Compensation

Policies, Standards, and Packages, Procedure for Determining Compensation, and Linkage Thereof to Operating Performance and Future Risk Exposure.

Title	2022 Total compensation, as a percentage of net income, paid by the Company and all companies in consolidated financial statements to the directors, supervisors, president, and vice presidents	2023 Total compensation, as a percentage of net income, paid by the Company and all companies in consolidated financial statements to the directors, supervisors, president, and vice presidents
Director	1.29%	0.99%
President and Vice Presidents	2.21%	2.91%

1. In accordance with Article 16 of the Articles of Association, the compensation to the directors of the Company shall be as follows: The Company shall pay a fixed amount of compensation to the directors of the Company (including independent directors) for performing their duties for the Company, regardless of the Company's operating profit or loss, and shall pay a traffic allowance of NT$15,000 for each attendance. The compensation to the Company's directors (including independent directors) shall be decided by the Compensation Committee and then submitted to the Board of Directors for discussion and resolution, and shall be determined in accordance with the directors' participation in and contribution to the Company's operations.
2. In accordance with Article 19 of the Articles of Association, the compensation to the Company's employees shall be as follows: if the Company make a profit in a fiscal year, not less than 7% of the profit shall be set aside as the employee compensation, as resolved by the Board of Directors. However, if the Company has accumulated losses, profit shall first be used to offset accumulated losses. The aforementioned compensation to employees may be in stock or cash, and may be paid to employees of the Company's subordinate companies that meet the criteria set by the Board of Directors. The aforementioned compensation to directors may be paid in cash only.
3. The compensation to the President and Vice Presidents includes base salary, meal allowance, and duty allowances, and is paid according to the different education, experience, performance and years of service, with reference to the industry standard.

   In summary, the compensation to the Company's directors varies according to the Company's profit, and the compensation to the president and vice president is paid according to industry standard.

IV. Implementation of Corporate Governance

(I) Operation of the Board of Directors

A total of 5 meetings of the Board of Directors were held in 2023. The attendance of the directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remark
Chairman	Shu-Mei Chang	5	-	100.00	
Director	Mega Power Investments Limited (Representative: Cin-Chih Jiang)	5	-	100.00	
Director	Top Point Investment Ltd. (Representative: Ming-Kung Yang)	5	-	100.00	
Director	Tone Investments Ltd. (Representative: Yu-Ling Tsai)	5	-	100.00	
Director	FSP Technology Inc. (Representative: Ming-Hsiang Cheng)	5	-	100.00	
Independent Director	Jing-Hua He	5	-	100.00	
Independent Director	Shu-Ling Wang	5	-	100.00	
Independent Director	Chih-Feng Lin	5	-	100.00	
Independent Director	Li-Chih Lo	5	-	100.00	

Other matters to be recorded:

I. With regard to the implementation of the Board of Directors, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified.

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act:
The Company has established an audit committee in accordance with Article 14-5 of the Securities Exchange Act, hence not applicable. For matters listed in Article 14-5 of the Securities Exchange Act, please refer to the Major Resolutions of Board Meetings on pages 66 to 68.

(II) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the above: None.

II. Recusal of directors from voting due to conflicts of interest: None.

III. TWSE/TPEx listed company shall disclose information on the cycle and duration, scope, method and content of the self-evaluation (or peer evaluation) of the Board of Directors, and fill in the following information on the implementation of the board evaluation:
Evaluation of the Board
At the Board of Directors' meeting held on March 6, 2024 (the 1st meeting in 2024), the Company reported the performance evaluation results of the Board of Directors for 2023. For detailed results of the internal and external Board performance evaluation, please refer to "(III) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof"; in addition, the Rules for Performance Evaluations of the Board of Directors are disclosed on the Company's website.

Frequency	Period	Scope	Method	Content
Internal performance evaluation of Board of Directors: annually.	From January 1, 2023 to December 31, 2023.	Performance evaluation of the Board, individual directors, and functional committees.	Self-evaluation by the Board, self-evaluation by board members, and self-evaluation by functional committee members.	The performance of the Board of Directors is evaluated in five aspects, including participation in the Company's operations, improvement of decision-making quality of the Board of Directors, composition and structure of the Board of Directors, election and continuing education of directors, and internal control; the performance of the Board members is evaluated in six aspects, including mastery of the Company's objectives and tasks, understanding of directors' responsibilities, participation in the Company's operations, internal relationship management and communication, professional skills and continuing education of directors, and internal control; the performance of each functional committee is evaluated in five aspects, including the participation in the company's operations, understanding of the functional committee's responsibilities, improvement of the decision-making quality of functional committee, composition of functional committee and election of members, and internal control.

IV. Goals for improvement of the Board of Directors' functions and evaluation on their implementation in the current year and the most recent year:

1. The Company's Board of Directors is elected in accordance with the law, the Company's annual report and the resolution of the Shareholders' Meeting. All directors have the necessary professional knowledge and skills to perform their duties, and are committed to creating maximum benefits for the shareholders in line with the principle of good faith.
2. The Company has established functional committees such as the Audit Committee, the Compensation Committee and the Sustainable Development Committee to assist the Board of Directors in carrying out its duties and supervisory responsibilities, and has also established the "Rules of Procedures of the Board of Directors" to establish a good system for the Board of Directors.
3. To improve the corporate governance system, the Company has established basic rules and management regulations related to corporate governance by resolution of the Board of Directors, including the "Corporate Governance Best Practice Principles", "Rules of Procedures for Shareholders' Meeting", "Rules of Procedures for Board of Directors", "Standard Operating Procedures for Handling Directors' Requests", "Ethical Corporate Management Best Practice Principles", "Rules for Handling Reports of Illegal, Unethical or Dishonest Conducts", "Risk Management Policy", "Procedures for Ethical Management and Guidelines for Conduct", and "Rules for Performance Evaluations of the Board of Directors", etc.

(II) Operation of Audit Committee

A total of 5 meetings of the Audit Committee were held in 2023. The attendance of independent directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remark
Independent Director	Jing-Hua He	5	-	100.00	
Independent Director	Shu-Ling Wang	5	-	100.00	
Independent Director	Chih-Feng Lin	5	-	100.00	
Independent Director	Li-Chih Lo	5	-	100.00	

Other matters to be recorded:

I. With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified:

(I) For the matters specified in Article 14-5 of the Securities Exchange Act, please refer to the Major Resolutions of Board Meetings on pages 66 to 68.

(II) Other matters not approved by the Audit Committee but approved by two-thirds or more of all directors: None.

II. Recusal of independent directors from voting due to conflicts of interest: None.

III. Communication between the independent directors, chief internal auditor, and CPAs:

1. Communication policy between independent directors and chief internal auditor:

(1) The Chief Internal Auditor shall submit audit reports and deficiency tracking reports on the implementation status of the Company's annual audit plan and the improvement of internal control deficiency tracking to the independent directors for review on a regular basis.

(2) Report to the independent directors on the progress of the audit at least once a quarter. In the event of any significant abnormal events, immediately prepare a report and notify the independent directors. There were no such abnormal conditions in 2023.

2. Summary of communications between the Independent Directors and the Chief Internal Auditor:

Item	Date of meeting	Summary of the key points of communication	Communication status and results
1.	2023/03/27	(1) The Company's Statement on the Internal Control System for 2022 was issued. (2) The progress report of the Company's auditing work in the fourth quarter of 2022.	1. The chairperson of the meeting consulted all committee members present, and they approved the proposal without objection. 2. Approved and submitted to the Board of Directors.
2.	2023/05/05	(1) The progress report of the Company's auditing work in the first quarter of 2023.	The chairperson of the meeting consulted all committee members present, and they approved the proposal without objection.
3.	2023/08/04	(1) The progress report of the Company's auditing work in the second quarter of 2023.	The chairperson of the meeting consulted all committee members present, and they approved the proposal without objection.
4.	2023/11/06	(1) The progress report of the Company's auditing work in the third quarter of 2023.	The chairperson of the meeting consulted all committee members present, and they approved the

			proposal without objection.
5.	2023/12/15	(1) Submitted the Company's Audit Plan for 2024.	1. The chairperson of the meeting consulted all committee members present, and they approved the proposal without objection. 2. Approved and submitted to the Board of Directors.
Results: All of the above matters were discussed and approved by the Independent Directors of the Audit Committee, and the Independent Directors had no objection.			

3. Communication Policy between Independent Directors and CPAs:

(1) The independent directors of the Audit Committee and the CPAs will hold regular corporate governance meetings at least once a year, and when necessary, the CPAs will also communicate and discuss in writing. The scope includes the independence of the CPA's audit of the Group's consolidated financial statements and related responsibilities, audit plan related matters, material findings of the audit (including adjustments of journal entries and significant deficiencies in internal control), audit report contents, and the review results of interim consolidated financial statements.

(2) The Audit Committee will complete the review report according to the Group's consolidated financial statements audited by professional CPAs and the audit opinion report.

4. Summary of communications between the independent directors and the CPAs:

Item	Date of meeting	Summary of the key points of communication	Communication status and results
1.	2023/03/27	(1) Financial statements of the Company for 2022. (2) Important matters of communication with the governance department.	The chairperson of the meeting consulted all committee members present, and they approved the proposal without objection.
2	2023/05/05	(1) Financial statements of the Company for the first quarter of 2023. (2) Important matters of communication with the governance department.	The chairperson of the meeting consulted all committee members present, and they approved the proposal without objection.
3	2023/08/04	(1) Financial statements of the Company for the second quarter of 2023. (2) Important matters of communication with the governance department.	The chairperson of the meeting consulted all committee members present, and they approved the proposal without objection.
4	2023/11/06	(1) Financial statements of the Company for the third quarter of 2023. (2) Important matters of communication with the governance department.	The chairperson of the meeting consulted all committee members present, and they approved the proposal without objection.

IV. Annual work focus and operation of the Audit Committee:

Work focus	Operation	
	Resolution	The Company's response to committee members' opinions
Evaluation on the effectiveness of internal control system	Passed	Independent Directors have no opinion
Appointment, dismissal or compensation of CPAs	Passed	Independent Directors have no opinion
Annual Financial Statements	Passed	Independent Directors have no opinion

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

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>I. Does the company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?</td><td>✓</td><td></td><td>A. The Company has established its corporate governance best-practice principles and set a corporate governance officer to perform corporate governance-related matters. For related regulations, please refer to the important internal regulations on the official website.
B. The Company's Board of Directors resolved on March 21, 2019 to appoint CFO Chih-Ping, Cheng as the corporate governance Officer to protect shareholders' rights and interests and strengthen the functions of the Board of Directors. CFO Chih-Ping, Cheng has over 20 years of experience in accounting, auditing and financial management of listed companies. The main responsibilities of the Corporate Governance Officer are to handle affairs related to the Board of Directors and Shareholders' Meeting, prepare minutes of board meetings and shareholders' meetings, assist directors in their assumption of duty and continuing education, provide directors with the materials required for performance of their duties, and assist directors in legal compliance.
C. The business execution status for 2023 is as follows:
1. Assisted independent directors and directors in carrying out their duties, provided the materials required and arranged for directors' continuing education:
(1) Provided members of the Board of Directors with the latest revisions and developments of laws and regulations related to the Company's business scope and corporate governance at the time of their appointment, and updated the relevant information on a regular basis.
(2) Reviewed the level of confidentiality of relevant information and provided directors with the required corporate information, and maintained smooth communication and exchange between directors and business executives.
(3) Assisted in arranging meetings between the independent directors and the Chief Internal Auditor or CPAs when it is necessary to understand the Company's financial operations in accordance with the Corporate Governance Best Practice Principles.
(4) In accordance with the industry characteristics of the Company and the education and experience background of the directors, assisted the independent directors and directors in preparing annual continuing education plans and arranging courses.
2. Assisted in legal compliance of the rules of procedure and resolution compliance of the Board of Directors' and Shareholders' Meetings:
(1) Reported to the Board of Directors, Independent Directors and the Audit Committee on the Company's corporate governance implementation status, and confirmed whether the Company's shareholders' meetings and board meetings were held in compliance with the relevant regulations of Corporate Governance Best Practice Principles.
(2) Assisted and reminded the directors of the rules and regulations that should be observed when conducting business or making formal resolutions of the Board of Directors, and put forward suggestions to the Board of Directors when illegal resolutions were about to be made.
(3) Reviewed the release of material information on important resolutions of the Board of Directors after the meeting to</td><td>-</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>ensure the legality and correctness of the content of the material information and ensure the equivalence of investors' transaction information.
3. Prepared the agenda of the Board of Directors' meetings, notified the directors seven days in advance, convened the meetings and provided meeting information, reminded those who should avoid themselves from any issues due to conflict of interests in advance, and completed the meeting minutes of the Board of Directors within 20 days after the meeting.
4. Handled pre-registration for the date of the shareholders' meeting, prepared the notice of meeting, meeting manual, and meeting minutes within the legal time limit, and registered the changes in case of amendment to the Articles of Association or the re-election of directors in accordance with the law.
D. The Company's corporate governance officer has completed the continuing education courses in accordance with the regulations.
The continuing education status of the corporate governance officer in 2023 is as follows:
<table>
<tr><th>Date of Continuing Training</th><th>Training Institution</th><th>Course Name</th><th>Training Hours (Hours)</th><th>Total Training Hours (Hours)</th></tr>
<tr><td>2023/11/28~ 2023/11/29</td><td>Taiwan Accounting Research and Development Foundation</td><td>Continuing Education Course for Accounting Supervisors of Issuer, Securities Dealers and Stock Exchanges (3 hours of finance + 6 hours of professional ethics and legal responsibility + 3 hours of corporate governance)</td><td>12</td><td>12</td></tr>
</table></td><td></td></tr>
<tr><td>II. Shareholding structure & shareholders' rights
(I) Does the company establish and implement internal operating procedures to deal with shareholders’ suggestions, doubts, disputes, and litigations?
(II) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?
(III) Does the company establish and execute a risk management and firewall system within its affiliates?
(IV) Does the company establish internal rules against insiders using undisclosed information to trade in securities?</td><td>✓
✓
✓
✓</td><td></td><td>(I) The Company has set up a Spokesperson and a Deputy Spokesperson to handle related matters in accordance with the regulations, and the Company also has a dedicated section on the website to receive questions or suggestions.
(II) The Company keeps track of changes in insider shareholdings and may obtain a list of major shareholders and their ultimate controllers, and discloses relevant information on a regular basis.
(III) The Company's investment matters are handled in accordance with the Company's "Internal Control System", "Internal Audit System" and relevant laws and regulations.
(IV) The Company educates its insiders about the relevant laws and regulations from time to time.
In addition, the Company has established the "Procedures for Handling Internal Material Information" to prevent insider trading and protect investors and the Company's interests.
When new directors and managers take office, the Company also</td><td>—
—
—
—</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			provides information on the relevant regulations and reminds them of the precautions to be taken in connection with insider trading.	
III. Composition and responsibilities of the Board of Directors (I) Does the Board of Directors establish a diversity policy and specific management objectives and implement them?	✓		(I) 1. The Company's Board of Directors has formulated the "Corporate Governance Best Practice Principles" on December 13, 2018, where a diversity policy is stated in Chapter 3 "Enhancing the Functions of the Board of Directors." The nomination and election of members of the Board of Directors is conducted in accordance with the Articles of Association, wherein a candidate nomination system is adopted. In addition to the evaluation of the education background and work experience of candidates, stakeholders' opinions are also taken into consideration in accordance with the "Regulations Governing Election of Directors" and the "Corporate Governance Best Practice Principles" in order to ensure the diversity and independence of members of the Board of Directors. 2. Among the nine members of the Board of Directors of the Company, there are three female members (Chairman Shu-Mei Chang, Director Yu-Ling Tsai, and Independent Director Shu-Ling Wang) and four independent directors (Independent Director Jing-Hua He, Independent Director Chih-Feng Lin, Independent Director Li-Chih Lo, and Independent Director Shu-Ling Wang), making the composition of the Board more diversified. The board members are specialized in different fields: Chairman Shu-Mei Chang, Vice Chairman Cin-Chih Jiang, Director Ming-Kung Yang, Director Ming-Hsiang Cheng, Independent Director Jing-Hua He, and Independent Director Li-Chih Lo are specialized in leadership, operational judgment, business management, crisis management with industry knowledge and international market perspective; Director Yu-Ling Tsai and Independent Director Chih-Feng Lin are specialized in the field of law, and Independent Director Shu-Ling Wang are specialized in the field of accounting and finance. 3. The proportion of Independent Directors is 44.44% and the proportion of female directors is 33.33%. One of the Independent Directors has a seniority of more than five years and three of the Independent Directors have a seniority of less than three years. The Company values the importance of gender equality in the composition of the Board of Directors, and the proportion of female directors is more than one-third. 4. Further information concerning the Board diversity policy can be found on the company website and the MOPS.	—
(II) Does the company voluntarily establish other functional committees in addition to the legally-required Compensation Committee and Audit Committee?	✓		(II) In addition to the Compensation Committee and Audit Committee, the Company established the Sustainable Development Committee on November 4, 2022 to establish an ESG-related promotion and implementation unit, consisting of Chairman Shu-Mei Chang, Independent Director Shu-Ling Wang, CFO Chih-Ping Cheng, and Vice President of Strategic Procurement Division Chun-Hsing Ho, with Chairman Shu-Mei Chang as the convener and chairperson. JPC extends the concept and practice of corporate social responsibility to the supply chain and implements energy-saving and carbon-reducing activities to realize effective utilization of resources. From 2022, JPC promotes GREEN supply chain, practices the concept of "Reduce", "Reuse" and "Recycle."	—
(III) Does the company establish standards and methods to evaluate the performance of the	✓		(III) On December 15, 2023, the discussion unit of the Company's Board of Directors acted as the executive unit for the performance evaluation of the Board of Directors. At the end of each year, the	—

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' compensation and nomination and renewal?			discussion unit of the Board of Directors will assist in collecting information on Board activities and implement an internal self-evaluation of board performance. For the Board of Directors, board members, and all functional committees (including the Audit Committee, Compensation Committee, and Sustainable Development Committee), the self-evaluation is conducted by means of questionnaires, the questionnaires will be collected and counted, and the evaluation results will be submitted to the Board of Directors as the basis for review and improvement. In addition, the aforementioned regulations stipulate that external evaluation shall be conducted at least once every three years. ● The performance evaluation of the Company's Board of Directors includes the following five aspects: 1. Participation in the Company's operations. 2. Improvement of decision-making quality of the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal control. ● The performance evaluation of the Company's Board members includes the following six aspects: 1. Mastery of the Company's objectives and tasks. 2. Understanding of directors' responsibilities. 3. Participation in the Company's operations. 4. Internal relationship management and communication. 5. Professional skills and continuing education of directors. 6. Internal control. ● The performance evaluation of each functional committee includes the following five aspects: 1. Participation in the Company's operations. 2. Understanding of the functional committee's responsibilities. 3. Improvement of the decision-making quality of functional committee 4. Composition of functional committee and election of members. 5. Internal control. ● In March 2024, the Company completed the internal performance self-evaluation of the Board of Directors, Board members and functional committee members for 2023. The full score of each of the above evaluations is 100 points. The self-evaluation scores of the Board of Directors and the Board members were 100 and 99.67 respectively, which were rated as "meet the criteria"; the self-evaluation scores of the functional committees were 100 for the Audit Committee, 100 for the Compensation Committee and 100 for the Sustainable Development Committee respectively. ● The above evaluation results have been submitted to the Board of Directors on March 6, 2024 (the second meeting in 2024), and the main improvement suggestions and future continuous improvement directions are as follows: 1. Board of Directors and Board members: All assessment criteria for the board's performance evaluation this year have received positive reviews. The overall operation of the board complies with corporate governance requirements. Improvement initiatives will be continuously implemented based on the feedback from this board meeting. 2. Functional Committees: (1) Audit Committee: All assessment criteria for the Audit Committe's performance evaluation this year have received positive reviews. The overall operation of the committee complies with corporate governance requirements. Improvement initiatives will be continuously	

Evaluation Item	Implementation Status (Note) Yes	No	Summary Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and Reasons Thereof
			implemented based on the feedback from this committee meeting. (2) Compensation Committee: All assessment criteria for the Compensation Committe's performance evaluation this year have received positive reviews. The overall operation of the committee complies with corporate governance requirements. Improvement initiatives will be continuously implemented based on the feedback from this committee meeting. (3) Sustainable Development Committee: All assessment criteria for the Sustainable Development Committe's performance evaluation this year have received positive reviews. The overall operation of the committee complies with corporate governance requirements. Improvement initiatives will be continuously implemented based on the feedback from this committee meeting. ● The Company has disclosed the "Rules for Performance Evaluations of the Board of Directors" on the MOPS and the Company's website, and the relevant performance evaluation results of the Board of Directors have been disclosed on the "Corporate Governance Implementation Status" page of the "Corporate Governance" section on the Company's website.	
(IV) Does the company regularly evaluate the independence of the CPAs?	✓		(IV) The Company regularly evaluates the independence, suitability and professionalism of the CPAs at least once a year, focusing on the scale and reputation of the accounting firm, the number of years of continuous provision of audit services, the nature and extent of non-audit services provided, the audit fee, peer review, the absence of any legal proceedings or cases amended or investigated by the competent authorities, the quality of audit services, the availability of regular continuing education, and the interaction with the management and Chief Internal Auditor. The Company has confirmed that the CPAs have no financial interests or business relationships with the Company other than the fees for audit and tax cases, and that they meet the Company's independence evaluation standards and are qualified to serve as the Company's CPAs. The CPAs are required to provide a disinterested and independent written statement and Audit Quality Indicators (AQIs), based on which the Board of Directors will perform its evaluation. The evaluation results for the most recent two years were completed on December 16, 2022 and December 15, 2023 respectively.	—
IV. Does the company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)?	✓		The Company has established a corporate governance unit with CFO Chih-Ping, Cheng as the Corporate Governance Officer to handle business related to corporate governance and learn related courses in accordance with the law.	—
V. Does the company establish communication channels and a dedicated section on the company	✓		The Company has set up a Spokesperson and a Deputy Spokesperson to handle related matters in accordance with regulations, and has set up "Investor Relations" and "Consultation & Opinions" on the Company's	—

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material CSR issues in a proper manner?			website to establish communication channels with stakeholders. In addition, a stakeholder section has been set up on the Company's website for investors' use.	
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed KGI Securities to handle shareholder affairs.	—
VII. Information disclosure (I) Does the company have a website to disclose the financial operations and corporate governance status?	✓		(I) The Company has a website (http://www.jpcco.com/) to disclose the financial operations and corporate governance status.	—
(II) Does the company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)?	✓		(II) The Company has set up a spokesperson system in accordance with the regulations, and the spokesperson is Wei-Ling I; the Company has also set up an English/Japanese website at the following address: http://www.jpcco.com.	—
(III) Does the company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?		✓	(III) (1) The company convened the Board of Directors meeting prior to the statutory deadline to approve the financial reports for each quarter, and on the same day announce the statements and XBRL information for investors to review. (2) The financial information is also published on the Investor Relations section of the Company's website.	The annual financial statements shall be announced and declared within three months after the end of a fiscal year.
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, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchase of liability insurance for directors and supervisors)?	✓		(I) The Company attaches importance to labor safety and welfare, and has established relevant measures to provide employee protection. (II) The Company has joined the Responsible Business Alliance (RBA) and rigorously follow the regulations. (III) Based on the responsibility for protection of investors, the Company will disclose information in accordance with relevant laws and regulations, and promote good interaction with its investors. (IV) The Company has good interactive and cooperative relationship with suppliers and provides good and efficient information communication to establish a long-term cooperation and economic operation model. (V) The Company regularly provides education courses for directors from time to time, and purchases liability insurance for directors in accordance with the Articles of Association. (VI) The Company's website has a stakeholder section and a corporate governance section to provide information about risk management policies. (VII) The succession plan of the Company's board members and key management and its implementation status: the succession plan requires that the successor must possess excellent professional and management abilities, values consistent with the Company, and personality traits that include honesty, integrity, innovation, and execution power. The training contents for senior management successors includes trainings on management and professional ability, job rotation, and	—

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			experience in group companies, etc., in order to comprehensively develop the business management abilities of senior executives. (1) Succession plan for board members: The Company currently has 9 directors (including 4 independent directors), all of whom have relevant experience in operation and management, leadership and decision-making. We also recruit talents with professional backgrounds in industry knowledge, financial analysis, and legal affairs, who have extensive industry practice or professional financial accounting experience, and have practical management experience. In addition to professional background (e.g. accounting, industry, finance, marketing, law, etc.) and professional skills (e.g. marketing ability, operational judgment ability, accounting and financial analysis abilities, business management ability, industry knowledge, international market perspective, leadership, etc.), they should also possess expertise and concepts regarding the business and management plan of the Company; the Company also conducts internal board performance evaluations on a regular basis, and the evaluation results are used as a reference for the selection or nomination of directors. With respect to the succession plan of the Board of Directors, in addition to the Company's current Regulations Governing Election of Directors and senior management, the Company's major shareholders have been working in the communications industry for a long time and have sufficient talent pool to take over future director vacancies. As for the independent directors, the Company is well connected with the domestic and international communication markets and has sufficient talents to take over the future director vacancies. There are also sufficient domestic professionals in this field. Therefore, the Company plans to appoint professionals from various fields in the industry or academia as successors to the independent directors to enhance the corporate governance more effectively. (2) Succession plan for key management: The Company's key management is composed of employees at the Assistant Vice President level and above, and is evaluated based on personality traits, performance and future potential. The personality traits include honesty, integrity, promise keeping and breakthrough thinking, etc. In addition to excellent job performance, they must also meet the Company's core values and mission vision. As the key management covers all departments of the Group, they are actively cultivated by the Company. Department heads have clear job responsibilities and have designated deputies for training and cultivation. In addition, the Company also encourages key management to receive on-the-job training or participate in education and training provided by external organizations to enhance their all-round capabilities. In accordance with the future development and investment plans, the Company conducts cross-departmental cooperation training for key personnel, hoping to cultivate various abilities of succession personnel for the smooth implementation of future succession plans.	
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the TWSE's Corporate Governance Center, and provide the plans for improvement with items yet to be improved.		✓	1. The range of 2023 (10th) corporate governance evaluation is 66%~80%, and the Company will work towards improving various corporate governance matters. 2. The Company's self-evaluation on governance does not find any significant deficiency that require improvement.	—

Note: The Implementation Status, regardless of whether "Yes" or "No" is checked, should be explained in the Summary Description column.

(IV) If the Company has a compensation committee, the composition, responsibilities and operation of the committee should be disclosed. In accordance with the "Regulations Governing Establishment and Exercise of Authority of the Compensation Committee of TWSE/TPEx Listed Companies", the Company’s Board of Directors approved the Charter of the Compensation Committee and the establishment of the Compensation Committee on December 23, 2011.

Information on the Compensation Committee members

<table>
<tr><th>Title</th><th>Qualifications
Name</th><th>Professional Qualification and Experience</th><th>Independence Criteria</th><th>Number of Other Public Companies where the Individual Concurrently Serves as a Compensation Committee Member</th></tr>
<tr><td>Independent Director</td><td>Chih-Feng Lin</td><td rowspan="2">Please refer to section 4. Information on Professional Qualifications of Directors and Independence of Independent Directors on pages 25-30.
Not under any of the categories stated in Article 30 of the Company Act.</td><td rowspan="3">(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 affiliates.
(3) Not a natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding subparagraph (1), or of any of the persons in the preceding subparagraphs (2) and (3).
(5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act.
(6) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.
(7) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company.
(8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.
(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with compensation in the past two years.
(10) Not a spouse or a relative within the second degree of kinship to any other director of the Company.
(11) Not a governmental or judicial person or a representative thereof as defined in Article 27 of the Company Act.</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Shu-Ling Wang</td><td>-</td></tr>
<tr><td>Others</td><td>Kuo-Ming Peng</td><td>Graduated from the University of Wisconsin-Madison with a Master degree of Industrial Technology. Previously held positions as General Manager of the Taiwan and Shanghai office of Molex Inc., General Manager of Singatron Group, CEO of ACES Group, and Consultant of the Chairman Office of Jess-Link Products Co., Ltd.</td><td>-</td></tr>
</table>

Operational status of the Compensation Committee

1. There are a total of 3 members in the Compensation Committee of the Company.
2. The term of office of the current Compensation Committee is from June 15, 2022 to June 14, 2025. A total of 2 meetings of the Compensation Committee were held in 2023, with the qualifications of members and attendance records as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remark
Independent Director (Convener)	Chih-Feng Lin	2	-	100.00	-
Independent Director	Shu-Ling Wang	2	-	100.00	-
Committee Member	Kuo-Ming Peng	2	-	100.00	-
Other matters to be recorded: I. If the Board of Directors refuses to adopt or amends a recommendation of the Compensation Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the company's response to the Compensation Committee's opinion (e.g., if the compensation passed by the Board of Directors exceeds the recommendation of the Compensation Committee, the circumstances and cause for the difference shall be specified) shall be specified: None. II. If there are resolutions of the Compensation Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.					

3. The date and session of the 2023 Compensation Committee meetings, the content of the motion, resolution, and the Company's response to the Compensation Committee's opinions.

Compensation Committee	Content of Motion and Follow-up	Resolution	The Company's response to the Compensation Committee's opinions
The 4th meeting of the 5th term Compensation Committee March 27, 2023	1. The allocation of the compensation of employees and directors for 2022. 2. Review of the performance evaluation of managers and the compensation policy.	Passed by the agreement of all committee members.	Submitted to the Board of Directors and adopted by all directors present.
The 5th meeting of the 5th term Compensation Committee December 15, 2023	1. Amendment of the Performance Bonus Management Policy.	Passed by the agreement of all committee members.	Submitted to the Board of Directors and adopted by all directors present.

(V) Implementation Status of Promoting Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Promotion items	Implementation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
I. Does the company establish a governance structure and an exclusively (or concurrently) dedicated unit to implement sustainable development and have management appointed by the Board of Directors to be in charge of sustainable development and to report the supervision results to the Board of Directors?	✓		The Company established the Sustainable Development Committee on November 4, 2022, and the Board of Directors approved on November 4, 2022 that the Committee was authorized to promote and strengthen the decisions and supervision on promoting and strengthening sustainable development and ESG development in accordance with its responsibilities.	—
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the business operations and formulate relevant risk management policies or strategies based on the materiality principle?	✓		The Company established the risk management policy on March 20, 2020. The Sustainable Development Committee identifies the risk assessment standards, processes, results and risk management policies or strategies for environmental, social and corporate governance-related material issues to ensure the Company's sound operation and sustainable development, and uses them as the basis for various risk management and implementation to strengthen corporate governance and to reasonably ensure the achievement of the Company's objectives.	—
III. Environmental issues (I) Does the company establish an environmental management system proper to its industry's characteristics?	✓		(I) The Company has established establish an environmental management system proper to its industry's characteristics and obtained ISO140001, SONY GP and other environmental management related certifications.	—
(II) Does the company endeavor to utilize energy sources more efficiently and use renewable materials that have low impact on the environment?	✓		(II) The Company has implemented recycling of waste products to improve the utilization efficiency of all resources. The Company also implements a policy of not using conflict minerals and guarantees that the gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), tin (Sn), mica (Mica) and other metal minerals used in materials, parts and products delivered to our customers in the past and in the future are not mined through anarchic or illegal groups or from the mining areas involved in armed conflict, human rights	—

Promotion items	Implementation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			infringement or in conflict area in the Democratic Republic of the Congo, or obtained through illegal smuggling. The Company understands and recognizes the value of human rights and does not use minerals mined under any circumstances involving armed conflict or human rights infringement.	
(III) Does the company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?	✓		(III) In response to global warming caused by climate change, the Company actively promotes the environmental protection concept of energy saving and carbon reduction, makes contribution to society, and strengthens employees' awareness of green energy and environmental protection in corporate governance in order to reduce greenhouse gas emissions.	—
(IV) Does the company calculate the amount of greenhouse gas emissions, water consumption, and waste production in the past two years and implement policies to cut down greenhouse gas emissions, water consumption and waste production?	✓		(IV) The Company promotes and implements the policy of reducing electricity consumption in offices and installing energy-saving lamps to reduce greenhouse gas emissions. The Company has obtained local production permits and ISO14001 certification for each production site; conducts annual internal audits of environmental performance to reduce resource waste and waste generation and to implement the concept of sustainable operation.	—
IV. Social issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(I) The Company protects the legal rights and interests of its employees in accordance with labor laws and regulations, and provides pensions and establishes the Employee Welfare Committee. The Company is also committed to complying with the International Bill of Human Rights, International Labour Convention, the Labor Standards Act of Taiwan, and other relevant laws and regulations, implementing the Code of Conduct - Responsible Business Alliance (RBA), as well as other applicable industry standards and international conventions, and continuously improving the working	—

Promotion items	Implementation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			conditions and employee benefits of all employees.	
(II) Does the company appropriately reflect the business performances or achievements in the employee compensation policy (including salary, annual leave and other benefits)?	✓		(II) The Company has established the relevant performance and achievement regulations to reward employees and review their achievement of work objectives through regular evaluations. At present, the Company rewards employees with reasonable compensation in accordance with the Rules for Employee Benefits, the Rules for Bonus Management, and the Rules for Performance Bonus Management, etc.	–
(III) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	✓		(III) The Company regularly reviews the working environment to create a zero-hazard workplace, and regularly conducts employee health examinations and holds safety and health education trainings for employees to raise their awareness of safety. In addition, the Company has also obtained the OHSAS 18000 (International Safety and Health Management System Certification Standard) certification for employee safety and health to ensure a safe and secure working environment for employees. The Company also complies with the national regulations and sets up relevant work safety management personnel with professional licenses, and provides regular trainings to ensure that the work safety skills can be effectively implemented. EX. Class A occupational safety and health business supervisor, occupational safety and health manager, fire control manager, organic solvent operation supervisor, and first-aid personnel; we are committed to creating a work environment with no occupational hazard.	–
(IV) Does the company establish effective career development and training plans for its employees?	✓		(IV) The Company will hold seminars or lectures on various topics to train employees' career abilities, or hold education and training courses related to their duties from time to time.	–
(V) Does the company comply with	✓		(V) The marketing and labeling of the	–

Promotion items	Implementation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer or customer protection policies and complaint procedures?			Company's products and services are in accordance with the relevant laws and regulations and international standards. We have currently obtained ISO 9001 for quality management, QC080000 for hazardous material management, ISO 14001 for environmental management, and OHSAS 18000 for employee safety and health, covering both quality and environmental safety. For consumer rights and interests, the Company also sets up a website (http:///www.jpcco.com) to provide a channel of consultation & opinion exchange to all consumers or business related personnel.	
(VI) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	✓		(VI) The Company requires suppliers to provide raw materials with no hazardous substance, and will consider their integrity and social responsibility fulfillment when selecting suppliers.	—
V. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?		✓	The Company currently discloses information on the fulfillment of social responsibility on the Company's website (http://www.jpcco.com) and on the Market Observation Post System.	—
VI. If the company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," describe the implementation and any deviations from such principles: N/A.				
VII. Other important information to facilitate a better understanding of the implementation of sustainable development: The Company is committed to raising the awareness of environmental protection among all employees, and requires compliance with relevant environmental protection requirements in product manufacturing processes and recycling of scrapped products.				

The risks and opportunities posed by climate change to the Company and the response measures adopted by the Company.

Item	Implementation Status
I. The supervision and governance of climate-related risks and opportunities by the Board of Directors.	The Board of Directors serves as the supreme governing body for climate-related issues, responsible for coordinating overall climate strategies and overseeing senior management in executing climate-related risk management and key performance indicators. As the Sustainability Development Committee is directly subordinate to the Board of Directors, the members are authorized by the Board and have expertise in corporate sustainability, comprising one Independent Director, CFO and Assistant Vice President of Strategic Procurement Division. This committee convenes annually to formulate, promote and

<table>
<tr><td></td><td>reinforce action plans and capital expenditures concerning policies on sustainable development (including climate-related issues) across all entities in the group. It periodically reviews, tracks and revises the policies and effectiveness and submits reports to the Board.</td></tr>
<tr><td>II. Identification of the influence on the Company’s operations, strategies and finance in the short-term, medium-term and long-term caused by of climate risks and opportunities.</td><td>In order to mitigate the climatical influence on operation and finance, the Company enhances the organizational climate resilience and define short-term as within 3 years, medium-term as 3 to 5 years, and long-term as 5 years or more.
<table>
<tr><th>Risk Type and Opportunity</th><th>Short-term</th><th>Medium-term</th><th>Long-term</th><th>Influence on Finance</th><th>Response Measures</th></tr>
<tr><td>Transition risk</td><td>Greenhouse gas emissions control, carbon tax ,carbon fees.</td><td>Transition to low-carbon/ plastic reduction technologies.</td><td>Net zero emissions.</td><td>Operational costs increase.</td><td>Establish a comprehensive inventory and audit system for greenhouse gas emissions at all global manufacturing sites, conducting annual greenhouse gas audits and obtaining external third-party verification.</td></tr>
<tr><td>Physical risk</td><td>Extreme climate leads to increase in natural disasters.</td><td>Supply chain disruptions.</td><td>Rise in average termpature.</td><td>Production impacted and results in decrease in operating revenue.</td><td>Establish a sustainable supply chain management mechanism.</td></tr>
<tr><td>Opportunity</td><td>Innovation in new low-carbon products and services.</td><td>Improvement in resource utilization efficiency.</td><td>Improvement in corporate reputation.</td><td>Enhancement of fundraising prospects while mitigating capital costs.</td><td>Continuous investment in the development of low-carbon products and corporate governance.</td></tr>
</table></td></tr>
<tr><td>III. The financial influence on extreme climate and transition actions.</td><td>Please see Item II above.</td></tr>
<tr><td>IV. Description of how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.</td><td>The Board of Directors has established the Sustainability Development Committee and it is led by the Chairman as the chairperson. The committee oversees and manages the overall emissions through greenhouse gas audits. The committee also undertakes the identification of climate-related risks and opportunities within the framework of TCFD, along with the management and promotion of corresponding response measures.</td></tr>
<tr><td>V. Description of the scenario, parameters, assumptions, analytical factors, and financial influence if the scenario analysis to evaluate resilience to climate change risks is conducted.</td><td>The Company has not yet implemented scenario analysis for climate change.</td></tr>
<tr><td>VI. Desciption of the transition plan in response to climate risks, including its content, and indicators and objectives used in identifying the physical and transition risks.</td><td>Please refer to Appendix 9-1 and 9-2 below.
Since 2023, the Company has been conducting internal greenhouse gas audits, progressively reducing emissions from operational activities' direct emissions (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions from value chain activities (Scope 3). The Company has been actively establishing a second supplier list to reduce the likelihood of operational disruptions caused by climate change and continually assisting supply chain partners in setting science-based carbon reduction goals to propel the entire value chain towards net zero emissions.</td></tr>
</table>

VII. Description of the pricing foundation if internal carbon pricing is used as a planning tool.	The Company has not yet implemented internal carbon pricing.
VIII. Desciption of the transition plan in response to climate risks, including its content, and indicators and objectives used in identifying the physical and transition risks.	Please refer to Appendix 9-1 and 9-2 below. Since 2023, the Company has been conducting internal greenhouse gas audits, and the Company has completed the emission calculations of the headquarter and five major overseas production sites for 2022 and has prepared greenhouse gas inventory reports. From 2025 onwards, the Company will expand the scope to include the reports in consolidated financial statements, and plans to complete audits for subsidiaries in the consolidated financial statements by 2026.
IX. Calculations of greenhouse gas emissions.	Please refer to Appendix 9-1 and 9-2 below.

9-1 Greenhouse gas emission audits and verification in the most recent two years

9-1-1 Greenhouse gas emissions audits:

Greenhouse gas emissions for the past two years in terms of volume (tonnes of CO2e), density (tonnes of CO2e per million dollars), and the scope of data coverage.

Basic information of the Company	The following should be disclosed according to the Sustainability Development Pathway for listed companies
☐ Company with capital exceeding NT$10 billion ☐ Company with capital exceeding NT$5 billion but below NT$10 billion ■ Company with capital below NT$5 billion	☐ Audit of parent company ☐ Verification of parent company ☐ Audit of subsidiaries in consolidated financial statement ☐ Verification of subsidiaries in consolidated financial statement

Scope 1	2022	
	Total emission volume (tonnes of CO2e)	Density (tonnes of CO2e per million dollars)
Taiwan headquarter and Taipei production site	22.89	
Dongguan Hung Fu Electronic Technology Co., Ltd.	89.20	
Dongguan Houjie Hua-Bao Electronics Technical Limited Company	27.72	
ASKA Technologies Inc.	63.89	
PEC Vietnam	29.48	
Total	233.18	

Scope 2	2022	
	Total emission volume (tonnes of CO2e)	Density (tonnes of CO2e per million dollars)
Taiwan headquarter and Taipei production site	283.10	
Dongguan Hung Fu Electronic Technology Co., Ltd.	1,125.18	
Dongguan Houjie Hua-Bao Electronics Technical Limited Company	1,266.05	
ASKA Technologies Inc.	284.94	
PEC Vietnam	296.58	
Total	3,255.85	
Scope 3	25,389.37	

Note 1: According to the Financial Supervisory Commission's directive numbered 11103849344, the Company should commence audits in 2026.

Note 2: According to the Financial Supervisory Commission's directive numbered 11103849344, the subsidiaries in the Company’s consolidated financial statement should commence audits in 2027.

9-1-2 Greenhouse gas emissions verification:

Verification status for the two most recent years up to the printing date of the annual report, including the scope, verifying agency, criteria, and opinion.

	Verifying Agency	Description of Verification Status
Scope 1	According to the Financial Supervisory Commission's directive numbered 11103849344, the Company has capial below NT$5 billion and thus should complete the verification in 2028, and the verficiation for subisidiaries should be completed in 2029.	
Scope 2		
Scope 3		

9-2 Greenhouse gas reduction targets, strategies, and specific action plans:

In order to plan greenhouse gas reduction strategies,the Company plans to complete the audit for the 2025 consolidated financial statement and sets 2025 as the base year.

The Company has progressively conducted greenhouse gas audit for the parent company since 2023 and will adjust operational strategies on a rolling basis to comply with decarbonization schedules in response to greenhouse gas-related regulations and international carbon pricing trends. With a proactive stance, the Company aims to mitigate carbon emission impacts and enhance competitiveness.

(VI) Implementation Status of Ethical Corporate Management, Measures, 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	Summary Description	
I. Establishment of ethical corporate management policies and programs (I) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	✓		(I) On March 20, 2020, the Company established the Ethical Corporate Management Best Practice Principles to implement the ethical corporate management policy and to actively prevent unethical conduct. In accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the relevant laws and regulations of the regions where the Company and the Group's companies and organizations operate, the Company formulates the specific regulations on the matters to be noted by our personnel when performing business and discloses them on the Company's official website.	No deviation
(II) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis 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 those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) In order for the Company’s directors, managers and employees to understand and truly follow the Company's ethical corporate management philosophy, we have established the "Ethical Corporate Management Best Practice Principles" and the "Rules for Handling Reports on Illegal, Unethical or Dishonest Conducts" and a reporting system in 2020, which include ethical management of commercial activities, prohibiting any illegal or unethical conduct such as giving or receiving bribes or other improper benefits. In addition, the Company's managers and employees will sign the "Employment and Confidentiality Agreement" and the "Letter of Commitment for Employee Business Ethics" when they are newly recruited. In 2023, all new employees of the Company had signed.	No deviation
(III) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement	✓		(III) The Company has established an effective accounting system and internal control system to prevent integrity violations. The Company provides the provisions of the Ethical	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	Summary Description	
them and review the prevention programs on a regular basis?			Corporate Management Best Practice Principles on its official website, which specifies the operating procedures to strengthen the corporate governance mechanism.	
II. Fulfillment of ethical corporate management				
(I) Does the company evaluate business partners’ ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	✓		(I) The Company conducts credit investigation on its customers with high transaction amounts and includes ethics-related clauses in the procurement contracts.	No deviation
(II) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	✓		(II) The Company's corporate governance unit is in charge of ethical corporate management, evaluates whether there is any violation of ethical corporate management within the Company or by the Board of Directors. On December 15, 2023, the implementation status of ethical corporate management was reported to the Board of Directors and disclosed on the Company's website.	No deviation
(III) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		(III) The Company's directors and managers are prohibited from participating in the Company's decision making in case of conflict of interest.	No deviation
(IV) Does the company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging a certified public accountant to carry out the audit?	✓		(IV) The Company's Auditing Office, which is under the Board of Directors, is responsible for the operation of the internal control system and reporting to the Board of Directors and the Audit Committee regularly.	No deviation
(V) Does the company regularly hold internal and external training on ethical corporate management?	✓		(V) The Company holds seminars and education trainings on various topics from time to time to train employees on the concept of ethical corporate management.	No deviation
III. Operation of the whistle-blowing system				
(I) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate	✓		(I) The Company has established the "Rules for Sexual Harassment Prevention, Complaint and Investigation", and maintains	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	Summary Description	
personnel assigned to the accused party?			unblocked communication channel between employees and the management, so that they can report and complain to the management immediately. On March 20, 2020, the Company established the Rules for Handling Reports on Illegal, Unethical or Dishonest Conducts, specifying the whistle-blowers and related operating procedures, and disclosed them on the Company's website.	
(II) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?	✓		(II) The Company's above measures have clear standard operating procedures for investigation and related confidentiality mechanism to protect the privacy and safety of the whistle-blowers.	No deviation
(III) Does the company provide protection for whistle-blowers against receiving improper treatment?	✓		(III) The Company's above measures have clear mechanism to protect the whistle-blowers.	No deviation
IV. Enhanced disclosure of ethical corporate management information. Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?	✓		The Company has set up a website and publishes information on the Company at any time, and complies with the standards of Responsible Business Alliance (RBA).	No deviation
V. If the company has established the ethical corporate management best-practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe the implementation and any deviations from the Principles: the Company has established the ethical corporate management best-practice principles, but the implementation of the Principles is consistent with the spirits, so there is no significant deviation.				
VI. Other important information to facilitate a better understanding of the company's ethical corporate management practices: None.				

(VII) If the company has formulated the corporate governance best practice principles and related regulations, it should disclose its inquiry method:

The company has formulated the corporate governance best practice principles, and disclosed them on the Company’s website (http://www.jpcco.com).

(VIII) Other important information to facilitate a better understanding of the company's corporate governance practices may be disclosed together:

The Company amended the "Procedures for Handling Internal Material Information" on December 16, 2022, and formulated the "Rules for Handling Reports on Illegal, Unethical or Dishonest Conducts" on March 20, 2020, to prevent the Company or insiders from unintended violation due to unfamiliar with laws and regulations or intentional violation of the regulations related to insider trading, and to protect investors and safeguard the Company's interests.

The Company continues to input resources to strengthen the operation of corporate governance, and sets up a corporate governance section on the Company's website to disclose the corporate governance status; the website also provides the Company's relevant rules and regulations for download and inquiry.

(IX) The following matters concerning the implementation status of internal control system shall be disclosed:

1. Statement on Internal Control

Jess-Link Products Co., Ltd.

Statement on Internal Control

Date: March 6, 2024

The Company makes the following statement according to the self-evaluation conducted of the internal control system in 2023:

I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, 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 extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial 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 the 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 Regulations.

V. In accordance with the aforementioned evaluation, the Company has found that the design and implementation of the internal control system (including the assessment and management of subsidiaries), as of December 31, 2023, including the efficacy of understanding operations, the efficiency of achievement of objectives, reporting reliability, timeliness, transparency and compliance with the relevant guidelines and laws, are effective and can reasonably provide assurance of the aforesaid goals.

VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement has been approved by the Board of Directors on March 6, 2024. Out of the 7 board members attended in person and 2 members attended by proxy, none has objected to this statement and all consented to the content expressed herein.

Jess-Link Products Co., Ltd.

Chairman: Signature

President: Signature

2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: N/A.

(X) If there has been any legal penalty against the Company and its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent year and up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholders' equity or securities prices, the penalty, the main defects, and the improvements made shall be disclosed: None.

(XI) Major Resolutions of Shareholders' Meeting and Board Meetings during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

1. Major Resolutions of Shareholders' Meeting during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report

Meeting Session	Date	Important matters to be resolved
Annual Shareholders' Meeting	2023.06.26	1. The Company's 2022 final accounts. 2. Distribution of the Company's earnings for 2022. 3. Amendment to the Company's Shareholders' Meeting Handbook. 4. Waiver of the non-competition clauses for the legal representatives of corporate directors.

2. Major Resolutions of Board Meetings during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report

Session	Date	Important matters to be resolved
The 1st meeting in 2023	2023.03.27	1. Passed the Company's annual business report, parent company only financial statements and consolidated financial statements for 2022. 2. Passed the Company's distribution of earnings for 2022. 3. Passed the distribution of cash dividends from capital surplus of the Company. 4. Passed the Company's distribution of employees' and Directors' compensation for 2022. 5. Passed the statement of internal control system issued by the Company in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies". 6. Passed the amendment to the Company's "Internal Control Systems". 7. Passed the change of Audit Supervisor of the Company. 8. Passed the waiver of the non-competition clauses for the legal representatives of corporate directors.

		9. Passed the date, location, and agenda for the Annual Shareholders' Meeting for the fiscal year of 2023 of the Company.
The 2nd meeting in 2023	2023.05.05	1. Passed the acquisition of all shares of SACO ENTERPRISES, INC. (U.S.A.). 2. Passed the establishment of a subsidiary in Vietnam through direct investment by the Company. 3. Passed the Company's application to Cathay United Bank and Mega International Commercial Bank for the 2023 credit line and financial instrument trading line.
The 3rd meeting in 2023	2023.08.04	1. Passed the changing of accountants due to the internal adjustments at PricewaterhouseCoopers. 2. Passed the distribution of earnings for the first half of 2023. 3. Passed the Company's application to Far Eastern International Bank for renewal of 2023 credit line and financial instrument trading line.
The 4th meeting in 2023	2023.11.06	None.
The 5th meeting in 2023	2023.12.15	1. Passed the Company's audit plan for 2024. 2. Passed the audit fee for CPAs and the independence evaluation of CPAs of the Company for 2023. 3. Passed the amendment to the Company's "Internal Control System - Investment Cycle." 4. Passed the amendment to the Company's Articles of Association. 5. Passed the amendment to the Company's Corporate Governance Practices Guidelines. 6. Passed the appointment of Wei-San Chang as the new Chief Information Security Officer of the Company.
The 1st meeting in 2024	2024.01.22	1. Passed the acquisition of a warehouse in Wugu District, New Taipei City, with a transaction amount not exceeding NT$380 million and the authorization to the Chairman to handle all related matters.
The 2nd meeting in 2024	2024.03.06	1. Passed the Company's annual business report, parent company only financial statements and consolidated financial statements of 2023 2. Passed the Company's distribution of earnings for 2023. 3. Passed the distribution of cash dividends from capital surplus of the Company. 4. Passed the Company's distribution of employees' and Directors' compensation for 2023. 5. Passed the statement of internal control system issued by the Company in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies."

		6. Passed the amendment to the Company's "Audit Committee Organizational Regulations." 7. Passed the amendment to the Company's "Board Meeting Regulations." 8. Passed the compensation adjustment for the President. 9. Passed the date, location, and agenda for the Annual Shareholders' Meeting of 2024. 10. Passed the Company's annual business report of 2024.

3. Major Resolutions of 2023 Annual Shareholders' Meeting and Implementation of Resolutions of Shareholders' Meeting

Important matters to be resolved	Implementation of resolutions of Shareholders' Meeting
1. The Company's 2022 final accounts.	Implementation: passed the 2022 Annual Business Report and Financial Statements, and passed and recognized the 2022 Annual Final Accounts of the Company.
2. Distribution of the Company's earnings for 2022.	Implementation: The base date for distribution was set on July 18, 2023, and the distribution was fully completed on July 28, 2023 in accordance with the resolution of the Annual Shareholders' Meeting. (The cash dividend was NT$2.2 per share.)
3. Amendment to the Company's Shareholders' Meeting Regulations.	Implementation: Passed the amendment to the Company's Shareholders' Meeting Regulations in compliance to Article 17-2 of the Company Act, allowing public companies to hold Shareholder's Meeting through video conference.
4. Waiver of non-competition clauses for the legal representatives of corporate directors.	Implementation: On June 26, 2023, the Company resolved to waive the non-competition clauses for the legal representatives of corporate directors.

(XII) The Major Contents of Any Dissenting Opinions Expressed by Directors or Supervisors with Respect to Major Resolutions Passed by the Board of Directors during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report, where Said Dissenting Opinions Have Been Recorded or Prepared as a Written Declaration: None.

(XIII) A Summary of Resignations and Dismissals of the Chairman, President, Accounting Supervisor, Financial Supervisor, Chief Internal Auditor, Corporate Governance Officer or Research and Development Officer during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

V. **Information on CPA Professional Fees**

Unit: NT$1,000

<table>
<tr><th>Name of Accounting Firm</th><th>Name of CPA</th><th>Audit Period</th><th>Audit Fees</th><th>Non-audit Fees</th><th>Total</th><th>Remark</th></tr>
<tr><td rowspan="2">PwC Taiwan</td><td>Jen-Chieh Wu</td><td rowspan="2">2023.01.01~ 2023.12.31</td><td rowspan="2">4,730</td><td rowspan="2">873</td><td rowspan="2">5,603</td><td rowspan="2">(Note 1)</td></tr>
<tr><td>Ya-Hui Lin</td></tr>
</table>

Note 1: The services include transfer pricing service fees, actual investment allowance verification of undistributed earnings, business tax certification using direct debit method, and full-time employee salary declaration audit.

(I) When the CPA firm is changed and the audit fees paid for the fiscal year of such fees are lower than those for the previous fiscal year, the amounts of audit fees before and after the change and the reasons thereof shall be disclosed: None.

(II) When the audit fees paid for the year are at least 10% less than those paid for the previous year, the decreased amount, percentage and reason thereof shall be disclosed: None.

VI. **Information on Replacement of CPAs:**

(I) Information on former CPAs

<table>
<tr><td>Date of replacement</td><td colspan="3">Passed by the Board of Directors on August 04, 2023.</td></tr>
<tr><td>Reason of replacement</td><td colspan="3">Former CPAs were Yung-Chien Hsu and Ya-Hui Lin. Due to the internal adjustment at PwC Taiwan, the CPAs for the Company will be Jen-Chieh Wu and Ya-Hui Lin starting with the financial statements of the second quarter of 2023.</td></tr>
<tr><td rowspan="3">Whether the Company terminates or the CPAs decline the appointment</td><td>Party / Condition</td><td>CPAs</td><td>The Company</td></tr>
<tr><td>Voluntary termination of appointment</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Declination of appointment</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Opinions and reasons for audit reports issued within the past two years other than unqualified opinion.</td><td colspan="3">None.</td></tr>
<tr><td rowspan="5">Different opinions from the parties.</td><td rowspan="4">Yes</td><td>—</td><td>Accounting principles or practices</td></tr>
<tr><td>—</td><td>Disclosure of financial statements</td></tr>
<tr><td>—</td><td>Scope or procedure of audit</td></tr>
<tr><td>—</td><td>Others</td></tr>
<tr><td>No</td><td colspan="2">V</td></tr>
</table>

	Explanation	
Other disclosures (Items to be disclosed according to Article 10-6 of this standard)	N/A.	

(II) Information on successor CPAs

Name of the accounting firm	PricewaterhouseCoopers Taiwan
Name of the CPAs	Jen-Chieh Wu and Ya-Hui Lin
Date of appointment	Passed by the Board of Directors on August 04, 2023.
Consultation regarding the accounting methods or principles and the opinions that may be issued on the financial statements before appointment.	N/A.
Written opinions of the successor CPAs on the disagreements with the predecessor CPAs.	N/A.

(III) Reply from the predecessor CPAs regarding Article 10-6 of this standard: None.

VII. **When the Chairman, President, or any managerial officer in charge of finance or accounting matters holding a position at the accounting firm or at an affiliate of such firm in the most recent fiscal year, the name, title, and period of employment in the CPA firm or its affiliate shall be disclosed:** None.

VIII. **Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer or shareholder with a stake of more than 10% during the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report.**

(I) Change in Equity Interests by Directors, Supervisors, Managerial Officers, and Major Shareholders

Unit: Shares

Title	Name	2023		2024 As of April 30, 2024	
		Change in Number of Shares Held (Note 1)	Change in Number of Shares Pledged	Change in Number of Shares Held	Change in Number of Shares Pledged
Chairman and President	Shu-Mei Chang	—	—	—	—
Vice Chairman	Cin-Chih Jiang	—	—	—	—
Director	Mega Power Investments Limited (Representative: Cin-Chih Jiang)	—	—	—	—
Director	Tone Investments Ltd. (Representative: Yu-Ling Tsai)	106,000	—	—	—
Director	Top Point Investment Ltd. (Representative: Ming-Kung Yang)	—	—	—	—
Director	FSP Technology Inc. (Representative: Ming-Hsiang Cheng)	—	—	—	—
Independent Director	Jing-Hua He	—	—	—	—
Independent Director	Chih-Feng Lin	—	—	—	—
Independent Director	Li-Chih Lo	—	—	—	—
Independent Director	Shu-Ling Wang	—	—	—	—
COO	Wei-San Chang	—	—	10,000	—
Vice President	Wei-Ting Chen	63,000	—	—	—
Vice President	Chun-Hsing Ho	—	—	—	—
Assistant Vice President	Chih-Ping Cheng	10,000	—	—	—
Assistant Vice President	Li-Ling Huang	—	—	(8,000)	—
Assistant Vice President	Chi-Hsien Sun	—	—	—	—
Assistant Vice President	Yun-Chang Yang	—	—	—	—
Assistant Vice President	Kun-Chan Wu	(10,000)	—	(27,000)	—
Assistant Vice President	Kang-Chiang Chen (Note 2)	66,000	—	—	—
Assistant Vice President	Chia-Wen Hung (Note 3)	40,000	—	—	—
Assistant Vice President	Ju-Jung Chang (Note 4)	—	—	—	—

Note 1: The Change in Number of Shares Held includes the decreased number of shares due to cash capital reduction and the increased number of shares due to treasury stock subscription.

Note 2: Assistant Vice President Kang-Chiang Chen was transferred on January 2, 2023.

Note 3: Assistant Vice President Chia-Wen Hung was transferred on January 2, 2023.

Note 4: Assistant Vice President Ju-Jung Chang was transferred on January 1, 2024.

(II) Transfer of Equity Interests: No equity interests were transferred to/from related parties.

(III) Pledge of Equity Interests: No equity interests were pledged to/from related parties.

IX. Information on the top ten shareholders who are of related parties, spouses, relatives within second degree of kinship to each other

April 15, 2024; Unit: shares; %

Name	Shares held by themselves		Spouse & Minor Shareholding		Total Shareholding by Nominees		Name or relationship between or among the top 10 shareholders who are related parties or spouses and relatives within the second degree of kinship.		Remark
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name	Relationship	
Shu-Mei Chang	18,472,480	15.13	–	–	6,000,000	4.92	Tone Investments Ltd. Very Mulan Investment Co., Ltd.	The chairmen are the same person	
FSP Technology Inc. Representative: Ya-Jen Cheng	10,000,000	8.19	–	–	–	–	–	–	
Top Point Investment Ltd. Representative: Shu-Lan Li Yang	6,144,750	5.03	–	–	–	–	–	–	
Tone Investments Ltd. Representative: Shu-Mei Chang	4,500,000	3.69	–	–	–	–	Shu-Mei Chang	The chairmen are the same person	
Mega Rise Investments Limited Representative: Su-Mei Tsai Chiang	2,640,000	2.16	–	–	–	–	Cin-Chih Jiang	Husband and wife	
Mega Power Investments Limited Representative: Cin-Chih Jiang	2,295,750	1.88	–	–	–	–	Su-Mei Tsai Chiang	Husband and wife	
Custodial investment account of JP Morgan Limited at JPMorgan Bank Taipei Branch	2,015,070	1.65	–	–	–	–	–	–	
Custodial account of Morgan Stanley International Limited at HSBC	1,833,954	1.50	–	–	–	–	–	–	
Very Mulan Investment Co., Ltd. Representative: Shu-Mei Chang	1,500,000	1.23	–	–	–	–	Shu-Mei Chang	The chairmen are the same person	
Custodial investment account of Goldman Sachs International at HSBC Taiwan	1,249,500	1.02	–	–	–	–	–	–	

X. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, Its Directors, Managerial Officers, and Any Companies Controlled Directly or Indirectly by the Company

December 31, 2023; Unit: 1,000 shares; %

Investee Business	Investment by the Company: Number of Shares	Investment by the Company: Shareholding Ratio	Investment by Directors, Managerial Officers and Companies Directly or Indirectly Controlled by the Company: Number of Shares	Investment by Directors, Managerial Officers and Companies Directly or Indirectly Controlled by the Company: Shareholding Ratio	Total Ownership: Number of Shares	Total Ownership: Shareholding Ratio
Cha Shin Chi Investment Co., Ltd.	28,000	100	–	–	28,000	100
Main Super Enterprises Co., Ltd.	1,500	100	–	–	1,500	100
Techill Co., Ltd.	1,275	51	–	–	1,275	51
Ultraspeed Electronics Co., Ltd.	1,093	70.11	–	–	1,093	70.11
ASTRON Connectivity Co., Ltd.	1,020	51	–	–	1,020	51
SACO ENTERPRISES, INC.	10	100	–	–	10	100
JPC CONNECTIVITY CO. LTD.	111,394	100	–	–	111,394	100
JPCCO CORP.	–	–	293	100	293	100
BEST LINK PROPERTIES LTD.	29,200	100	–	–	29,200	100
JPC (HK) COMPANY LTD. (Note 1)	–	–	HKD$15,500	100	HKD$15,500	100
BEST MATCH INVESTMENTS LIMITED (Note 1)	–	–	USD$2,000	100	USD$2,000	100
BEST SKY LIMITED (Note 1)	–	–	USD$5,850	100	USD$5,850	100
HUNG FU (SAMOA) INTERNATIONAL CO., LTD. (Note 1)	–	–	USD$7,000	100	USD$7,000	100
LUCKY STAR INVESTMENT CORP. (Note 1)	–	–	USD$5,150	100	USD$5,150	100
Dongguan Celesta Electronics Limited Company (Note 1)	–	–	HKD$5,000	100	HKD$5,000	100
ASKA Technologies Inc. (Note 1)	–	–	USD$5,050	100	USD$5,050	100
Dongguan Hung Fu Electronic Technology Co., Ltd. (Note 1)	–	–	USD$6,000	100	USD$6,000	100
Dongguan Houlie Hua-Bao Electronics Technical Limited Company (Note 1)	–	–	USD$5,000	100	USD$5,000	100
Guangzhou JPC Electronics Technical Limited Company (Note 1)	–	–	CNY$5,000	100	CNY$5,000	100
SWS Group Company Limited	198	49.87	–	–	198	49.87
PEC MANUFACTURING VIETNAM COMPANY LIMITED	–	–	23,000,000	100	23,000,000	100

Note 1: The amount and percentage of capital contribution (unit: NT$1,000) shall be filled in for non-limited liability company.

Chapter 4. Capital Overview

I. Capital and Shares

(I) Source of Capital

Year/ Month	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares (shares)	Amount (NT$)	Number of Shares (shares)	Amount (NT$)	Source of Capital	Capital Increase by Assets Other than Cash	Others
1992.05	10	500,000	5,000,000	500,000	5,000,000	Establishment	None	May 7, 1992, Jing-(081)-Shang-Zi No. 081635633
1998.07	10	3,000,000	30,000,000	3,000,000	30,000,000	NT$25,000 thousand, issuance of shares for cash capital increase	None	July 16, 1998, Jing-(087)-Shang-Zi No. 087304423
1999.06	10	6,000,000	60,000,000	6,000,000	60,000,000	NT$30,000 thousand, issuance of shares for cash capital increase	None	June 24, 1999, Jing-(088)-Shang-Zi No. 088303940
2000.08	10	40,000,000	400,000,000	14,500,000	145,000,000	NT$55,000 thousand, issuance of shares for cash capital increase NT$30,000 thousand, capital increase from earnings	None	August 1, 2000, Jing-(089)-Shang-Zi No. 089126957
2000.10	10	40,000,000	400,000,000	18,000,000	180,000,000	NT$35,000 thousand, issuance of shares for cash capital increase	None	October 11, 2000, Jing-(089)-Shang-Zi No. 089137607
2001.05	10	40,000,000	400,000,000	28,800,000	288,000,000	NT$72,000 thousand, capital increase from earnings NT$36,000 thousand, capital increase from capital surplus	None	May 18, 2001, Jing-(90)-Shang-Zi No. 0900117700
2002.08	10	65,000,000	650,000,000	41,210,000	412,100,000	NT$109,700 thousand, capital increase from earnings (including NT$8,900 thousand of employee bonuses) NT$14,400 thousand, capital increase from capital surplus	None	August 28, 2002, Jing-Shou-Shang-Zi No. 091013050320
2003.08	10	103,000,000	1,030,000,000	54,613,000	546,130,000	NT$113,425 thousand, capital increase from earnings (including NT$10,400 thousand of employee bonuses), and NT$20,605 thousand, capital increase from capital surplus	None	August 8, 2003, Jing-Shou-Shang-Zi No. 09201242880
2004.08	10	103,000,000	1,030,000,000	69,796,250	697,962,500	NT$124,526 thousand, capital increase from earnings (including NT$15,300 thousand of employee bonuses), and NT$27,306.5 thousand, capital increase from capital surplus	None	August 17, 2004, Jing-Shou-Shang-Zi No. 09301148750
2004.10	10	103,000,000	1,030,000,000	70,866,250	708,662,500	NT$10,700 thousand, issuance of shares for conversion of employee stock options	None	October 22, 2004, Jing-Shou-Shang-Zi No. 09301201910
2005.01	10	103,000,000	1,030,000,000	71,065,250	710,652,500	NT$1,990 thousand, issuance of shares for conversion of employee stock options	None	January 19, 2005, Jing-Shou-Shang-Zi No. 09401008400
2005.04	10	103,000,000	1,030,000,000	71,273,583	712,735,830	NT$2,083 thousand, issuance of shares for conversion of convertible corporate bonds.	None	April 25, 2005, Jing-Shou-Shang-Zi No. 09401071050

Year/ Month	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares (shares)	Amount (NT$)	Number of Shares (shares)	Amount (NT$)	Source of Capital	Capital Increase by Assets Other than Cash	Others
2005.07	10	103,000,000	1,030,000,000	71,357,666	713,576,660	NT$320 thousand, issuance of shares for conversion of employee stock options, and NT$521 thousand, issuance of shares for conversion of convertible corporate bonds.	None	July 21, 2005, Jing-Shou-Shang-Zi No. 09401138020
2005.09	10	120,000,000	1,200,000,000	84,353,283	843,532,830	NT$13,458 thousand, issuance of shares for conversion of convertible corporate bonds, NT$80,965 thousand, capital increase from earnings (including NT$9,900 thousand of employee bonuses), and NT$35,532 thousand, capital increase from capital surplus	None	September 12, 2005, Jing-Shou-Shang-Zi No. 09401177790
2006.01	10	120,000,000	1,200,000,000	84,966,726	849,667,260	NT$4,950 thousand, issuance of shares for conversion of employee stock options, and NT$1,184 thousand, issuance of shares for conversion of convertible corporate bonds	None	January 16, 2006, Jing-Shou-Shang-Zi No. 09501008840
2006.04	10	120,000,000	1,200,000,000	87,039,168	870,391,680	NT$1,000 thousand, issuance of shares for conversion of employee stock options, and NT$19,724 thousand, issuance of shares for conversion of convertible corporate bonds	None	April 13, 2006, Jing-Shou-Shang-Zi No. 09501065900
2006.06	10	130,000,000	1,300,000,000	87,201,034	872,010,340	NT$120 thousand, issuance of shares for conversion of employee stock options, and NT$1,499 thousand, issuance of shares for conversion of convertible corporate bonds	None	June 30, 2006, Jing-Shou-Shang-Zi No. 09501132930
2006.08	10	130,000,000	1,300,000,000	101,308,708	1,013,087,080	NT$97,551 thousand, capital increase from earnings (including NT$4,500 thousand of employee bonuses), and NT$43,526 thousand, capital increase from capital surplus	None	August 28, 2006, Jing-Shou-Shang-Zi No. 09501189440
2006.10	10	130,000,000	1,300,000,000	101,437,502	1,014,375,020	NT$100 thousand, issuance of shares for conversion of employee stock options, and NT$1,188 thousand, issuance of shares for conversion of convertible corporate bonds	None	October 16, 2006, Jing-Shou-Shang-Zi No. 09501232100
2007.01	10	130,000,000	1,300,000,000	105,309,905	1,053,099,050	NT$38,724 thousand, issuance of shares for conversion of convertible corporate bonds	None	January 16, 2007, Jing-Shou-Shang-Zi No. 09601010440
2007.04	10	130,000,000	1,300,000,000	106,455,600	1,064,556,000	NT$11,457 thousand, issuance of shares for conversion of convertible corporate bonds	None	April 10, 2007, Jing-Shou-Shang-Zi No. 09601070320
2007.07	10	130,000,000	1,300,000,000	106,461,216	1,064,612,160	NT$56 thousand, issuance of shares for conversion of convertible corporate bonds	None	July 16, 2007, Jing-Shou-Shang-Zi No. 09601164470
2007.08	10	200,000,000	2,000,000,000	120,357,336	1,203,573,360	NT$85,730 thousand, capital increase from earnings (including NT$32,500 thousand of employee bonuses), and NT$53,230 thousand, capital increase from capital surplus	None	August 24, 2007, Jing-Shou-Shang-Zi No. 09601208980

Year/ Month	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares (shares)	Amount (NT$)	Number of Shares (shares)	Amount (NT$)	Source of Capital	Capital Increase by Assets Other than Cash	Others
2007.11	10	200,000,000	2,000,000,000	128,357,336	1,283,573,360	NT$80,000 thousand, issuance of shares for cash capital increase	None	November 26, 2007, Jing-Shou-Shang-Zi No. 09601289780
2008.07	10	200,000,000	2,000,000,000	128,582,336	1,285,823,360	NT$2,250 thousand, issuance of shares for conversion of employee stock options	None	July 15, 2008, Jing-Shou-Shang-Zi No. 09701168470
2008.07	10	200,000,000	2,000,000,000	128,782,336	1,287,823,360	NT$2,000 thousand, issuance of shares for conversion of employee stock options	None	July 31, 2008, Jing-Shou-Shang-Zi No. 09701190510
2008.08	10	200,000,000	2,000,000,000	147,498,040	1,474,980,400	NT$84,291 thousand, capital increase from earnings (including NT$20,000 thousand of employee bonuses), and NT$102,866 thousand, capital increase from capital surplus	None	August 28, 2008, Jing-Shou-Shang-Zi No. 09701217030
2010.09	10	200,000,000	2,000,000,000	162,247,843	1,622,478,430	NT$58,999 thousand, capital increase from earnings, and NT$88,499 thousand, capital increase from capital surplus	None	September 9, 2010, Jing-Shou-Shang-Zi No. 09901204100
2011.08	10	200,000,000	2,000,000,000	173,447,843	1,734,478,430	NT$112,000 thousand, issuance of shares for cash capital increase	None	August 9, 2011, Jing-Shou-Shang-Zi No. 10001182140
2017.08	10	200,000,000	2,000,000,000	130,085,882	1,300,858,820	NT$433,620 thousand, cash capital reduction	None	August 1, 2017, Jing-Shou-Shang-Zi No. 10601106330
2018.12	10	200,000,000	2,000,000,000	122,085,882	1,220,858,820	NT$80,000 thousand, cancellation of treasury stock for cash capital reduction	None	January 4, 2019, Jing-Shou-Shang-Zi No. 10701164640

April 15, 2024; Unit: share

Share Type	Authorized Capital			Remark
	Issued Shares	Unissued Shares	Total	
Common stock	122,085,882	77,914,118	200,000,000	Including 10,000,000 shares of warrants, preferred shares with stock options or bonds with stock options, which were used by exercising the stock options.

Note 1: On October 8, 2004, the Company's shares were approved by the Taiwan Stock Exchange Corporation to be listed on the centralized securities market.

(II) Shareholder Structure

April 15, 2024; Unit: person; share

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Institutional Shareholders	Domestic Natural Persons	Foreign Institutions and Legal Persons	Total
Number of shareholders	1	11	233	32,249	66	32,560
Shares Held	9	331,775	30,370,086	76,965,665	14,418,347	122,085,882
Shareholding Ratio	0.00%	0.27%	24.87%	63.05%	11.81%	100.00%

(III) Shareholding Distribution Status

April 15, 2024; Unit: share

Range of Shares	Number of Shareholders	Shares Held	Shareholding Ratio (%)
1 ~ 999	22,745	2,064,119	1.69
1,000 ~ 5,000	8,061	14,785,754	12.11
5,001 ~ 10,000	860	6,575,273	5.39
10,001 ~ 15,000	276	3,516,092	2.88
15,001 ~ 20,000	150	2,738,630	2.24
20,001 ~ 30,000	166	4,245,049	3.48
30,001 ~ 40,000	57	2,018,312	1.65
40,001 ~ 50,000	65	3,032,415	2.48
50,001 ~ 100,000	83	5,821,375	4.77
100,001 ~ 200,000	44	6,236,611	5.11
200,001 ~ 400,000	23	6,986,606	5.72
400,001 ~ 600,000	9	4,462,272	3.66
600,001 ~ 800,000	6	4,058,387	3.32
800,001 ~ 1,000,000	3	2,593,483	2.12
1,000,001 above	12	52,951,504	43.38
Total	32,560	122,085,882	100.00

(IV) List of Major Shareholders

April 15, 2024; Unit: share

Shareholding / Name of Major Shareholders	Shares Held	Shareholding Ratio
Shu-Mei Chang	18,472,480	15.13%
FSP Technology Inc.	10,000,000	8.19%
Top Point Investment Ltd.	6,144,750	5.03%
Tone Investments Ltd.	4,500,000	3.69%
Mega Rise Investments Limited	2,640,000	2.16%
Mega Power Investments Limited	2,295,750	1.88%
Custodial investment account of JP Morgan Limited at JPMorgan Bank Taipei Branch	2,015,070	1.65%
Custodial account of Morgan Stanley International Limited at HSBC	1,833,954	1.50%
Very Mulan Investment Co., Ltd.	1,500,000	1.23%
Custodial investment account of Goldman Sachs International at HSBC Taiwan	1,249,500	1.02%

(V) Share Price of the past two Fiscal Years, with Net Worth per Share, Earnings per Share, Dividends per Share, and Related Information

<table>
<tr><th colspan="3">Year / Item</th><th>2022</th><th>2023</th><th>Current year as of March 31, 2024</th></tr>
<tr><td rowspan="6">Market Price Per Share</td><td rowspan="2">Highest</td><td>Before adjustment</td><td>51.50</td><td>97.60</td><td>139.00</td></tr>
<tr><td>After adjustment</td><td>48.30</td><td>93.40</td><td>—</td></tr>
<tr><td rowspan="2">Lowest</td><td>Before adjustment</td><td>32.35</td><td>39.55</td><td>77.10</td></tr>
<tr><td>After adjustment</td><td>29.15</td><td>35.35</td><td>—</td></tr>
<tr><td rowspan="2">Average</td><td>Before adjustment</td><td>39.24</td><td>37.62</td><td>93.95</td></tr>
<tr><td>After adjustment</td><td>36.04</td><td>33.42</td><td>—</td></tr>
<tr><td rowspan="2">Net Worth per Share</td><td colspan="2">Before distribution</td><td>25.88</td><td>28.54</td><td>27.42</td></tr>
<tr><td colspan="2">After distribution</td><td>22.68</td><td>24.34</td><td>—</td></tr>
<tr><td rowspan="3">Earnings (Losses) per Share</td><td colspan="2">Weighted average number of shares</td><td>122,085,882</td><td>122,085,882</td><td>122,085,882</td></tr>
<tr><td rowspan="2">Earnings (Losses) per Share</td><td>Before adjustment</td><td>3.60</td><td>5.20</td><td>1.94</td></tr>
<tr><td>After adjustment</td><td>3.60</td><td>5.20</td><td>—</td></tr>
<tr><td rowspan="4">Dividends Per Share</td><td colspan="2">Cash</td><td>2.20</td><td>3.60</td><td>Not distributed</td></tr>
<tr><td rowspan="2">Bonus Shares</td><td>Stock dividends appropriated from earnings</td><td>—</td><td>—</td><td>Not distributed</td></tr>
<tr><td>Stock dividends appropriated from capital surplus</td><td>—</td><td>—</td><td>Not distributed</td></tr>
<tr><td colspan="2">Accumulated unpaid dividends</td><td>—</td><td>3.60</td><td>—</td></tr>
<tr><td rowspan="3">Return on Investment</td><td colspan="2">Price-to-earnings ratio (Note 1)</td><td>10.90</td><td>7.23</td><td>N/A</td></tr>
<tr><td colspan="2">Price-to-dividend ratio (Note 2)</td><td>17.84</td><td>10.45</td><td>N/A</td></tr>
<tr><td colspan="2">Cash dividend yield (Note 3)</td><td>0.06</td><td>0.10</td><td>N/A</td></tr>
</table>

Note 1: Price-to-earnings ratio = Average closing price per share for the year/Earnings per share.
Note 2: Price-to-dividend ratio = Average closing price per share for the year/Cash dividends per share.
Note 3: Cash dividend yield = Cash dividends per share/Average closing price per share for the year.

(VI) Dividend Policy and Its Implementation

1. Dividend policy:

The contents of Article 19-1 of the Company's Articles of Association, as amended by the Board of Directors on March 24, 2017, are summarized as follows: The Company's dividend policy takes into account the Company's capital needs, financial structure and earnings, as well as the overall environment and industry growth characteristics. Since the Company needs to continuously invest capital in investments and research and development to create competitive advantages and take into account the interests of shareholders, the Company will distribute dividends to shareholders at a rate of not less than 50% of the after-tax earnings for the current year; dividends to shareholders may be distributed in cash or in stock, with cash dividends of not less than 30% of the total dividends.

2. Distribution of dividends proposed in the shareholders' meeting:

The proposed dividend distribution at the shareholders' meeting is based on the resolution of the Board of Directors on March 6, 2024, and the proposed cash dividend is NT$4.2.

(VII) Effect on the Operating Performance and Earnings per Share of Distribution of Bonus Shares Proposed in the Most Recent Shareholders' Meeting: Based on the resolution of the Board of Directors on March 6, 2024, the shareholders' meeting proposed not to distribute stock dividend.

(VIII) Compensation to Employees, Directors and Supervisors:

1. Article 16 of the Company's Articles of Association sets forth the scope of directors' compensation as follows:

The Company shall pay a fixed amount of compensation to the directors of the Company (including independent directors) for performing their duties for the Company, regardless of the Company's operating profit or loss, and shall pay a traffic allowance of NT$15,000 for each attendance. The compensation to the Company's directors (including independent directors) shall be decided by the Compensation Committee and then submitted to the Board of Directors for discussion and resolution, and shall be determined in accordance with the directors' participation in and contribution to the Company's operations.

2. Article 19 of the Company's Articles of Association sets forth the percentage or range of the compensation to employees as follows:

If the Company make a profit in a fiscal year, not less than 7% of the profit shall be set aside as the employee compensation, as resolved by the Board of Directors. However, if the Company has accumulated losses, profit shall first be used to offset accumulated losses. The aforementioned compensation to employees may be in stock or cash, and may be paid to employees of the Company's subordinate companies that meet the criteria set by the Board of Directors. The Board of Directors is authorized to determine the criteria and the method of distribution. A resolution adopted by the Board of Directors for the preceding two paragraphs shall be reported to the shareholders' meeting.

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

If there is a significant change in the distribution amount approved by the Board of Directors prior to the date of approval of the annual consolidated financial statements, the original annual expenses shall be adjusted on the date of the change; if there is any change in the amount after the date of approval of the annual consolidated financial statements, such change shall be treated as a change in accounting estimate and adjusted and presented in the following year.

4. Distribution of compensation approved by the Board of Directors:

(1) The amount of compensation to employees, directors and supervisors in cash or stock. If there is any difference with the estimated amount of the recognized expenses in the year, the difference amount, reason and treatment shall be disclosed:

The Company’s distribution of employees' and directors' compensation for 2023 has been approved by the Board of Directors on March 6, 2024, and the distribution is as follows:

Unit: NT$1,000

	Distributed amount resolved by the Board of Directors	Estimated amount of the recognized expenses in the year	Difference	Reason for Difference
Employee compensation in cash	84,510	84,510	–	–
Director Compensation	5,400	5,400	–	–
Total	89,910	89,910	–	–

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and the total employee compensation: N/A.

5. The actual distribution of employee, director and supervisor compensations in the previous year (including the number of shares distributed, amount and share price), and if there is a difference with the recognized employee, director and supervisor compensations, the difference amount, reason and treatment shall be stated:

In 2023, the actual amounts of compensations paid to employees and directors for 2022 was NT$52,195 thousand and NT$5,400 thousand, respectively, which were not different from the amounts of earnings distribution approved by the Board of Directors on March 27, 2023.

(IX) Share Repurchases: None.

II. **Corporate Bonds:** None.

III. **Preferred Shares:** None.

IV. **Global Depository Receipts:** None.

V. **Employee Stock Options:** None.

VI. **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 Plans:** None.

Chapter 5. Operational Overview

I. Business Activities

(I) Scope of Business

1. Main business of the Company

(1) Trading, import and export of computer hardware, software and peripherals, electronic products and parts.

(2) Trading, import and export of communication equipment, sports equipment, handicrafts, electrical appliances, machinery, hardware, building materials, and furniture.

(3) Agency for bidding, quotation, and distribution of above products produced by domestic and foreign manufacturers (except futures).

(4) General import and export trading business.

(5) CC01070 Wireless Communication Equipment and Apparatus Manufacturing.

(6) CC01050 Data Storage and Processing Equipment Manufacturing.

(7) CC01060 Wired Communication Equipment and Apparatus Manufacturing.

(8) CB01020 Transaction Machine Manufacturing.

(9) F119010 Wholesale of Electronic Materials.

(10) F113050 Wholesale of Transaction Machine and Equipment.

(11) F113070 Wholesale of Telecommunications Equipment.

(12) F114030 Wholesale of Automobile and Motorcycle Parts and Equipment.

(13) F401010 International Trade.

(14) F106030 Wholesale of Molds.

(15) F206030 Retail of Molds.

(16) CQ01010 Mold Manufacturing.

(17) I501010 Product Design.

(18) ZZ99999 In addition to the permitted business, the Company may conduct business that is not prohibited or restricted by laws and regulations.

2. Proportion of lines of business

Unit: NT$1,000

Type of Product	2023 (Consolidated)	
	Turnover	Proportion of lines of business
SCI (Smart Connection Industry)	2,221,806	44.78%
DNT (Datacenter/Networking/Telecom)	2,212,442	44.59%
IoT (Internet of Things)	131,036	2.64%
Other Industries (Note)	396,851	8.00%
Total	4,962,135	100.00%

Note: Other industries refer to the trading of e-commerce, computer peripherals and other products.

3. Current products (services)

(1) Datacenter/Networking/Telecom (DNT)

It is used for hyperscale data center, AI servers, storage, 5G telecom, edge computing, switch, and other high-speed transmission copper wires and optical fiber and optical module interconnection products.

(2) Internet of Things (IoT)

The evolution of IoT, propelled by advancements in technology and the decreasing costs, has found widespread application in smart homes, intelligent transportation, smart manufacturing, energy management, and beyond. In recent years, the integration of Artificial Intelligence (AI) with IoT has become increasingly prominent. By harnessing vast amounts of collected data and leveraging the analytical and learning capabilities of AI, it enables more intelligent decision-making, management, and automated control.

The Company employs a modular approach to develop various communication modules and all-in-one sensor series products. Within AIOT intelligent applications, it facilitates real-time monitoring, predictive maintenance, and environmental monitoring of equipment. Additionally, it contributes to energy management and optimization of production processes, thereby enhancing production efficiency and product quality.

(3) Smart Connection Industry (SCI)

Effectively leveraging high-end consumer bases, transitioning from high-end

Japanese TV/DSC/GAME brands to customized OEM/ODM services, and further expanding into automotive electronics/NEV new energy, ESS energy storage, medical electronics, Industry 4.0, and electric farming machinery. Concurrently, adeptly utilizing the product lines of strategic partners within the conglomerate, the collaborative value-added services strategy has proven successful. This has facilitated successful collaborations with major players in automotive electronics and industrial OEM/ODM, breaking through interdisciplinary boundaries and increasing market visibility. Enhancing both value and service, year by year, there has been an increase in gross profit margins, with revenue growing steadily.

4. New products (services) planned to be developed

(1) Datacenter/Networking/Telecom (DNT):

1. Direct terminated EDSFF to SFF-TA-1016 cable for storage
2. CDFP 16X Cable for PCI-E Gen 5 External Cables for Servers
3. 800G 8X OSFP Passive Single Channel 112Gbps Copper Cable (DAC)
4. 800G 8X QSFP-DD Passive Single Channel 112Gbps Copper Cable (DAC)
5. QSFP-DD Discrete for PCI-E Gen 5 Application
6. Riser Cable OCP 3.0 to SFF-TA-1016 cable / SFF-TA-1026 Cable
7. Mini Thinline 16i Rec VT type connectors
8. SFF 8639 Rec VT type 8.15 mm for PCI-E Gen 5
9. 100G telecom industrial grade long distance optical transceiver module
10. 400G Data Center Grade DR4 Optical Transceiver Module
11. External 8644 R/A /press fit Rec/ Gen 4
12. Mini Gen Z 2C
13. paddless SFF-TA-1016 Plug
14. 800G OSFP cable
15. 800G Q-DD cable
16. Q_DD For Gen 5
17. 800Gbps AEC cable (Active Copper Cable)

18. DA CAM PCIe
19. Multi-Trak with 21A/55A cable and connector
20. 800G OSFP ACC (analog and low-power active copper cable)
21. 800G QSFP-DD ACC (analog and low-power active copper cable)
22. 800G OSFP SR8 (optical transceiver module)
23. 400G OSFP SR4 (optical transceiver module)

(2) Internet of Things (IoT):

The evolution of IoT, propelled by advancements in technology and the decreasing costs, has found widespread application in smart homes, intelligent transportation, smart manufacturing, energy management, and beyond. In recent years, the integration of Artificial Intelligence (AI) with IoT has become increasingly prominent. By harnessing vast amounts of collected data and leveraging the analytical and learning capabilities of AI, it enables more intelligent decision-making, management, and automated control.

1. Developing multi-functional sensor series products through a modularized approach.
   a. Design of various communication modules (BLE, WiFi, LTE, NB-IoT, Zigbee): adopting modular design and cross-platform compatibility to enable flexible expansion of product functionalities, accommodating diverse market demands and technological changes.
   b. Mmulti-functional sensor series (including Vibration Sensor, Environment Sensor, Power Meter), integrated with Soc machine learning, facilitates real-time monitoring, predictive maintenance, and environmental surveillance in AIOT industrial automation applications. This integration enables energy management, optimization of production processes, and enhances both production efficiency and product quality.

      In the realm of healthcare, particularly the elderly population, a wireless sensor with automatic broadcasting mode has been developed to autonomously provide health data. It features a user-friendly management system that transforms information into service applications, actively caring for the elderly. This system offers exercise guidance and analysis services tailored to the needs of senior citizens.

2. Energy Harvesting Modular, Battery-Free Solution

In recent years, there has been a significant emphasis on environmental sustainability, encompassing initiatives such as reducing carbon emissions, promoting the circular application of eco-friendly materials, and prioritizing environmental conservation efforts.

IoT products has numerous features, such as low-power wireless transmission (Ext. BLE, Zigbee) and compact and lightweight designs. The Energy Harvesting Modular module architecture comprises PV Cell, DC/DC, PMIC, and Storage Element, harnessing solar and ambient light energy to power the product, thereby reducing reliance on disposable batteries. This introduces a more environmentally friendly approach to power management, ultimately achieving the green objective of battery-free operation.

The application scope encompasses remote controllers, e-paper displays, wearable devices, and more, aiding in the transformation of consumer habits towards embracing a green and sustainable lifestyle.

(3) Smart Connection Industry (SCI):

1. Introducing HDMI 3.0 products in alignment with the trends in audiovisual product development.
2. Introducing the elevated USB4 TYPE C 40G board-end connector and plug for automotive products.
3. Mini Display port 2.1.
4. Introducing industrial M-type (M8, M12) connector plugs and cable harnesses.
5. Introducing large-scale energy storage power racks (Power Rack solution).
6. Introducing new line of BUSBAR for the EV automotive/new energy ESS market (PDU/BATTERY MODULE/OBC/MOTOR/MCU).
7. Customizable high-power cable (HIGH POWER CABLE ASSY) for energy storage equipment systems and battery packs.
8. Customizable wiring harnesses (AGV/AMR) for vehicles.
9. Customizable wiring harness for recyclable battery module of energy storage system.
10. High-voltage connectors and high-voltage wiring harnesses for unmanned vehicle battery modules.

11. Introducing high-voltage wiring harnesses for EV charging systems.
12. Introducing customizable products for high-end consumter products (HDMI 3.0, Mini DisplayPort wiring harnesses) for the industrial and automotive Japanese market.

(II) Overview of the Industry

1. Current status and development of the industry

(1) Datacenter/Networking/Telecom (DNT):

In 2023, global server shipments experienced a significant decline, primarily due to the budget allocated to general-purpose servers being squeezed by the higher-priced AI servers. However, looking ahead, the proliferation of various generative artificial intelligence (AI) applications not only requires AI servers but also leads to a synchronous increase in demand for traditional computing and storage resources. The explosive development of generative AI applications will continue to drive demand for high computational power. Additionally, major cloud operators in North America are also increasing their investments in AI-related fields.

Due to the anticipated continuous increase in the global server shipment over the next five years, the compound annual growth rate (CAGR) of global server shipments from 2024 to 2029 is expected to reach 6%.

(2) Internet of Things (IoT):

The global AIoT terminal electronics market is experiencing sustained growth.

Market size:

According to IoT Analytics data, the global IoT market size was US$595.73 billion in 2023 and is projected to grow from US$714.48 billion in 2024 to US$406.234 billion in 2032, demonstrating a CAGR of 24.3% from 2024 to 2032.

Fields of application:

The fastest-growing markets for IoT terminal devices include automotive, sports medicine, industrial, and transportation sectors. These domains are expected to outperform others, with sustained growth anticipated.

Technological development:

The continuous progress in IoT technology includes advancements in sensor technology, communication technology, data processing, and analysis capabilities. The high speed and low latency of 5G networks enable faster and more stable data transmission for IoT devices. The integration of AI with IoT allows for AI analysis of data collected by IoT devices, providing more intelligent data services. Blockchain technology's ongoing development ensures secure data transmission for IoT devices, ensuring data privacy protection and establishing highly secure IoT applications.

(3) Smart Connection Industry (SCI):

According to statistics, the strategy of positioning and pricing involves a delicate balance. Collaborating in both manufacturing and service industries, striving for a unique position among competitors, enables the Company to conduct effective product pricing and value-added service in the long-term.

The robot market is currently experiencing robust growth, with new installations of industrial robots increasing by 31% compared to the previous year. The overall global operation of robots has once again reached a historic high. The expanding robot market reflects significant improvements in product quality, pricing, and availability, while government policies encouraging technological research and development also play a crucial role.

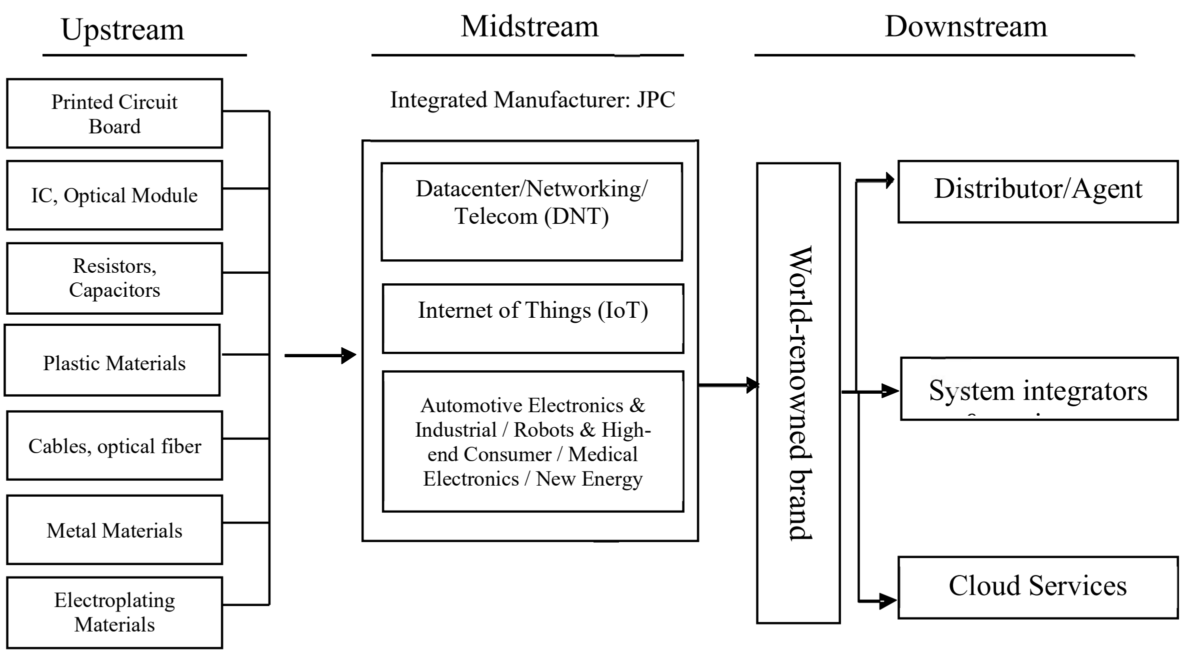
The Ministry of Industry and Information Technology (MIIT) in China announced that robotics will be included in the eight key industries for the next five years. In line with the national agenda for technological innovation, a key project titled "Smart Robots" has been initiated with an investment of US$43.5 million. According to the recent yearbook "World Robotics" published by the International Federation of Robotics (IFR), China's manufacturing industry has reached a robot density of 322 robots per ten thousand workers.

In Japan, the "New Robot Strategy" aims to make Japan the world's leading center for robot innovation. The Japanese government provided over US$930.5 million in support for the robotics industry in 2022, focusing on key areas such as manufacturing (US$77.8 million), nursing and healthcare (US$55 million), infrastructure (US$643.2 million), and agriculture (US$66.2 million). Implementation plans for manufacturing and service industries include projects such as autonomous driving and unmanned aircraft, which will become core system integration technologies for the next generation of artificial intelligence and robotics. According to the yearbook "World Robotics," Japan is the world's largest industrial robot manufacturing country, providing 45% of the global robot supply.

Germany's High-Tech Strategy 2025 (HTS) is the fourth edition of Germany's research and innovation program. By 2026, the German government is expected to provide approximately $69 million annually, with a total budget of US$345 million over five years, for the program. As part of the HTS 2025 mission, the government has also launched the "Shaping Technology for People" program, which aims to leverage technological transformations in society and the workplace for the benefit of the people. Research topics include digital assistance systems such as data glasses, human-machine collaboration, exoskeleton robots for physical labor, and solutions for more flexible work processes or job transportation arrangements. According to the year book "World Robotics," Germany ranks first globally with 397 robots per 10,000 workers.

The wave of AI, 5G, and smart factories continue unabated, with demand for intelligent factories and automated robotic arms continuing to heat up. Additionally, the traditional internal combustion engine (ICE) market is expected to rebound, reaching 81.7 million vehicles by 2025, with projected market penetration rates beginning to grow as well. The global electric vehicle market is forecasted to have a compound annual growth rate (CAGR) of 29% over the next decade. Total sales of electric vehicles are expected to increase from 2.5 million vehicles in 2020 to 11.2 million vehicles in 2025 and reach 31.1 million vehicles by 2030. Electric vehicles have become an important area for connector manufacturers to invest in and one of the long-term drivers for Taiwanese manufacturers. As the automotive supply chain has high barriers of entry and long capacity cycles, the automotive sector has become one of the mainstays of steady revenue growth for the connector industry in recent years. With catalysis driven by environmental protection and achieving net zero carbon emissions, the growth of new energy vehicles is expected to accelerate in the future.

2. Correlation among Upstream, Midstream, and Downstream of the Industry



3. Product development trends and competitions

(1) Product development trends

1. Datacenter/Networking/Telecom (DNT):

Over the next five years, the data networking and telecommunications industries will continue to experience rapid development. With the widespread adoption and application of 5G technology, people will enjoy faster network connection speeds and lower latency, thereby driving the development of emerging technologies such as the internet of things, smart cities, and autonomous driving.

Simultaneously, the construction and coverage of data centers will continue to expand, allowing more remote and rural areas to access high-speed networks, thereby promoting the widespread adoption and development of digitization. Overall, over the next five years, the data networking and telecommunications industries will continue to grow rapidly, bringing more convenience and possibilities to people's lives and work.

2. Internet of Things (IoT):

In recent years, the development of IoT products has been moving towards intelligence, interconnection of all things, and data services. However, as market demand continues to expand, each field brings new business models and opportunities as well as the challenges such as technological integration and network security.

Integration of technology and products: establishment of edge computing: with real-time data processing and lower latency.

High-speed and stable 5G networks: providing faster data transmission speeds and lower latency. Integration of AI and ML after data collection and optimization of data services.

The Company offers modular designs for various communication modules (BLE, WiFi, LTE, NB-IoT, Zigbee) and all-in-one sensors (Vibration Sensor, Environment Sensor, Power Meter). With cross-platform compatibility, the products adapt to the evolving market demands. Coupled with Soc machine learning, it achieves real-time monitoring, predictive maintenance, and environmental monitoring in AIoT industrial automation and sports health applications. It provides friendly management systems for sports health data and transforms information into more efficient service applications.

In the realm of environmental sustainability and carbon emission reduction, the Company has developed Energy Harvesting Module for IoT products with low-power wireless transmission capabilities (Ext. BLE, Zigbee). By harnessing the energy from natural light, it aims to minimize the use of disposable batteries and achieves the objective of battery-free operation.

3. Smart Connection Industry (SCI):

With the diversification of downstream applications, the global connector market continues its trajectory of sustained growth. It is projected that from 2023 to 2028, the global connector market will grow by US$266.7 million. According to Bishop, the global connector market size is expected to surpass US$90 billion by 2023, with a compound annual growth rate of 6.29% over the past five years. Research indicates that the increasing popularity of automotive electronic products is one of the key factors driving the growth of the connector market in the coming years. Additionally, the emergence of advanced connector technologies and the expanded use of active cables as connectors have also led to significant market demand.

With the skyrocketing popularity of ChatGPT, AI has become the hottest topic globally. Additionally, areas such as 5G, electric vehicles, autonomous driving, and the metaverse will continue to drive the expansion of data center and server market demand. This expansion has already begun to fully support the continuous growth of the high-speed, heat dissipation, and high-power transmission application markets. The thriving development of consumer electronics, new energy vehicles, aerospace, and other industries further contributes to this growth. According to a survey by Allied Market Research, the global connector market is expected to reach US$98.12 billion by 2027. Automotive connectors constitute the largest application area in the global connector market, accounting for 22% of the total connector market, according to data from Bishop & Associates. With the increasing proportion of global new energy vehicles and the penetration rate of automotive intelligence, it is expected to continue driving the market growth of automotive connectors and wiring harnesses.

The outlook for global industrial robot deployments is expected to show steady growth. As global technology revolves around AI, 5G, B5G, IoT, and other technological issues, integrated systems of robots will become increasingly intelligent. As traditional production merges with digital smart strategies, robots and smart factories are poised to take center stage in the industry's future. Therefore, the Company will continue to expand its deep involvement in related industries.

Aside from industrial automation and robotic arms, with the rapid development of vehicle intelligence, the primary direction of automotive electrification is emerging. As global demand gradually rekindles, major enterprises are actively expanding their facilities to augment production capacity. Presently, the estimated market size for automotive connectors stands at US$6.14429 billion, poised to reach US$8.01694 billion in the next five years, with a compound annual growth rate of 4.53%. According to global market research reports, it is projected that the automotive market will ride the wave of technology advancement in the future and optimize system efficiency. This signifies that navigation systems and entertainment systems have become standard features in most vehicles worldwide, necessitating the growth trend of automotive connectors and wiring harnesses associated with central electronic control units.

(2) Competition

1. Market Competition

A. Datacenter/Networking/Telecom (DNT):

According to estimates from Bloomberg, this year, the capital expenditure of the world's top seven cloud service providers (CSPs) is expected to increase by 17.3% annually, reaching US$129.6 billion. Among them, Meta exhibits the most robust growth momentum, with projected capital expenditure soaring to US$29 ~ US$34 billion, representing a year-on-year increase of 53% ~ 79%, surpassing the market's estimated US$23 billion. Although Microsoft's past high growth has elevated its base period, it is still expected to achieve a growth rate of over 15% next year. Google's anticipated growth rate is also expected to exceed 10%.

With over fifteen years of experience in high-frequency product development, the Company has delved deeply into the development of high-speed connectors and cables. Transitioning from copper cable products to optical communication products, the Company has successfully expanded its portfolio to include 800G copper cables, electrical cables, optical modules, and AOC products. Moreover, the Company has achieved validation and recognition from clients in the United States, Taiwan, and Japan in the realms of high-speed network switches, data centers, and telecommunications.

B. Internet of Things (IoT):

The IoT terminal devices is experiencing rapid expansion in sectors such as automotive, sports medicine, industry, and transportation.

The advancement of IoT technology encompasses continuous progress in sensor technology, communication technology, data processing, and analytical capabilities. Beyond driving technological innovations such as edge computing, 5G, and AI, participation in industry standardization efforts (e.g., Matter) is crucial. However, equally significant is the establishment of collaborative relationships among enterprises within the industry chain. This collaboration spans various fields including applications, algorithms, embedded systems, data analysis, and cloud services. Together, these efforts propel the development of the IoT ecosystem, accelerating product development and deployment, and maintaining competitive advantages and competitiveness in fiercely competitive markets.

C. Smart Connection Industry (SCI):

The Company's approach in SCI differs significantly from past practices. We have transitioned away from merely providing standalone components. By leveraging our in-house facilities and strengths, adopting alliance strategies, cooperation, and agency partnerships, we aim to enhance the value of our services. This entails integrating our expertise in customized services and innovative solutions to offer tailored offerings that meet the unique needs of our clients.

In addition, JPC has amassed considerable strength in the automotive electronics and unmanned robot markets. It has garnered recognition and secured orders from renowned Japanese, European, and American manufacturers. JPC not only possesses a solid foundation in professional vertical integration capabilities, product design and innovative research and development capabilities, and mechanical simulation/electronic circuit design and analysis capabilities but also offers comprehensive supply capabilities for high-voltage/high-current products that interconnect key components such as battery modules, PDU, MCU, On-board Charger within electric agricultural equipment.

In addition to maintaining its position as the preferred OEM/ODM partner for major automotive electronics manufacturers, JPC is actively expanding the promotion of industrial circular connectors and JPC High Power products. This initiative aims to accelerate development and service provision in the fields of industrial automation, automotive electronics, and new energy ESS markets. Looking ahead, underpinned by JPC's integrated innovation and value-added services, the company anticipates achieving a more prominent and differentiated performance, along with stable growth, enabling it to compete more effectively with peers in the industry.

2. Overview of Products and Technologies

The following key technology trends will continue to lead the way through 2023, prompting the Company to accelerate digital transformation and move towards data operator.

A. Datacenter/Networking/Telecom (DNT)

With over fifteen years of experience in high-frequency product development, the Company has delved deeply into the development of high-speed connectors and cables. Transitioning from copper cable products to optical communication products, the Company has successfully expanded its portfolio to include 800G copper cables, electrical cables, optical modules, and AOC products. Moreover, the Company has achieved validation and recognition from clients in the United States, Taiwan, and Japan in the realms of high-speed network switches, data centers, and telecommunications. We have successfully met the market demand for high-speed transmission with 5G technology, expanding our product offerings to various end customers in multiple sectors. This showcases our outstanding achievements in product innovation and market expansion.

Products/Technologies

(1) 400G and 800G copper electro-optical modules are being developed for longer transmission distance.

(2) PCI-e Gen 6 internal cable evolves from 8 lane to 16 lane.

(3) The connection cables inside and outside the liquid cooler must take into account the airtight and watertight requirements.

Future Directions

As the market evolves, our products are moving towards higher density and higher speed products, and we are focusing on 5G related applications of our products. In addition to the full range of products for data centers and mobile base stations, we also launch waterproof products for outdoor applications.

B. Internet of Things (IoT)

Products/Technologies

Integration of AIOT, AI, and IoT:

① Devloping multi-functional sensor products through modular development.

a. Modular design of various communication modules (BLE, WiFi, LTE, NB-IoT, Zigbee): Employing modular design with cross-platform compatibility to enable agile expansion of product functionalities, adapting to the dynamic market demands and technological landscape.

b. The multi-functional sensor series (Vibration Sensor, Environment Sensor, Power Meter), coupled with System-on-Chip (SoC) machine learning capabilities, enables real-time monitoring, predictive maintenance, and environmental surveillance in AIoT industrial automation applications. This facilitates energy management, production process optimization, and enhances production efficiency and product quality.

In the healthcare sector, catering to the elderly population, we have developed automatic broadcast mode wireless sensors that spontaneously provide exercise health data. Accompanied by a user-friendly management system, this technology transforms information into service applications, actively caring for the elderly. It offers exercise guidance and analytical services tailored to the needs of senior citizens, promoting their well-being and providing valuable insights into their physical activities.

② Energy Harvesting Modular, Battery-Free Solution:

In recent years, there has been a growing emphasis on environmental sustainability, encompassing initiatives such as reducing carbon emissions, promoting the circular application of eco-friendly materials, and prioritizing environmental conservation efforts.

The diverse features of IoT products, utilizing low-power wireless transmission (Ext. BLE, Zigbee), underscore the importance of energy efficiency and compact design. The energy harvesting modular architecture comprises PV cells, DC/DC converters, PMICs, and storage elements. By harnessing energy from sunlight and natural light, this system transforms it into power supply, reducing reliance on disposable batteries. Through the integration of environmentally friendly power management concepts, this approach aligns with the green initiative, striving towards a battery-free, sustainable future. The application scope encompasses remote controllers, e-paper devices, wearable gadgets, and more, facilitating a shift towards consumers embracing a green and sustainable lifestyle.

C. Smart Connection Industry (SCI)

Products/Technologies

Through integrated services, our company focuses on customization and OEM integration, specializing in waterproof, high-current, high-power, flat cable heat resistance, and industrial waterproof fiber-optic hybrid cables. This approach has successfully led us into industries such as industrial robot automation control, automotive electronics, and smart healthcare. Leveraging the expertise of our group's existing products and collaborating with strategic partners in Industry 4.0 and the electronic department's PCBA finished product design and production capabilities, we propose diverse core products, enhance product key combinations, and expedite vertical integration. Continuously advancing smart interconnect solutions, we strive to provide customers with a broader range of high-value-added products and innovations. JPC's product offerings span various sectors, including high-end consumer electronics, industrial applications, automotive electronics, electric agricultural machinery, new energy, and ESS systems, maintaining a continuous presence and expansion in the broad field of intelligent industries.

Future Directions

With the vigorous development of AI core technology and systems, Taiwan has emerged as a key partner in the global 5G and automotive electronics supply chain. By 2035, the total production value directly or indirectly generated by Taiwan in relation to 5G is projected to reach US$134 billion.

AI and 5G technologies are poised to significantly impact large-scale power products, thermal management, and the enhancement of component and technical capabilities. To address customer needs and anticipate products that align with these trends, it is essential to ensure alignment with both technological advancements and market trends. In addition to expanding service proximity to customers in the United States and Europe, JPC is intensifying efforts to incorporate technical engineering personnel and market experts into its professional team. This collective effort aims to swiftly and diversely enhance customer service efficiency.

Simultaneously, SCI continues to monitor MIH, European and American industrial associations, automotive electronics, and mart pole associations. It is committed to promoting smart manufacturing, smart energy, and related transformation and upgrades. Carefully selecting and focusing on international giants and related OEM/ODM services and integration are key areas where JPC continues to actively deploy its efforts.

(III) Overview of Technologies and R&D

1. R&D Expenses for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report

Unit: NT$1,000

Item/Year	2023 (Consolidated)	First Quarter of 2024 (Consolidated)
Net Revenue	4,962,135	1,476,642
R&D expenses	163,891	42,524
R&D expenses as a percentage of total revenue	3.30%	2.88%

2. Technologies or Products Successfully Developed for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report

Year	R&D Technologies or Products
2023	400G active copper cable
	50G optical transceiver module

	Vehicle camera (CABLE ASS'Y; 4PIN 6PIN 8PIN)
	Vehicle camera (CONN. 4PIN 6PIN 8PIN)
	High-current solution (copper sheet)
	High-current POWER CONNECTOR
	Agricultural tractor and POWER CABLES ASSY of NEV
	Customized wiring harness for automotive ADAS
	Customized sensing harness for robotic arms
	Connector and customized wiring harness for flying motorcycles' battery modules
	Customized wiring harness for medical monitor devices
	Customized medical optoelectronic hybrid connectors and wiring harness
	Customized wiring harness for air conditioning equipments
	High-voltage connector for EV, high-voltage wiring harness, and low-voltage control wiring harness
First Quarter of 2024	Type-C USB 4.0 for vehicles
	Mini DisplayPort 2.1
	HDMI 3.0
	400G optical transceiver module for AI data transmission
	Customized M-series industrial connectors
	Power Rack solution
	Customized HIGH POWR CABLE ASSY
	AGV/AMR customized wiring harness for vehicles
	Customized wiring harness for recyclable battery of energy storage system
	High-voltage connector and wiring harness of battery modules for unmanned vehicles
	High-voltage wiring harness for EV charging systems

(IV) Long-term and Short-term Business Development Plans

1. Short-term Business Development Plans

(1) Re-integrate the sales and business divisions vertically, upgrade the organization, strengthen the training and cultivation of talents, and actively attract new talents from all walks of life to join the Company to inherit and continue the perseverance and enthusiasm of JPC people. In the meantime, the Company continues to develop our existing customers in the U.S., Japan, China and Taiwan, and starts the sales of products of various business divisions in the shortest possible time based on our existing customer base and familiarity with the market; we are also actively expanding our business development and sales in Europe and Southeast Asia, and actively increasing our overseas sales offices and agents in order to make a global presence and strengthen our localized services.

(2) Actively participate in electronic online exhibitions and digital platform media advertising. Participation in exhibitions will not only attract new customers, but also increase the brand visibility. At the same time, we can collect market information, grasp the demand trend, develop niche products, and then increase our market share.

(3) Add the business model of e-commerce platform, and carry out digital sales transformation, thus smoothly entering into diversified operation and challenges.

2. Long-term Business Development Plans

(1) From a global perspective, we will not only consolidate our existing markets in the U.S., China and Taiwan, but also continue to actively develop new customers in other regions and deploy corresponding professional sales personnel in these regions.

(2) Develop a global network of agents and sales consultants.

(3) Continue to actively search for high-quality & complementary business partners and set up alliances to create multi-win situation.

II. Analysis of Market and Production

(I) Market Analysis

1. Main product (service) sales (provision) territories

Unit: NT$1,000

Sales Territory \ Year		2022 (Consolidated)		2023 (Consolidated)	
		Amount	%	Amount	%
Domestic Sales		578,658	13.33	754,712	15.21
Foreign Sales	Asia	2,429,585	55.99	2,513,808	50.66
	Americas	1,116,629	25.73	1,444,120	29.10
	Europe	178,699	4.12	174,631	3.52
	Others	35,857	0.83	74,864	1.51
Total		4,339,428	100.00	4,962,135	100.00

2. Market Share

The Company has been actively developing high-speed transmission interconnection products, smart electronic devices and peripheral accessories required for data centers. In recent years, the Company has also actively entered the smart industrial, smart automotive, and smart medical markets. In view of the strong growth momentum of the 5G, the Company has set its target markets and is making smooth deployment and development. However, since our products are not end-user products, and the reports available in the market only present partial market information, we are unable to predict the market share accurately.

3. Supply and Demand in the Market and Possible Future Growth

(1) Datacenter/Networking/Telecom (DNT):

Communication service provider (CSP), Internet service provider (ISP), and broadband products continue to grow, bringing significant changes in working modes and business models. There are three major trends driving the development of the cloud computing market:

a. Rapid growth of cloud data.

b. Ubiquitous use of artificial intelligence to extract the meaning of data

c. Expansion of cloud services to the network edge.

According to the estimates of IDC, the volume of cloud data will triple from 2020 to 2025; according to the estimates of Gartner, 80% of enterprises will shut down their traditional data centers by 2025.

(2) Internet of Things (IoT):

The application areas of the IoT are continuously expanding and growing. From traditional smart homes, smart cities, industrial IoT, and connected vehicles, IoT is being more widely utilized in services such as healthcare, energy management, agricultural technology, and beyond.

Data from IoT Analytics indicates that the global IoT market size was US$595.73 billion in 2023 and is projected to increase from US$714.48 billion in 2024 to US$4,623.34 billion in 2032, demonstrating a compound annual growth rate (CAGR) of 24.3%.

JPC will continuously refine its offerings, including sensor technology, communication technology, data processing, and analytical capabilities. It will collaborate with relevant supply chains and expand the application of IoT in community services, such as providing exercise guidance and analysis services for the elderly. Additionally, it will integrate more environmental friendly concepts into power management. The scope of applications will encompass remote controllers, e-paper, wearable devices, and more, aiming to establish a green and sustainable lifestyle.

(3) Smart Connection Industry (SCI):

To accelerate the trend of AI, 5G, and smart factories, there is a proactive recognition across market, demand, and supply fronts of the increasing need for industrial automation. Furthermore, markets such as unmanned handling, electric cultivators, and electric battery modules wield significant influence. According to expert forecasts, the total sales of electric vehicles are expected to surpass 14 million units by 2025. By 2040, global sales of electric vehicles are anticipated to surpass those of traditional fuel vehicles. Hence, it is undeniable that future generations of charging modules and energy storage technologies will flourish. With the burgeoning growth of energy and storage equipment, JPC has prepared and planned in advance. Target product lines such as smart manufacturing and automotive electronics have smoothly entered the supply chains of major manufacturers.

4. Competitive Niches

(1) Technology R&D and PM teams provide corresponding products in response to market trends

The Company has complete technology R&D and PM teams to provide niche products to meet the market trends, such as 5G edge computing, Industry 4.0, NEVs, smart healthcare, IoT and smart home markets.

(2) Complete global presence and manufacturing locations

We have clearly divided the global market and arranged corresponding manpower, and have set up service offices in various regions and expanded our agents simultaneously in order to expand our business sales in the shortest possible time. In terms of production, the Company has production bases in Dongguan and Kunshan (Mainland China), North America, Vietnam and Taipei Head Office. These production bases are close to downstream customers, which not only can reduce the delivery cost and lead time, but also can provide customers with real-time supply and production services. At the same time, we can reduce production waste, improve production efficiency, and reduce production costs to maximize profits through lean manufacturing.

(3) Complete marketing channels and perfect after-sales services

In addition to establishing subsidiaries in North America, the Company has also set up service centers in various regions such as Southern/Eastern/Northern China, Vietnam, Thailand, and Japan. These centers are responsible for expanding local market sales and providing comprehensive after-sales service, which is crucial for maintaining customer relationships and enhancing satisfaction. Local services include promptly addressing customer inquiries and complaints and providing expert technical support. By delivering timely responses to customer needs, we can earn their trust and enhance the company's reputation.

To adapt to trends and expand sales more efficiently, the Company has comprehensively updated its official website and created electronic direct mail (eDM) to replace traditional sales promotions with digital marketing strategies.

(4) Diversified products with high added value

Our complete product lines can provide customers with different choices. The main product structure is divided into: Datacenter/Networking/Telecom, Internet of Things System, and Smart Connection Industry related products.

(5) The products are of stable quality and widely trusted by international manufacturers

With years of experience in design and manufacturing, and strong R&D and technical innovation capabilities, we not only integrate upstream development and manufacturing to ensure the product quality, but also make our products well-recognized by well-known international manufacturers. In addition, as our major customers are all international manufacturers, we can clearly grasp the market trends through good interaction with our customers, and penetrate into regional markets.

5. Future Development Positive and Negative Factors and Countermeasures

(1) Positive Factors

① The main products are popular products, so that they will not be eliminated

The Company's main products are Datacenter/Networking/Telecom, Internet of Things system, and Smart Connection Industry products, and these products are the trend of the future, so that the Company will continue to make profits and will not be eliminated.

② Products and manufacturing have been certified by international manufacturers, and the barriers to entry are high

The Company has been working in the cloud market for many years, and has won the trust of our customers with the experience of customization service accumulated over the years. In addition to maintaining the cooperative relationship with our customers, the Company is also engaged in joint research and development of core products with international manufacturers in order to establish a deeper business relationship between both parties. This development opportunity is very beneficial to the future development of the Company.

(2) Negative factors and countermeasures

① Fierce competition in the industry

The product life cycle is increasingly compressed due to rapid changes in the market, and the competition in the industry is fierce, resulting in a decrease in gross profit.

<u>Countermeasures:</u>

Under the pressure of fierce competition in the market, in addition to continuously reducing costs, we must also maintain proper quality of our products. Therefore, on the one hand, we are actively developing high value-added products to widen the gap with the peer companies, and cooperating with parts suppliers with stable quality and low prices to increase gross profit; on the other hand, we are making a complete assessment on the self-production or outsourcing costs to implement production in the most efficient way.

② High labor cost and high production cost

Although most of our products are produced by automatic production equipment, there are still some components that cannot be produced by automatic equipment and must rely on labor, and the operating costs of factories in Mainland China are increasing due to rising labor costs.

Countermeasures:

A. Implement vertical integration and consolidation of factories to reduce management costs, reduce repeated investments, and maximize group resource utilization.

B. Actively invest in automatic production equipment to reduce reliance on labor and improve product quality.

③ Exchange rate risk

Since the Company's sales targets are mostly well-known international manufacturers with a high rate of foreign sales, the changes in exchange rate have a significant impact on the Company's operations.

Countermeasures:

Based on professional consulting services provided by correspondent banks and external professional investment and financial management personnel, we will avoid exchange rate risk when the exchange rate is unstable.

The financial staff maintains close contact with banks and keeps abreast of international financial information and exchange rate changes through connection with relevant international financial systems to determine the favorable time for foreign exchange transactions. The Company uses the U.S. dollar as its primary trading currency, and the net assets are mainly in U.S. dollar. The Company uses accounts receivable and accounts payable as natural hedges to reduce transaction costs arising from foreign exchange.

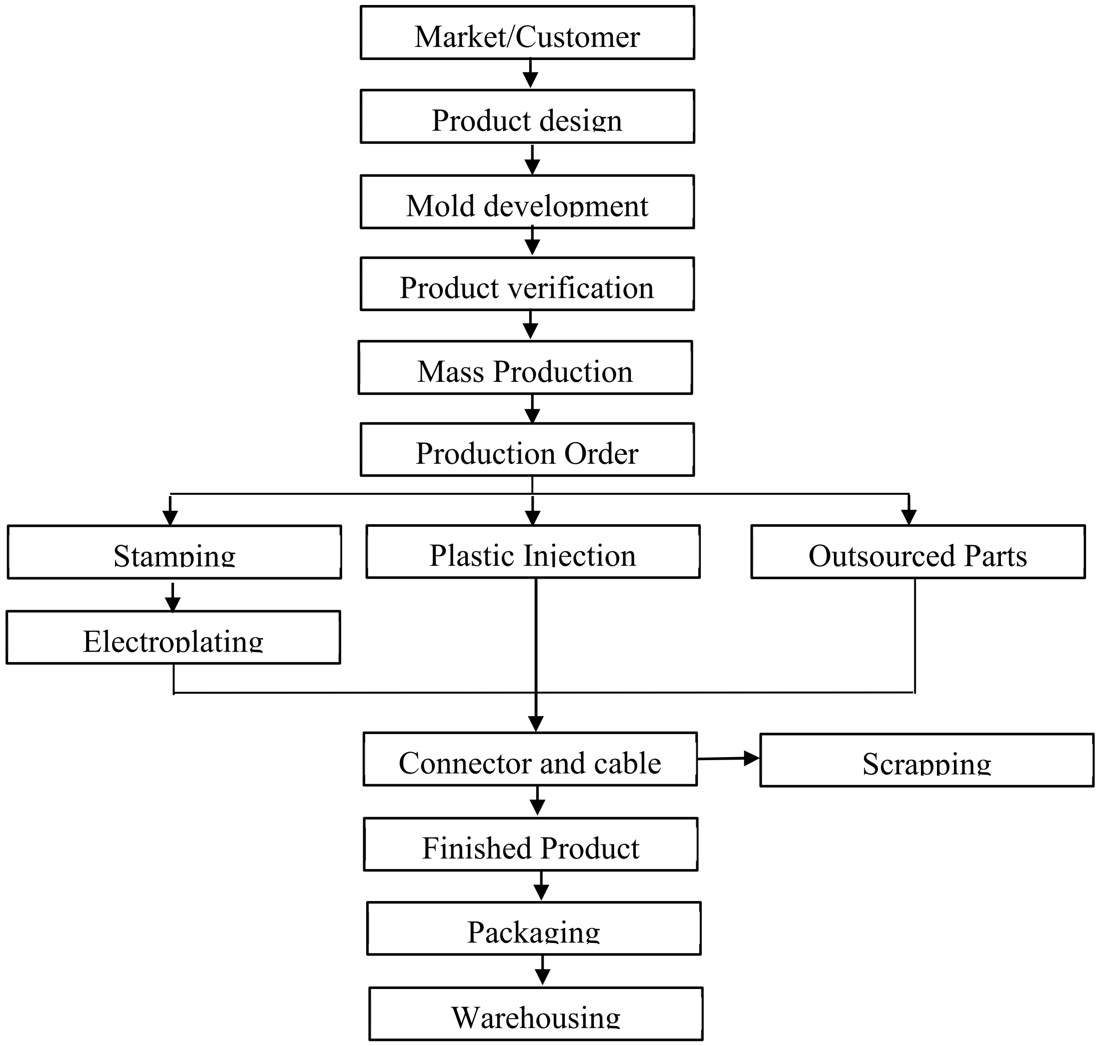
(II) Usage and Manufacturing Processes of Main Products

1. Usage of Main Products

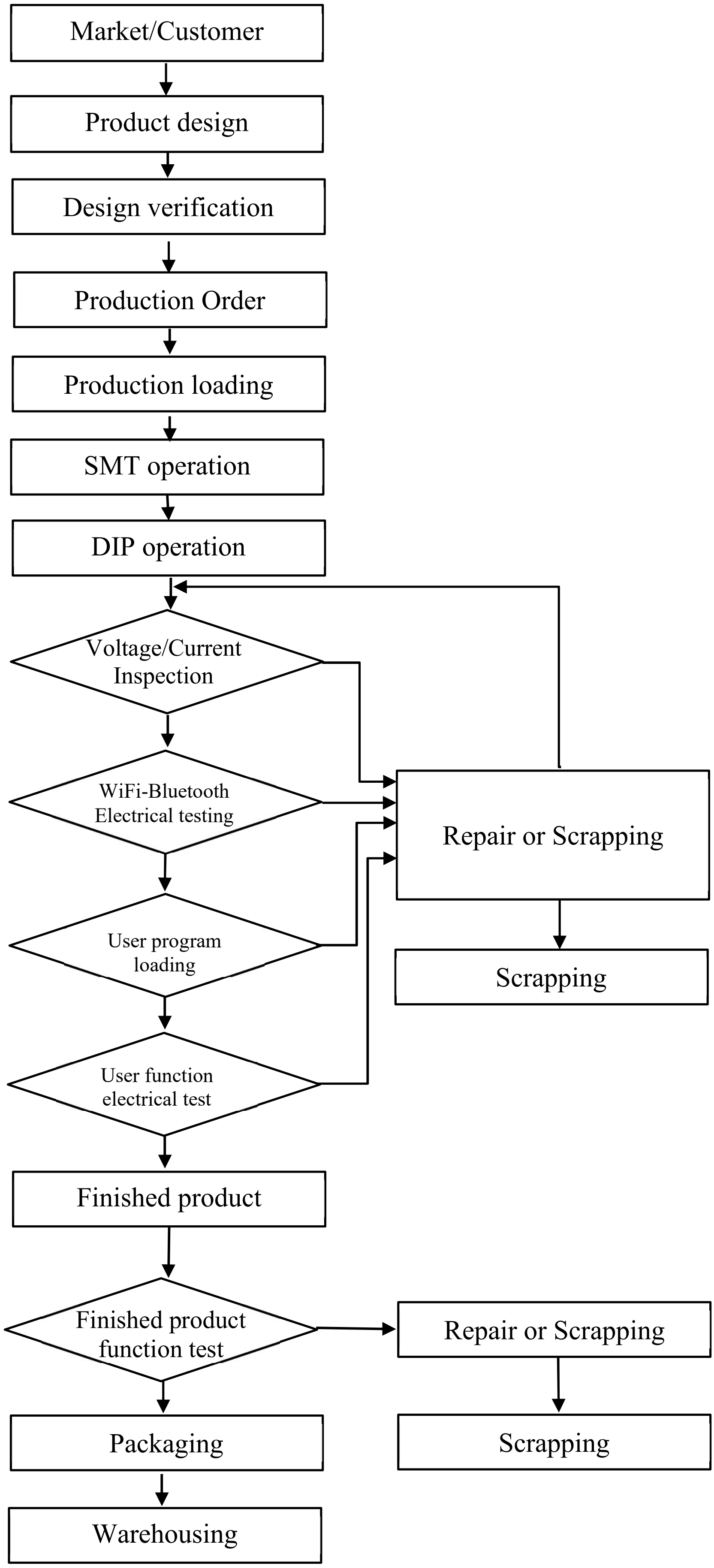
Main Products	Usage
Datacenter/Networking/ Telecom (DNT)	1. Hyperscale data center 2. Server and Switch 3. 5G and telecom
Internet of Things (IoT)	1. Developing multi-functional sensor products through a modular approach a. Modular design for various communication modules (BLE, WiFi, LTE, NB-IoT, Zigbee): Employing a modular design approach with cross-platform compatibility, enabling flexible expansion of product functionality. b. All-in-one sensor (Vibration Sensor, Environment Sensor, Power Meter), coupled with Soc machine learning, to cater to various service needs across IoT domains. 2. Energy Harvesting Modular, Battery-Free Solution. Feature such as low-power wireless transmission (Ext. BLE, Zigbee). The Energy Harvesting Modular module architecture comprises PV cells, DC/DC converters, PMICs, and storage elements. These elements harness the energy from sunlight and natural light, converting it into power, thereby reducing reliance on batteries and achieving the objective of battery-free operation.
Smart Connection Industry (SCI)	1. High-end consumer/gaming PCI-e Gen 5 connectors and wiring hernesses. 2. Industrial robots and smart factory/automation related equipment products, communication systems and various connectors and connection cables for the transmission of electronic signals between products. 3. Automotive electronics, electric new energy and ESS energy storage related, internal signal control connection, power transmission, protection control related, connection devices and connection cable harnesses. 4. Medical electronics, medical external signal control connection, power transmission, protection control related, connection devices and connection cable harnesses.

2. Manufacturing Processes of Main Products

(1) Datacenter/Networking/Telecom and Smart Connection Industry



(2) Internet of Things



(III) Supply Situation for Major Raw Materials

Major Raw Materials	Major Supplier	Supply Situation
Consumer Electronic Components	Nanzhuo (Hong Kong)	Good

(IV) The names of customers who accounted for more than 10% of the total amount of goods imported (sold) in any of the most recent two years, the amount and proportion of goods imported (sold), and the reasons for their increase or decrease

(1) List of Major Suppliers in the Most Recent Two Years

Unit: NT$1,000

	2022				2023				As of March 31, 2024			
Item	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	Name	Amount	Proportion to Net Purchase as of the First Quarter of the Year (%)	Relationship with the Issuer
1	Supplier C	301,917	13.95	–	Supplier C	363,162	14.77	–	Supplier A	143,734	21.75	–
	Others	1,863,087	86.05		Others	2,095,870	85.23		Others	531,619	78.25	
	Net Purchase	2,165,004	100.00		Net Purchase	2,459,032	100.00		Net Purchase	679,353	100.00	

Reasons for increase or decrease:

The purchase amount and proportion of the Company's major suppliers for the most recent two years changed with the Company's product development strategy and the demand of upstream customers, and there were no significant abnormalities.

(2) List of Major Clients in the Most Recent Two Years

Unit: NT$1,000

	2022				2023				As of March 31, 2024			
Item	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	Name	Amount	Proportion to Net Sales as of the First Quarter of the Year (%)	Relationship with the Issuer
1	Client C	420,951	9.70	–	Client C	376,223	7.58	–				–
	Others	3,918,477	90.30		Others	4,585,912	92.42		Others			
	Net Sales	4,339,428	100.00		Net Sales	4,962,135	100.00		Net Sales	1,476,642	100.00	

Reasons for increase or decrease:

The sales amount and proportion of the Company's major clients for the most recent two years changed with the Company's product development strategy and the demand of upstream customers, and there were no significant abnormalities.

(V) Table of Production Volume and Value for the Most Recent Two Years

Unit: 1,000 PCS / NT$1,000

Year / Production Volume and Value / Main Products	2022 (Consolidated)			2023 (Consolidated)		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Datacenter/Networking/ Telecom, Internet of Things System, Smart Connection Industry, and others	Note 1	1,202,396	2,368,807	Note 1	630,611	2,143,715

Note 1: The Company flexibly arranges production according to customers' orders, there is no standardized product, and the products vary greatly, so that it is impossible to measure capacity by volume.

Note 2: If the production of each product is substitutable, the production capacity can be combined.

(VI) Table of Sales Volume and Value for the Most Recent Two Years

Unit: 1,000 PCS / NT$1,000

Year / Sales Volume and Value / Main Products	2022 (Consolidated)				2023 (Consolidated)			
	Domestic Sales		Foreign Sales		Domestic Sales		Foreign Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Smart Connection Industry	21,905	149,598	221,783	1,870,211	32,493	281,921	198,423	1,939,885
Datacenter/ Networking/ Telecom	12,107	386,271	24,585	1,463,909	5,992	421,235	19,747	1,793,186
Internet of Things	406	9,872	715	115,438	-	26,134	133	104,902
Others	15	53,539	199	290,590	39	78,535	530	316,337
Total	34,433	599,280	247,282	3,740,148	38,524	807,825	218,833	4,154,310

Note: Others include raw materials and molds, etc., with different measurement units and specifications.

III. Number of employees, average years of service, average age, and education distribution in the most recent two years and as of the publication date of the annual report

Year		2022	2023	As of March 31, 2024
Number of Employees	General employees	555	701	721
	Direct employees	545	879	1,087
	Total	1,100	1,580	1,808
Average Age		23.04	29.01	29.56
Average Years of Service		3.54	4.11	3.51
Education Distribution (%)	PhD	0.09%	0.07%	0.06%
	Master's	3.73%	3.37%	3.04%
	Bachelor's	27.27%	27.39%	30.42%
	High school	28.00%	29.28%	34.03%
	Below high school	40.91%	39.89%	32.45%

IV. Disbursements for Environmental Protection

For the most recent year and up to the date of publication of the annual report, there were no major penalties due to pollution.

V. Labor Relations

(I) List the Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests

1. Employee Benefit Plans, Continuing Education and Training

The Company has established an Employee Welfare Committee, with members appointed by employees themselves, to allocate funds for welfare activities in accordance with the law. Additionally, various measures are implemented to enhance employee benefits and foster a diverse, inclusive, equitable, and friendly workplace.

(1) Employee benefits:

- Year-end bonus and performance bonus.
- Birthday bonus, Mid-Autumn Festival gifts, Dragon Boat Festival gifts, and departmental birthday gatherings.
- Wedding and funeral allowances, group activities and club subsidies.

(2) Employee care:

- Regular health check-ups and monthly occupational health visits and consultations. For employees with abnormal health check-up data, we provide follow-up management and care.
- Lactation room, ping pong room, library and equipments for club activities. Snacks are also provided on each floor for colleagues to enjoy during breaks.
- Regularly hold health-promoting activities, competitions, and seminars to improve the physical and mental well-being of employees.
- Hold labor-management meetings to ensure effective communication between employees and management.
- Employees can express their opinions through the Human Resources and General Affairs service window at any time.

(3) Family-friendly:

- Paternity leave, paternity check-up leave, coordinating with daycare services, family care leave, parental leave without pay, flexible working hours…etc.
- Annual trip and family day.

(4) Others:

- Establishment of professional competence subsidy management measures and incentives for professional certification, such as patent bonus.
- Encouragement of internal and external professional trainings.
- Encouragement of team building activities across departments to foster team spirit and facilitate the exchange of professional expertise.

3. On-the-job training

In addition to having dedicated personnel responsible for employees' pre-service and on-the-job training, each department also plans and executes internal and external trainings according to its needs to cultivate employees' professional skills. This is aimed at enhancing the company's service quality and management performance. Through a systematic performance assessment method, employees can gradually achieve their career goals as their experience and skills grow.

4. Employee insurance

In addition to complying with government regulations by providing labor insurance and health insurance, the Company offers a comprehensive group insurance plan, including life insurance, critical illness insurance, group hospitalization medical insurance, and accident insurance, to provide employees with enhanced insurance coverage and protection.

5. Retirement system and implementation status
   (1) The Company has established an employee retirement policy and organized a Retirement Savings Supervisory Committee in accordance with the law. This committee is responsible for overseeing the saving, management, and utilization of retirement funds to ensure the well-being of employees after retirement.
   (2) Since July 1, 2005, the Company has implemented a retirement policy in accordance with the Labor Standards Act and the Labor Pension Act for Taiwanese employees. When employees meet the retirement criteria, they can apply for retirement through the retirement procedure to ensure their well-being after retirement.
6. Labor-management agreements and measures for preserving employees' rights and interests

   The Company has established personnel management rules and personnel operating guidelines, and all matters from the hiring, promotion to retirement of employees are clearly stated in the work rules. The Company's work rules were formulated in accordance with the relevant regulations of the Labor Standards Act and approved by the New Taipei City Labor Bureau. The Company has maintained harmonious labor-management relations since its establishment, and in order to continue to maintain harmonious labor-management relations, the Company's management attaches great importance to communication channels between employees and management.

(II) List all losses (including labor inspection results in violation of the Labor Standards Act; the date of penalty, penalty document number, applicable law violated, content of the law, and content of penalty shall be disclosed) incurred due to labor disputes in the most recent year and up to the date of publication of the annual report, and disclose the currently estimated amount and future potential amount, and future countermeasures: None.

(III) The implementation status of workplace diversity and gender equality policies of 2023

JPC Key Indicators

Gender Ratio Better than industry average **50:50** High-Tech Manufacturing Industry Female ratio：37.4%	Average Age Equivalent to industry average **42** High-Tech Manufacturing Industry below age 30：34% age 31~50：60.9% above age 51：5.1%	Statutory Quota for People with Disabilities Better than industry average **3** staffs High-Tech Manufacturing Industry Nearly 40% do not meet the criterion
Managers Gender Ratio Better than industry average High-Tech Manufacturing Industry Female manager ratio：11%	New Recruits Ratio of Recent Year Higher than industry average ↑**34.9**% High-Tech Manufacturing Industry New recruits ratio：22.8%	Attrition Rate of Recent Year Slightly better than industry average ↓**22.9**% High-Tech Manufacturing Industry Attrition Rate：23.4%

VI. Cyber Security Management

(I) 1. Cyber security risk management framework:

JPC's cyber security authority is the Information Management Department, which is responsible for planning cyber security and protection related policy, implementing cyber security operations and promoting cyber security information, raising employees' cyber security awareness, regularly monitoring network traffic, understanding and grasping the latest cyber security information and cyber security attack situation, and immediately notifying the emergency response joint defense personnel to minimize the damages.

2. Cyber security policy and specific management plans:

(1) Corporate cyber security management policy framework

- The Company's cyber security authority is the Information Management Department, which has an information supervisor and a number of professional information personnel responsible for formulating internal cyber security policies, planning and implementing cyber security operations, and promoting and implementing cyber security policies, and regularly reporting to the Board of Directors on the Company's cyber security governance status.
- The Company's Auditing Office is the supervisory unit for cyber security monitoring. The Office has an auditor who is responsible for supervising the implementation of internal cyber security, and if deficiencies are found, the audited unit is required to propose relevant improvement plans and specific actions, and the effectiveness of improvement is tracked regularly to reduce internal cyber security risks.
- Organizational operation mode - PDCA (Plan-Do-Check-Act) cycle management is adopted to ensure the achievement of the reliability goal and continuous improvement.

(2) Specific management plan and resources invested in cyber security management:

① The cyber security management mechanism of the Company consists of the following three aspects:

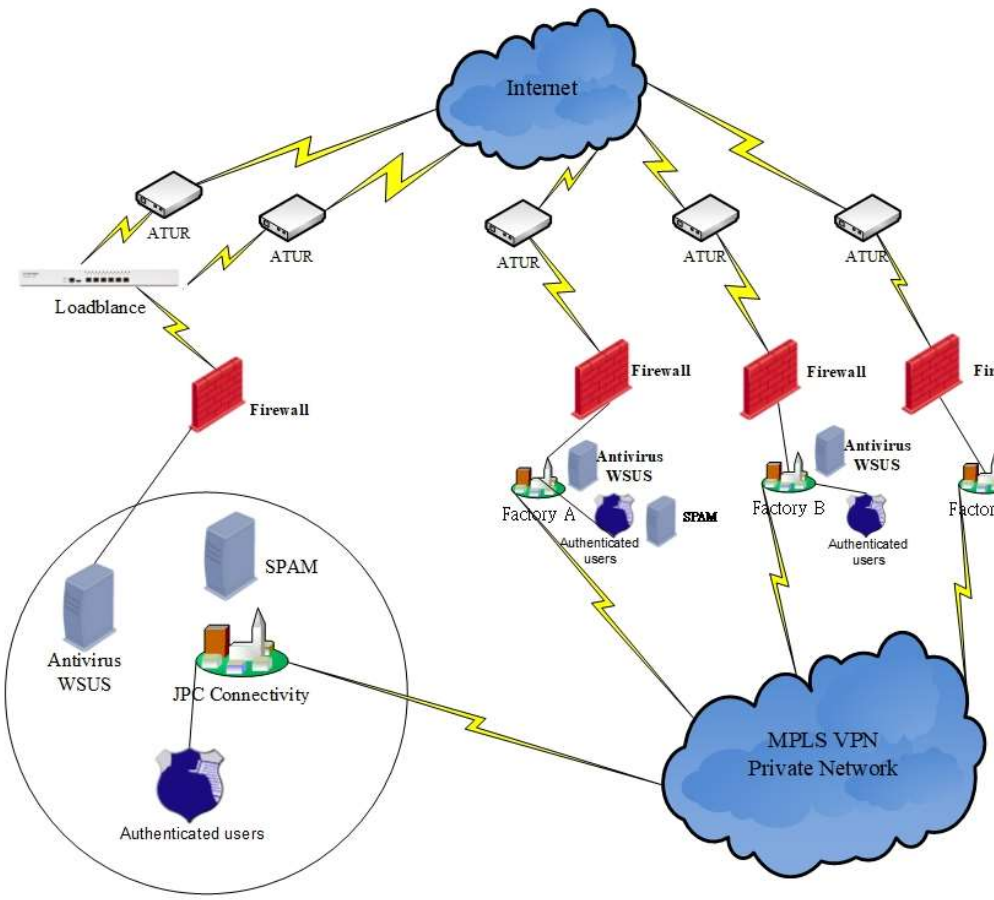
A. System and regulation: establish the Company's cyber security management system and regulate the personnel's operation behavior.

B. Use of technology: Set up cyber security management equipment and implement cyber security management measures.

C. Personnel training: Conduct education and training on cyber security to raise the cyber security awareness of all employees.

② Cyber security management measures:

The Company regularly reviews internal cyber security regulations and analyzes internal risk levels based on network structure, vulnerabilities, threats and effects, and use the risk assessment results to formulate security measures and enhancement items, o as to improve and enhance the overall cyber security environment. The cyber security management mechanism includes the following:



▲Group Network Security Framework

In order to strengthen the technical application and experience exchange of cyber security, JPC joined the CISO Alliance in Taiwan this year, and its main vision and objectives are as follows:

Source of picture: Taiwan CISO Alliance

Objective 1: Core Competency Development for Cyber Security Supervisors
Cyber security supervisor study courses are opened to improve the core competencies of cyber security supervisors through cyber security practices, cyber security governance sharing activities and cyber security threat information analysis services.

Objective 2: Training and preparation of professional cyber security personnel
Operate cyber security personnel training mechanism, conduct industry-academy exchange, enterprise internship, and talent matching activities, and set up physical and virtual learning platforms to help enterprises to improve professional cyber security personnel.

Objective 3: Energy linkage of cyber security industry services
By combining the resources of cyber security industry services, assist cyber security supervisors to grasp resources and effectively eliminate cyber security problems by conducting case studies on cyber security incidents, consulting cyber security governance advisors, and introducing cyber security solutions.

Objective 4: Establishing a compliant cyber security management system
Act as a communication bridge between the government and the industry, and conduct policy and regulation promotion and legal compliance consultation service activities to help enterprises establish cyber security management systems that comply with relevant regulations.

JPC adopts the "centralized control and decentralized monitoring and control method" in the strategy of cyber security management mechanism. The Information Management Department of the head office will make unified planning, and each factory will establish its own management plan. Functionally, the central server and database system are installed in Taipei, and a managed mechanism is set up in other factories to monitor the status of PC online security protection in each factory in real time, and connected to the central server through the network for unified control.

(II) Major cyber security incidents

At present, there is no major cyber security incident that causes business damage.

VII. Important Contracts

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Lease contract	TLD HI-TECH CO., LTD.	2018/11-2023/10	Leasing of plant	None
Lease contract	TLD HI-TECH CO., LTD.	2023/11-2025/10	Leasing of plant	None
Lease contract	Kunshan Liandong Jinkun Industrial Co., Ltd.	2021/03/31-2024/03/30	Leasing of plant	None

Lease contract	Kunshan Liandong Jinkun Industrial Co., Ltd.	2024/03/31-2027/03/30	Leasing of plant	None
Lease contract	Dongguan Nanzhuo Industry Co., Ltd.	2020/06/01-2025/05/31	Leasing of plant	None
Lease contract	Dongguan Nanzhuo Industry Co., Ltd.	2022/09/01-2025/05/31	Leasing of plant	None
Lease contract	Admiral Overseas Corporation	2021/09/01-2023/10/31	Leasing of office	None
Lease contract	Admiral Overseas Corporation	2023/11/01-2027/10/31	Leasing of office	None
Lease contract	2260 Trade Zone Property LLC	2023/07-2028/06	Leasing of office	None
Lease contract	Cooperage Ames Partnership	2022/01-2027/02	Leasing of warehouse	None
Lease contract	Cromadit CO., LTD	2023/09-2026/08	Leasing of office	None

Chapter 6. Financial Information

I. Condensed Financial Information for the Past Five Fiscal Years

(I) Condensed Balance Sheet and Comprehensive Income Statement - Consolidated

Condensed Balance Sheet (Consolidated)

Unit: NT$1,000

Item \ Year		Financial Information for the Past Five Fiscal Years					March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Current Assets		3,558,733	3,912,560	3,493,108	3,687,337	3,759,314	4,080,836
Property, Plant, and Equipment		370,674	435,352	439,883	427,593	457,393	581,055
Intangible Assets		94,122	95,780	94,243	95,450	540,708	538,946
Other Assets		39,590	44,995	55,938	41,801	178,159	125,773
Total Assets		4,284,758	4,750,068	4,460,980	4,604,182	5,354,039	5,793,238
Current Liabilities	Before distribution	1,062,150	1,536,670	1,231,687	1,377,415	1,590,773	2,163,857
	After distribution	1,428,408	1,890,719	1,597,945	1,768,090	1,981,448	2,163,857
Non-current Liabilities		105,758	138,324	128,260	67,345	279,380	281,325
Total Liabilities	Before distribution	1,167,908	1,674,994	1,359,947	1,444,760	1,870,153	2,445,182
	After distribution	1,534,166	2,029,043	1,726,205	1,835,435	2,260,828	2,445,182
Equity Attributable to Owners of the Parent		3,042,431	2,994,685	3,018,235	3,061,354	3,351,522	3,199,033
Capital Stock		1,220,859	1,220,859	1,220,859	1,220,859	1,220,859	1,220,859
Capital Surplus		834,165	651,036	492,323	394,654	272,568	199,316
Retained Earnings	Before distribution	1,218,286	1,302,671	1,496,592	1,702,806	2,091,762	1,934,352
	After distribution	1,035,157	1,107,334	1,228,003	1,434,217	1,652,253	1,934,352
Other Equity		(230,879)	(179,881)	(191,539)	(256,965)	(233,667)	(155,494)
Treasury Stock		—	—	—	—	—	—
Non-controlling Interests		74,419	80,389	82,798	98,068	132,364	149,023
Total Equity	Before distribution	3,116,850	3,075,074	3,101,033	3,159,422	3,483,886	3,348,056
	After distribution	2,750,592	2,721,025	2,734,775	2,768,747	3,093,211	3,348,056

Note 1: The financial data as of March 31, 2024 has been reviewed by the CPAs.

Condensed Statement of Comprehensive Income (Consolidated)

Unit: NT$1,000

Year / Item	Financial Information for the Past Five Fiscal Years					March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating Revenue	3,609,423	3,582,522	3,866,828	4,339,428	4,962,135	1,476,642
Gross Profit	835,462	950,352	1,052,646	1,100,099	1,436,531	487,658
Operating Profit or Loss	217,958	380,294	358,849	378,338	641,210	256,999
Non-operating Income and Expenses	90,878	(49,208)	107,553	166,666	169,201	49,424
Income before Tax	308,836	331,086	466,402	545,004	810,411	306,423
Income from Continuing Operations	262,517	270,395	385,027	445,338	660,319	255,885
Loss from Discontinued Operations	–	–	–	–	–	–
Net Income (Loss)	262,517	270,395	385,027	445,338	660,319	255,885
Other Comprehensive Income (net amount after tax)	(17,119)	54,087	(5,019)	(26,192)	45,020	121,046
Total Comprehensive Income	245,398	324,482	380,008	419,146	705,339	376,931
Net Income Attributable to Shareholders of the Parent	288,633	260,410	373,477	439,816	635,395	237,378
Net Income Attributable to Non-controlling Interests	(26,116)	9,985	11,550	5,522	24,924	18,507
Comprehensive Income Attributable to Owners of the Parent	272,013	318,512	377,599	409,377	680,843	360,272
Comprehensive Income Attributable to Non-controlling Interests	(26,615)	5,970	2,409	9,769	24,496	16,659
Earnings per Share	2.40	2.13	3.06	3.60	5.20	1.94

Note 1: The financial data as of March 31, 2024 has been reviewed by the CPAs.

(II) Condensed Balance Sheet and Comprehensive Income Statement - Parent Company Only

Condensed Balance Sheet (Parent Company Only)

Unit: NT$1,000

Item \ Year		Financial Information for the Past Five Fiscal Years				
		2019	2020	2021	2022	2023
Current Assets		1,491,542	2,051,142	1,602,443	2,148,318	2,088,912
Property, Plant, and Equipment		180,762	278,346	295,038	290,697	340,260
Intangible Assets		11,653	15,265	14,814	6,420	5,317
Other Assets		10,417	19,585	26,110	24,294	28,408
Total Assets		4,240,995	4,783,547	4,514,897	5,038,098	5,773,118
Current Liabilities	Before distribution	1,144,670	1,732,241	1,430,044	1,938,423	2,255,559
	After distribution	1,510,928	2,086,290	1,796,302	2,329,098	2,768,320
Non-current Liabilities		53,894	56,621	66,618	38,321	166,037
Total Liabilities	Before distribution	1,198,564	1,788,862	1,496,662	1,976,744	2,421,596
	After distribution	1,564,822	2,142,911	1,862,920	2,367,419	2,934,357
Capital Stock		1,220,859	1,220,859	1,220,859	1,220,859	1,220,859
Capital Surplus		834,165	651,036	492,323	394,654	272,568
Retained Earnings	Before distribution	1,218,286	1,302,671	1,496,592	1,702,806	2,091,762
	After distribution	1,035,157	1,107,334	1,228,003	1,434,217	1,652,253
Other Equity		(230,879)	(179,881)	(191,539)	(256,965)	(233,667)
Treasury Stock		—	—	—	—	—
Total Equity	Before distribution	3,042,431	2,994,685	3,018,235	3,061,354	3,351,522
	After distribution	2,676,173	2,640,636	2,651,977	2,670,679	2,838,761

Statement of Comprehensive Income (Parent Company Only)

Unit: NT$1,000

Item \ Year	Financial Information for the Past Five Fiscal Years				
	2019	2020	2021	2022	2023
Operating Revenue	2,186,279	2,365,394	2,812,740	3,431,206	3,605,095
Gross Profit	402,443	507,472	656,416	900,658	996,026
Operating Profit or Loss	129,460	231,232	297,990	481,254	517,750
Non-operating Income and Expenses	191,983	74,894	144,517	41,096	237,443
Income before Tax	321,443	306,126	442,507	522,350	755,193
Income from Continuing Operations	288,633	260,410	373,477	439,816	635,395
Loss from Discontinued Operations	—	—	—	—	—
Net Income (Loss)	288,633	260,410	373,477	439,816	635,395
Other Comprehensive Income (net amount after tax)	(16,620)	58,102	4,122	(30,439)	45,448
Total Comprehensive Income	272,013	318,512	377,599	409,377	680,843
Earnings per Share	2.40	2.13	3.06	3.60	5.2

(III) Name of CPAs and Audit Opinions

Year	Name of CPA Firm	Name of CPA	Opinions
2018	PwC Taiwan	Min-Chuan Feng Sheng-Chung Hsu	Unqualified opinion
2019	PwC Taiwan	Ya-Hui Lin Min-Chuan Feng	Unqualified opinion
2020	PwC Taiwan	Ya-Hui Lin Min-Chuan Feng	Unqualified opinion
2021	PwC Taiwan	Yung-Chien Hsu Ya-Hui Lin	Unqualified opinion
2022	PwC Taiwan	Yung-Chien Hsu Ya-Hui Lin	Unqualified opinion
2023	PwC Taiwan	Jen-Chieh Wu Ya-Hui Lin	Unqualified opinion

II. Financial Analyses for the Past Five Fiscal Years

Analysis Item (Year)		Financial Analyses for the Past Five Fiscal Years - Consolidated					March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial Structure (%)	Debt ratio	27.26	35.26	30.49	31.38	34.93	42.21
	Ratio of long-term capital to property, plant, and equipment	869.39	738.11	734.13	754.64	822.76	624.62
Solvency %	Current ratio	335.05	254.61	283.60	267.70	236.32	188.59
	Quick ratio	267.26	216.56	212.37	214.96	196.30	158.86
	Interest coverage ratio	43.32	50.69	116.65	160.83	61.19	54.34
Operating ability	Accounts receivable turnover rate (times)	3.53	3.55	3.57	3.77	4.07	4.09
	Average days for cash receipts	103.39	102.82	102.24	96.82	89.68	89.24
	Inventory turnover rate (times)	4.08	4.22	4.08	4.40	5.91	6.34
	Accounts payable turnover rate (times)	3.82	3.87	3.71	3.68	4.14	4.06
	Average days for sale of goods	89.46	86.49	89.46	82.95	61.76	57.57
	Property, plant, and equipment turnover rate (times)	9.48	8.89	8.84	10.00	12.09	11.38
	Total assets turnover rate (times)	0.83	0.79	0.84	0.96	1.07	1.06
Profitability	Return on assets (%)	6.18	6.10	8.43	9.89	13.48	4.67
	Return on equity (%)	8.76	8.73	12.47	14.23	19.28	7.47
	Ratio of income before tax to paid-in capital (%)	25.30	27.12	38.20	44.64	66.38	100.40
	Net profit margin (%)	7.27	7.55	9.96	10.26	12.35	17.33
	Earnings Per Share (NT$)	2.40	2.13	3.06	3.60	5.20	1.94
Cash flows	Cash flow ratio (%)	50.00	22.32	33.75	51.46	42.23	17.49
	Cash flow adequacy ratio (%)	170.31	180.34	137.75	165.80	182.28	194.25
	Cash reinvestment ratio (%)	11.05	4.82	6.62	13.04	12.06	11.77
Leverage	Operating leverage	4.75	2.93	3.46	3.41	2.49	1.92
	Financial leverage	1.03	1.02	1.01	1.01	1.02	1.02

Please explain the reasons for any changes in financial ratios in the most recent two years.

1. Interest coverage ratio: The ratio decreased due to the increase in interest expense caused by the contigent liabilities stemming from the acquisition of subsidiaries.
2. Inventory turnover ratio and average days of inventory: Due to proactive inventory management, the inventory turnover ratio has increased and the average days of inventory have decreased.
3. Turnover ratio of real estate, factory, and equipment: The growth in sales has led to an increase in net operating revenue, resulting in an increase in the ratio.
4. Return on assets and return on equity: Due to the increase in net income after tax, both the return on assets and return on equity have increased.
5. Ratio of profit before tax to paid-up capital: The increase in profit before tax has resulted in an increase in the ratio.
6. Net profit margin: The increase in net profit after tax exceeds the increase in operating income, resulting in an increase in the net profit margin.
7. Earnings per share: The increase in net income attributable to the parent company led to an increase in earnings per share.
8. Operating leverage: The increase in net operating income led to a decrease in operating leverage.

Note 1: The financial data as of March 31, 2024 has been reviewed by the CPAs.

Analysis Item \ Year		Financial Analyses for the Most Recent Five Fiscal Years – Parent Company Only				
		2019	2020	2021	2022	2023
Financial Structure (%)	Debt ratio	28.26	37.40	33.15	39.24	41.95
	Ratio of long-term capital to property, plant, and equipment	1,712.93	1,096.23	1,045.58	1,066.29	1,033.79
Solvency %	Current ratio	130.30	118.41	112.06	110.83	92.61
	Quick ratio	115.92	107.54	94.43	95.68	82.92
	Interest coverage ratio	127.70	107.70	389.85	383.11	68.03
Operating ability	Accounts receivable turnover rate (times)	4.17	4.34	4.19	4.28	4.30
	Average days for cash receipts	87.56	84.08	87.17	85.27	84.92
	Inventory turnover rate (times)	11.87	11.50	11.12	12.31	13.40
	Accounts payable turnover rate (times)	2.61	2.33	2.04	1.86	1.59
	Average days for sale of goods	30.74	31.74	32.82	29.66	27.24
	Property, plant, and equipment turnover rate (times)	11.78	10.30	9.81	11.72	11.43
	Total assets turnover rate (times)	0.51	0.52	0.60	0.72	0.67
Profitability	Return on assets (%)	6.84	5.82	8.05	9.23	11.92
	Return on equity (%)	9.64	8.63	12.42	14.47	19.82
	Ratio of income before tax to paid-in capital (%)	26.33	25.07	36.25	42.79	61.86
	Net profit margin (%)	13.20	11.01	13.28	12.82	17.62
	Earnings Per Share (NT$)	2.40	2.13	3.06	3.60	5.20
Cash flows	Cash flow ratio (%)	43.02	9.87	28.46	40.44	26.02
	Cash flow adequacy ratio (%)	136.10	146.38	131.18	171.46	175.90
	Cash reinvestment ratio (%)	10.64	(0.40)	7.08	16.88	9.16
Leverage	Operating leverage	2.60	2.05	1.98	1.68	1.72
	Financial leverage	1.02	1.01	1.00	1.00	1.02

Please explain the reasons for any changes in financial ratios in the most recent two years.

1. Interest coverage ratio: The ratio decreased due to the increase in interest expense caused by the contigent liabilities stemming from the acquisition of subsidiaries.
2. Return on assets and return on equity: Due to the increase in net income after tax, both the return on assets and return on equity have increased.
3. Ratio of profit before tax to paid-up capital: The increase in profit before tax has resulted in an increase in the ratio.
4. Net profit margin: The increase in net profit after tax exceeds the increase in operating income, resulting in an increase in the net profit margin.
5. Earnings per share: The increase in net income attributable to the parent company led to an increase in earnings per share.
6. Cash flow ratio: The ratio decreased due to the decrease in cash inflow from operating activities and increase in current liabilities.
7. Cash reinvestment ratio: The ratio decreased due to the decrease in cash inflows from operating activities and increase in long-term equity investments.

The calculation formulas for the analysis items are 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 value of property, plant, and equipment.
2. Solvency
   (1) Current ratio = Current assets/Current liabilities.
   (2) Quick ratio = (Current assets - Inventories - Prepaid expenses)/Current liabilities.
   (3) Interest coverage ratio = Income before tax and interest expenses/Interest expenses.
3. Operating ability
   (1) Accounts receivable (including accounts receivable and notes receivable generated from operations) turnover rate = Net sales/Average balance of accounts receivable (including accounts receivable and notes receivable generated from operations) for each period.
   (2) Average days for cash receipts = 365/Accounts receivable turnover rate.
   (3) Inventory turnover rate = Cost of goods sold/Average inventories.
   (4) Accounts payable (including accounts payable and notes payable generated from operations) turnover rate = Cost of goods sold/
   Average balance of accounts payable (including accounts payable and notes payable generated from operations) for each period.
   (5) Average days for sale of goods = 365/Inventory turnover rate.
   (6) Property, plant, and equipment turnover rate = Net sales/Average net property, plant, and equipment.
   (7) Total assets turnover rate = Net sales/Average total assets.
4. Profitability
   (1) Return on assets = [Income after tax + Interest expenses x (1 - Tax rate)]/Average total assets.
   (2) Return on equity = Income after tax/Average total equity.
   (3) Net profit margin = Income after tax/Net sales.
   (4) Earnings per share = (Income attributable to owners of the parent - Preferred stock dividends)/Weighted average number of shares issued.
5. Cash Flows
   (1) Cash flow ratio = Net cash flows generated from operating activities/Current liabilities.
   (2) Cash flow adequacy ratio = Five-year sum of net cash flows generated from operating activities/Five-year sum of (capital expenditure, inventory additions and cash

dividends).

(3) Cash reinvestment ratio = (Net cash flows from operating - cash dividends)/(Gross amount of property, plant, and equipment + Long term investment + Other non-current assets + Working capital).

6. Leverage:

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

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

III. Supervisor's or Audit Committee's Review Report on Financial Statements for the Most Recent Fiscal Year: Please refer to pages 141-144.

IV. Financial Statements for the Most Recent Fiscal Year: Please refer to the Consolidated Financial Statements attached after page 144.

V. Parent Company Only Financial Statements for the Most Recent Fiscal Year, Audited by CPAs: Please refer to the Parent Company Only Financial Statements attached after page 144.

VI. Effect on the Financial Position of Any Financial Difficulties Experienced by the Company and Its Affiliates in the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

Chapter 7. Review and Analysis of Financial Position and Financial Performance, and Listing of Risks

I. Financial Position

Main reasons and effects of major changes in assets, liabilities and equity for the most recent two years, and future response plans if the effects are significant

(I) Main reasons for changes of 20% or more in the most recent two years:

1. The Company's liabilities have changed by more than 20% in the most recent two years due to short-term borrowings, other accounts payables, and other non-current liabilities.

(II) Effects of changes of 20% or more in the most recent two years: No significant effect on financial performance.

(III) Future response plans if the effects are significant: N/A.

II. Financial Performance

Main reasons for major changes in operating income, net operating income, and net income before tax for the most recent two years, the expected sales volume and the basis thereof, the possible effects on the Company's future financial operations, and the response plans:

(I) Main reasons for changes of 20% or more in the most recent two years

1. Operating income: The Company's operating income did not change by more than 20% in the most recent two years.
2. Net operating income: The Company’s net operating income increased by NT$622,707 thousand or 14.35% in 2023 compared to 20222, which was mainly due to the increase in revenue and gross profit margin caused by the joint venture and acquisition of subsidiaries in 2023, and the decrease in expenses.
3. Net income before tax: The Company's net income before tax increased by NT$265,407 thousand or 48.70% in 2023 compared to 2022, which was mainly due to the increase in operating profit in 2023.

(II) Expected sales volume and basis thereof

Based on the sales experience in previous years, future customer demand and possible mass production of products with new technology applications, the Company expects that the sales volume for the year will be within the budget execution.

(III) Possible effects on the Company's future financial operations: No significant effect.

(IV) Future response plans: N/A.

III. Cash flows

Analysis of changes in cash flow in the most recent year, improvement plan for insufficient liquidity and cash liquidity analysis for the coming year

(I) Analysis of changes in cash flow in the most recent year

1. Operating Activities

   The net cash inflow from operating activities was NT$671,796 thousand in 2023, which mainly came from the revenue and profit.

2. Investing Activities

   The net cash outflow from investing activities was NT$744,164 thousand in 2023, which was mainly due to the acquisition and disposal of financial assets measured at fair value through other comprehensive income, and capital expenditures such as acquisitions of property, plant, and equipment.

3. Financing Activities

   The net cash outflow from financing activities was NT$332,943 thousand in 2023, which was mainly due to short-term borrowings and repayments, distribution of cash dividends, and distribution of capital surplus by cash.

(II) Improvement plan for insufficient liquidity: None.

(III) Cash Liquidity Analysis for the Coming Year

Unit: NT$1,000

Cash Balance at Beginning of Year	Estimated Net Cash Flows from Operating Activities for the Year	Estimated Net Cash Flows from Investing Activities and Financing Activities for the Year	Estimated Cash Surplus (Inadequacy)	Remedial Measures for Estimated Cash Inadequacy	
				Investment Plan	Financing Plan
921,043	670,000	(817,000)	774,043	–	–

The Company expects a net cash inflow from operating activities in the coming year, and expects to have a cash balance of NT$774,043 thousand after the distribution of cash dividends.

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

The Company signed a contract to acquire the land and building in Wugu District, New Taipei City, on February 5, 2024, with a total transaction amount of NT$365 million. The related rights transfer procedures were completed on April 30, 2024.

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

(I) Reinvestment policy: Increase the investment as needed for the Company's operation scale to ensure stable production capacity and serve the needs of clients.

(II) Reasons for profit or loss on reinvestment:

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

Name of Investee Company	Cost of investment	Carrying Value	Profit (Loss) (Note)
BEST LINK PROPERTIES LTD.	953,793	2,055,944	75,929
Cha Shin Chi Investment Co., Ltd.	280,000	260,260	26,188
Main Super Enterprises Co., Ltd.	120,000	54,960	18,015
Techill Co., Ltd.	15,850	20,644	1,131
Ultraspeed Electronics Co., Ltd.	20,000	11,830	(3,537)
SWS GROUP COMPANY LIMITED	41,565	73,632	10,344
ASTRON Connectivity Co., Ltd.	10,200	29,396	37,639
SACO ENTERPRISES, INC.	439,942	452,202	13,120
JPC CONNECTIVITY CO. LTD.	174,994	162,675	(2,258)

Note: The Company recognizes investment income or loss based on the financial statements of the investee companies audited by the CPAs in 2023.

(III) Up to now, there is no investment with an estimated investment amount in excess of 5% of the Company's paid-in capital.

VI. The Following Risk Matters Shall Be Analyzed and Assessed for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report

(I) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future

1. Effect on the Profit (Loss) of Interest Rate Fluctuations and Response Measures to be Taken in the Future

The Company's interest rate risk arises primarily from variable rate interest accruing on short-term debts. In order to avoid the risk of interest rate fluctuations, the Company evaluates the changes in the financial market and selects a relatively low level of commitment, so that even if interest rates fluctuate due to uncertainties, the Company will not be significantly affected.

2. Effect on the Profit (Loss) of Exchange Rate Fluctuations and Response Measures to be Taken in the Future

As a global enterprise, the Company’s accounts receivable and payable include NTD, USD, EUR, JPY, HKD and CNY…etc, therefore the Company faces potential exchange rate risks in its operations. The net foreign exchange gain (loss) was NT$110,314 thousand and NT$40,823 thousand in 2022 and 2023 respectively, which accounted for 2.54% and 0.82%, 20.24% and 5.04% of the net operating revenues and net income before tax, respectively, and had a certain effect on the Company's profit or loss.

The Company’s accounts receivable and accounts payable are primarily denominated in USD. The currency holdings must align with the actual foreign currency requirements for the Company's import and export transactions. The company's overall net position is balanced internally to mitigate overall foreign exchange risk and reduce foreign exchange transaction costs.

The Company engages in derivative financial instrument transactions for hedging purposes. The total amount of hedging contracts should not exceed the amount of accounts receivable generated by the operations within the next six months, or should not exceed the net position of assets offsetting with liabilities.

3. Effect on the Profit (Loss) of Changes in the Inflation Rate and Response Measures to be Taken in the Future

The Company continuously monitors the inflation situation to adjust the selling price of products and the inventory of raw materials appropriately. Up to now, inflation has had no effect on the Company's operations.

(II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to be Taken in the Future

The Company did not engage in high-risk or highly leveraged investments. The Company did not engage in any endorsement/guarantee, loans to other parties or derivative transactions in the most recent year or as of the date of publication of the prospectus. If the Company needs to engage in endorsement/guarantee, loans to other parties or derivative transactions in the future, it will follow the policies and measures set forth in the Company's "Procedures for Endorsement and Guarantee", "Procedures for Loans to Other Parties", "Procedures for Acquisition or Disposal of Assets" and “Procedure of Financial Derivative Transactions”.

(III) R&D to be Carried Out in the Future and Further Expenditures Expected for R&D

The Company adheres to the belief of R&D autonomy, and the main technologies are self-developed by R&D personnel trained by the Company through project research programs. We also maintain close technical cooperation with major long-term clients. For future R&D plans, please refer to “Chapter 5. Operational Overview.” The Company's R&D expenses in 2022 and 2023 were NT$151,244 thousand and NT$163,891 thousand respectively, accounting for 3.49% and 3.30% of the operating revenues respectively. In order to keep pace with the industry development and maintain market share, the Company attaches great importance to research and development, and expects to gradually show the benefits and results in the following years. The estimated R&D expenses for the coming year is NT$189,871 thousand, which will be adjusted according to the operating conditions and needs.

(IV) Effect on the Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to be Taken in Response

The Company's operations are carried out in accordance with the laws and regulations of the competent authorities, and the Company’s financial operations are not affected by changes in important policies and laws at home and abroad in the most recent year and up to the date of publication of the prospectus. The Company will keep an eye on domestic and foreign policy development trends and regulatory changes to fully grasp changes in the market environment and adopt appropriate strategies to reduce the effect of changes in important policies and laws at home and abroad on the Company's financial operations.

(V) Effect on the Financial Operations of Developments in Science and Technology and Industrial Change, and Measures to be Taken in Response

The Company keeps abreast of technological changes and developments in the industry in which it operates, grasps the market trends and industry information, and develops products to meet market needs and maintain the Company's competitiveness. For the most recent year and up to the date of publication of the prospectus, technological changes and industry changes have not yet had a significant impact on the Company.

(VI) Effect on the Crisis Management of Changes in the Corporate Image, and Measures to be Taken in Response

Since establishment, the Company has been upholding the principles of professional and ethical management, and has been actively strengthening its internal management and enhancing its quality management capabilities to build up its professional image and further increase the trust of customers to the Company. The Company has a good corporate image and there is no circumstance that affects its corporate image in the most recent year and up to the date of publication of the prospectus.

(VII) Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Measures to be Taken in Response

The Company has no plan to merge or acquire other companies in the most recent year and up to the date of publication of the prospectus. However, if there is a plan to merge and acquire other companies in the future, the Company will make a prudent evaluation on whether the merger will bring concrete and comprehensive benefits to the Company in order to protect the interests of the original shareholders.

(VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to be Taken in Response

The Company has no plant expansion plan in the most recent year and up to the date of publication of the prospectus. The Company will make a prudent evaluation on whether the plant expansion will bring concrete and comprehensive benefits to the Company in order to protect the interests of the shareholders.

(IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to be Taken in Response

The Company's largest sales customer accounted for approximately 7.6% of net sales in 2023, and there was no single customer who accounted for more than 30% of sales; the purchase from the largest supplier accounted for approximately 14.77% of total purchases, and there was no single supplier who accounted for more than 30% of purchases; therefore, the risk of consolidation of sales or purchasing operations is limited.

(X) Effect on 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% Stake in the Company has been Transferred or has Otherwise Changed Hands, and Measures to be Taken in Response

In the most recent year and up to the date of publication of the prospectus, there has been no transfer of a major quantity of shares belonging to a director, supervisor or shareholder holding greater than a 10% stake in the Company.

(XI) Effect on and Risk to the Company Associated with Any Change in the Right of Management, and Measures to be Taken in Response: None.

(XII) List major litigious, non-litigious or administrative events that: (1) involve the company and/or any company Director, any company supervisor, the President, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other significant risks and response measures: None.

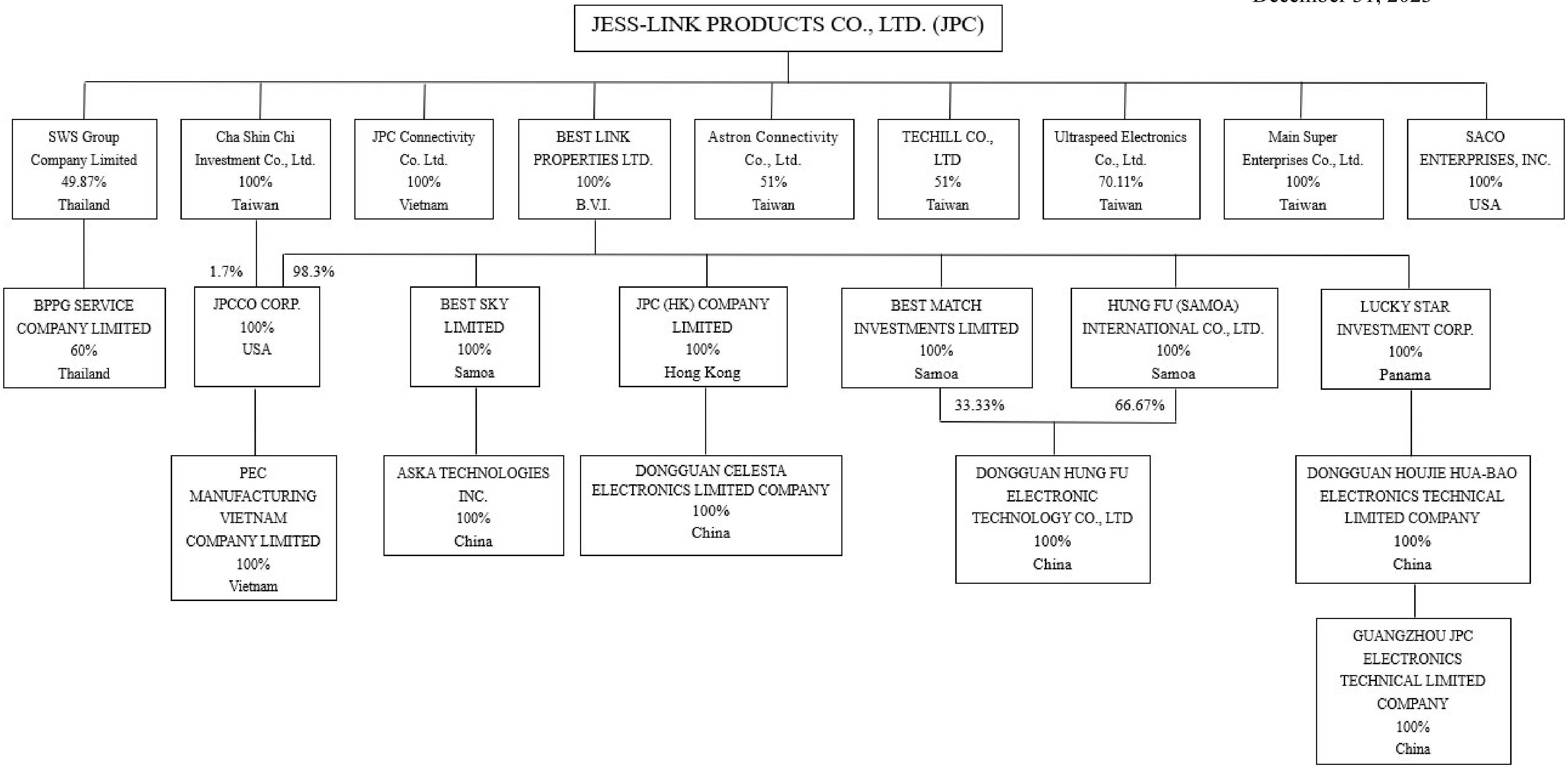
VII. Other Important Matters: None.

Chapter 8. Special Disclosure

I. Information on Affiliates

(I) Organizational chart of affiliates

December 31, 2023



(II) Basic information of affiliates

December 31, 2023

Name of Affiliate	Date of Incorporation	Address	Capital ($1,000)	Major Lines of Business or Products
Jess-Link Products Co., Ltd.	1992.05.07	9F, No. 176, Jian 1st Rd., Zhonghe Dist., New Taipei City, Taiwan	NT$1,220,859	Electronics Manufacturing
Main Super Enterprises Co., Ltd.	1986.03.24	6F-1, No. 176, Jian 1st Rd., Zhonghe Dist., New Taipei City, Taiwan	NT$15,000	Electronics Manufacturing
Cha Shin Chi Investment Co., Ltd.	2004.05.03	9F, No. 176, Jian 1st Rd., Zhonghe Dist., New Taipei City, Taiwan	NT$280,000	Investments
Techill Co., Ltd.	1992.08.19	15F, No. 79, Aly. 3, Ln. 182, Sec. 2, Wenhua Rd., Banqiao Dist., New Taipei City, Taiwan	NT$25,000	Electronics Components Trading
Ultraspeed Electronics Co., Ltd.	2018.11.06	No. 45, Hecheng Rd., Bade Dist., Taoyuan City, Taiwan	NT$15,589	Electronics Components Trading
ASTRON Connectivity Co., Ltd.	2023.04.13	6F, No. 23, Wugong 6th Rd., Wugu Dist., New Taipei City, Taiwan	NT$20,000	Electronics Components Trading
SACO ENTERPRISES, INC.	2023.07.01	2260 Trade Zone Blvd., San Jose, CA 95131, USA	US$195	Introduction, trial production, and sales of new products
JPC CONNECTIVITY CO. LTD.	2023.07.21	Lot CN-10, Van Trung Industrial Park, Van Trung Commune, Viet Yen District, Bac Giang Province, Vietnam	VND $130,938,000	Electronics Manufacturing
BEST LINK PROPERTIES LTD.	2000.01.04	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	US$29,200	Investment holding
JPC (HK) COMPANY LTD.	2000.11.08	FLAT 1502-3 15F CONNAUGHT COMMERCIAL 185 WAN CHAI ROAD WANCHAI, HONG KONG	HKD $15,500	Wholesale of Electronic Materials
BEST MATCH INVESTMENTS LIMITED	2006.09.15	Vistra Corporate Services Centre, Groung Floor NPF Building, Beach Road, Apia, Samoa	US$2,000	Investment holding
BEST SKY LIMITED	2006.07.28	Vistra Corporate Services Centre, Groung Floor NPF Building, Beach Road, Apia, Samoa	US$5,850	Investment holding
HUNG FU (SAMOA) INTERNATIONAL CO., LTD.	2006.11.22	Vistra Corporate Services Centre, Groung Floor NPF Building, Beach Road, Apia, Samoa	US$7,000	Investment holding
LUCKY STAR INVESTMENT CORP.	1997.06.17	Torre Delta Building, 14F, Via Espana, Republic of Panama	US$5,150	Investment holding
ASKA Technologies Inc.	2001.11.06	Factory 15, Liando U Valley, No. 1001, Yuyang Road, Yushan Town, Kunshan City, Jiangsu Province, China	US$5,050	Electronics Manufacturing
Dongguan Celesta Electronics Limited Company	2005.11.04	No. 3, Fenggang Fengqing Road, Fenggang Town, Dongguan City, Guangdong Province, China	HKD $5,000	Electronics Trading
Dongguan Hung Fu Electronic Technology Co., Ltd.	2011.06.09	Jinxiaotang Industrial Park, Zhutang Village, Fenggang Town, Dongguan City, Guangdong Province, China	US$6,000	Electronics Manufacturing
Dongguan Houlie Hua-Bao Electronics Technical Limited Company	2011.06.10	No. 1, Xitou Fumin Road, Houjie Town, Dongguan City, Guangdong Province, China	US$5,000	Electronics Manufacturing
Guangzhou JPC Electronics Technical Limited Company	2018.06.29	1F, Factory 1, No.1, Purong Road, Dagang Town, Nansha District, Guangzhou City, China	CNY $5,000	Automotive Electronics Trading
JPCCO CORP.	2015.03.20	4032 Clipper Court, Fremont, CA 94538, USA	US$3,580	Customer Service

Name of Affiliate	Date of Incorporation	Address	Capital ($1,000)	Major Lines of Business or Products
PEC MANUFACTURING VIETNAM COMPANY LIMITED	2019.03.08	Factory No. 3, Lot I-3b-1, N6 Road, Hi-Tech Park, Tan Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam	VND $23,000,000	Electronics Manufacturing
SWS Group Company Limited	2015.10.01	No. 2152/1, Phetchaburi Tat Mai Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok, Thailand	THB $39,700	Sales Service
BPPG SERVICE COMPANY LIMITED	2016.06.21	Phetchaburi Road, Bang Kapi, Huai Khwang, Bangkok 10310, Thailand	THB $5,000	Electronic installation and maintenance services

(III) Where there is considered to be a controlled and subordinate relation, information of the same shareholders: None.

(IV) Industries covered by business of affiliates

1. The businesses of the Company and its affiliates include:

   Electronics manufacturing, electronics trading, customer service and investment holding.

2. Dealings and division of labor among affiliates with related businesses:

   The Company mainly has purchasing of goods and raw materials and other transactions with its affiliates such as Dongguan Hung Fu, Dongguan Houjie Hua-Bao and ASKA Technologies Inc.

(V) Information on directors, supervisors, and presidents of affiliates

April 15, 2024

Name of Affiliate	Title	Name or Representative	Shareholding	
			Number of shares (in thousands) (Note 1)	Shareholding Ratio
Jess-Link Products Co., Ltd.	Director	Shu-Mei Chang	18,472	15.13%
		Mega Power Investments Limited Representative: Cin-Chih Jiang	2,296	1.88%
		Tone Investments Ltd. Representative: Shu-Mei Chang	4,394	3.60%
		Top Point Investment Ltd. Representative: Shu-Lan Li Yang	6,145	5.03%
		FSP Technology Inc. Representative: Ya-Jen Cheng	10,000	8.19%
		Jing-Hua He	—	—
		Chih-Feng Lin	—	—
		Li-Chih Lo	—	—
		Shu-Ling Wang	—	—
Main Super Enterprises Co., Ltd.	Director	Jess-Link Products Co., Ltd. Representative: Shu-Mei Chang	1,500	100.00%
Cha Shin Chi Investment Co., Ltd.	Director	Jess-Link Products Co., Ltd. Representative: Shu-Mei Chang	28,000	100.00%
Techill Co., Ltd.	Director	Jess-Link Products Co., Ltd. Representative: Chao-Feng Liao	1,275	51.00%
	Supervisor	Jess-Link Products Co., Ltd. Representative: Li-Ling Chen		
Ultraspeed Electronics Co., Ltd.	Director	Jess-Link Products Co., Ltd. Representative: Ming-Chun, Hsu	1,093	70.11%
ASTRON Connectivity Co., Ltd.	Director	Jess-Link Products Co., Ltd. Representative: Wei-San Chang	1,020	51.00%
SACO ENTERPRISES, INC.	Director	Jess-Link Products Co., Ltd. Representative: Tang-Wei Hsu	10	100.00%
JPC CONNECTIVITY CO. LTD. (Note 1)	Director	Jess-Link Products Co., Ltd. Representative: Chi-Huai Chang	111,394	100.00%

Name of Affiliate	Title	Name or Representative	Shareholding	
			Number of shares (in thousands) (Note 1)	Shareholding Ratio
BEST LINK PROPERTIES LTD	Director	Jess-Link Products Co., Ltd. Representative: Shu-Mei Chang	29,200	100.00%
JPC (HK) COMPANY LTD.	Director	BEST LINK PROPERTIES LTD. Representative: Shu-Mei Chang	15,500	100.00%
BEST MATCH INVESTMENTS LIMITED	Director	BEST LINK PROPERTIES LTD. Representative: Shu-Mei Chang	2,000	100.00%
BEST SKY LIMITED	Director	BEST LINK PROPERTIES LTD. Representative: Shu-Mei Chang	5,850	100.00%
HUNG FU (SAMOA) INTERNATIONAL CO., LTD.	Director	BEST LINK PROPERTIES LTD. Representative: Shu-Mei Chang	7,000	100.00%
LUCKY STAR INVESTMENT CORP. (Note 1)	Director	BEST LINK PROPERTIES LTD. Representative: Chi-Huai Chang	US$5,150	100.00%
Dongguan Celesta Electronics Limited Company (Note 1)	Director	JPC (HK) COMPANY LTD. Representative: Chi-Huai Chang	HKD $5,000	100.00%
ASKA Technologies Inc. (Note 1)	Director	Chi-Huai Chang	US$5,050	100.00%
Dongguan Hung Fu Electronic Technology Co., Ltd. (Note 1)	Director	Chi-Huai Chang	US$6,000	100.00%
Dongguan Houlie Hua-Bao Electronics Technical Limited Company (Note 1)	Director	Chi-Huai Chang	US$5,000	100.00%
Guangzhou JPC Electronics Technical Limited Company (Note 1)	Director	Chi-Huai Chang	CNY $5,000	100.00%
JPCCO CORP.	Director	Chi-Huai Chang	293	100.00%
PEC MANUFACTURING VIETNAM COMPANY LIMITED	Director	JPCCO CORP. Representative: Chi-Huai Chang	23,000,000	100.00%
SWS Group Company Limited	Director	Jess-Link Products Co., Ltd. Representative: Suchart Tantimekabut	198	49.87%
BPPG SERVICE COMPANY LIMITED	Chairman	SWS Group Company Limited Representative: Suchart Tantimekabut	THB $30	60.00%

Note 1: The amount and percentage of capital contribution (unit: $1,000) shall be filled in for non-limited liability company.

(VI) Operating status of affiliates

Financial Position and Operation Results of Affiliates:

December 31, 2023
Unit: NT$1,000
(Unless otherwise specially noted)

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Profit or Loss (After Tax)	Earnings Per Share (NT$) (After Tax)
Jess-Link Products Co., Ltd.	NT$1,220,859	5,773,118	2,421,596	3,351,522	3,605,095	517,750	635,395	5.20
Main Super Enterprises Co., Ltd.	NT$15,000	238,952	189,902	49,049	116,899	27,253	18,015	-
Cha Shin Chi Investment Co., Ltd.	NT$280,000	260,632	372	260,260	0	(3,878)	26,188	-
Techill Co., Ltd.	NT$25,000	61,269	20,790	40,479	40,847	1,183	1,131	-
Ultraspeed Electronics Co., Ltd.	NT$15,589	17,824	12,247	5,577	14,374	(3,952)	(3,147)	-
ASTRON Connectivity Co., Ltd.	NT$20,000	315,587	257,948	57,639	338,700	48,834	37,639	-
SACO ENTERPRISES, INC.	US$195	160,894	99,989	60,905	209,660	29,083	20,633	-
JPC CONNECTIVITY CO. LTD.	VND $130,938,000	170,285	7,610	162,675	0	(3,048)	(2,258)	
BEST LINK PROPERTIES LTD.	US$29,200	2,059,125	0	2,059,125	0	(331)	75,929	-
SWS Group Company Limited	THB $ 39,700	187,190	39,543	147,647	259,744	7,651	10,344	-
JPC (HK) COMPANY LTD	HKD $ 15,500	28,996	160	28,836	988	(1,350)	1,164	-
BEST MATCH INVESTMENTS LIMITED	US$2,000	165,739	0	165,739	0	0	4	-
BEST SKY LIMITED	US$5,850	363,235	0	363,235	0	0	15,228	-
HUNG FU (SAMOA) INTERNATIONAL CO., LTD.	US$7,000	519,952	28,286	491,666	24,919	(1,882)	2,456	-
LUCKY STAR INVESTMENT CORP.	US$5,150	777,576	0	777,576	0	0	39,665	-
BPPG SERVICE CO., LTD.	THB $ 5,000	24,283	3,648	20,635	41,871	5,528	4,498	-
Celesta International Electronics (Shenzhen) Limited Company	HKD $ 5,000	25,412	8,938	16,474	20,159	22	1,222	-
ASKA Technologies Inc.	US$5,050	494,273	131,265	363,008	361,032	10,172	15,225	-
Dongguan Hung Fu Electronic Technology Co., Ltd.	US$6,000	857,466	183,020	674,446	568,069	(14,331)	4,236	-

Dongguan Houlie Hua-Bao Electronics Technical Limited Company	US$5,000	1,016,514	238,939	777,575	752,498	14,806	39,665	-
Guangzhou JPC Electronics Technical Limited Company	CNY $ 5,000	18,561	348	18,213	2,652	(132)	388	-
JPCCO CORP.	US$3,580	57,356	4,151	53,205	26,908	2,762	16,936	-
PEC MANUFACTURING VIETNAM COMPANY LIMITED	VND $ 23,000,000	110,565	89,838	20,727	136,123	16,492	15,694	-

(VII) Consolidated financial statements of affiliates: Please refer to the Consolidated Financial Statements attached after page 144.

(VIII) Reports on Affiliations: N/A.

II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

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

IV. Other Necessary Supplementary Information: None.

V. Specify the Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities, Occurring during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

Audit Report of the Audit Committee

The Company has prepared the Parent Company Only Financial Statements, Consolidated Financial Statements, Earnings Distribution Table, and Business Report for the year of 2023. The Reports with unqualified opinions issued by PwC Taiwan separately have been reviewed by us, the Audit Committee, and there is no discrepancy in our opinion, and we issue the Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please check the Report.

Sincerely,

JESS-LINK PRODUCTS CO., LTD.

2024 Annual Shareholders' Meeting

Audit Committee member：Jing-Hua He

March 6, 2024

Audit Report of the Audit Committee

The Company has prepared the Parent Company Only Statements, Consolidated Financial Statements, Earnings Distribution Table, and Business Report for the year of 2023. The Reports with unqualified opinions issued by PwC Taiwan separately have been reviewed by us, the Audit Committee, and there is no discrepancy in our opinion, and we issue the Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please check the Report.

Sincerely,

JESS-LINK PRODUCTS CO., LTD.

2024 Annual Shareholders' Meeting

Audit Committee member：Chih-Feng Lin

March 6, 2024

Audit Report of the Audit Committee

The Company has prepared the Parent Company Only Statements, Consolidated Financial Statements, Earnings Distribution Table, and Business Report for the year of 2023. The Reports with unqualified opinions issued by PwC Taiwan separately have been reviewed by us, the Audit Committee, and there is no discrepancy in our opinion, and we issue the Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please check the Report.

Sincerely,

JESS-LINK PRODUCTS CO., LTD.

2024 Annual Shareholders' Meeting

Audit Committee member：Li-Chih Lo

March 6, 2024

Audit Report of the Audit Committee

The Company has prepared the Parent Company Only Statements, Consolidated Financial Statements, Earnings Distribution Table, and Business Report for the year of 2023. The Reports with unqualified opinions issued by PwC Taiwan separately have been reviewed by us, the Audit Committee, and there is no discrepancy in our opinion, and we issue the Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please check the Report.

Sincerely,

JESS-LINK PRODUCTS CO., LTD.

2024 Annual Shareholders' Meeting

Audit Committee member：Shu-Ling Wang

March 6, 2024

JESS-LINK PRODUCTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 and 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of JESS-LINK PRODUCTS CO., LTD. (the "Consolidated FS of the Affiliates"), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2023 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the Consolidated Financial Statements of JESS-LINK PRODUCTS CO., LTD. and its subsidiaries (the "Consolidated FS of the Group") in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, JESS-LINK PRODUCTS CO., LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
JESS-LINK PRODUCTS CO., LTD.
By

Chang, Shu-Mei, Chairman
March 6, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Jess-Link Products Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Jess-Link Products Co., Ltd. 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 material accounting policies.

In our opinion, based on our audits and the reports of other auditors (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 opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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, 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:

Appropriateness of cut-off on sales revenue

Description

For the accounting policy on revenue recognition, refer to Note 4(30).

The Group's sales mainly arise from manufacturing and sales of electronic components and the Group is primarily engaged in international sales. The revenue from international sales is recognized based on the transaction terms with customers. As there are a large number of customers, sales areas and transaction terms, we considered the cut-off on sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the transaction terms of sales revenue and tested the internal control over the recognition of sales revenue.
2. Selected samples of supporting documents used in revenue recognition, including verifying orders, delivery orders and other relevant documents to evaluate the appropriateness of the cut-off on revenue.
3. Performed cut-off test on sales transactions for a certain period before and after the balance sheet date to assess the appropriateness of the cut-off on sales revenues.

Valuation of inventories

Description

Refer to Note 4(14) for accounting policy on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for details of inventories. As at December 31, 2023, the balances of inventories and loss allowance were NT$606,801 thousand and NT$43,072 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of electronic components. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Group's inventory is stated at the lower of cost and net realizable value, and the net realizable value of inventories over a certain age and individually identified as obsolete is evaluated based on the historical data on inventory clearance and discounts.

The Group operates in an environment characterized by rapidly changing technology and the calculation of the net realizable value of obsolete inventories involves subjective judgment, which would result in a high degree of estimation uncertainty. Given that the inventory and allowance for inventory valuation losses are material to the financial statements, we considered the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Group's operations and industry. Assessed the reasonableness of the policies and procedures used to recognize allowance for inventory valuation losses.

2. Obtained the report on net realizable value of each inventory item and checked whether the calculation logic was applied consistently to each inventory item.

3. Verified the appropriateness of system logic used in the Group's inventory aging reports to confirm whether the information on the reports is consistent with its policies.

4. Discussed with management the estimated net realizable value of inventory items aged over a certain period and individually identified as obsolete and damaged, obtained and corroborated against supporting documents and recalculated the allowance provision.

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT$466,446 thousand and NT$307,601 thousand, constituting 9% and 7% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the operating revenue amounted to NT$485,686 thousand and NT$246,862 thousand, constituting 10% and 6% of the consolidated net operating revenue as at December 31, 2023 and 2022, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Jess-Link Products Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Wu, Jen-Chieh	Lin, Ya-Hui

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 6, 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.

JESS-LINK PRODUCTS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	December 31, 2022 AMOUNT
	Current assets			
1100	Cash and cash equivalents	6(1)	$ 921,043	$ 1,337,293
1110	Current financial assets at fair value through profit or loss	6(2)	208,782	171,069
1120	Current financial assets at fair value through other comprehensive income	6(3)	197,185	229,997
1136	Current financial assets at amortised cost, net	6(4) and 8	377,006	32,310
1170	Accounts receivable, net	6(5) and 7	1,375,098	1,157,234
1200	Other receivables		43,501	32,994
130X	Inventory	6(6)	563,729	642,091
1410	Prepayments	6(7)	72,970	84,349
11XX	**Total current assets**		3,759,314	3,687,337
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	6(2)	23,342	18,502
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	223,138	214,563
1550	Investments accounted for under equity method	6(8)	8,114	8,111
1600	Property, plant and equipment	6(9) and 8	457,393	427,593
1755	Right-of-use assets	6(10)	110,542	62,462
1760	Investment property - net	6(11) and 8	39,664	40,042
1780	Intangible assets	6(12)	540,708	95,450
1840	Deferred income tax assets	6(25)	13,665	8,321
1900	Other non-current assets	6(13) and 8	178,159	41,801
15XX	**Total non-current assets**		1,594,725	916,845
1XXX	**Total assets**		$ 5,354,039	$ 4,604,182

(Continued)

JESS-LINK PRODUCTS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	December 31, 2022 AMOUNT
	Current liabilities			
2100	Short-term borrowings	6(14)	$ 100,000	$ -
2130	Current contract liabilities	6(21)	24,081	91,379
2170	Accounts payable	7	937,660	890,025
2200	Other payables	6(15)	344,659	220,735
2230	Current income tax liabilities	6(25)	143,301	122,696
2280	Current lease liabilities	6(29)	35,234	35,381
2399	Other current liabilities		5,838	17,199
21XX	**Total current liabilities**		1,590,773	1,377,415
	Non-current liabilities			
2570	Deferred income tax liabilities	6(25)	101,362	40,183
2580	Non-current lease liabilities	6(29)	71,309	20,010
2600	Other non-current liabilities	6(15)	106,709	7,152
25XX	**Total non-current liabilities**		279,380	67,345
2XXX	**Total liabilities**		1,870,153	1,444,760
	Equity attributable to owners of parent			
	Share capital	6(17)		
3110	Common stock		1,220,859	1,220,859
	Capital surplus	6(18)		
3200	Capital surplus		272,568	394,654
	Retained earnings	6(19)		
3310	Legal reserve		585,160	537,680
3320	Special reserve		256,966	191,539
3350	Unappropriated retained earnings		1,249,636	973,587
	Other equity interest	6(20)		
3400	Other equity interest		(233,667)	(256,965)
31XX	**Equity attributable to owners of the parent**		3,351,522	3,061,354
36XX	**Non-controlling interests**		132,364	98,068
3XXX	**Total equity**		3,483,886	3,159,422
	Significant contingent liabilities and unrecognised contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	**Total liabilities and equity**		$ 5,354,039	$ 4,604,182

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

JESS-LINK PRODUCTS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Year ended December 31 2023 AMOUNT	2022 AMOUNT
4000	Sales revenue	6(21) and 14(2)	$ 4,962,135	$ 4,339,428
5000	Operating costs	6(6)(23) and 7	(3,525,604)	(3,239,329)
5900	Net operating margin		1,436,531	1,100,099
	Operating expenses	6(23)		
6100	Selling expenses		(325,523)	(345,132)
6200	General and administrative expenses		(304,556)	(209,691)
6300	Research and development expenses		(163,891)	(151,244)
6450	Impairment loss determined in accordance with IFRS 9		(1,351)	(15,694)
6000	Total operating expenses		(795,321)	(721,761)
6900	Operating profit		641,210	378,338
	Non-operating income and expenses			
7100	Interest income	14(2)	35,474	19,454
7010	Other income	6(2)	75,643	49,633
7020	Other gains and losses	6(22)	70,952	101,344
7050	Finance costs	14(2)	(13,464)	(3,410)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(8)	596	(355)
7000	Total non-operating income and expenses		169,201	166,666
7900	**Profit before income tax**		810,411	545,004
7950	Income tax expense	6(25)	(150,092)	(99,666)
8200	**Profit for the year**		$ 660,319	$ 445,338
	Components of other comprehensive income that will not be reclassified to profit or loss			
8311	(Losses) gains on remeasurements of defined benefit obligation	6(16)	($ 365)	$ 3,676
8316	Unrealised loss (gain) on financial assets at fair value through other comprehensive loss (income)	6(3)(20)	93,492	(74,157)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	73	(735)
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		93,200	(71,216)
	Components of other comprehensive income that will be reclassified to profit or loss	6(20)		
8361	Financial statements translation differences of foreign operations		(47,587)	45,361
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(593)	(337)
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(48,180)	45,024
8300	**Total other comprehensive income (loss) for the year**		$ 45,020	($ 26,192)
8500	**Total comprehensive income for the year**		$ 705,339	$ 419,146
	Profit attributable to:			
8610	Owners of the parent		$ 635,395	$ 439,816
8620	Non-controlling interests		24,924	5,522
			$ 660,319	$ 445,338
	Comprehensive income attributable to:			
8710	Owners of the parent		$ 680,843	$ 409,377
8720	Non-controlling interests		24,496	9,769
			$ 705,339	$ 419,146
	Earnings per share (in dollars)	6(26)		
9750	Basic earnings per share		$ 5.20	$ 3.60
9850	Diluted earnings per share		$ 5.15	$ 3.56

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

JESS-LINK PRODUCTS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
			Capital Reserves		Retained Earnings			Other Equity Interest				
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Treasury stock transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
2022												
Balance at January 1, 2022		$ 1,220,859	$ 479,484	$ 12,839	$ 498,754	$ 179,881	$ 817,957	($ 206,809)	$ 15,270	$ 3,018,235	$ 82,798	$ 3,101,033
Consolidated net income		-	-	-	-	-	439,816	-	-	439,816	5,522	445,338
Other comprehensive income (loss)	6(20)	-	-	-	-	-	2,941	40,777	(74,157)	(30,439)	4,247	(26,192)
Total comprehensive income (loss)		-	-	-	-	-	442,757	40,777	(74,157)	409,377	9,769	419,146
Appropriations of 2021 earnings:	6(19)											
Legal reserve		-	-	-	38,926	-	(38,926)	-	-	-	-	-
Special reserve		-	-	-	-	11,658	(11,658)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(268,589)	-	-	(268,589)	-	(268,589)
Cash dividends from capital surplus	6(19)	-	(97,669)	-	-	-	-	-	-	(97,669)	-	(97,669)
Disposal of financial assets at fair value through other comprehensive income	6(3)(20)	-	-	-	-	-	32,046	-	(32,046)	-	-	-
Business combinations	6(27)	-	-	-	-	-	-	-	-	-	5,501	5,501
Balance at Deceember 31, 2022		$ 1,220,859	$ 381,815	$ 12,839	$ 537,680	$ 191,539	$ 973,587	($ 166,032)	($ 90,933)	$ 3,061,354	$ 98,068	$ 3,159,422
2023												
Balance at January 1, 2023		$ 1,220,859	$ 381,815	$ 12,839	$ 537,680	$ 191,539	$ 973,587	($ 166,032)	($ 90,933)	$ 3,061,354	$ 98,068	$ 3,159,422
Consolidated net income		-	-	-	-	-	635,395	-	-	635,395	24,924	660,319
Other comprehensive income (loss)	6(20)	-	-	-	-	-	(292)	(47,752)	93,492	45,448	(428)	45,020
Total comprehensive income (loss)		-	-	-	-	-	635,103	(47,752)	93,492	680,843	24,496	705,339
Appropriations of 2022 earnings:	6(19)											
Legal reserve		-	-	-	47,480	-	(47,480)	-	-	-	-	-
Special reserve		-	-	-	-	65,427	(65,427)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(268,589)	-	-	(268,589)	-	(268,589)
Cash dividends from capital surplus	6(19)	-	(122,086)	-	-	-	-	-	-	(122,086)	-	(122,086)
Disposal of financial assets at fair value through other comprehensive income	6(3)(20)	-	-	-	-	-	22,442	-	(22,442)	-	-	-
Business combinations	4(3)	-	-	-	-	-	-	-	-	-	9,800	9,800
Balance at December 31, 2023		$ 1,220,859	$ 259,729	$ 12,839	$ 585,160	$ 256,966	$ 1,249,636	($ 213,784)	($ 19,883)	$ 3,351,522	$ 132,364	$ 3,483,886

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

JESS-LINK PRODUCTS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 810,411	$ 545,004
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(23)	112,321	124,382
Amortisation	6(12)(23)	18,323	12,489
Expected credit loss	12(2)	1,351	15,694
Dividend income	6(2)	(24,469)	(29,758)
Interest income		(35,474)	(19,454)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(2)(22)	(29,965)	7,619
Gain on disposal of property, plant and equipment	6(22)	(1,153)	(3,804)
Interest expense		13,464	3,410
Share of (profit) loss of associates and joint ventures accounted for under equity method	6(8)	(596)	355
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		(4,898)	(69,314)
Accounts receivable		(249,222)	(74,757)
Other receivables		(11,555)	(9,254)
Inventories		134,722	154,965
Prepayments		11,898	12,994
Other non-current assets		(253)	(121)
Changes in operating liabilities			
Contract liabilities		(67,302)	63,093
Accounts payable		57,794	30,231
Other payables		47,724	(719)
Other current liabilities		(10,335)	9,284
Other non-current liabilities		1,706	3,463
Cash inflow generated from operations		774,492	775,802
Interest received		35,474	19,454
Interest paid		(4,152)	(3,410)
Income tax paid		(134,018)	(83,071)
Net cash flows from operating activities		671,796	708,775

(Continued)

JESS-LINK PRODUCTS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 38,536)	($ 53,738)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	151,686	128,469
Increase in financial assets at amortized cost		(401,067)	(30,500)
Acquisition of financial assets at amortised cost		53,779	43,412
Acquisition of property, plant and equipment	6(28)	(107,782)	(67,732)
Proceeds from disposal of property, plant and equipment		2,787	14,623
Acquisition of intangible assets	6(12)	(4,701)	(3,238)
(Increase) decrease in other non-current assets		(140,033)	1,048
Dividends received	6(2)	24,469	29,758
Net cash outflow for business combinations	6(27)(28)	(284,766)	(6,334)
Net cash flows (used in) from investing activities		(744,164)	55,768
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	265,000	-
Decrease in short-term borrowings	6(29)	(165,000)	-
Payment of lease liabilities	6(29)	(52,068)	(55,327)
Cash dividends paid	6(19)	(268,589)	(268,589)
Cash dividends from capital surplus	6(19)	(122,086)	(97,669)
Net cash generated from acquisition of subsidiary	4(3)	9,800	-
Net cash flows used in financing activities		(332,943)	(421,585)
Effect of foreign exchange translations		(10,939)	8,284
Net (decrease) increase in cash and cash equivalents		(416,250)	351,242
Cash and cash equivalents at beginning of year		1,337,293	986,051
Cash and cash equivalents at end of year		$ 921,043	$ 1,337,293

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

JESS-LINK PRODUCTS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Jess-Link Products Co., Ltd. (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 trade and import and export of various computer software and hardware and its peripherals as well as electronic products and components, manufacture and wholesale of wireless communication equipment and apparatus, data storage and processing equipment, wired communication equipment and apparatus and printers.

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

These consolidated financial statements were reported to the Board of Directors on March 6, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards 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 Standards, Interpretations and Amendments	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 no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

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

New Standards, Interpretations and Amendments	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 IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS

Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	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 Standards Board
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 Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Material 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) Basis of preparation

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

(a) Financial assets 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.

(d) Contingent consideration recognized at fair value arising from business combinations.

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 unrealised 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 non-controlling 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	Description
JESS-LINK PRODUCTS CO., LTD.	BEST LINK PROPERTIES LTD.	A holding company for overseas reinvestment	100	100	
JESS-LINK PRODUCTS CO., LTD.	CHA SHIN CHI INVESTMENT CO., LTD.	An investment company	100	100	
JESS-LINK PRODUCTS CO., LTD.	MAINSUPER ENTERPRISES CO., LTD.	Sales of integrated circuit sockets and computer connectors	100	100	
JESS-LINK PRODUCTS CO., LTD.	TECHILL CO., LTD.	Distribution and trade of communication and network apparatus	51	51	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
JESS-LINK PRODUCTS CO., LTD.	Ultraspeed Electronics Co., Ltd.	Manufacture, sales and design of connector and cable assemblies and cables for consumer electronics	70.11	70.11	(5)
JESS-LINK PRODUCTS CO., LTD.	ASTRON CONNECTIVITY CO., LTD.	Manufacture and design of computer connectors and cables for the consumer electronics	51	-	(2)
JESS-LINK PRODUCTS CO., LTD.	SWS GROUP COMPANY LIMITED	Sales in Thailand	49.87	49.87	(6)
JESS-LINK PRODUCTS CO., LTD.	SACO ENTERPRISES, INC.	Introduction of new products, trial production and sales in North America	100	-	(3)
JESS-LINK PRODUCTS CO., LTD.	JPC CONNECTIVITY CO., LTD.	Manufacture and sales of connector and cable assemblies and cables for the cloud network, Internet of Things, and consumer electronics	100	-	(4)
CHA SHIN CHI INVESTMENT CO., LTD.	JPCCO CORP.	Sales in the United States	1.7	1.7	(1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
BEST LINK PROPERTIES LTD.	JPC (HK) COMPANY LTD.	Wholesale and trade of electronic materials	100	100	
BEST LINK PROPERTIES LTD.	BEST MATCH INVESTMENTS LIMITED	A holding company for overseas reinvestment	100	100	
BEST LINK PROPERTIES LTD.	BEST SKY LIMITED	A holding company for overseas reinvestment	100	100	
BEST LINK PROPERTIES LTD.	HUNG FU (SAMOA) INTERNATIONAL CO., LTD.	A holding company for overseas reinvestment	100	100	
BEST LINK PROPERTIES LTD.	LUCKY STAR INVESTMENT CORP.	A holding company for overseas reinvestment	100	100	
BEST LINK PROPERTIES LTD.	JPCCO CORP.	Sales in the United States	98.3	98.3	(1)
SWS GROUP COMPANY LIMITED	BPPG SERVICE CO., LTD.	Sales in Thailand	60	60	(6)
JPC (HK) COMPANY LTD.	DONGGUAN CELESTA ELECTRONICS LIMITED COMPANY (Formerly known as CELESTA INTERNATIONAL ELECTRONICS (SHEN ZHEN) CO., LTD.)	Wholesale and trade of electronic materials	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
BEST MATCH LIMITED	DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	Manufacture and sales of connector and cable assemblies and cables for the cloud network, Internet of Things, and consumer electronics	33	33	(1)
BEST SKY LIMITED	ASKA TECHNOLOGIES INC.	Manufacture and sales of connector and cable assemblies and cables for the cloud network and consumer electronics	100	100	
LUCKY STAR INVESTMENT CORP.	DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	Manufacture and sales of connector and cable assemblies and cables for the cloud network and consumer electronics	100	100	
HUNG FU (SAMOA) INTERNATIONAL CO., LTD.	DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	Manufacture and sales of connector and cable assemblies and cables for the cloud network, Internet of Things, and consumer electronics	67	67	(1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	GUANGZHOU JPC ELECTRONICS TECHNICAL LIMITED COMPANY	Manufacture and sales of connector and cable assemblies for automotive electronics	100	100	
JPCCO CORP.	PEC MANUFACTURING VIETNAM COMPANY LIMITED	Manufacture and sales of connector and cable assemblies and cables for the cloud network, Internet of Things, and consumer electronics	100	100	

Information on subsidiaries included in the consolidated financial statements and movements during the year:

(1) The Group's consolidated ownership in the investee was 100%.

(2) In April 2023, the Company incorporated and held a 51% equity interest in ASTRON CONNECTIVITY CO., LTD., which has been included in the consolidated financial statements since the date of registration of incorporation.

(3) In July 2023, the Company acquired a 100% equity interest in SACO ENTERPRISES, INC. Refer to Note 6(27) for details.

(4) In July 2023, the Company incorporated and held a 100% equity interest in JPC CONNECTIVITY CO., LTD., which has been included in the consolidated financial statements since the date of registration of incorporation.

(5) In January 2022, the Company acquired a 70.11% equity interest in Ultraspeed Electronics Co., Ltd. Details are provided in Note 6(27).

(6) The Company held a 49.87% equity interest in SWS GROUP COMPANY LIMITED (SWS) and a 60% equity interest in its subsidiary. As the Company held more than half of board seats in SWS's Board of Directors, SWS had been included in the consolidated financial statements.

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

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

E. Significant restrictions on fund remittance from subsidiaries to the parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

A. 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.

B. 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 re-translated 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, non-monetary 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 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'.

C. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements 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 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; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, 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 realised 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 or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-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.

(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 definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss is 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 Group 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 Group 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 Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.

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. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised 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 assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. 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

For financial assets at amortised 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. On the other hand, 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)－lease receivables / 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

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(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. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

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 Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership interest.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised 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. 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.

F. 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.

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.

(16) Property, plant and equipment

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

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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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 property, plant and equipment are as follows:

Buildings and structures	20~50 years
Machinery and equipment	2~16 years
Other equipment	2~10 years

(17) Leasing arrangements (lessee)－right-of-use assets / 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 incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised 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 comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

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) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20~ 50 years.

(19) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Other intangible assets, mainly customer relationships and patents, are stated at cost and amortised on a straight-line basis over its estimated useful life of 8 to 10 years.

(20) Impairment of non-financial assets

A. 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 amortised historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(21) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised 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.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(22) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

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

(23) Derecognition of financial liabilities

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

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Provisions

Provisions (including warranties) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(26) 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 plan

For the defined contribution plan, 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 plan

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 plan 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 this type of corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

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

iii. Past service costs are recognized immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' 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.

(27) <u>Income tax</u>

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 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 and does not give rise to equal taxable and deductible temporary differences. 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 realised 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 utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(28) <u>Share capital</u>

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.

(29) 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.

(30) Revenue recognition

A. The Group manufactures and sells electronic components. Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. 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. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. The sales usually are made with a credit term of 30 ~ 210 days, which is consistent with market practice. As the time interval between the transfer of committed goods or service 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 Group 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) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

C. Contingent consideration included in the consideration of acquisition is recognized at fair value at the acquisition date. If the changes in fair value of contingent consideration after the acquisition date belong to adjustments during the measurement period, the acquisition cost shall be retrospectively adjusted and goodwill shall be adjusted accordingly. Adjustments during the measurement period pertains to the adjustments made upon the additional information, which in relation to the facts and circumstances that existing on the acquisition date, acquired by the Group after the acquisition date. The measurement period shall not exceed one year from the acquisition date. If the changes in fair value of contingent consideration after the acquisition date do not belong to adjustments during the measurement period, the changes in fair value shall recognize in profit or loss.

(33) Operating segments

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

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements 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

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the balance sheet date. The resulting accounting estimates might differ from the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements 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 realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

Information on the carrying amount of inventories as of December 31, 2023 is provided in Note 6(6).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 2,386	$ 4,717
Checking accounts and demand deposits	669,864	718,127
Time deposits	248,793	614,449
	$ 921,043	$ 1,337,293

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 pledged time deposits to others as collateral resulting in not meeting the definition of cash equivalents and classified it as current financial assets at amortised cost. Details are provided in Note 6(4).

C. The Company has no cash and cash equivalents pledged to others.

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

Items	December 31, 2023	December 31, 2022
Current items		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 103,081	$ 121,486
Emerging stocks	8,992	-
Beneficiary certificates	87,947	60,247
Derivative instruments	1,453	8,714
Corporate bonds	7,690	-
Valuation adjustment	(381)	(19,378)
	$ 208,782	$ 171,069
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Limited partnership	$ 23,342	$ 18,502

A. The nature of financial assets at fair value through profit or loss is as follows:

(a) Derivative instruments: Including forward foreign exchange contracts, foreign exchange swap contracts and structured deposits.

(b) Limited partnerships: The Group made capital contributions to a limited partnership during the duration specified in the limited partnership agreement. Upon the expiration of the agreement, the net assets of the limited partnership will be allocated to investors in proportion to their capital contributions and the limited partnership will be dissolved and liquidated. Based on the Group’s assessment, the net assets of the limited partnership approximated to its fair value.

B. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

Items	Years ended December 31 2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 20,867	($ 54,065)
Beneficiary certificates	1,792	1,266
Derivative instruments	8,366	45,180
Corporate bonds	100	-
Limited partnership	(1,160)	-
	$ 29,965	($ 7,619)

For the years ended December 31, 2023 and 2022, the Group recognized dividend income from the abovementioned equity instruments amounting to $3,546 and $4,522, respectively (shown as other income).

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

Derivative financial instruments	December 31, 2023 Contract amount (notional principal)(in thousands)		Contract period
Current items:			
Foreign exchange swap contracts	USD (BUY)	2,500	2023.06.27~
	TWD (SELL)	75,322	2024.12.31

Derivative financial instruments	December 31, 2022 Contract amount (notional principal)(in thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	4,500	2022.08.05~
	TWD (SELL)	138,536	2023.05.08
Foreign exchange swap contracts	USD (BUY)	11,000	2022.01.12~
	TWD (SELL)	328,755	2023.09.15

(a) Forward foreign exchange contracts

The Group entered into forward foreign exchange contracts to sell USD to hedge exchange rate risk of foreign currency. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(b) Foreign exchange swap contracts

The Group’s target to engage in foreign exchange swap contracts was to avoid the risk generated from exchange rate fluctuation in foreign currency assets and liabilities.

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

Items	December 31, 2023	December 31, 2022
Current items:		
Listed stocks	$ 178,022	$ 273,309
Valuation adjustment	19,163	(43,312)
	$ 197,185	$ 229,997
Non-current items:		
Unlisted stocks	$ 262,184	$ 262,184
Valuation adjustment	(39,046)	(47,621)
	$ 223,138	$ 214,563

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

B. Aiming to satisfy the capital needs, the Group sold $151,686 and $128,469 of financial assets during the years ended December 31, 2023 and 2022, respectively.

C. In October 2021 and December 2021, the Group acquired shares issued from the capital increase of TAIWAN TRUEWIN TECHNOLOGY CO., LTD. in cash amounting to $26,000 at $65 (in dollars) per share and $7,500 at $75 (in dollars) per share, respectively. The effective date for the capital increase was set on January 4, 2022.

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

	Years ended December 31	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income (loss)	$ 93,492	($ 74,157)
Cumulative gains reclassified to retained earnings due to derecognition	$ 22,442	$ 32,046
Dividend income recognised in profit or loss (shown as other income)	$ 20,923	$ 25,236

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits with maturity over three months	$ 375,180	$ 30,500
Other financial assets - current	1,826	1,810
	$ 377,006	$ 32,310

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are provided in Note 14(2).

B. Information relating to credit risk of financial assets at amortized cost is provided in Note 8. 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.

C. 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. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 102,335	$ 95,075
Accounts receivable	1,321,177	1,109,311
Less: Allowance for uncollectible accounts	(48,414)	(47,152)
	$ 1,375,098	$ 1,157,234

A. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $1,097,677.

B. The Group does not hold any collateral.

C. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 220,090	($ 26,136)	$ 193,954
Work in progress	74,320	-	74,320
Finished goods	234,619	(16,580)	218,039
Merchandise inventory	77,772	(356)	77,416
	$ 606,801	($ 43,072)	$ 563,729

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 275,095	($ 18,152)	$ 256,943
Work in progress	53,507	-	53,507
Finished goods	264,412	(10,936)	253,476
Merchandise inventory	78,987	(822)	78,165
	$ 672,001	($ 29,910)	$ 642,091

For the years ended December 31, 2023 and 2022, the Group's inventories increased because of business combinations amounting to $39,788 and $2,003, respectively. Refer to Note 6(27) for details.

The cost of inventories recognized as expense for the year:

	Years ended December 31	
	2023	2022
Cost of goods sold	$ 3,467,143	$ 3,168,299
Valuation loss on inventories	67,618	76,654
Gain from sale of scraps	(8,491)	(8,145)
Others	(666)	2,521
	$ 3,525,604	$ 3,239,329

(7) Prepayments

	December 31, 2023	December 31, 2022
Excess business tax paid (or Net Input VAT)	$ 27,970	$ 22,994
Prepayments to suppliers	12,847	25,974
Prepaid rent expenses	5,629	8,928
Prepaid software expenses	2,974	1,791
Others	23,550	24,662
	$ 72,970	$ 84,349

(8) Investments accounted for using equity method

	December 31, 2023	December 31, 2022
BRIGHTONNET COMPANY LTD.	$ 8,114	$ 8,111

The Group's share of the operating results in all individually immaterial associates are summarised below:

As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to $8,114 and $8,111, respectively.

	Years ended December 31	
	2023	2022
Profit (loss) for the year from continuing operations	$ 596	($ 355)
Other comprehensive loss, net of tax	(593)	(337)
Total comprehensive income (loss) for the year	$ 3	($ 692)

(9) Property, plant and equipment

	2023					
	Land	Buildings and structures	Machinery and equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1						
Cost	$ 183,235	$ 111,517	$ 347,374	$ 142,528	$ 16,348	$ 801,002
Accumulated depreciation	-	(40,147)	(256,460)	(76,802)	-	(373,409)
	$ 183,235	$ 71,370	$ 90,914	$ 65,726	$ 16,348	$ 427,593
Opening net book amount as at January 1	$ 183,235	$ 71,370	$ 90,914	$ 65,726	$ 16,348	$ 427,593
Acquired from business combinations	-	-	70	1,936	-	2,006
Additions	20,817	4,883	67,404	17,920	9,031	120,055
Disposals	-	-	(1,634)	-	-	(1,634)
Reclassifications	-	-	-	-	(22,991)	(22,991)
Depreciation charge	-	(3,701)	(43,090)	(19,224)	-	(66,015)
Net exchange differences	-	(51)	(906)	(640)	(24)	(1,621)
Closing net book amount as at December 31	$ 204,052	$ 72,501	$ 112,758	$ 65,718	$ 2,364	$ 457,393
At December 31						
Cost	$ 204,052	$ 116,058	$ 285,358	$ 157,009	$ 2,364	$ 764,841
Accumulated depreciation	-	(43,557)	(172,600)	(91,291)	-	(307,448)
	$ 204,052	$ 72,501	$ 112,758	$ 65,718	$ 2,364	$ 457,393

	2022					
	Land	Buildings and structures	Machinery and equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1						
Cost	$ 183,235	$ 114,292	$ 348,700	$ 131,385	$ 15,768	$ 793,380
Accumulated depreciation	-	(39,952)	(256,675)	(56,870)	-	(353,497)
	$ 183,235	$ 74,340	$ 92,025	$ 74,515	$ 15,768	$ 439,883
Opening net book amount as at January 1	$ 183,235	$ 74,340	$ 92,025	$ 74,515	$ 15,768	$ 439,883
Acquired from business combinations	-	-	1,526	781	-	2,307
Additions	-	-	47,412	9,504	10,816	67,732
Disposals	-	-	(10,036)	(783)	-	(10,819)
Reclassifications	-	-	3,513	242	(10,467)	(6,712)
Depreciation charge	-	(7,251)	(53,310)	(20,141)	-	(80,702)
Net exchange differences	-	4,281	9,784	1,608	231	15,904
Closing net book amount as at December 31	$ 183,235	$ 71,370	$ 90,914	$ 65,726	$ 16,348	$ 427,593
At December 31						
Cost	$ 183,235	$ 111,517	$ 347,374	$ 142,528	$ 16,348	$ 801,002
Accumulated depreciation	-	(40,147)	(256,460)	(76,802)	-	(373,409)
	$ 183,235	$ 71,370	$ 90,914	$ 65,726	$ 16,348	$ 427,593

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

B. For the years ended December 31, 2023 and 2022, the Group's property, plant and equipment increased because of business combinations amounting to $2,006 and $2,307, respectively. Refer to Note 6(27) for details.

(10) Leasing arrangements－lessee

A. The Group leases various assets including buildings, business vehicles and multifunction printers. Rental contracts are typically made for periods of 1 to 5 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, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise buildings, business vehicles. Low-value assets comprise multifunction printers.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings	$ 102,995	$ 61,376
Transportation equipment (Business vehicles)	6,840	652
Office equipment (Photocopiers)	605	245
Other equipment	102	189
	$ 110,542	$ 62,462

	Years ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings	$ 44,303	$ 41,715
Transportation equipment (Business vehicles)	1,285	1,265
Office equipment (Photocopiers)	253	250
Other equipment	87	73
	$ 45,928	$ 43,303

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $95,454 and $4,978, respectively. Additionally, the right-of-use assets increased for the current period because of business combinations amounting to $2,108. Refer to Note 6(27) for details.

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

	Years ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,353	$ 2,088
Expense on short-term lease contracts	525	2,563
Expense on leases of low-value assets	690	2,199

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $55,636 and $62,177, respectively.

(11) Investment property

	2023		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 26,505	$ 18,871	$ 45,376
Accumulated depreciation	-	(5,334)	(5,334)
	$ 26,505	$ 13,537	$ 40,042
Opening net book amount	$ 26,505	$ 13,537	$ 40,042
Depreciation charge	-	(378)	(378)
Closing net book amount as at December 31	$ 26,505	$ 13,159	$ 39,664
At December 31			
Cost	$ 26,505	$ 18,871	$ 45,376
Accumulated depreciation	-	(5,712)	(5,712)
	$ 26,505	$ 13,159	$ 39,664

	2022		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 26,505	$ 18,871	$ 45,376
Accumulated depreciation	-	(4,957)	(4,957)
	$ 26,505	$ 13,914	$ 40,419
Opening net book amount	$ 26,505	$ 13,914	$ 40,419
Depreciation charge	-	(377)	(377)
Closing net book amount as at December 31	$ 26,505	$ 13,537	$ 40,042
At December 31			
Cost	$ 26,505	$ 18,871	$ 45,376
Accumulated depreciation	-	(5,334)	(5,334)
	$ 26,505	$ 13,537	$ 40,042

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

	December 31, 2023	December 31, 2022
2023	$ -	$ 1,578
2024	906	162
	$ 906	$ 1,740

C. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Years ended December 31	
	2023	2022
Rental income from investment property	$ 2,027	$ 1,794
Direct operating expenses arising from the investment property that generated rental income during the year	$ 378	$ 377

D. The fair value of the investment property held by the Group as at December 31, 2023 and 2022 were $59,181 and $62,403, respectively, which was valued based on the market information of transactions that are similar to the above assets, and appropriate adjustments are made on the valuation results. Valuations were made using the comparison approach which is categorised within Level 3 in the fair value hierarchy.

E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Intangible assets

	2023				
	Goodwill	Customer relationship value	Patent	Software	Total
At January 1					
Cost	$ 119,579	$ 288,846	$ 160,218	$ 70,244	$ 638,887
Accumulated amortisation	-	(225,284)	(148,778)	(62,051)	(436,113)
Accumulated impairment	(38,695)	(49,545)	-	-	(88,240)
Effect of exchange rate changes	(3,980)	(5,927)	(9,487)	310	(19,084)
	$ 76,904	$ 8,090	$ 1,953	$ 8,503	$ 95,450
Opening net book amount as at January 1	$ 76,904	$ 8,090	$ 1,953	$ 8,503	$ 95,450
Acquired through business combination	244,206	214,678	-	-	458,884
Additions	-	-	-	4,701	4,701
Amortisation charge	-	(11,819)	(488)	(6,016)	(18,323)
Net exchange differences	-	20	-	(24)	(4)
Closing net book amount as at December 31	$ 321,110	$ 210,969	$ 1,465	$ 7,164	$ 540,708
At December 31					
Cost	$ 363,785	$ 503,524	$ 160,218	$ 74,945	$ 1,102,472
Accumulated amortisation	-	(237,103)	(149,266)	(68,067)	(454,436)
Accumulated impairment	(38,695)	(49,545)	-	-	(88,240)
Effect of exchange rate changes	(3,980)	(5,907)	(9,487)	286	(19,088)
	$ 321,110	$ 210,969	$ 1,465	$ 7,164	$ 540,708

	2022				
	Goodwill	Customer relationship value	Patent	Software	Total
At January 1					
Cost	$ 112,481	$ 288,846	$ 158,265	$ 67,006	$ 626,598
Accumulated amortisation	-	(223,957)	(148,778)	(51,377)	(424,112)
Accumulated impairment	(38,695)	(49,545)	-	-	(88,240)
Effect of exchange rate changes	(3,980)	(6,820)	(9,487)	284	(20,003)
	$ 69,806	$ 8,524	$ -	$ 15,913	$ 94,243
Opening net book amount as at January 1	$ 69,806	$ 8,524	$ -	$ 15,913	$ 94,243
Acquired through business combination	7,098	-	2,441	-	9,539
Additions	-	-	-	3,238	3,238
Amortisation charge	-	(1,327)	(488)	(10,674)	(12,489)
Net exchange differences	-	893	-	26	919
Closing net book amount as at December 31	$ 76,904	$ 8,090	$ 1,953	$ 8,503	$ 95,450
At December 31					
Cost	$ 119,579	$ 288,846	$ 160,218	$ 70,244	$ 638,887
Accumulated amortisation	-	(225,284)	(148,778)	(62,051)	(436,113)
Accumulated impairment	(38,695)	(49,545)	-	-	(88,240)
Effect of exchange rate changes	(3,980)	(5,927)	(9,487)	310	(19,084)
	$ 76,904	$ 8,090	$ 1,953	$ 8,503	$ 95,450

A. Details of amortization on intangible assets are as follows:

	Years ended December 31	
	2023	2022
Operating costs	$ 169	$ 272
Selling expenses	263	226
Administrative expenses	15,040	9,063
Research and development expenses	2,851	2,928
	$ 18,323	$ 12,489

B. For the years ended December 31, 2023 and 2022, the Group’s intangible assets increased because of business combinations amounting to $458,884 and $9,539, respectively. Refer to Note 6(27) for details.

C. Goodwill is allocated to the electronic product components manufacturing segment and other segments which is the Group's cash-generating units identified according to operating segment. Refer to Note 14 for disclosure of operating segment information.

D. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the management covering a five-year period.

The cash flows of financial projections were estimated based on the changes in annual revenue, gross profit, operating expenses and capital expenditure needs, etc. in the future. The weighted average growth rates used were estimated based on past historical experience and expectations of industry. For the years ended December 31, 2023 and 2022, the Group's estimated average annual revenue growth rate was 3%~7% and 3%, respectively, and adopted discount rate was the pre-tax ratio of weighted average capital cost and reflected specified risks of related cash-generating units. For the years ended December 31, 2023 and 2022, the Group's pre-tax discount rate used for the valuations was 6.30%~14.77% and 6%, respectively. For the years ended December 31, 2023 and 2022, the recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired.

(13) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for buildings and leases	$ 119,086	$ -
Current net defined benefit asset	20,891	21,003
Guarantee deposits paid	19,244	16,080
Prepayments for business facilities	16,311	1,068
Others	2,627	3,650
	$ 178,159	$ 41,801

The Group planned to acquire the ownership of plants and land use rights in Vietnam. As of December 31, 2023, the Group had prepaid part of the building and lease payments amounting to VND 9,458,000 million (approximately $119,086) based on the contract. Related procedures for transfers of rights were completed on February 23, 2024.

(14) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate	Collateral
Bank borrowings			
Secured borrowings	$ 50,000	1.65%	See Note 8
Credit borrowings	50,000	1.70%	None
	$ 100,000		

A. As of December 31, 2022, the Group had no short-term borrowings.

B. Interest expense recognized in profit or loss amounted to $1,799 and $1,247 as of December 31, 2023 and 2022, respectively.

(15) Other payables

	December 31, 2023	December 31, 2022
Employees' bonus payable	$ 84,510	$ 52,195
Wages and salaries payable	91,333	78,959
Current contingent liabilities	59,744	-
Service expense payable	18,382	16,655
Others	90,690	72,926
	$ 344,659	$ 220,735

The non-current portion of contingent liabilities recognized because of business combinations as of December 31, 2023 amounted to $102,402 (shown as 'other non-current liabilities'). Refer to Notes 6(27) and 12(3) for details.

(16) Pensions

A. Defined benefit plan

(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 Law. 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. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 5,050	$ 4,498
Fair value of plan assets	(25,941)	(25,501)
Net defined benefit assets (shown as other non-current assets)	($ 20,891)	($ 21,003)

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

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (asset) liability
At January 1	$ 4,498	$ 25,501	($ 21,003)
Current service cost	20	-	20
Interest expense (income)	59	332	(273)
	4,577	25,833	(21,256)
Remeasurements:			
Return on plan assets (Note)	-	108	(108)
Change in financial assumptions	44	-	44
Experience adjustments	429	-	429
	473	108	365
Paid pension	-	-	-
At December 31	$ 5,050	$ 25,941	($ 20,891)

Note: Excluding amounts included in interest income or expense.

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (asset) liability
At January 1	$ 7,713	$ 24,919	($ 17,206)
Interest (expense) income	53	174	(121)
	7,766	25,093	(17,327)
Remeasurements:			
Return on plan assets (Note)	-	2,559	(2,559)
Change in financial assumptions	(252)	-	(252)
Experience adjustments	(865)	-	(865)
	(1,117)	2,559	(3,676)
Paid pension	(2,151)	(2,151)	-
At December 31	$ 4,498	$ 25,501	($ 21,003)

Note: Excluding amounts included in interest income or expense.

(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:

	Years ended December 31	
	2023	2022
Discount rate	1.20%	1.30%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on the statistics and experience of the 6th Taiwan Standard Ordinary Experience Mortality Table.

(f) 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	($ 108)	$ 111	$ 96	($ 94)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 99)	$ 103	$ 89	($ 87)

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 analysing 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.

(g) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2023 amount to $0.

(h) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years.

B. Defined contribution plan

(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 Company’s subsidiaries in Mainland China, USA, Vietnam and Thailand have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the local pension regulations are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2023 and 2022 were $30,539 and $30,753, respectively.

(17) Share capital

As of December 31, 2023, the Company's authorised capital was $2,000,000, consisting of 200 million shares of ordinary stock, and the paid-in capital was $1,220,859 with a par value of NT$10 (in dollars) per share. All proceeds from shares issued have been collected.

(18) 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 capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. The current year's net profit after tax, if any, shall first be used to offset prior years' operating losses (including adjusted undistributed profits) and then 10% of the remaining amount shall be set aside as legal reserve, if legal reserve has accumulated to an amount equal to the paid-in capital, then legal reserve is not required to be set aside any more. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the Competent Authority. The remainder, if any, along with the unappropriated earnings of prior years (including adjusted undistributed profits) shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders.

B. In accordance with the Company Act, the resolution, for all or part of distributable dividends and bonus, capital surplus or legal reserve which are distributed in the form of cash, will be adopted if more than 2/3 of the directors attend the Board of Directors' meeting and more than 1/2 of the directors present agree to the resolution. This will then be reported to the shareholders during their meeting. The regulation which requires approval by the shareholders is not applicable for the above.

C. The Company may distribute earnings or cover accumulated deficit on a semi-annual basis after the close of each half fiscal year in compliance with the Company Act. The Company shall pay all taxes, offset operating losses and set aside legal reserve before distributing earnings. However, if legal reserve has accumulated to an amount equal to the paid-in capital, then legal reserve is not required to be set aside any more. The distribution of earnings shall be resolved by the Board of Directors if earnings are distributed in the form of cash and shall be resolved by the shareholders if earnings are distributed in the form of new shares.

D. The Company's dividend policy aligns with the overall environment and industrial growth characteristics by taking into consideration the Company's capital needs, financial structure and earnings. Since the Company aims to continuously add capital for investment, research and development to create a competitive advantage and enhance shareholders' interest, at least 50% of the current year's earnings after tax shall be appropriated as shareholders' dividends and bonuses in the form of cash or shares each year and cash dividends shall account for at least 30% of the total dividends distributed.

E. In accordance with the regulations, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve has accumulated to an amount equal to the paid-in capital. 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.

F. 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.

G. The appropriations of 2022 and 2021 earnings as proposed by the Board of Directors and resolved by the shareholders on June 26, 2023 and June 15, 2022, respectively, are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 47,480		$ 38,926	
Appropriation for special reserve	65,427		11,658	
Cash dividends	268,589	$ 2.20	268,589	$ 2.20
	$ 381,496		$ 319,173	

The abovementioned appropriations of 2022 and 2021 earnings were in agreement with those amounts resolved by the Board of Directors in 2023 and March 2022, respectively. In addition, the Company distributed cash from capital surplus in the amounts of $122,086 at $1.0 (in dollars) per share and $97,669 at $0.8 (in dollars) per share as resolved by the Board of Directors on June 26, 2023 and June 15, 2022, respectively.

H. On March 6, 2024, the Board of Directors proposed for the distribution of dividends from the 2023 earnings in the amount of $439,509 at $3.6 (in dollars) per share. In addition, the Company distributed cash from capital surplus in the amount of $73,252 at $0.6 (in dollars) per share. The abovementioned surplus earnings distribution proposal and the capital reserve issuance of cash have not yet been approved by the shareholders as of the date of the audit report.

I. For the information relating to employees' compensation and directors' remuneration, refer to Note 6(24).

(20) Other equity items

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	($ 90,933)	($ 166,032)	($ 256,965)
Revaluation - gross	93,492	-	93,492
Revaluation transferred to retained earnings - gross	(22,442)	-	(22,442)
Currency translation differences:			
- Group	-	(47,159)	(47,159)
- Associates	-	(593)	(593)
At December 31	($ 19,883)	($ 213,784)	($ 233,667)

	2022		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 15,270	($ 206,809)	($ 191,539)
Revaluation - gross	(74,157)	-	(74,157)
Revaluation transferred to retained earnings - gross	(32,046)	-	(32,046)
Currency translation differences:			
- Group	-	41,114	41,114
- Associates	-	(337)	(337)
At December 31	($ 90,933)	($ 166,032)	($ 256,965)

(21) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

	Years ended December 31	
Revenue from external customer contracts	2023	2022
US	$ 1,359,484	$ 1,088,453
China	1,243,438	1,265,121
Taiwan	754,712	578,658
Japan	701,495	706,361
Thailand	417,912	336,020
Others	485,094	364,815
	$ 4,962,135	$ 4,339,428

B. Information on products

	Years ended December 31	
	2023	2022
Smart Connection Industry	$ 2,221,806	$ 2,019,809
Datacenter/Networking/Telecom	2,212,442	1,850,180
Internet of Things	131,036	125,310
Others	396,851	344,129
	$ 4,962,135	$ 4,339,428

C. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$ 24,081	$ 91,379	$ 27,483

The amount of revenue recognized that was included in the contract liability balance at the beginning for the years ended December 31, 2023 and 2022 was $89,036 and $26,312, respectively.

(22) Other gains and losses

	Years ended December 31	
	2023	2022
Net gains on financial assets and liabilities at fair value through profit or loss	$ 29,965	($ 7,619)
Net foreign exchange gains	40,823	110,314
Gains on disposals of property, plant and equipment	1,153	3,804
Others	(989)	(5,155)
	$ 70,952	$ 101,344

(23) Expenses by nature

	Years ended December 31	
	2023	2022
Employee benefit expense	$ 821,731	$ 773,736
Depreciation charges on property, plant and equipment (Note)	112,321	124,382
Amortisation charges on other assets	18,323	12,489
	$ 952,375	$ 910,607

Note: Including current depreciation charges on properties, right-of-use assets and investment properties.

(24) Employee benefit expense

	Years ended December 31	
	2023	2022
Wages and salaries	$ 719,700	$ 672,894
Labour and health insurance fees	39,486	35,463
Pension costs	30,286	30,632
Other personnel expenses	32,259	34,747
	$ 821,731	$ 773,736

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, if any, shall be distributed as employees 'compensation and directors' remuneration as resolved by the Board of Directors. The ratio shall not be lower than 7% for employees' compensation. However, if the Company has accumulated deficit, earnings should first be reserved to cover losses.

B. For the years ended December 31, 2023 and 2022, employees' compensation were accrued at \$84,510 and \$52,195, respectively; while directors' remuneration were accrued at \$5,400 and \$5,400, respectively. The aforementioned amounts were recognized in salary expenses.

For the years ended December 31, 2023 and 2022, employees' compensation was estimated and accrued based on 10% and 9% of distributable profit of current year, respectively; directors' remuneration was determined based on the extent of their participation in the Company's operations and the value of their contribution.

Employees' compensation and directors' remuneration for 2022 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2022 financial statements. Employees' compensation and directors' remuneration for 2022 were all distributed in the form of cash.

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.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 155,193	\$ 123,136
Tax on undistributed surplus earnings	4,665	4,262
Prior year income tax overestimation	(5,599)	(1,924)
Total current tax	154,259	125,474
Deferred tax:		
Origination and reversal of temporary differences	(4,167)	(25,808)
Income tax expense	\$ 150,092	\$ 99,666

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	\$ 73	(\$ 735)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 202,119	$ 121,494
Expenses disallowed by tax regulation	(45,972)	(19,980)
Tax-exempt income	(5,121)	(4,186)
Prior year income tax overestimation	(5,599)	(1,924)
Tax on undistributed earnings	4,665	4,262
Income tax expense	150,092	99,666
Net changes in deferred tax	4,167	25,808
Prior year income tax overestimation	5,599	1,924
Less: Prepaid income tax	(16,557)	(4,702)
Current income tax liabilities	$ 143,301	$ 122,696

Note: The basis for the applicable tax rate is based on the applicable tax rate in the relevant country.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combinations	December 31
- Deferred tax assets:					
Temporary differences					
Valuation loss on inventories	$ 7,054	$ 1,551	$ -	$ -	$ 8,605
Loss on investments accounted for using equity method	-	-	-	-	-
Unrealised exchange loss	214	189	-	-	403
Others	1,053	3,604	-	-	4,657
	8,321	5,344	-	-	13,665
- Deferred tax liabilities:					
Temporary differences					
Gain on investments accounted for using equity method	(28,283)	-	-	-	(28,283)
Unrealised exchange gain	(4,550)	(3,697)	-	-	(8,247)
Others	(7,350)	2,520	73	(60,075)	(64,832)
	(40,183)	(1,177)	73	(60,075)	(101,362)
	($ 31,862)	$ 4,167	$ 73	($ 60,075)	($ 87,697)

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combinations	December 31
- Deferred tax assets:					
Temporary differences					
Valuation loss on inventories	$ 4,435	$ 2,619	$ -	$ -	$ 7,054
Loss on investments accounted for using equity method	101	(101)	-	-	-
Unrealised exchange loss	-	214	-	-	214
Others	1,040	13	-	-	1,053
	5,576	2,745	-	-	8,321
- Deferred tax liabilities:					
Temporary differences					
Gain on investments accounted for using equity method	(53,312)	25,029	-	-	(28,283)
Unrealised exchange gain	(2,401)	(2,149)	-	-	(4,550)
Others	(6,310)	183	(735)	(488)	(7,350)
	(62,023)	23,063	(735)	(488)	(40,183)
	($ 56,447)	$ 25,808	($ 735)	($ 488)	($ 31,862)

D. Income tax returns of the Company, MAINSUPER ENTERPRISES CO., LTD., TECHILL CO., LTD., ULTRASPEED ELECTRONICS CO., LTD. and CHA SHIN CHI INVESTMENT CO., LTD. through 2021 have been assessed and approved by the Tax Authority.

E. For the years ended December 31, 2023 and 2022, the Group's deferred tax liabilities increased because of business combinations amounting to $60,075 and $488, respectively. Refer to Note 6(27) for details.

(26) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 635,395	122,086	$ 5.20
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 635,395		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,265	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 635,395	123,351	$ 5.15

	Year ended December 31, 2022		
	Amount after tax	Number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 439,816	122,086	$ 3.60
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 439,816		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,523	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 439,816	123,609	$ 3.56

(27) Business combinations

A. Acquisition of SACO ENTERPRISES, INC.

(a) On July 1, 2023, the Group acquired a 100% equity interest in SACO ENTERPRISES, INC. (SACO) with the total price of USD 15.5 million, including the amount of USD 6.2 million, which was contingent upon the achievement of a certain rate for the operating performance within a specific period. As the Group obtained the control over SACO, it was included in the consolidated financial statements. SACO is engaged in the introduction of new products, trial production and sales in North America. The purpose of the acquisition is to integrate the resources of both parties to create competitive advantages from the upstream and downstream integration.

(b) The following table summarises the consideration paid for SACO ENTERPRISES, INC. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value of the non-controlling interest at the acquisition date:

	July 1, 2023
Purchase consideration	
Cash paid	$ 284,766
Contingent consideration	155,176
	$ 439,942
Fair value of the identifiable assets acquired and liabilities assumed	
Inventories	$ 39,788
Prepaid expenses and prepayments	519
Property, plant and equipment	2,006
Other non-current assets	510
Intangible assets - customer relationships	214,678
Other payables	(1,690)
Deferred tax liabilities	(60,075)
Total identifiable net assets	195,736
Goodwill	$ 244,206

(c) The fair value of the acquired identifiable intangible assets – customer relationships amounted to $214,678.

(d) The operating revenue included in the consolidated statement of comprehensive income since July 1, 2023 contributed by SACO was $209,660. SACO also contributed profit before income tax of $28,271 over the same period. Had SACO been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of $5,116,754 and profit before income tax of $844,959.

B. Acquisition of Ultraspeed Electronics Co., Ltd.

(a) In January 2022, the Group acquired 70.11% of the share capital of Ultraspeed Electronics Co., Ltd. for $20,000 and obtained the control over Ultraspeed Electronics Co., Ltd.. Therefore, it was included in the consolidated financial statements. Ultraspeed Electronics Co., Ltd. is primarily engaged in the manufacture of high-speed cables, high-speed connectors, etc. The purpose of the acquisition is to integrate the resources of both parties to achieve synergy.

(b) The following table summarises the consideration paid for Ultraspeed Electronics Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets at the acquisition date:

		January 11, 2022
Purchase consideration		
Cash paid	$	20,000
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets		5,501
	$	25,501
Fair value of the identifiable assets acquired and liabilities assumed		
Cash	$	13,666
Accounts receivable		1,576
Inventories		2,003
Prepaid expenses and prepayments		353
Property, plant and equipment		2,307
Right-of-use assets		2,108
Intangible assets - patents		2,441
Other non-current assets		503
Current contract liabilities	(	803)
Accounts payable	(	1,972)
Other payables	(	1,099)
Current lease liabilities	(	1,255)
Other current liabilities	(	84)
Deferred tax liabilities	(	488)
Non-current lease liabilities	(	853)
Total identifiable net assets		18,403
Goodwill	$	7,098

(c) The fair value of the acquired identifiable intangible assets – patents amounted to $2,441.

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31			
	2023		2022	
Purchase of property, plant and equipment	$	120,055	$	67,732
Add: Opening balance of payable on equipment		-		-
Less: Ending balance of payable on equipment	(	12,273)		-
Cash paid during the year	$	107,782	$	67,732

B. The fair value information on the assets acquired and liabilities assumed from business combinations:

	Years ended December 31	
	2023	2022
Fair value of identifiable net assets	$ 195,736	$ 18,403
Goodwill	244,206	7,098
Less: Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	-	(5,501)
Purchase consideration for business combinations	439,942	20,000
Less: Contingent consideration	(155,176)	-
Cash acquired from business combinations	-	(13,666)
Net cash flow from business combinations	$ 284,766	$ 6,334

(29) Changes in liabilities from financing activities

	2023		
	Short-term borrowings	Lease liabilities	Liabilities arising from financing activities - gross
At January 1	$ -	$ 55,391	$ 55,391
Changes in cash flow from financing activities	100,000	(52,068)	47,932
Changes in other non-cash items	-	95,454	95,454
Impact of changes in foreign exchange rate	-	7,766	7,766
At December 31	$ 100,000	$ 106,543	$ 206,543

	2022		
	Short-term borrowings	Lease liabilities	Liabilities arising from financing activities - gross
At January 1	$ -	$ 104,945	$ 104,945
Changes in cash flow from financing activities	-	(55,327)	(55,327)
Changes in acquisition of subsidiaries	-	2,108	2,108
Changes in other non-cash items	-	4,978	4,978
Impact of changes in foreign exchange rate	-	(1,313)	(1,313)
At December 31	$ -	$ 55,391	$ 55,391

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
JYH ENG TECHNOLOGY CO., LTD.	Associate
Diamond Creative Holding Limited	Associate
FSP TECHNOLOGY INC. (Note)	Others

Note: FSP Technology Inc. was elected as the institutional shareholder of the Group's parent company in June 2022 and thus it became a related party of the Company since then.

(2) Significant related party transactions

A. Operating revenue:

	Years ended December 31	
	2023	2022
Sales of goods:		
Others	$ 634	$ 17,347

Except for circumstances in which there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, the aforementioned related party is offered prices very close to those offered to other customers and given a payment period of 90 days.

B. Purchases:

	Years ended December 31	
	2023	2022
Purchases of goods:		
Others	$ 61,005	$ 33,869
Associates	$ 23,575	$ 15,438

Goods are purchased from related parties and others with a payment term of 60 to 90 days at the end of the month. Purchase prices are determined based on product types after taking into consideration other transaction terms.

C. Receivables from related parties:

	December 31, 2023	December 31, 2022
Accounts receivable:		
Others	$ 588	$ 3,778

There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties:

	December 31, 2023	December 31, 2022
Accounts payable:		
Others	$ 18,128	$ 19,755
Associates	$ 4,344	$ 4,371

(3) Key management compensation

	Years ended December 31	
	2023	2022
Salaries and other short-term employee benefits	$ 33,063	$ 23,886

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
Property, plant and equipment			
- Land and buildings and structures	$ 144,410	$ 235,421	Line of credit for short-term borrowings
Investment property	19,994	20,152	"
Guarantee deposits paid (shown as other non-current assets)	4,913	4,360	Customs bonds
Time deposits (shown as financial assets at amortised cost)	1,826	1,810	Business tax of import goods and line of credit for short-term borrowings
	$ 171,143	$ 261,743	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

Details of contingent consideration arising from a business combination are provided in Note 6(27).

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

For the year ended December 31, 2023, the Company's Board of Directors approved the appropriation of 2023 earnings. Refer to Note 6(19).

12. Others

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

During the years ended December 31, 2023 and 2022, the Group’s strategy was to maintain the gearing ratio under 50%.

(2) Financial instruments

A. Financial instruments by category

The Group’s financial instruments are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortised cost (including cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables and certain other non-current assets), financial liabilities at amortised cost (including short-term borrowings, accounts payable (including related parties), other payables (including related parties)), lease liabilities and contingent consideration arising on a business combination in accordance with IFRS 9. Related information is provided in Note 6 and the consolidated balance sheets.

B. Financial risk management policies

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 overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

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 hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. 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, RMB and THB). 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 amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 69,571	30.71	$ 2,136,525
USD:RMB	47,860	7.0922	1,469,781
Foreign operations			
RMB:NTD	$ 384,780	4.33	$ 1,666,096
USD:NTD	33,216	30.71	1,020,074
Financial liabilities			
Monetary items			
USD:NTD	$ 62,867	30.71	$ 1,930,646
USD:RMB	231	7.0922	7,094

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 59,807	30.71	$ 1,836,673
USD:RMB	41,756	6.9686	1,282,327
Foreign operations			
RMB:NTD	$ 372,458	4.41	$ 1,641,793
USD:NTD	17,500	30.71	537,428
Financial liabilities			
Monetary items			
USD:NTD	$ 57,084	30.71	$ 1,753,050
USD:RMB	656	6.9686	20,146

	December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	5%	$ 106,826	
USD:RMB	5%	73,489	
Foreign operations			
RMB:NTD	5%		$ 83,305
USD:NTD	5%		51,004
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 96,532	
USD:RMB	5%	355	

	December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	5%	$ 91,834	
USD:RMB	5%	64,116	
Foreign operations			
RMB:NTD	5%		$ 82,090
USD:NTD	5%		26,871
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 87,652	
USD:RMB	5%	1,007	

iii. The total exchange (loss) gain, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to $40,823 and $110,314, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held 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. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued domestically and publicly. 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 20% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $44,576 and $36,171, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity for the years ended December 31, 2023 and 2022 would have increased/decreased by $84,065 and $88,912, 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

As short-term borrowings for short-term working capital needs are mostly issued at variable rates, most of the risks could be offset by cash with variable interest rates.

(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. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only banks with good credit and financial institutions with investment grade or above are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. 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; the default occurs when the contract payments are past due over 360 days.

iv. The ageing analysis of accounts receivable 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	$ 1,167,805	$ 102,335	$ 1,016,707	$ 95,075
Up to 90 days	110,464	-	48,388	-
91 to 180 days	721	-	2,346	-
181 to 360 days	865	-	1,189	-
Over 360 days	41,322	-	40,681	-
	$ 1,321,177	$ 102,335	$ 1,109,311	$ 95,075

The above ageing analysis was based on past due date.

v. The Group assesses the expected credit losses of its accounts receivable as follows:

(i) Accounts receivable that are significantly past due are assessed individually for their expected credit losses.

(ii) The provision matrix is used to estimate the expected credit losses from the remaining customers.

(iii) The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix is as follows:

		Group					
December 31, 2023	Individual	Not past due	Up to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total
Expected loss rate	100.00%	0.17%	1.24%	20.63%	-	-	
Total book value	$ 44,826	$ 1,268,115	$110,222	$ 349	$ -	$ -	$ 1,423,512
Loss allowance	$ 44,826	$ 2,153	$ 1,363	$ 72	$ -	$ -	$ 48,414

		Group					
December 31, 2022	Individual	Not past due	Up to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total
Expected loss rate	100.00%	0.23%	2.54%	22.12%	35.59%	-	
Total book value	$ 42,952	$ 1,111,538	$ 47,879	$ 1,899	$ 118	$ -	$ 1,204,386
Loss allowance	$ 42,952	$ 2,520	$ 1,218	$ 420	$ 42	$ -	$ 47,152

vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	Accounts receivable	
	2023	2022
At January 1	$ 47,152	$ 30,051
Provision for impairment loss	1,351	15,694
Write-offs	-	(2,169)
Effect of foreign exchange	(89)	3,576
At December 31	$ 48,414	$ 47,152

vii. Financial assets at amortised cost are deposited in banks with good credit and financial institutions with investment grade so there is no significant default concerns and credit risk.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2023 and 2022, the Group held money market position of $921,043 and $1,337,293, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities are analysed 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. The amounts disclosed in the table are the contractual undiscounted cash flows:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-derivative financial liabilities:				
Lease liability	$ 39,694	$ 30,673	$ 42,146	$ 112,513
Contingent consideration	66,691	66,691	66,691	200,073
	$ 106,385	$ 97,364	$ 108,837	$ 312,586

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-derivative financial liabilities:				
Lease liability	$ 40,324	$ 16,718	$ 6,248	$ 63,290

Except for those listed in the table below, the Group's non-derivative financial liabilities (including short-term borrowings, notes payable, accounts payable and other receivables) will expire within 1 year.

(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. Financial assets held by the Group are listed shares wherein the related income and closing prices could be readily and regularly obtained from the Stock Exchange and Taipei Exchange. The fair value of the Group's investment in listed stocks and emerging stocks 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 derivative instruments and corporate bonds 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. Fair value information of investment property at cost is provided in Note 6(11).

C. Fair value information of financial instruments: Except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, refer to Note 12(2) for financial instruments not measured at fair value.

D. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at December 31, 2023 and 2022, are as follows:

(a) The related information on the nature of the assets is 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				
Limited partnership	$ -	$ -	$ 23,342	$ 23,342
Derivative instruments	-	1,453	-	1,453
Beneficiary certificates	89,354	-	-	89,354
Equity securities	110,184	-	-	110,184
Corporate bonds	-	7,791	-	7,791
	$ 199,538	$ 9,244	$ 23,342	$ 232,124
Financial assets at fair value through other comprehensive income				
Equity securities	$ 197,185	$ -	$ 223,138	$ 420,323
Liabilities				
Recurring fair value measurements				
Contingent liabilities	$ -	$ -	$ 162,146	$ 162,146

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Limited partnership	$ -	$ -	$ 18,502	$ 18,502
Derivative instruments	-	8,714	-	8,714
Beneficiary certificates	61,010	-	-	61,010
Equity securities	101,345	-	-	101,345
	$ 162,355	$ 8,714	$ 18,502	$ 189,571
Financial assets at fair value through other comprehensive income				
Equity securities	$ 229,997	$ -	$ 214,563	$ 444,560

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market and foreign exchange swap contracts, 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.

iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)9.

v. The evaluation of derivative financial instruments is based on evaluation models widely accepted by market users, such as discount methods and option pricing models. Forward foreign exchange contracts are usually evaluated based on current forward exchange rates. Structured interest rate derivative financial instruments are based on appropriate option pricing models (such as the Black-Scholes model) or other evaluation methods, such as Monte Carlo simulation.

vi. The fair value of contingent consideration arising on a business combination is estimated using the discounted cash flow method. Its main assumptions consider the probability of achievement for various payment terms in individual contracts to estimate the payments to be paid which will be discounted, and thus the fair value is estimated by the present value after the discount.

vii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

viii. 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. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023		2022
	Equity instruments	Contingent consideration	Equity instruments
At January 1	$ 233,065	$ -	$ 221,543
Acquired during the year	6,000	-	13,500
Financial liabilities at fair value through profit or loss	(1,160)	-	502
Recorded as unrealised gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	8,575	-	(2,480)
Increase during the year	-	155,176	-
Interest expense	-	9,312	-
Effect due to changes in exchange rate	-	(2,342)	-
At December 31	$ 246,480	$ 162,146	$ 233,065

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised 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.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs 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 instruments:					
Unlisted shares	$ 70,216	Market comparable companies	Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	152,922	Discounted cash flow	Discount for lack of marketability	30%~35%	The higher the discount for lack of marketability, the lower the fair value
			Weighted Average Cost of Capital of	14%~17%	The higher the weighted average cost of capital, the lower the fair value
Limited partnership	23,342	Net asset value	N/A	-	N/A
Non-derivative debt instrument :					
Contingent consideration	162,146	Discounted cash flow	Discount rate	11.22%	The higher the discount rate, the lower the fair value
			According to the terms of individual contracts	N/A	According to the terms of individual contracts

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	$ 57,218	Market comparable companies	Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	157,345	Discounted cash flow	Discount for lack of marketability	30%~35%	The higher the discount for lack of marketability, the lower the fair value
			Weighted Average Cost of Capital of marketability	14%~17%	The higher the weighted average cost of capital, the lower the fair value
Limited partnership	18,502	Net asset value	N/A	-	N/A

I. 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 on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Discount for lack of marketability	±1%	$ 233	$ 233	$ 2,231	$ 2,231

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Discount for lack of marketability	±1%	$ 185	$ 185	$ 2,146	$ 2,146

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): 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: Refer to table 2.
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: Refer to table 3.
H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 4.
I. Trading in derivative instruments undertaken during the reporting period: Refer to Note 7(2).
J. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.
B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 5.

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. Operating Segment Information

(1) General information

The Company and its subsidiaries are primarily engaged in the manufacture, sales, import and export of various computer software and hardware and its peripherals as well as electronic products and components; manufacture and wholesale of wireless telecommunication equipment and apparatus, data storage and processing equipment, wired communication equipment and apparatus and printers. The chief operating decision maker considers the business from a product and service type perspective, develops products and expands business according to customer nature and needs of various types of products. Currently, business activities can be categorised into electronic products components manufacturing segment and others. Electronic products components manufacturing segment is the reportable operating segment, while other segments which have not met the quantitative threshold are not disclosed individually.

(2) Segment Information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Electronic products components manufacturing segment	All other segments	Total
Year ended December 31, 2023			
Inter-segment revenue	$ 4,646,701	$ 315,434	$ 4,962,135
Segment income (loss)	$ 774,091	$ 36,320	$ 810,411
Depreciation and amortisation	$ 129,967	$ 677	$ 130,644
Interest income	$ 33,138	$ 2,336	$ 35,474
Interest expense	$ 13,460	$ 4	$ 13,464

	Electronic products components manufacturing segment	All other segments	Total
Year ended December 31, 2022			
Inter-segment revenue	$ 4,003,502	$ 335,926	$ 4,339,428
Segment income (loss)	$ 622,572	($ 77,568)	$ 545,004
Depreciation and amortisation	$ 135,327	$ 1,544	$ 136,871
Interest income	$ 17,288	$ 2,166	$ 19,454
Interest expense	$ 3,387	$ 23	$ 3,410

The Group derives revenue from the transfer of goods at a point in time.

(3) Reconciliation for segment income (loss)

In current year, the revenue and income or loss before tax of reportable operating segment are consistent with those of continuing operations.

(4) Information on products

Details of revenue per product category are described in Note 6(21).

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31	
	2023	2022
	Non-current assets	Non-current assets
Taiwan	$ 1,011,835	$ 486,267
China	103,720	147,427
US	42,853	418
Thailand	12,280	6,115
Others	155,778	27,121
	$ 1,326,466	$ 667,348

Details of revenue per geographical information are described in Note 6(21).

(6) Major customer information

Major customer information for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31	
	2023	2022
	Revenue	Revenue
A customer	$ 376,223	$ 420,951

Jess-Link Products Co., Ltd. and subsidiaries

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	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares	Book value	Ownership (%)	Fair value	Footnote
	Stock							
CHA SHIN CHI INVESTMENT CO., LTD.	HD Renewable Energy Co., Ltd.	N	Current financial assets at fair value through profit or loss	250,000	$ 32,625	0%	$ 32,625	
CHA SHIN CHI INVESTMENT CO., LTD.	NAK SEALING TECHNOLOGIES CORPORATION	〃	〃	180,000	24,120	0%	24,120	
CHA SHIN CHI INVESTMENT CO., LTD.	Ample Electronic Technology Co., Ltd.	〃	〃	40,000	2,736	0%	2,736	
CHA SHIN CHI INVESTMENT CO., LTD.	Caliway Biopharmaceuticals Co. Ltd.	〃	〃	30,200	11,550	0%	11,550	
CHA SHIN CHI INVESTMENT CO., LTD.	Grand Process Technology Corp.	〃	〃	50,000	29,800	0%	29,800	
CHA SHIN CHI INVESTMENT CO., LTD.	Ocean Plastics Co., Ltd.	〃	〃	250,000	9,263	0%	9,263	
	Corporate bonds							
CHA SHIN CHI INVESTMENT CO., LTD.	Mercedes-Benz Finance North America LLC	N	Current financial assets at fair value through profit or loss	67,000	2,559	-	2,560	
CHA SHIN CHI INVESTMENT CO., LTD.	The Walt Disney Co.	〃	〃	74,000	2,648	-	2,648	
CHA SHIN CHI INVESTMENT CO., LTD.	Lockheed Martin Corp.	〃	〃	80,000	2,583	-	2,583	
	Beneficiary certificates							
SWS GROUP COMPANY LIMITED	KTF2YA-BR	N	Current financial assets at fair value through profit or loss	1,941,189	18,009	-	18,009	
SWS GROUP COMPANY LIMITED	K Short Term Fixed Income Fund-A	〃	〃	4,525,716	46,782	-	46,782	
SWS GROUP COMPANY LIMITED	KJG6MA	〃	〃	2,000,000	18,152	-	18,152	
BPPG SERVICE CO., LTD.	B-Treasury	〃	〃	622,904	6,411	-	6,411	

Jess-Link Products Co., Ltd. and subsidiaries

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	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares	Book value	Ownership (%)	Fair value	Footnote
	Limited partnership							
JESS-LINK PRODUCTS CO., LTD.	Mesh Cooperative Ventures Fund LP	N	Non-current financial assets at fair value through profit or loss	24,000,000	23,342	3%	23,342	
	Stock							
JESS-LINK PRODUCTS CO., LTD.	FSP TECHNOLOGY INC.	The company is the Company’s institutional shareholder	Current financial assets at fair value through other comprehensive income	2,000,000	102,600	0%	102,600	
JESS-LINK PRODUCTS CO., LTD.	WT Microelectronics Co., Ltd.	N	〃	423,000	47,588	0%	47,588	
CHA SHIN CHI INVESTMENT CO., LTD.	Yusin Holding Corp.	〃	〃	180,000	20,880	0%	20,880	
CHA SHIN CHI INVESTMENT CO., LTD.	Godex International Co., Ltd.	〃	〃	220,500	13,141	0%	13,141	
CHA SHIN CHI INVESTMENT CO., LTD.	Harris Technology Group Limited	〃	〃	5,488,969	1,382	0%	1,382	
MAINSUPER ENTERPRISES CO., LTD.	FSP TECHNOLOGY INC.	The company is the Company’s institutional shareholder	〃	226,000	11,594	0%	11,594	
JESS-LINK PRODUCTS CO., LTD.	JYH ENG TECHNOLOGY CO., LTD.	The Company is the director of the company	Non-current financial assets at fair value through other comprehensive income	3,200,000	91,860	7%	91,860	
CHA SHIN CHI INVESTMENT CO., LTD.	Huang Chieh Metal Holdings Co., Ltd.	N	〃	1,220,984	-	2%	-	
CHA SHIN CHI INVESTMENT CO., LTD.	EASTERN UNION INTERACTIVE CORP.	〃	〃	860,000	36,055	4%	36,055	
CHA SHIN CHI INVESTMENT CO., LTD.	TAIWAN TRUEWIN TECHNOLOGY CO., LTD.	〃	〃	653,174	25,007	2%	25,007	
BEST LINK PROPERTIES LTD.	Diamond Creative Holding Limited	〃	〃	1,100,000	70,216	14%	70,216	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Jess-Link Products Co., Ltd. and subsidiaries

Acquisition or sale of the same security with the accumulated cost reaching $300 million or 20% of the Company's paid-in capital or more

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

						Beginning balance		Addition		Disposal				Ending balance	
Investor	Type and name of securities	General ledger account	Name of the conterparty	Relationship	Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Sale Price	Book Value	Gain (loss) on disposal	Number of shares	Amount (Note 2)
Jess-Link Products Co., Ltd.	SACO ENTERPRISES INC.	Investments accounted for under equity method	PING T. CHUI and SANDY P.C.	Subsidiaries	USD	-	$ -	10,000	$ 439,942 (Note 1)	-	$ -	$ -	$ -	10,000	$ 452,202

Note 1: The Company acquired a 100% equity interest in SACO ENTERPRISES INC. during the period. The purchase consideration of $439,942 included cash consideration and contingent consideration. The related information of business combination is provided in Note 6(27).

Note 2: The above balance as at December 31, 2023 included the ending balance of unrealised gains (losses) on valuation, which was eliminated when preparing the consolidated financial statements.

Jess-Link Products Co., Ltd. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				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)	Footnote (Note 2)
PEC_Manufacturing, Viet Nam Company Limited	JESS-LINK PRODUCTS CO., LTD.	The Company's indirect investee	Sales	($ 132,829)	98%	180 to 210 days after the end of the month	The same with the third parties	No significant difference	$ -	96%	
JESS-LINK PRODUCTS CO., LTD.	PEC_Manufacturing, Viet Nam Company Limited	"	Purchases	132,829	5%	180 to 211 days after the end of the month	"	"	-	1%	
MAINSUPER ENTERPRISES CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	"	Sales	(115,724)	99%	180 to 212 days after the end of the month	"	"	91,131	86%	
JESS-LINK PRODUCTS CO., LTD.	MAINSUPER ENTERPRISES CO., LTD.	"	Purchases	115,724	4%	180 to 213 days after the end of the month	"	"	(91,131)	5%	
DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	JESS-LINK PRODUCTS CO., LTD.	"	Sales	(563,799)	75%	180 to 214 days after the end of the month	"	"	618,805	72%	
JESS-LINK PRODUCTS CO., LTD.	DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	"	Purchases	563,799	22%	180 to 215 days after the end of the month	"	"	(618,805)	31%	
DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	"	Sales	(411,671)	72%	180 to 216 days after the end of the month	"	"	455,241	65%	
JESS-LINK PRODUCTS CO., LTD.	DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	"	Purchases	411,671	16%	180 to 217 days after the end of the month	"	"	(455,241)	23%	
ASKA TECHNOLOGIES INC.	JESS-LINK PRODUCTS CO., LTD.	"	Sales	(103,280)	29%	180 to 218 days after the end of the month	"	"	85,755	37%	
JESS-LINK PRODUCTS CO., LTD.	ASKA TECHNOLOGIES INC.	"	Purchases	103,280	4%	180 to 219 days after the end of the month	"	"	(85,755)	5%	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Jess-Link Products Co., Ltd. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	The Company's indirect investee	$ 455,241	0.88	$ 142,361	Collected subsequent to the balance sheet date	$ 73,037	$ -
DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	JESS-LINK PRODUCTS CO., LTD.	"	618,805	0.98	218,191	"	95,146	-

Jess-Link Products Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting period

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	PEC_Manufacturing, Viet Nam Company Limited	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	$ 132,829	180 to 210 days after the end of the month	3%
2	DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	563,799	180 to 210 days after the end of the month	11%
2	DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	JESS-LINK PRODUCTS CO., LTD.	2	Accounts receivable	618,805	180 to 210 days after the end of the month	12%
3	DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	411,671	180 to 210 days after the end of the month	8%
3	DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	2	Accounts receivable	455,241	180 to 210 days after the end of the month	9%
4	ASKA TECHNOLOGIES INC.	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	103,280	180 to 210 days after the end of the month	2%
5	MAINSUPER ENTERPRISES CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	115,724	180 to 210 days after the end of the month	2%

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) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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 above significant inter-company transactions are purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more.

Jess-Link Products Co., Ltd. and subsidiaries

Information on investees

Year ended December 31, 2023

Table 6

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			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
JESS-LINK PRODUCTS CO., LTD.	BEST LINK PROPERTIES LTD.	British Virgin Islands	Investment holdings	$ 953,793	$ 953,793	29,200,000	100	$ 2,055,944	$ 75,929	$ 75,929	Note 1
JESS-LINK PRODUCTS CO., LTD.	CHA SHIN CHI INVESTMENT CO., LTD.	Taiwan	Investing	280,000	280,000	28,000,000	100	260,260	26,188	26,188	
JESS-LINK PRODUCTS CO., LTD.	MAINSUPER ENTERPRISES CO., LTD.	Taiwan	Electronics manufacturing	120,000	120,000	1,500,000	100	54,960	18,015	18,015	
JESS-LINK PRODUCTS CO., LTD.	TECHILL CO., LTD.	Taiwan	Sales of electronic components	15,850	15,850	1,275,000	51	20,644	1,131	576	
JESS-LINK PRODUCTS CO., LTD.	Ultraspeed Electronics Co., Ltd.	Taiwan	Sales of electronic components	20,000	20,000	1,092,895	70	11,830	(3,537)	(2,480)	Note 2
JESS-LINK PRODUCTS CO., LTD.	SWS GROUP COMPANY LIMITED	Thailand	Sales of electronic components	41,565	41,565	198,000	49.87	73,632	10,344	5,159	
JESS-LINK PRODUCTS CO., LTD.	ASTRON Connectivity CO., LTD.	Taiwan	Sales of electronic components	10,200	-	1,020,000	51	29,396	37,639	19,196	Note 3
JESS-LINK PRODUCTS CO., LTD.	SACO ENTERPRISES INC.	U.S.A	Introduction of new products, trial production and sales	439,942	-	10,000	100	452,202	13,120	13,120	Note 4
JESS-LINK PRODUCTS CO., LTD.	JPC CONNECTIVITY CO., LTD.	Vietnam	Electronics manufacturing	174,994	-	111,394,000	100	162,675	(2,258)	(2,258)	Note 5
BEST LINK PROPERTIES LTD.	JPCCO CORP.	U.S.A	Investment holdings	109,853	109,853	288,283	98.3	51,396	16,936	16,648	
BEST LINK PROPERTIES LTD.	BRIGHTONNET CO., LTD.	Japan	Electronics manufacturing	4,720	4,720	320	24.9	8,114	2,394	596	
CHA SHIN CHI INVESTMENT CO., LTD.	JPCCO CORP.	U.S.A	Investment holdings	1,563	1,563	5,000	1.7	904	16,936	288	
JPCCO CORP.	PEC MANUFACTURING VIET NAM COMPANY LIMITED	Vietnam	Electronics manufacturing	57,972	57,972	23,000,000,000	100	20,727	14,584	14,584	
SWS GROUP COMPANY LIMITED	BPPG SERVICES CO., LTD.	Thailand	Electronic components services	3,179	3,179	30,000	60	12,381	4,498	2,699	

Note 1: The Company also have Mainland China subsidiaries held through JPC (HK) COMPANY LTD., BEST MATCH INVESTMENTS LIMITED, BEST SKY LIMITED, HUNG FU(SAMOA) INTERNATIONAL CO., LTD. and LUCKY STAR INVESTMENT CORP. whose details are provided in table 7.

Note 2: In January 2022, the Company acquired a 70.11% equity interest in Ultraspeed Electronics Co., Ltd.

Note 3: In April 2023, the Company incorporated and held a 51% equity interest in ASTRON Connectivity Co., Ltd.

Note 4: In July 2023, the Company acquired a 100% equity interest in SACO ENTERPRISES INC.

Note 5: In July 2023, the Company incorporated and held a 100% equity interest in JPC Connectivity Co., Ltd.

Jess-Link Products Co., Ltd. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

					Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023								
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	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
DONGGUAN JIEXUN ELECTRONIC TECHNOLOGY CO., LTD.	Manufacture and sale of connector cables, connectors, computer peripheral devices and optoelectronic products	$ 122,840	(2)	$ 122,840	-	-	$ 122,840	$ -	100	$ -	$ -	$ -	Note 3
DONGGUAN CELESTA ELECTRONICS LIMITED COMPANY	Trade of electronic products	19,650	(2)	19,650	-	-	19,650	1,222	100	1,222	16,471	-	
ASKA TECHNOLOGIES INC.	Manufacture and sale of connector and cable assemblies and cables for the cloud network and consumer electronics	155,086	(3)	177,504	-	-	177,504	15,225	100	15,225	363,008	-	Note 4
DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	Manufacture and sale of connector and cable assemblies and cables for the cloud network, Internet of Things, and consumer electronics	184,260	(2)	122,840	-	-	122,840	4,237	100	4,237	509,042	-	Notes 5 and 6
DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	Manufacture and sale of connector and cable assemblies and cables for the cloud network and consumer electronics	153,550	(2)	-	-	-	-	39,665	100	39,277	777,575	-	Note 7
GUANGZHOU JPC ELECTRONICS TECHNICAL LIMITED COMPANY	Manufacture and sale of connector and cable assemblies for automotive electronics	21,650	(3)	-	-	-	-	388	100	388	18,213	-	Note 8

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 profit or loss for the period was recognised based on the investees' financial statements which were reviewed by independent auditors.

Note 3: The Company established and acquired 100% of the share in JESS-LINK(DG)PRODUCTS COMPANY LIMITED in the amount of USD 4,000 thousand through the investee company, JPC CO., LTD. JESS-LINK(DG)PRODUCTS COMPANY LIMITED has been deregistered in 2017. The unused amount of investments in Mainland China was USD 4,000 thousand.

Note 4: The Company acquired 100% of the share in ASKA TECHNOLOGIES INC. in the amount of USD 3,030 thousand through the investee company, BEST LINK PROPERTIES LTD., and its subsidiary, BEST SKY LIMITED.

Note 5: The Company established and acquired 100% of the share in DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO.,LTD. at the amount of USD 1,800 thousand through the investee company, HUNG FU(SAMOA) INTERNATIONAL CO., LTD.

Note 6: DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO.,LTD. obtained approval from the Investment Commission in June 2018 to merge with JPC CABLE & WIRE INC..

Note 7: The Company established and acquired 100% of the share in DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY and HePing Hua-Bao Electronics CO ., LTD. in the amount of USD 750 thousand and USD 500 thousand, respectively, through the investee company, LUCKY STAR INVESTMENT CORP. HePing Hua-Bao Electronics CO ., LTD. has been deregistered in 2012. The unused amount of investment in Mainland China was USD 500 thousand.

Note 8: The Company reinvested in the China investee company, DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY, through the investing business in Mainland China, GUAMGZHOU JPC ELECTRONICS TECHNICAL LIMITED COMPANY, Since the investing business in Mainland China is not a controlling company, there was no need to apply the reinvestment with the Investment Commission.

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 imposed by the Investment Commission of MOEA
JESS-LINK PRODUCTS CO., LTD	$ 504,290	$ 1,127,340	$ 2,090,332

Note 1: The approved investment amount of USD 32,778 thousand includes USD 290 thousand of investment of purchasing plant equipment, machinery and equipment and components from the third parties approved by the Investment Commission of the MOEA.

Note 2: The Company sold the share in Wuxi Jiaqi Technology Co., Ltd. during 2005. As of December 31, 2023, the unused amount of investment in Mainland China was USD 1,250 thousand.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Jess-Link Products Co., Ltd. and subsidiaries

Major shareholders information

December 31, 2023

Table 8

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
CHANG, SHU-MEI	18,472,480	15.13%
FSP TECHNOLOGY INC.	10,000,000	8.19%
Dingzhun Investment Co., Ltd.	6,144,750	5.03%

JESS-LINK PRODUCTS CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Jess-Link Products Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Jess-Link Products Co., Ltd. (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 then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports 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 are stated as follows:

Appropriateness of cut-off on sales revenue

Description

For the accounting policy on revenue recognition, refer to Note 4(28).

The Company's sales mainly arise from manufacturing and sales of electronic components and the Company is primarily engaged in international sales. The revenue from international sales is recognized based on the transaction terms with customers. As there are a large number of customers, sales areas and transaction terms, we considered the cut-off on sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the transaction terms of sales revenue and tested the internal controls over the recognition of sales revenue.

2. Selected samples of supporting documents used in revenue recognition, including verifying orders, delivery orders and other relevant documents to evaluate the appropriateness of the cut-off on revenue.
3. Performed cut-off test on sales transactions for a certain period before and after the end of the reporting period to assess the appropriateness of the cut-off on sales revenues.

Valuation of inventories

Description

Refer to Notes 4(13) and (14) for accounting policy on inventory valuation and investment accounted for under the equity method, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Notes 6(6) and (7) for details of inventories. As at December 31, 2023, the Company's inventories and allowance for inventory valuation losses were NT$194,600 thousand and NT$28,923 thousand, respectively. As at December 31, 2023, the balances of inventories and allowance for inventory valuation losses in the consolidated financial statements amounted to NT$606,801 thousand and NT$43,072 thousand, respectively.

The Company and its subsidiaries are primarily engaged in the manufacture and sales of electronic components. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Company and its subsidiaries' inventory are stated at the lower of cost and net realisable value, and the net realisable value of inventories over a certain age and individually identified as obsolete is evaluated based on the historical data on inventory clearance and discounts. The allowance for inventory valuation losses is presented under "inventories" and "investment accounted for using equity method" in the parent company financial statements.

The Company and its subsidiaries operate in an environment characterised by rapidly changing technology and the calculation of the net realisable value of obsolete inventories involves subjective judgment, which would result in a high degree of estimation uncertainty. Given that the inventory and allowance for inventory valuation losses are material to the financial statements, we considered the assessment of allowance for inventory valuation losses a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Company's operations and industry. Assessed the reasonableness of the policies and procedures used to recognize allowance for inventory valuation losses.

2. Obtained the report on net realisable value of each inventory item and checked whether the calculation logic was applied consistently to each inventory item.

3. Verified the appropriateness of system logic used in the inventory aging reports which management used to assess inventories to confirm whether the information on the reports is consistent with its policies.

4. Discussed with management the estimated net realisable value of inventory items aged over a certain period and individually identified as obsolete and damaged, obtained and corroborated against supporting documents and recalculated the allowance provision.

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 which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 in respect of these companies, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT$546,561 thousand and NT$73,679 thousand, constituting 9% and 1% of the total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognized from these investments accounted for under the equity method amounted to NT$32,863 thousand and (NT$18,555) thousand, constituting 5% and (5%) of the total comprehensive income for the years then ended, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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 financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standard 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 Standard 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 remain solely responsible for our audit opinion.

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

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

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

Wu, Jen-Chieh	Lin, Ya-Hui

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 6, 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.

JESS-LINK PRODUCTS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT		December 31, 2022 AMOUNT	
	Current assets					
1100	Cash and cash equivalents	6(1)	$	428,051	$	735,890
1110	Current financial assets at fair value through profit or loss	6(2)		1,453		8,714
1120	Current financial assets at fair value through other comprehensive income	6(3)		150,188		158,305
1136	Current financial assets at amortised cost	6(4)		214,970		30,500
1170	Accounts receivable	6(5) and 7		796,116		876,351
1200	Other receivables	7		279,476		44,859
130X	Inventory	6(6)		165,677		185,198
1410	Prepayments	7		52,981		108,501
11XX	**Total current assets**			2,088,912		2,148,318
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)		23,342		18,502
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		91,860		90,540
1550	Investments accounted for under equity method	6(7)		3,121,543		2,406,855
1600	Property, plant and equipment	6(8), 7 and 8		340,260		290,697
1755	Right-of-use assets	6(9)		29,191		6,706
1760	Investment property	6(10) and 8		37,679		38,085
1780	Intangible assets	6(11)		5,317		6,420
1840	Deferred income tax assets	6(22)		6,606		7,681
1900	Other non-current assets	6(14) and 8		28,408		24,294
15XX	**Total non-current assets**			3,684,206		2,889,780
1XXX	**Total assets**		$	5,773,118	$	5,038,098

(Continued)

JESS-LINK PRODUCTS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	December 31, 2022 AMOUNT
	Current liabilities			
2100	Short-term borrowings	6(12)	$ 100,000	$ -
2130	Current contract liabilities	6(19)	5,353	91,411
2170	Accounts payable		448,107	393,072
2180	Accounts payable - related parties	7	1,291,882	1,151,233
2200	Other payables	6(13)	224,360	120,444
2220	Other payables - related parties	7	60,079	63,812
2230	Current income tax liabilities	6(22)	115,293	108,792
2280	Current lease liabilities		7,469	6,628
2399	Other current liabilities		3,016	3,031
21XX	**Total current liabilities**		2,255,559	1,938,423
	Non-current liabilities			
2570	Deferred income tax liabilities	6(22)	41,709	38,059
2580	Non-current lease liabilities		21,776	112
2600	Other non-current liabilities	6(13)	102,552	150
25XX	**Total non-current liabilities**		166,037	38,321
2XXX	**Total liabilities**		2,421,596	1,976,744
	Equity			
	Share capital	6(15)		
3110	Common stock		1,220,859	1,220,859
	Capital surplus	6(16)(17)		
3200	Capital surplus		272,568	394,654
	Retained earnings	6(17)		
3310	Legal reserve		585,160	537,680
3320	Special reserve		256,966	191,539
3350	Unappropriated retained earnings		1,249,636	973,587
	Other equity interest	6(18)		
3400	Other equity interest		(233,667)	(256,965)
3XXX	**Total equity**		3,351,522	3,061,354
	Significant contingent liabilities and unrecognized contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	**Total liabilities and equity**		$ 5,773,118	$ 5,038,098

The accompanying notes are an integral part of these parent company only financial statements.

JESS-LINK PRODUCTS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Year ended December 31 2023 AMOUNT	2022 AMOUNT
4000	Operating revenue	6(19) and 7	$ 3,605,095	$ 3,431,206
5000	Operating costs	6(6)(21) and 7	(2,609,069)	(2,530,548)
5900	Net operating margin		996,026	900,658
	Operating expenses	6(21)		
6100	Selling expenses		(195,308)	(196,655)
6200	General and administrative expenses		(156,081)	(128,959)
6300	Research and development expenses		(125,345)	(93,790)
6450	Expected credit loss		(1,542)	-
6000	Total operating expenses		(478,276)	(419,404)
6900	Operating profit		517,750	481,254
	Non-operating income and expenses			
7100	Interest income		27,074	9,057
7010	Other income	6(3)	65,101	32,976
7020	Other gains and losses	6(20)	3,090	44,011
7050	Finance costs		(11,267)	(1,367)
7070	Share of profit (loss) of associates and joint ventures accounted for under equity method	6(7)	153,445	(43,581)
7000	Total non-operating income and expenses		237,443	41,096
7900	**Profit before income tax**		755,193	522,350
7950	Income tax expense	6(22)	(119,798)	(82,534)
8200	**Profit for the year**		$ 635,395	$ 439,816
	Other comprehensive income			
	Components of other comprehensive income that will not be reclassified to profit or loss			
8311	Actuarial (losses) gains on defined benefit plan	6(14)	($ 365)	$ 3,676
8316	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	6(3)(18)	72,952	(70,654)
8330	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(18)	20,540	(3,503)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		73	(735)
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		93,200	(71,216)
	Components of other comprehensive income that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations	6(18)	(47,159)	41,114
8380	Share of other comprehensive loss of associates and joint ventures accounted for under equity method	6(18)	(593)	(337)
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(47,752)	40,777
8300	**Total other comprehensive income (loss) for the year**		$ 45,448	($ 30,439)
8500	**Total comprehensive income for the year**		$ 680,843	$ 409,377
	Earnings per share (in dollars)	6(23)		
9750	Basic earnings per share		$ 5.20	$ 3.60
9850	Diluted earnings per share		$ 5.15	$ 3.56

The accompanying notes are an integral part of these parent company only financial statements.

JESS-LINK PRODUCTS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Capital Reserves		Retained Earnings			Other Equity Interest		
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Year ended December 31, 2022										
Balance at January 1, 2022		$1,220,859	$ 479,484	$ 12,839	$ 498,754	$ 179,881	$ 817,957	($ 206,809)	$ 15,270	$3,018,235
Profit for the year		-	-	-	-	-	439,816	-	-	439,816
Other comprehensive income (loss)	6(18)	-	-	-	-	-	2,941	40,777	(74,157)	(30,439)
Total comprehensive income (loss)		-	-	-	-	-	442,757	40,777	(74,157)	409,377
Appropriations of 2021 earnings:	6(17)									
Legal reserve		-	-	-	38,926	-	(38,926)	-	-	-
Special reserve		-	-	-	-	11,658	(11,658)	-	-	-
Cash dividends		-	-	-	-	-	(268,589)	-	-	(268,589)
Cash dividends from capital surplus	6(16)	-	(97,669)	-	-	-	-	-	-	(97,669)
Disposal of financial assets at fair value through other comprehensive income	6(3)(18)	-	-	-	-	-	13,800	-	(13,800)	-
Disposal of financial assets at fair value through other comprehensive income from subsidiaries	6(18)	-	-	-	-	-	18,246	-	(18,246)	-
Balance at December 31, 2022		$1,220,859	$ 381,815	$ 12,839	$ 537,680	$ 191,539	$ 973,587	($ 166,032)	($ 90,933)	$3,061,354
Year ended December 31, 2023										
Balance at January 1, 2023		$1,220,859	$ 381,815	$ 12,839	$ 537,680	$ 191,539	$ 973,587	($ 166,032)	($ 90,933)	$3,061,354
Profit for the year		-	-	-	-	-	635,395	-	-	635,395
Other comprehensive income (loss)	6(18)	-	-	-	-	-	(292)	(47,752)	93,492	45,448
Total comprehensive income (loss)		-	-	-	-	-	635,103	(47,752)	93,492	680,843
Appropriations of 2022 earnings:	6(17)									
Legal reserve		-	-	-	47,480	-	(47,480)	-	-	-
Special reserve		-	-	-	-	65,427	(65,427)	-	-	-
Cash dividends		-	-	-	-	-	(268,589)	-	-	(268,589)
Cash dividends from capital surplus	6(16)	-	(122,086)	-	-	-	-	-	-	(122,086)
Disposal of financial assets at fair value through other comprehensive income	6(3)(18)	-	-	-	-	-	21,410	-	(21,410)	-
Disposal of financial assets at fair value through other comprehensive income from subsidiaries	6(18)	-	-	-	-	-	1,032	-	(1,032)	-
Balance at December 31, 2023		$1,220,859	$ 259,729	$ 12,839	$ 585,160	$ 256,966	$1,249,636	($ 213,784)	($ 19,883)	$3,351,522

The accompanying notes are an integral part of these parent company only financial statements.

JESS-LINK PRODUCTS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 755,193	$ 522,350
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(21)	38,063	37,997
Amortisation	6(21)	5,425	9,877
Expected credit loss	12(2)	1,542	-
Dividend income	6(3)	(17,310)	(20,929)
Interest income		(27,074)	(9,057)
Net gain on financial assets or liabilities at fair value through profit or loss	6(20)	(7,206)	(45,682)
Interest expense		11,267	1,367
Share of (profit) loss of associates and joint ventures accounted for under equity method		(153,445)	43,581
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets or liabilities at fair value through profit or loss		9,627	29,603
Accounts receivable		78,693	(152,883)
Other receivables		(232,883)	(1,001)
Inventory		19,521	29,555
Prepayments		55,520	(71,173)
Other non-current assets		(253)	(121)
Changes in operating liabilities			
Current contract liabilities		(86,058)	87,767
Accounts payable		55,035	158,698
Accounts payable - related parties		140,649	207,784
Other payables		29,553	14,472
Other payables - related parties		(3,730)	904
Other current liabilities		(15)	2,028
Cash inflow generated from operations		672,114	845,137
Interest received		25,340	9,057
Interest paid		(1,955)	(1,367)
Income tax paid		(108,501)	(68,852)
Net cash flows from operating activities		586,998	783,975
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(30,848)	(20,382)
Proceeds from disposal of financial assets at fair value through other comprehensive income		110,597	71,357
Increase in financial assets at amortized cost		(184,470)	(30,500)
Dividends received	6(3)	53,989	33,648
Acquisition of investments accounted for under equity method		(469,960)	(20,000)
Acquisition of property, plant and equipment	6(24)	(67,480)	(26,710)
Proceeds from disposal of property, plant and equipment		-	1,478
Acquisition of intangible assets	6(11)	(4,322)	(1,483)
Decrease in refundable deposits		198	2,144
Acquisition of other non-current assets		(4,424)	3,469
Net cash flows (used in) from investing activities		(596,720)	13,021
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(25)	265,000	-
Decrease in short-term borrowings		(165,000)	-
Payment of lease liabilities	6(25)	(7,442)	(7,998)
Cash dividends paid	6(17)	(268,589)	(268,589)
Cash dividends from capital surplus	6(17)	(122,086)	(97,669)
Net cash flows used in financing activities		(298,117)	(374,256)
Net (decrease) increase in cash and cash equivalents		(307,839)	422,740
Cash and cash equivalents at beginning of year		735,890	313,150
Cash and cash equivalents at end of year		$ 428,051	$ 735,890

The accompanying notes are an integral part of these parent company only financial statements.

JESS-LINK PRODUCTS CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Jess-Link Products Co., Ltd. (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 trading and import and export of various computer software and hardware and its peripherals as well as electronic products and components, manufacture and wholesale of wireless communication equipment and apparatus, data storage and processing equipment, wired communication equipment and apparatus and printers.

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 6, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards 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 Standards, Interpretations and Amendments	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 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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

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

New Standards, Interpretations and Amendments	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 IAS 7 and IFRS 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) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	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 Standards Board
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 Material 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 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.

(d) Contingent consideration recognized at fair value because of business combinations.

B. The preparation of financial statements in conformity with 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") 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) Foreign currency translation

A. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

B. 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 re-translated 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, non-monetary 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 foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

C. Translation of foreign operations

(a) The operating results and financial position of all the Company entities, associates and joint arrangements 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 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; otherwise they are classified as non-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 or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-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.

(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 definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or 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 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.

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 Company measures the financial assets at fair value plus transaction costs. The Company 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. Dividends are recognized as revenue 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 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 assets' contractual cash flows represent solely payments of principal and interest.

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. Interest income from these financial assets is included in finance income using the effective interest method. 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.

(9) Accounts and notes receivable

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.

(10) Impairment of financial assets

For financial assets at amortised 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. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(11) 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.

(12) Leasing arrangements (lessor)－lease receivables / 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.

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. 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 applicable variable selling expenses.

(14) Investments accounted for using the equity method / subsidiaries

A. Subsidiaries are all entities (including structured 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. Inter-company transactions, balances and unrealized gains or losses on transactions between subsidiaries are eliminated. Accounting policies of subsidiaries are consistent 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 the losses in proportion to its ownership interest.

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 Company loses control of a subsidiary, the Company 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 Company 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.

F. 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.

G. 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.

H. 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.

I. Contingent consideration included in the consideration of acquisition in business combinations is recognized at fair value at the acquisition date. If the changes in fair value of contingent consideration after the acquisition date belong to adjustments during the measurement period, the acquisition cost shall be retrospectively adjusted. Adjustments during the measurement period pertains to the adjustments made based on the additional information, in relation to the facts and circumstances existing on the acquisition date, acquired by the Company after the acquisition date. The measurement period shall not exceed one year from the acquisition date. If the changes in fair value of contingent consideration after the acquisition date do not belong to adjustments during the measurement period, the changes in fair value shall be recognized in profit or loss.

(15) 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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 property, plant and equipment are as follows:

Buildings and structures	20~50 years
Machinery and equipment	2~10 years
Office and other equipment	2~10 years

(16) Leasing arrangements (lessee)－right-of-use assets / 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 the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

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 comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

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.

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

(17) <u>Investment property</u>

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 35 ~ 50 years.

(18) <u>Intangible assets</u>

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 5 years.

(19) <u>Impairment of non-financial assets</u>

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. 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) <u>Borrowing</u>

A. Borrowings comprise short-term bank 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.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

(21) <u>Accounts and notes payable</u>

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

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

(22) Derecognition of financial liabilities

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

(23) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(24) 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 plan

For the defined contribution plan, 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 plan

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 plan 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 this type of corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

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

iii. Past service costs are recognized immediately in profit or loss.

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. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(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, 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.

(28) Revenue recognition

A. The Company manufactures and sells electronic components. Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Company's activities. 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. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. The sales usually are made with a credit term of 30 ~ 150 days, which is consistent with market practice. As the time interval between the transfer of committed goods or service 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. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements 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

The Company makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the balance sheet date. The resulting accounting estimates might differ from the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Evaluation 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 judgements 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 an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

Information on the carrying amount of inventories as of December 31, 2023 is provided in Note 6(6).

6. Details of Significant Accounts

(1) Cash

	December 31, 2023	December 31, 2022
Petty cash and cash on hand	$ 669	$ 807
Demand deposits	85,811	80,926
Foreign currency deposits	95,891	162,587
Time deposits	245,680	491,570
	$ 428,051	$ 735,890

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 pledged time deposits to others as collateral resulting in not meeting the definition of cash equivalents and classified it as current financial assets at amortized cost and other non-current assets. Details are provided in Note 6(4) .

C. The Company has no cash and cash equivalents pledged to others.

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

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	$ 1,453	$ 8,714
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Limited partnership	$ 23,342	$ 18,502

A. The nature of financial assets at fair value through profit or loss are as follows:

(a) Derivative instruments: Including forward foreign exchange contracts and foreign exchange swap contracts.

(b) Limited partnership: The Group made capital contributions to a limited partnership during the duration specified in the limited partnership agreement. Upon the expiration of the agreement, the net assets of the limited partnership will be allocated to investors in proportion to their capital contributions and the limited partnership will be dissolved and liquidated. Based on the Group's assessment, the net assets of the limited partnership approximated to its fair value.

B. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Years ended December 31,	
	2023	2022
Financial assets/liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	$ 8,366	$ 45,180
Limited partnership	($ 1,160)	$ 502

C. The Company entered into contracts relating to derivative instruments which were not accounted for under hedge accounting. The information is listed below:

Derivative financial instruments	Year ended December 31, 2023 Contract amount (notional principal)(in thousands)		Contract period
Current items:			
Foreign exchange swap contracts	USD (BUY)	2,500	2023.06.27~
	TWD (SELL)	75,322	2024.12.31

Derivative financial instruments	Year ended December 31, 2022 Contract amount (notional principal)(in thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	4,500	2022.08.15~
	TWD (SELL)	138,536	2023.05.08
Foreign exchange swap contracts	USD (BUY)	11,000	2022.01.12~
	TWD (SELL)	328,755	2023.09.15

(a) Forward foreign exchange contracts

The Company entered into forward foreign exchange contracts to buy USD to hedge exchange rate risk of import proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(b) Foreign exchange swap contracts

The Company entered into foreign exchange swap contracts to hedge exchange rate risk of assets and liabilities denominated in foreign currencies whose values would be affected by the exchange rate fluctuations.

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

Items	December 31, 2023	December 31, 2022
Current items:		
Listed stocks	$ 115,421	$ 173,760
Valuation adjustment	34,767	(15,455)
	$ 150,188	$ 158,305
Non-current items:		
Unlisted stocks	$ 92,800	$ 92,800
Valuation adjustment	(940)	(2,260)
	$ 91,860	$ 90,540

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

B. The Company sold financial assets at a consideration of $110,597 and $71,357 for the years ended December 31, 2023 and 2022, respectively.

C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	$ 72,952	($ 70,654)
Cumulative gains reclassified to retained earnings due to derecognition	$ 21,410	$ 13,800
Dividend income recognized in profit or loss (shown as other income)	$ 17,310	$ 20,929

(4) Financial assets at amortized cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits with maturity over three months	$ 214,970	$ 30,500

A. The Company recognized $13,237 and $13 of interest income arising from the financial assets at amortised cost for the years ended December 31, 2023 and 2022, respectively.

B. 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. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 47	$ 6
Accounts receivable	799,309	878,043
Less: Allowance for uncollectible accounts	(3,240)	(1,698)
	$ 796,116	$ 876,351

A. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $725,166.

B. The Company does not hold any collateral.

C. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 72,128	($ 18,995)	$ 53,133
Work in progress	25,015	-	25,015
Finished goods	93,746	(9,828)	83,918
Merchandise inventory	3,711	(100)	3,611
	$ 194,600	($ 28,923)	$ 165,677

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 100,516	($ 6,711)	$ 93,805
Work in progress	13,836	-	13,836
Finished goods	77,362	(2,897)	74,465
Merchandise inventory	3,119	(27)	3,092
	$ 194,833	($ 9,635)	$ 185,198

The cost of inventories recognized as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 2,569,937	$ 2,522,905
Valuation loss on inventories	39,373	8,012
Others	(241)	(369)
	$ 2,609,069	$ 2,530,548

(7) Investments accounted for using equity method

	Year ended December 31	
	2023	2022
Subsidiaries:		
BEST LINK PROPERTIES LTD.	$ 2,055,944	$ 2,004,295
SACO ENTERPRISES, INC.	452,202	-
CHA SHIN CHI INVESTMENT CO., LTD.	260,260	250,289
JPC CONNECTIVITY CO., LTD.	162,675	-
SWS GROUP COMPANY LIMITED	73,632	68,016
MAINSUPER ENTERPRISES CO., LTD.	54,960	49,877
ASTRON Connectivity CO., LTD	29,396	-
TECHILL CO., LTD.	20,644	20,068
ULTRASPEED ELECTRONICS CO., LTD.	11,830	14,310
	$ 3,121,543	$ 2,406,855

A. Information on the Company's subsidiaries is provided in Note 4(3) in the Company's consolidated financial statements as of and for the year ended December 31, 2023.

B. The investees in Mainland China invested through BEST LINK PROPERTIES LTD. are primarily engaged in the manufacture and processing of electronic products. The relevant information is disclosed in Note 13.

C. In April 2023, the Company incorporated and held a 51% equity interest in ASTRON CONNECTIVITY CO., LTD. and obtained control over the company. The company is primarily engaged in the operation of integral design and manufacturing of computer connectors and consumer electronic products. For the year ended December 31, 2023, the Company's gain on investment in ASTRON CONNECTIVITY CO., LTD. amounted to $19,196.

D. On July 1, 2023, the Company acquired a 100% equity interest in SACO ENTERPRISES, INC. (SACO) at a total price of USD 15.5 million, including the amount of USD 6.2 million, which represents the contingent consideration upon the achievement of a certain rate for the operating performance within a specific period, and obtained the control over SACO. SACO is primarily engaged in the introduction of new products, trial production and sales in North America. For the year ended December 31, 2023, the Company's gain on investment in SACO ENTERPRISES, INC. amounted to $13,120.

E. In July 2023, the Company incorporated and held a 100% equity interest in JPC CONNECTIVITY CO., LTD. and obtained control over the company. The company is primarily engaged in the manufacture and sales of connector and cable assemblies and cables for Datacenter/Networking/Telecom, Internet of Things, and smart connection products. For the year ended December 31, 2023, the Company's loss on investment in JPC CONNECTIVITY CO., LTD. amounted to $2,258.

F. In January 2022, the Company acquired 70.11% of the share capital of Ultraspeed Electronics Co., Ltd. for $20,000 and obtained control over the company. Ultraspeed Electronics Co., Ltd. is primarily engaged in the production, manufacture and sales of high-speed cables and high-speed connectors, etc. For the year ended December 31, 2023 and 2022, the Company's loss on investment in Ultraspeed Electronics Co. amounted to $2,480 and $5,690, respectively.

G. The company's share of profit or loss of associated enterprises and joint ventures recognized using the equity method in 2023 and 2022 were profits amounted to of $153,445 and ($43,581), respectively, which were obtained based on the financial statement evaluation of each investee company that had been verified and approved by independent auditors.

(8) Property, plant and equipment

	2023					
	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Total
At January 1						
Cost	$ 169,812	$ 91,655	$ 125,355	$ 11,282	$ 14,652	$ 412,756
Accumulated depreciation	-	(29,740)	(81,168)	(4,882)	(6,269)	(122,059)
	$ 169,812	$ 61,915	$ 44,187	$ 6,400	$ 8,383	$ 290,697
Opening net book amount as at January 1	$ 169,812	$ 61,915	$ 44,187	$ 6,400	$ 8,383	$ 290,697
Additions	20,817	4,883	46,662	2,348	5,043	79,753
Depreciation charge	-	(2,242)	(22,916)	(2,126)	(2,906)	(30,190)
Closing net book amount as at December 31	$ 190,629	$ 64,556	$ 67,933	$ 6,622	$ 10,520	$ 340,260
At December 31						
Cost	$ 190,629	$ 96,538	$ 172,017	$ 13,630	$ 19,695	$ 492,509
Accumulated depreciation	-	(31,982)	(104,084)	(7,008)	(9,175)	(152,249)
	$ 190,629	$ 64,556	$ 67,933	$ 6,622	$ 10,520	$ 340,260

	2022					
	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Total
At January 1						
Cost	$ 169,812	$ 91,655	$ 103,525	$ 8,045	$ 14,487	$ 387,524
Accumulated depreciation	-	(27,707)	(58,346)	(2,891)	(3,542)	(92,486)
	$ 169,812	$ 63,948	$ 45,179	$ 5,154	$ 10,945	$ 295,038
Opening net book amount as at January 1	$ 169,812	$ 63,948	$ 45,179	$ 5,154	$ 10,945	$ 295,038
Additions	-	-	23,308	3,237	165	26,710
Disposals	-	-	(1,478)	-	-	(1,478)
Depreciation charge	-	(2,033)	(22,822)	(1,991)	(2,727)	(29,573)
Closing net book amount as at December 31	$ 169,812	$ 61,915	$ 44,187	$ 6,400	$ 8,383	$ 290,697
At December 31						
Cost	$ 169,812	$ 91,655	$ 125,355	$ 11,282	$ 14,652	$ 412,756
Accumulated depreciation	-	(29,740)	(81,168)	(4,882)	(6,269)	(122,059)
	$ 169,812	$ 61,915	$ 44,187	$ 6,400	$ 8,383	$ 290,697

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 Company leases various assets including buildings, business vehicles and multifunction printers. Rental contracts are typically made for periods of 1 to 5 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, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise buildings and business vehicles. Low-value assets comprise multifunction printers.

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

	Year ended December 31			
	2023		2022	
	Carrying amount		Carrying amount	
Buildings	$	27,880	$	6,192
Transportation equipment (Business vehicles)		618		241
Office equipment (Photocopiers)		591		84
Other equipment		102		189
	$	29,191	$	6,706

	Year ended December 31			
	2023		2022	
	Depreciation charge		Depreciation charge	
Buildings	$	6,826	$	7,430
Transportation equipment (Business vehicles)		450		415
Office equipment (Photocopiers)		104		101
Other equipment		87		73
	$	7,467	$	8,019

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $29,947 and $261, respectively.

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

	Year ended December 31			
	2023		2022	
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	$	156	$	120
Expense on short-term lease contracts		360		360
Expense on leases of low-value assets		18		22

F. For the years ended December 31, 2023 and 2022, the Company’s total cash outflow for leases were $7,976 and $8,500, respectively.

(10) Investment property

	2023		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 25,918	$ 20,324	$ 46,242
Accumulated depreciation	-	(8,157)	(8,157)
	$ 25,918	$ 12,167	$ 38,085
Opening net book amount as at January 1	$ 25,918	$ 12,167	$ 38,085
Depreciation charge	-	(406)	(406)
Closing net book amount as at December 31	$ 25,918	$ 11,761	$ 37,679
At December 31			
Cost	$ 25,918	$ 20,324	$ 46,242
Accumulated depreciation	-	(8,563)	(8,563)
	$ 25,918	$ 11,761	$ 37,679

	2022		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 25,918	$ 20,324	$ 46,242
Accumulated depreciation	-	(7,752)	(7,752)
	$ 25,918	$ 12,572	$ 38,490
Opening net book amount as at January 1	$ 25,918	$ 12,572	$ 38,490
Depreciation charge	-	(405)	(405)
Closing net book amount as at December 31	$ 25,918	$ 12,167	$ 38,085
At December 31			
Cost	$ 25,918	$ 20,324	$ 46,242
Accumulated depreciation	-	(8,157)	(8,157)
	$ 25,918	$ 12,167	$ 38,085

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

	December 31, 2023		December 31, 2022
2024	$ 818	2023	$ 798
2025	36	2024	32
	$ 854		$ 830

C. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2023	2022
Rental income from investment property	$ 1,353	$ 1,510
Direct operating expenses arising from the investment property that generated rental income during the year	$ 406	$ 405

D. The fair value of the investment property held by the Company as at December 31, 2023 and 2022 was $74,391 and $71,224, respectively, which was valued based on the market information of transactions that are similar to the above assets, and appropriate adjustments are made on the valuation results. Valuations were made using the comparison approach which is categorized within Level 3 in the fair value hierarchy.

E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(11) Intangible assets

	Software cost	
	2023	2022
At January 1		
Cost	$ 46,623	$ 45,140
Accumulated amortization	(40,203)	(30,326)
	$ 6,420	$ 14,814
Opening net book amount as at January 1	$ 6,420	$ 14,814
Additions	4,322	1,483
Amortization charge	(5,425)	(9,877)
Closing net book amount as at December 31	$ 5,317	$ 6,420
At December 31		
Cost	$ 50,945	$ 46,623
Accumulated amortization	(45,628)	(40,203)
	$ 5,317	$ 6,420

Details of amortization on intangible assets are as follows:

	Year ended December 31	
	2023	2022
Operating costs	$ 20	$ -
Selling expenses	65	65
Administrative expenses	2,687	7,118
Research and development expenses	2,653	2,694
	$ 5,425	$ 9,877

(12) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 50,000	1.65%	See Note 8
Credit borrowings	50,000	1.70%	None
	$ 100,000		

A. As of December 31, 2022, the Group had no short-term borrowings.

B. Interest expense recognized in profit or loss amounted to $1,799 and $1,247 for the years ended

December 31, 2023 and 2022, respectively.

(13) Other payables

	December 31, 2023	December 31, 2022
Employees' bonus payable	$ 84,510	$ 52,195
Current contingent liabilities	59,744	-
Wages and salaries payable	37,581	30,161
Others	42,525	38,088
	$ 224,360	$ 120,444

The non-current portion of contingent liabilities recognized because of business combinations on December 31, 2023 amounted to $102,402 (shown as 'other non-current liabilities'). Refer to Note 6(7) for details.

(14) Pensions

A. Defined benefit plan

(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 Law. 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. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 5,050	$ 4,498
Fair value of plan assets	(25,941)	(25,501)
Net defined benefit assets (shown as other non-current assets)	($ 20,891)	($ 21,003)

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

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (asset) liability
At January 1	$ 4,498	$ 25,501	($ 21,003)
Current service cost	20	-	20
Interest expense (income)	59	332	(273)
	4,577	25,833	(21,256)
Remeasurements:			
Return on plan assets (Note)	-	108	(108)
Change in financial assumptions	44	-	44
Experience adjustments	429	-	429
	473	108	365
At December 31	$ 5,050	$ 25,941	($ 20,891)

Note: Excluding amounts included in interest income or expense.

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (asset) liability
At January 1	$ 7,713	$ 24,919	($ 17,206)
Interest expense (income)	53	174	(121)
	7,766	25,093	(17,327)
Remeasurements:			
Return on plan assets (Note)	-	2,559	(2,559)
Change in financial assumptions	(252)	-	(252)
Experience adjustments	(865)	-	(865)
	(1,117)	2,559	(3,676)
Paid pension	(2,151)	(2,151)	-
At December 31	$ 4,498	$ 25,501	($ 21,003)

Note: Excluding amounts included in interest income or expense.

(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:

	Year ended December 31	
	2023	2022
Discount rate	1.20%	1.30%
Future salary increases	3.00%	3.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

(f) 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	($ 108)	$ 111	$ 96	($ 94)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 99)	$ 103	$ 89	($ 87)

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 analysing 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.

(g) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to $0.

(h) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years.

B. Defined contribution plan

(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 the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were $10,072 and $9,271, respectively.

(15) Share capital

As of December 31, 2023, the Company's authorized capital was $2,000,000, consisting of 200 million shares of ordinary stock, and the paid-in capital was $1,220,859 with a par value of NT$10 (in dollars) per share.

(16) 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. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

A. The current year's net profit after tax, if any, shall first be used to offset prior years' operating losses (including adjusted undistributed profits) and then 10% of the remaining amount shall be set aside as legal reserve, if legal reserve has accumulated to an amount equal to the paid-in capital, then legal reserve is not required to be set aside any more. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the Competent Authority. The remainder, if any, along with the unappropriated earnings of prior years (including adjusted undistributed profits) shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders.

B. In accordance with the Company Act, the resolution, for all or part of distributable dividends and bonus, capital surplus or legal reserve which are distributed in the form of cash, will be adopted if more than 2/3 of the directors attend the Board of Directors' meeting and more than 1/2 of the directors present agree to the resolution. This will then be reported to the shareholders during their meeting. The regulation which requires approval by the shareholders is not applicable for the above.

C. The Company may distribute earnings or cover accumulated deficit on a semi-annual basis after the close of each half fiscal year in compliance with the Company Act. The Company shall pay all taxes, offset operating losses and set aside legal reserve before distributing earnings. However, if legal reserve has accumulated to an amount equal to the paid-in capital, then legal reserve is not required to be set aside any more. The distribution of earnings shall be resolved by the Board of Directors if earnings are distributed in the form of cash and shall be resolved by the shareholders if earnings are distributed in the form of new shares.

D. The Company's dividend policy aligns with the overall environment and industrial growth characteristics by taking into consideration the Company's capital needs, financial structure and earnings. Since the Company aims to continuously add capital for investment, research and development to create a competitive advantage and enhance shareholders' interest, at least 50%

of the current year's earnings after tax shall be appropriated as shareholders' dividends and bonuses in the form of cash or shares each year and cash dividends shall account for at least 30% of the total dividends distributed.

E. In accordance with the regulations, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve has accumulated to an amount equal to the paid-in capital. 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.

F. 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.

G. The appropriations of 2022 and 2021 earnings resolved by the shareholders on June 26, 2023 and June 15, 2022, respectively, are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 47,480		$ 38,926	
Special reserve	65,427		11,658	
Cash dividends	268,589	$ 2.20	268,589	$ 2.20
	$ 381,496		$ 319,173	

The abovementioned appropriations of 2022 and 2021 earnings were in agreement with those amounts proposed by the Board of Directors in 2023 and March, 2022, respectively. In addition, the Company distributed cash from capital surplus amounting to $122,086 at $1.0 (in dollars) per share, and $97,669 at $0.8 (in dollars) per share as approved by the shareholders on June 26, 2023 and June 15, 2022, respectively.

H. During its meeting on August 4, 2023, the Board of Directors resolved not to distribute the earnings for the first half of 2023.

I. On March 6, 2024, the Board of Directors proposed for the distribution of dividends from the 2023 earnings in the amount of $439,509 at $3.6 (in dollars) per share. In addition, the Company distributed cash from capital surplus in the amount of $73,252 at $0.6 (in dollars) per share. The abovementioned surplus earnings distribution proposal and the capital reserve issuance of cash have not yet been approved by the shareholders as of the date of the audit report.

J. For the information relating to employees' compensation and directors' remuneration, refer to Note 6(20).

(18) Other equity items

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	($ 90,933)	($ 166,032)	($ 256,965)
Revaluation			
- The Company	72,952	-	72,952
- Subsidiary	20,540	-	20,540
Revaluation transferred to retained earnings			
- The Company	(21,410)	-	(21,410)
- Subsidiary	(1,032)	-	(1,032)
Currency translation differences:			
- Subsidiary	-	(47,159)	(47,159)
- Subsidiary and associates	-	(593)	(593)
At December 31	($ 19,883)	($ 213,784)	($ 233,667)

	2022		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 15,270	($ 206,809)	($ 191,539)
Revaluation			
- The Company	(70,654)	-	(70,654)
- Subsidiary	(3,503)	-	(3,503)
Revaluation transferred to retained earnings			
- The Company	(13,800)	-	(13,800)
- Subsidiary	(18,246)	-	(18,246)
Currency translation differences:			
- Subsidiary	-	41,114	41,114
- Subsidiary and associates	-	(337)	(337)
At December 31	($ 90,933)	($ 166,032)	($ 256,965)

(19) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers	$ 3,582,206	$ 3,417,315
Other operating revenue	22,889	13,891
	$ 3,605,095	$ 3,431,206

The Company derives revenue from the transfer of goods at a point in time. Details of components of revenue are provided in statement 6.

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following geographical regions:

	Year ended December 31	
Revenue from external customer contracts	2023	2022
US	$ 1,141,299	$ 1,073,362
China	725,493	818,601
Japan	675,948	654,836
Taiwan	549,563	498,508
Thailand	144,115	90,826
Others	368,677	295,073
	$ 3,605,095	$ 3,431,206

B. Information on products

	Year ended December 31	
	2023	2022
Datacenter/Networking/Telecom	$ 1,912,822	$ 1,708,121
Smart Connection Industry	1,513,359	1,583,253
Internet of Things	131,025	125,941
Others	47,889	13,891
	$ 3,605,095	$ 3,431,206

C. Contract assets and liabilities

The Company has recognized the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$ 5,353	$ 91,411	$ 3,644

The amount of revenue recognized that was included in the contract liability balance at the beginning for the years ended December 31, 2023 and 2022 was $89,308 and $2,473, respectively

(20) Other gains and losses

	Year ended December 31	
	2023	2022
Net foreign exchange losses	($ 4,116)	($ 297)
Gains on financial assets and liabilities at fair value through profit or loss	7,206	45,682
Others	-	(1,374)
	$ 3,090	$ 44,011

(21) Expenses by nature

	Year ended December 31	
	2023	2022
Employee benefit		
Wages and salaries	$ 283,748	$ 240,441
Labour and health insurance fees	21,509	17,996
Pension costs	9,819	9,150
Directors' remuneration	5,400	5,400
Other personnel expenses	8,742	8,041
	$ 329,218	$ 281,028
Depreciation charges (Note)	$ 38,063	$ 37,997
Amortisation charge	$ 5,425	$ 9,877

Note: Including current depreciation charges on property, plant and equipment, right-of-use assets and investment properties.

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, if any, shall be distributed as employees 'compensation and directors' remuneration as resolved by the Board of Directors. The ratio shall not be lower than 7% for employees' compensation. However, if the Company has accumulated deficit, earnings should first be reserved to cover losses.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $84,510 and $52,195, respectively; while directors' remuneration was accrued at $5,400 and $5,400, respectively. The aforementioned amounts were recognized in salary expenses.

For the years ended December 31, 2023 and 2022, employees' compensation was estimated and accrued based on 10% and 9% of distributable profit of current year, respectively ; directors'remuneration was determined based on the extent of their participation in the Company's operations and the value of their contribution.

Employees' compensation and directors' remuneration for 2022 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2022 financial statements. Employees' compensation and directors' remuneration for 2022 were all distributed in the form of cash.

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.

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 113,528	$ 107,266
Tax on undistributed surplus earnings	4,665	2,016
Prior year income tax overestimation	(3,193)	(1,543)
Total current tax	115,000	107,739
Deferred tax:		
Origination and reversal of temporary differences	4,798	(25,205)
Total deferred tax	4,798	(25,205)
Income tax expense	$ 119,798	$ 82,534

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	($ 73)	$ 735

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 151,039	$ 104,446
Effects from items disallowed by tax regulation	(29,250)	(18,199)
Tax-exempt income	(3,463)	(4,186)
Tax on undistributed earnings	4,665	2,016
Prior year income tax overestimation	(3,193)	(1,543)
Income tax expense	119,798	82,534
Net changes in deferred tax	(4,798)	25,205
Prior year income tax overestimation	3,193	1,543
Less: Prepaid income tax	(2,900)	(490)
Current income tax liabilities	$ 115,293	$ 108,792

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
- Deferred tax assets:				
Temporary differences				
Unrealised valuation loss on inventories	$ 6,936	($ 1,152)	$ -	$ 5,784
Others	745	77	-	822
	$ 7,681	($ 1,075)	$ -	$ 6,606
- Deferred tax liabilities:				
Temporary differences				
Gain on investments accounted for using equity method	($ 28,283)	$ -	$ -	($ 28,283)
Unrealised exchange gain	(4,435)	(3,672)	-	(8,107)
Others	(5,341)	(51)	73	(5,319)
	($ 38,059)	($ 3,723)	$ 73	($ 41,709)
	($ 30,378)	($ 4,798)	$ 73	($ 35,103)

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
- Deferred tax assets:				
Temporary differences				
Unrealised valuation loss on inventories	$ 4,317	$ 2,619	$ -	$ 6,936
Others	751	(6)	-	745
	$ 5,068	$ 2,613	$ -	$ 7,681
- Deferred tax liabilities:				
Temporary differences				
Gain on investments accounted for using equity method	($ 53,283)	$ 25,000	$ -	($ 28,283)
Unrealised exchange gain	(2,027)	(2,408)	-	(4,435)
Others	(4,606)	-	(735)	(5,341)
	($ 59,916)	$ 22,592	($ 735)	($ 38,059)
	($ 54,848)	$ 25,205	($ 735)	($ 30,378)

D. The Company’s income tax returns through 2021 have been assessed and approved by the Tax Authority.

(23) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the year	$ 635,395	122,086	$ 5.20
Diluted earnings per share			
Profit for the year	$ 635,395		
Assumed conversion of all dilutive potential ordinary shares			
Employees’ compensation	-	1,265	
Profit plus assumed conversion of all dilutive potential ordinary shares	$ 635,395	123,351	$ 5.15

	Year ended December 31, 2022		
	Amount after tax	Number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the year	$ 439,816	122,086	$ 3.60
Diluted earnings per share			
Profit for the year	$ 439,816		
Assumed conversion of all dilutive potential ordinary shares			
Employees’ compensation	-	1,523	
Profit plus assumed conversion of all dilutive potential ordinary shares	$ 439,816	123,609	$ 3.56

Effective January 1, 2008, as employees’ bonus could be distributed in the form of stock, the diluted EPS computation shall assume that distribution will be in the form of stocks in the calculation of the weighted-average number of common shares outstanding during the reporting year, taking into account the dilutive effects of stock bonus on potential common shares.

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2023	2022
Acquisition of property, plant and equipment	$ 79,753	$ 26,710
Add: Opening balance of payable on equipment	-	-
Less: Ending balance of payable on equipment	(12,273)	-
Cash paid during the year	$ 67,480	$ 26,710

(25) Changes in liabilities from financing activities

	2023		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	$ -	$ 6,740	$ 6,740
Changes in cash flow from financing activities	100,000	(7,442)	92,558
Increase in lease liability	-	29,947	29,947
At December 31	$ 100,000	$ 29,245	$ 129,245

	2022		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	$ -	$ 14,477	$ 14,477
Changes in cash flow from financing activities	-	(7,998)	(7,998)
Increase in lease liability	-	261	261
At December 31	$ -	$ 6,740	$ 6,740

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
JPC (HK) COMPANY LIMITED (JPC (HK))	Subsidiary
CELESTA INTERNATIONAL ELECTRONICS (SHEN ZHEN) CO., LTD.	Subsidiary
ASKA TECHNOLOGIES INC. (ASKA)	Subsidiary
DONGGUAN HOUJIE HUA-BAO ELECTRONICS	Subsidiary
DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD. (HUNG FU)	Subsidiary
MAINSUPER ENTERPRISES CO., LTD.	Subsidiary
ULTRASPEED ELECTRONICS CO., LTD.	Subsidiary
PEC MANUFACTURING VIET NAM COMPANY LIMITED (PEC VN)	Subsidiary
JPCCO CORP.	Subsidiary
ASTRON CONNECTIVITY CO., LTD. (Note 2)	Subsidiary
SACO ENTERPRISES, INC. (Note 3)	Subsidiary
JPC CONNECTIVITY CO., LTD. (Note 4)	Subsidiary
JYH ENG TECHNOLOGY CO., LTD.	Associate
FSP TECHNOLOGY INC. (Note 1)	Other related party

Note 1: FSP Technology Inc. was elected as the Company's corporate director since June 2022 and thus it became a related party of the Company since then.

Note 2: In April 2023, the Company incorporated and held a 51% equity interest in ASTRON Connectivity Co., Ltd. and obtained the control over company, thus it became a subsidiary of the Company since then.

Note 3: In July 2023, the Company acquired a 100% equity interest in SACO ENTERPRISES INC. and obtained the control over company, thus it became a subsidiary of the Company since then.

Note 4: In July 2023, the Company incorporated and held a 100% equity interest in JPC Connectivity Co., Ltd. and obtained the control over company, thus it became a subsidiary of the Company since then.

(2) Significant related party transactions

A. Operating revenue:

	Year ended December 31	
	2023	2022
Sales of goods:		
Others	$ 634	$ -

Except for circumstances in which there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, the aforementioned related party is offered prices very close to those offered to other customers and given a payment period of 90 days.

B. Purchases

	Year ended December 31	
	2023	2022
Purchases of goods:		
—Subsidiaries		
HUA -BAO	$ 563,799	$ 557,062
HUNG FU	411,671	517,675
PEC VN	132,829	193,243
ASKA	103,280	116,168
MAINSUPER	115,724	46,629
Others	50,822	40,193
—Associate	23,575	-
—Other related party	61,005	-
	$ 1,462,705	$ 1,470,970

(a) Goods are purchased from aforementioned subsidiaries based on the negotiated prices stated in the trading terms and by product categories. The payment term is 180 to 210 days after monthly billings, which is the same with third parties.

(b) Goods are purchased from associate and other related parties with a payment term of 60 to 90 days. Purchase prices are determined based on product types after taking into consideration other transaction terms

(b) The Company purchases raw materials on behalf of aforementioned subsidiaries and charges on purchase costs. Those subsidiaries subsequently commission other subsidiaries to manufacture goods for the Company to repurchase and resell. The Company does not recognize sales revenues on purchase of materials, and the receivables or payables arising from the transactions with those subsidiaries are accounted for on a net basis.

C. Receivables from related parties:

	December 31, 2023	December 31, 2022
Accounts receivable:		
Others	$ 588	$ -

There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties

	Year ended December 31	
	2023	2022
Accounts payable：		
—Subsidiaries		
HUA - BAO	$ 618,805	$ 536,140
HUNG FU	455,241	484,263
ASKA	85,755	62,741
MAINSUPER	91,131	61,271
Others	18,478	6,818
—Associate	4,344	-
—Other related party	18,128	-
	$ 1,291,882	$ 1,151,233

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

E. Other receivables

Information on raw materials purchased and payments made on behalf of subsidiaries for the years ended December 31, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Other receivables:		
－Subsidiaries		
ASTRON	$ 228,901	$ -
PEC VN	33,513	28,979
JPCCO	2,024	6,781
Others	6,579	2,763
	$ 271,017	$ 38,523

For the years ended December 31, 2023 and 2022, the amounts of raw materials purchased on behalf of subsidiaries were $552,947 and $277,282, respectively.

F. Other payables

Information on fixed assets and mold purchased from subsidiaries for the years ended December 31, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
－Subsidiaries		
HUNG FU	$ 23,018	$ 28,001
HUA - BAO	22,682	20,926
Others	14,379	14,885
	$ 60,079	$ 63,812

G.Prepayments

Information on payments paid by the Company on behalf of subsidiaries for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31,	
	2023	2022
－Subsidiaries		
PEC VN	$ 29,634	$ 47,908
ULTRASPEED	1,667	-
HUA - BAO	-	29,843
	$ 31,301	$ 77,751

(3) Key management compensation

	Year ended December 31	
	2023	2022
Salaries and other short-term employee benefits	$ 33,063	$ 23,886

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
Property, plant and equipment			
- Land and buildings and structures	$ 126,725	$ 217,488	Line of credit for short-term borrowings
Investment property	37,679	38,085	"
Time deposits (shown as other non-current assets)	3,113	3,059	Business tax of import goods and line of credit for short-term borrowings
	$ 167,517	$ 258,632	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

Details of contingent consideration arising from a business combination are provided in Note 6(7).

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Information on the appropriations of 2023 earnings approved by the Board of Directors is provided in Note 6(17).

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

During the years ended December 31, 2023 and 2022, the Company's strategy was to maintain the gearing ratio under 50%.

(2) Financial instruments

A. Financial instruments by category

The Company's financial instruments are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortized cost (including cash and cash equivalents, financial assets at amortized cost, accounts receivable other receivables, and certain other noncurrent assets), financial liabilities at amortized cost (including short-term borrowings, accounts payable (including related parties), other payables (including related parties), lease liabilities and contingent consideration arising from a business combination in accordance with IFRS 9. Related information is provided in Note 6 and the parent company only balance sheets.

B. Financial risk management policies

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 overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency is NTD). 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 amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	66,384	30.71	$ 2,038,653
Foreign operations			
RMB:NTD	384,780	4.33	$ 1,666,096
USD:NTD	33,216	30.71	$ 1,020,074
Financial liabilities			
Monetary items			
USD:NTD	58,175	30.71	$ 1,786,554

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	55,881	30.71	$ 1,716,106
Foreign operations			
RMB:NTD	372,289	4.41	$ 1,641,794
USD:NTD	17,500	30.71	$ 537,428
Financial liabilities			
Monetary items			
USD:NTD	52,895	30.71	$ 1,624,405

	December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	5%	$ 101,933	$ -
Foreign operations			
RMB:NTD	5%	$ -	$ 83,305
USD:NTD	5%	$ -	$ 51,004
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 89,328	$ -

	December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	5%	$ 85,805	$ -
Foreign operations			
RMB:NTD	5%	$ -	$ 82,090
USD:NTD	5%	$ -	$ 26,871
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 81,220	$ -

iii. The total exchange loss arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to $4,116 and $297, respectively.

Price risk

i. The Company’s equity securities, which are exposed to price risk, are the held 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 Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Company’s investments in equity securities comprise shares issued domestically. 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 20% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $4,668 and $3,700, 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 $48,410 and $49,769, 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

As short-term borrowings for short-term working capital needs are mostly issued at variable rates, most of the risks could be offset by cash with variable interest rates.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Company manages its credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only banks with good credit and financial institutions with investment grade or above are accepted. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of the new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. 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; the default occurs when the contract payments are past due over 360 days.

iv. The ageing analysis of accounts receivable 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	$ 767,210	$ 47	$ 838,508	$ 6
Up to 90 days	32,099	-	39,425	-
91 to 180 days	-	-	110	-
181 to 270 days	-	-	-	-
271 to 360 days	-	-	-	-
	$ 799,309	$ 47	$ 878,043	$ 6

The above ageing analysis was based on past due date.

v. The Company assesses the expected credit losses of its accounts receivable as follows:

(i) Accounts receivable that are significantly past due are assessed individually for their expected credit losses;

(ii) The provision matrix is used to estimate the expected credit losses from the remaining customers.

(iii) The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix is as follows:

December 31, 2023	Individual	Not past due	1 to 90 days	91 to 180 days	Total
Expected loss rate	100%	0.18630%	3.34278%	-	
Total book value	$ 739	$ 766,518	$ 32,099	$ -	$799,356
Loss allowance	$ 739	$ 1,428	$ 1,073	$ -	$ 3,240

December 31, 2022	Individual	Not past due	1 to 90 days	91 to 180 days	Total
Expected loss rate	100%	0.10817%	1.9429%	22.7273%	
Total book value	$ -	$ 838,514	$ 39,425	$ 110	$878,049
Loss allowance	$ -	$ 907	$ 766	$ 25	$ 1,698

vi. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	Accounts receivable	
	2023	2022
At January 1	$ 1,698	$ 1,698
Provision for impairment loss	1,542	-
At December 31	$ 3,240	$ 1,698

vii. Financial assets at amortised cost are deposited in banks with good credit and financial institutions with investment grade so there is no significant default concerns and credit risk.

(c) Liquidity risk

i. The Company monitors and manages liquidity requirements using the cash flow forecasting. The Company uses its cash positions and borrowing facilities to ensure it has sufficient working capital and repayment abilities so that the Company does not breach any commitments or contracts.

ii. As at December 31, 2023 and 2022, the Company held money market position of $428,051 and $735,890, respectively, which are expected to readily generate cash inflows for managing liquidity risk.

iii. The Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities are analysed into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-derivative financial liabilities:				
Lease liability	$ 8,036	$ 7,985	$ 14,624	$ 30,645
Contingent consideration	66,691	66,691	66,691	200,073
	$ 74,727	$ 74,676	$ 81,315	$ 230,718

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-derivative financial liabilities:				
Lease liability	$ 6,674	$ 100	$ 15	$ 6,789

Except for those listed in the table below, the Company's non-derivative financial liabilities (including short-term borrowings, accounts payable (including related parties) and other payables) will expire within 1 year.

(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 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 Company's investment in listed stocks 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 contingent consideration payable is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Fair value information of financial instruments: Except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and contingent consideration payable arising from a business combination, financial instruments not measured at fair value are described in Note 12(2).

D. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at December 31, 2023 and 2022 are as follows:

(a) The related information on the nature of the assets is 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				
Limited partnership	$ -	$ -	$ 23,432	$ 23,432
Derivative instruments	-	1,453	-	1,453
Financial assets at fair value through other comprehensive income				
Equity securities	150,188	-	91,860	242,048
	$ 150,188	$ 1,453	$ 115,292	$ 266,933
Liabilities				
Recurring fair value measurements				
Contingent consideration (shown as other payables and other current liabilities)	$ -	$ -	$ 162,146	$ 162,146

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Limited partnership	$ -	$ -	$ 18,502	$ 18,502
Derivative instruments	-	8,714	-	8,714
Financial assets at fair value through other comprehensive income				
Equity securities	158,305	-	90,540	248,845
	$ 158,305	$ 8,714	$ 109,042	$ 276,061

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, 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.

iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitized instruments. Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3) I.

v. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

vi. The fair value of contingent consideration arising from a business combination is estimated using the discounted cash flow method. Its main assumptions consider the probability of achievement for various payment terms in individual contracts to estimate the payments to be paid which will be discounted, and thus the fair value is estimated based on the present value after the discount.

vii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

viii. 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.

F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023		2022
	Equity instrument	Contingent consideration	Equity instrument
At January 1	$ 109,042	$ -	$ 112,589
Acquired during the year	6,000	-	6,000
Gains and losses recognized in profit or loss	(1,160)	-	502
Recorded as unrealised (losses) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	1,320	-	(10,049)
Increase during the year	-	155,176	-
Interest expense	-	9,312	-
Effect due to changes in exchange rate	-	(2,342)	-
At December 31	$ 115,202	$ 162,146	$ 109,042

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorized 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.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs 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 shares	$ 91,860	Discounted cash flow	Weighted Average Cost of Capital	16%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Limited partnership	$ 23,342	Net asset value	N/A	-	N/A
Non-derivative equity instrument:					
Contingent consideration	$ 162,146	Discounted cash flow	Discount rate	11.22%	The higher the discount rate, the lower the fair value
			Based on the terms of individual contracts	N/A	Based on the terms of individual contracts

	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 shares	$ 90,540	Discounted cash flow	Weighted Average Cost of Capital	14%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Limited partnership	$ 18,502	Net asset value	N/A	-	N/A

I. The Company 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 on profit or loss or on other comprehensive income from financial assets 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	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	$ 233	$ 233	$ 919	$ 919

			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	$ 185	$ 185	$ 905	$ 905

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): 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: Refer to table 2.

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: Refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 7.

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. Operating Segment Information

None.

Jess-Link Products Co., Ltd. and subsidiaries

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	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares	Book value	Ownership (%)	Fair value	Footnote
	Stock							
CHA SHIN CHI INVESTMENT CO., LTD.	HD Renewable Energy Co., Ltd.	N	Current financial assets at fair value through profit or loss	250,000	$ 32,625	0%	$ 32,625	
CHA SHIN CHI INVESTMENT CO., LTD.	NAK SEALING TECHNOLOGIES CORPORATION	"	"	180,000	24,210	0%	24,210	
CHA SHIN CHI INVESTMENT CO., LTD.	Ample Electronic Technology Co., Ltd.	"	"	40,000	2,736	0%	2,736	
CHA SHIN CHI INVESTMENT CO., LTD.	Caliway Biopharmaceuticals Co. Ltd.	"	"	30,200	11,550	0%	11,550	
CHA SHIN CHI INVESTMENT CO., LTD.	Grand Process Technology Corp.	"	"	50,000	29,800	0%	29,800	
CHA SHIN CHI INVESTMENT CO., LTD.	Ocean Plastics Co., Ltd.	"	"	250,000	9,263	0%	9,263	
	Corporate bonds							
CHA SHIN CHI INVESTMENT CO., LTD.	Mercedes-Benz Finance North America LLC	N	Current financial assets at fair value through profit or loss	67,000	2,560	-	2,560	
CHA SHIN CHI INVESTMENT CO., LTD.	The Walt Disney Co.	"	"	74,000	2,648	-	2,648	
CHA SHIN CHI INVESTMENT CO., LTD.	Lockheed Martin Corp.	"	"	80,000	2,583	-	2,583	
	Beneficiary certificates							
SWS GROUP COMPANY LIMITED	KTF2YA-BR	N	Current financial assets at fair value through profit or loss	1,941,189	18,009	-	18,009	
SWS GROUP COMPANY LIMITED	K Short Term Fixed Income Fund-A	"	"	4,525,716	46,783	-	46,783	
SWS GROUP COMPANY LIMITED	KJG6MA	"	"	2,000,000	18,152	-	18,152	
BPPG SERVICE CO., LTD.	B-Treasury	"	"	622,904	6,411	-	6,411	

Jess-Link Products Co., Ltd. and subsidiaries

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)

				As of December 31, 2023				
Securities held by	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
	Limited partnership							
JESS-LINK PRODUCTS CO., LTD	Mesh Cooperative Ventures Fund LP	N	Non-Current financial assets at fair value through profit or loss	24,000,000	$ 23,342	3%	$ 23,342	
	Stock							
JESS-LINK PRODUCTS CO., LTD	FSP TECHNOLOGY INC.	The company is the Company's institutional shareholder	Current financial assets at fair value through other comprehensive income	2,000,000	102,600	0%	102,600	
JESS-LINK PRODUCTS CO., LTD	WT MICROELECTRONICS CO., LTD.	N	"	423,000	47,588	0%	47,588	
CHA SHIN CHI INVESTMENT CO., LTD.	Yusin Holding Corp.	"	"	180,000	20,880	0%	20,880	
CHA SHIN CHI INVESTMENT CO., LTD.	Godex International Co., LTD.	"	"	220,500	13,141	0%	13,141	
CHA SHIN CHI INVESTMENT CO., LTD.	Harris Technology Group Limited	"	"	5,488,969	1,382	0%	1,382	
MAINSUPER ENTERPRISES CO., LTD.	FSP TECHNOLOGY INC.	The company is the Company's institutional shareholder	"	226,000	11,594	0%	11,594	
JESS-LINK PRODUCTS CO., LTD	JYH ENG TECHNOLOGY CO., LTD.	The Company is the director of the company.	Non-current financial assets at fair value through other comprehensive income	3,200,000	91,860	7%	91,860	
CHA SHIN CHI INVESTMENT CO., LTD.	Huang Chieh Metal Holdings Co., Ltd.	N	"	1,220,984	-	2%	-	
CHA SHIN CHI INVESTMENT CO., LTD.	EASTERN UNION INTERACTIVE CORP.	"	"	860,000	36,055	4%	36,055	
CHA SHIN CHI INVESTMENT CO., LTD.	TAIWAN TRUEWIN TECHNOLOGY CO., LTD	"	"	653,174	25,007	2%	25,007	
BEST LINK PROPERTIES LTD.	Diamond Creative Holding Limited	"	"	1,100,000	70,216	14%	70,216	

Note: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Jess-Link Products Co., Ltd. and subsidiaries

Acquisition or sale of the same security with the accumulated cost reaching $300 million or 20% of the Company's paid-in capital or more

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

						Beginning balance		Addition		Disposal				Ending balance	
Investor	Type and name of securities	General ledger account	Name of the conterparty	Relationship	Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Sale Price	Book Value	Gain (loss) on	Number of shares	Amount (Note2)
Jess-Link Products Co., Ltd.	SACO ENTERPRISES INC.	Investments accounted for under equity method	PING T. CHUI and SANDY P.C.	Subsidiaries	USD	-	$ -	10000	$ 439,942 (NOTE 1)	-	$ -	$ -	$ -	10,000	$ 452,202

Note 1: The Company acquired a 100% equity interest in SACO ENTERPRISES INC. during the year. The purchase consideration of $439,942 included cash consideration and contingent consideration. The related information of business combination is provided in Note 6(13).
Note 2: The above balance as at December 31, 2023 included the ending balance of unrealised gains (losses) on valuation.

Jess-Link Products Co., Ltd. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				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)	Footnote (Note 2)
PEC Manufacturing, Viet Nam Company Limited	JESS-LINK PRODUCTS CO., LTD.	The Company's indirect investee	Sales	($ 132,829)	98%	180-210 days after the end of the month	The same with the third parties	No significant difference	$ -	96%	
JESS-LINK PRODUCTS CO., LTD.	PEC Manufacturing, Viet Nam Company Limited	"	Purchases	132,829	5%	180-210 days after the end of the month	"	"	-	1%	
MAINSUPER ENTERPRISES CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	"	Sales	(115,724)	99%	180-210 days after the end of the month	"	"	91,131	86%	
JESS-LINK PRODUCTS CO., LTD.	MAINSUPER ENTERPRISES CO., LTD.	"	Purchases	115,724	5%	180-210 days after the end of the month	"	"	(91,131)	5%	
DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	JESS-LINK PRODUCTS CO., LTD.	"	Sales	(563,799)	75%	180-210 days after the end of the month	"	"	618,805	72%	
JESS-LINK PRODUCTS CO., LTD.	DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	"	Purchases	563,799	22%	180-210 days after the end of the month	"	"	(618,805)	31%	
DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	"	Sales	(411,671)	72%	180-210 days after the end of the month	"	"	455,241	65%	
JESS-LINK PRODUCTS CO., LTD.	DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO.,LTD.	"	Purchases	411,671	16%	180-210 days after the end of the month	"	"	(455,241)	23%	
ASKA TECHNOLOGIES INC.	JESS-LINK PRODUCTS CO., LTD.	"	Sales	(103,280)	29%	180-210 days after the end of the month	"	"	85,755	37%	
JESS-LINK PRODUCTS CO., LTD.	ASKA TECHNOLOGIES INC.	"	Purchases	103,280	4%	180-210 days after the end of the month	"	"	(85,755)	5%	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Jess-Link Products Co., Ltd. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	The Company's indirect investee	$ 455,241	0.88	$ 142,361	Collected subsequent to the balance sheet date	$ 73,037	$ -
DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	JESS-LINK PRODUCTS CO., LTD.	"	618,805	0.98	218,191	"	95,146	-

Jess-Link Products Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting period

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	PEC Manufacturing, Viet Nam Company Limited	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	$ 132,829	180-210 days after the end of the month	3%
2	DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	563,799	180-210 days after the end of the month	11%
2	DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	JESS-LINK PRODUCTS CO., LTD.	2	Accounts receivable	618,805	180-210 days after the end of the month	12%
3	DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	411,671	180-210 days after the end of the month	8%
3	DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	2	Accounts receivable	455,241	180-210 days after the end of the month	9%
4	ASKA TECHNOLOGIES INC.	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	103,280	180-210 days after the end of the month	2%
5	MAINSUPER ENTERPRISES CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	2	Sales revenue	115,724	180-210 days after the end of the month	2%

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) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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 above significant inter-company transactions are purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more.

Jess-Link Products Co., Ltd. and subsidiaries

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Footnote
JESS-LINK PRODUCTS CO., LTD.	BEST LINK PROPERTIES LTD.	British Virgin IS.	Investment holdings	$ 953,793	$ 953,793	29,200,000	100	$ 2,055,944	$ 75,929	$ 75,929	Note 1
JESS-LINK PRODUCTS CO., LTD.	CHA SHIN CHI INVESTMENT CO., LTD.	Taiwan	Investing	280,000	280,000	28,000,000	100	260,260	26,188	26,188	
JESS-LINK PRODUCTS CO., LTD.	MAINSUPER ENTERPRISES CO., LTD.	Taiwan	Electronics manufacturing	120,000	120,000	1,500,000	100	54,960	18,015	18,015	
JESS-LINK PRODUCTS CO., LTD.	TECHILL CO., LTD..	Taiwan	Sale of electronic components	15,850	15,850	1,275,000	51	20,644	1,131	576	
JESS-LINK PRODUCTS CO., LTD.	Ultraspeed Electronics Co., Ltd.	Taiwan	Sale of electronic components	20,000	20,000	1,092,895	70	11,830	(3,537)	(2,480)	Note 2
JESS-LINK PRODUCTS CO., LTD.	SWS GROUP COMPANY LIMITED	Thailand	Sale of electronic components	41,565	41,565	198,000	49.87	73,632	10,344	5,159	
JESS-LINK PRODUCTS CO., LTD.	ASTRON Connectivity CO., LTD.	Taiwan	Sale of electronic components	10,200	-	1,020,000	51	29,396	37,639	19,196	Note 3
JESS-LINK PRODUCTS CO., LTD.	SACO ENTERPRISES INC.	U.S.A	Introduction of new products, trial production and sales	439,942	-	10,000	100	452,202	13,120	13,120	Note 4
JESS-LINK PRODUCTS CO., LTD.	JPC CONNECTIVITY CO.,LTD.	Vietnam	Electronics manufacturing	174,994	-	111,394,000	100	162,675	(2,258)	(2,258)	Note 5
BEST LINK PROPERTIES LTD.	JPCCO CORP.	U.S.A	Investment holdings	109,853	109,853	288,283	98.3	51,396	16,936	16,648	
BEST LINK PROPERTIES LTD.	BRIGHTONNET CO., LTD.	Japan	Electronics manufacturing	4,720	4,720	320	24.9	8,114	2,394	596	
CHA SHIN CHI INVESTMENT CO., LTD.	JPCCO CORP.	U.S.A	Investment holdings	1,563	1,563	5,000	1.7	904	16,936	288	
JPCCO CORP.	PEC MANUFACTURING VIET NAM COMPANY LIMITED	Vietnam	Electronics manufacturing	57,972	57,972	23,000,000,000	100	20,727	14,584	14,584	
SWS GROUP COMPANY LIMITED	BPPG SERVICES CO., LTD.	Thailand	Electronic components services	3,179	3,179	30,000	60	12,381	4,498	2,699	

Note 1: The Company also has Mainland China subsidiaries held through JPC (HK) COMPANY LTD., BEST MATCH INVESTMENTS LIMITED, BEST SKY LIMITED, HUNG FU (SAMOA) INTERNATIONAL CO., LTD. and LUCKY STAR INVESTMENT CORP. whose details are provided in table 7.

Note2: The Company acquired a 70.11% equity interest in Ultraspeed Electronics Co., Ltd. in January 2022.

Note3: In April 2023, the Company incorporated and held a 51% equity interest in ASTRON Connectivity Co., Ltd.

Note4: In July 2023, the Company acquired a 100% equity interest in SACO ENTERPRISES INC.

Note5: In July 2023, the Company incorporated and held a 100% equity interest in JPC Connectivity Co., Ltd.

Jess-Link Products Co., Ltd. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

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	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Mainland China	Remitted back to Taiwan							
JESS-LINK (DG) PRODUCTS COMPANY LIMITED	Manufacture and sales of connector cables, connectors, computer peripheral devices and optoelectronic products	$ 122,840	(2)	$ 122,840	-	-	$ 122,840	$ -	100	-	-	$ -	Note 3
CELESTA INTERNATIONAL ELECTRONICS (SHEN ZHEN) CO., LTD.	Trade of electronic products	19,650	(2)	19,650	-	-	1,960	1,222	100	1,222	16,471	-	
ASKA TECHNOLOGIES INC.	Manufacture and sales of connector and cable assemblies and cables for the cloud network and consumer electronics	155,086	(3)	177,504	-	-	177,504	15,225	100	15,225	363,008	-	Note 4
DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	Manufacture and sales of connector and cable assemblies and cables for the cloud network, Internet of Things, and consumer electronics	184,260	(2)	122,840	-	-	122,840	4,237	100	4,237	509,042	-	Notes 5 and 6
DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	Manufacture and sales of connector and cable assemblies and cables for the cloud network and consumer electronics	153,550	(2)	-	-	-	-	39,665	100	39,277	777,575	-	Note 7
GUANZHOU JPC ELECTRONICS TECHNICAL LIMITED COMPANY	Manufacture and sales of connector and cable assemblies for automotive electronics	22,040	(3)	-	-	-	-	388	100	388	18,213	-	Note 8

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 profit or loss for the year was recognized based on the investees' financial statements which were audited by independent auditors.

Note 3: The Company established and acquired 100% of the share in JESS-LINK (DG) PRODUCTS COMPANY LIMITED in the amount of USD 4,000 thousand through the investee company, JPC CO., LTD. JESS-LINK (DG) PRODUCTS COMPANY LIMITED had been deregistered in 2017. The unused amount of investments in Mainland China was USD 4,000 thousand.

Note 4: The Company acquired 100% equtity interest in ASKA TECHNOLOGIES INC. in the amount of USD 3,030 thousand through the investee company, BEST LINK PROPERTIES LTD., and its subsidiary, BEST SKY LIMITED.

Note 5: The Company established and acquired 100% equtity interest in DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO.,LTD. at the amount of USD 1,800 thousand through the investee company, HUNG FU (SAMOA) INTERNATIONAL CO., LTD.

Note 6: DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD. obtained approval from the Investment Commission in June 2018 to merge with JPC CABLE & WIRE INC..

Note 7: The Company established and acquired 100% equtity interest in DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY and HePing Hua-Bao Electronics CO ., Ltd. in the amount of USD 750 thousand and USD 500 thousand, respectively, through the investee company, LUCKY STAR INVESTMENT CORP. HePing Hua-Bao Electronics CO ., Ltd. had been deregistered in 2012. The unused amount of investment in Mainland China was USD 500 thousand.

Note 8: The Company reinvested in the China investee company, DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY, through the investing business in Mainland China, GUANZHOU JPC ELECTRONICS TECHNICAL LIMITED COMPANY. Since the investing business in Mainland China is not a controlling company, there was no need to apply the reinvestment with the Investment Commission.

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 imposed by the Investment Commission of MOEA
JESS-LINK PRODUCTS CO., LTD.	$ 504,290	$ 1,127,340	$ 2,090,332

Note 1: The approved investment amount of USD 32,778 thousand includes USD 290 thousand of investment of purchasing plant equipment, machinery and equipment and components from the third parties approved by the Investment Commission of the MOEA.

Note 2: The Company sold the shares in Wuxi Jiaqi Technology Co., Ltd. during 2005. As of December 31, 2023, the unused amount of investment in Mainland China was USD 1,250 thousand.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Jess-Link Products Co., Ltd.

Major shareholders information

December 31, 2023

Table 8

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
CHANG, SHU-MEI	18,472,480	15.13%
FSP TECHNOLOGY INC.	10,000,000	8.19%
Dingzhun Investment Co., Ltd.	6,144,750	5.03%

JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 1

Item	Description				Amount
Petty cash and cash on hand					$ 669
Bank deposits					
Demand deposits					85,811
Foreign currency deposits	USD	2,975	thousand, exchange rate	30.71	91,362
	HKD	846	thousand, exchange rate	3.93	3,325
	RMB	121	thousand, exchange rate	4.33	524
	All other currencies				680
Time deposits					245,680
					$ 428,051

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JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 2

Client Name	Amount	Note
Client E	$ 114,188	
Client F	112,021	
Client M	68,719	
Client J	56,523	
Client G	55,621	
Client L	55,586	
Client C	53,196	
Others (including notes receivable)	283,502	None of the balances of each remaining client is greater than 5% of this account balance
	799,356	
Less: Allowance for bad debts	(3,240)	
	$ 796,116	

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JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 3

Item	Description	Amount: Cost	Amount: Net Realisable Value	Note
Raw materials and supplies		$ 72,128	$ 87,309	Use net realisable value as market price
Work in progress		25,015	25,015	"
Finished goods		93,746	123,323	"
Merchandise inventory		3,711	11,087	"
		194,600	$ 246,734	
Less: Allowance for inventory valuation loss		(28,923)		
		$ 165,677		

JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF MOVEMENT IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 4

	Beginning Balance		Investment Income (Loss)	Addition (Note 1)		Decrease		Ending Balance			Market Value or Net Assets Value		
Name of investee	Shares in thousands	Amount	Amount	Shares in thousands	Amount	Shares in thousands	Amount	Shares in thousands	Ownership (%)	Amount	Unit Price	Total Amount	Collateral
BEST LINK PROPERTIES LTD.	29,200	$ 2,004,295	$ 75,929	-	$ 12,997	-	($ 37,277)	29,200	100%	$ 2,055,944	$ -	$ 2,055,944	None
CHA SHIN CHI INVESTMENT CO., LTD.	28,000	250,289	26,188	-	-	-	(16,217)	28,000	100%	260,260	-	260,260	〃
MAINSUPER ENTERPRISES CO., LTD.	1,500	49,877	18,015	-	8,750	-	(21,682)	1,500	100%	54,960	-	54,960	〃
TECHILL CO., LTD.	1,275	20,068	576	-	-	-	-	1,275	51%	20,644	-	20,644	〃
SWS GROUP COMPANY LIMITED	198	68,016	5,159	-	457	-	-	198	49.87%	73,632	-	73,632	〃
Ultraspeed Electronics Co., Ltd.	1,093	14,310	(2,480)	-	-	-	-	1,093	70.11%	11,830	-	11,830	〃
ASTRON Connectivity CO., LTD.	-	-	19,196	1,020	10,200		-	1,020	51%	29,396		29,396	
SACO ENTERPRISES INC.	-	-	13,120	10	439,942	-	(860)	10	100%	452,202	-	452,202	〃
JPC Connectivity Co. Ltd	-	-	(2,258)	111,394	174,994	-	(10,061)	111,394	100%	162,675	-	162,675	〃
		$ 2,406,855	$ 153,445		$ 647,340		($ 86,097)			$ 3,121,543		$ 3,121,543	

(Note 1) The additions for the year arose from investment increase, currency translation differences and unrealised gains on financial assets measured at fair value through other comprehensive income.
(Note 2) The decreases for the year arose from earnings distribution, currency translation differences, unrealised losses from financial assets measured at fair value through other comprehensive income.

JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 5

Supplier Name	Amount	Note
Non-related party		
Client A	$ 84,300	
Client B	79,242	
Client D	42,467	
Client E	42,171	
Client H	41,037	
Client I	36,353	
Client J	35,554	
Client K	32,833	
Others	54,150	None of the balances of each remaining supplier is greater than 5% of this account balance
	$ 448,107	
Related party		
DONGGUAN HOUJIE HUA-BAO ELECTRONICS TECHNICAL LIMITED COMPANY	$ 618,805	
DONGGUAN HUNG FU ELECTRONIC TECHNOLOGY CO., LTD.	455,241	
ASKA ECHNOLOGIES INC.	85,755	
MAINSUPER ENTERPRISES CO., LTD.	91,131	
Others	40,950	None of the balances of each remaining supplier is greater than 5% of this account balance
	$ 1,291,882	

JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 6

Item	Volume (In Thousands)	Amount	Note
Datacenter/Networking/Telecom	18,025	$ 1,912,822	
Smart Connection Industry	97,710	1,513,359	
Internet of Things	133	131,025	
Others		47,889	
		$ 3,605,095	

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JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 7

	Amount
Beginning raw materials and supplies	$ 100,516
Add: Raw materials and supplies purchased for the year	458,889
Less: Loss on physical inventory	(4)
Ending raw materials and supplies	(72,128)
Transfers to expenses (Note 1)	(2,139)
Scrapping	(17,135)
Raw materials used for the year	467,999
Direct labor	47,128
Manufacturing expense	41,133
Manufacturing cost for the year	556,260
Add: Beginning work in progress	13,836
Less: Ending work in progress	(25,015)
Cost of finished goods for the year	545,081
Add: Beginning finished goods	77,362
Finished goods purchased	2,044,093
Loss on physical inventory	-
Less: Ending finished goods	(93,746)
Transfers to expenses (Note 1)	(5,675)
Scrapping	(2,568)
Cost of goods manufactured and sold	2,564,547
Beginning merchandise inventory	3,119
Add: Merchandise inventory purchased for the year	7,848
Less: Ending merchandise inventory	(3,711)
Transfers to expenses (Note 1)	(1,484)
Scrapping	(382)
Cost of goods purchased and sold	5,390
Cost of goods sold	2,569,937
Allowance for valuation loss on inventories	39,373
Loss on physical inventory	4
Others	(245)
Operating costs	$ 2,609,069

(Note 1) It refers to the transfers from sample expenses to raw materials for research and development used.

JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 8

Item	Amount	Note
Wages and salaries	$ 99,064	
Sample expenses	18,939	
Sales service fee	10,108	
Shipping expenses	8,834	
Others	58,363	None of the balances of each remaining item is greater than 5% of this account balance
	$ 195,308	

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JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 9

Item	Amount		Note
Wages and salaries	$	78,385	
Professional service expenses		23,566	
Depreciation charge		8,737	
Others		45,393	None of the balances of each remaining item is greater than 5% of this account balance
	$	156,081	

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JESS-LINK PRODUCTS CO., LTD.
STATEMENT OF RESEARCH DEVELOPMENT EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 10

Item	Amount	Note
Wages and salaries	$ 59,171	
Sample expenses	21,300	
Depreciation charge	15,881	
Others	28,993	None of the balances of each remaining item is greater than 5% of this account balance
	$ 125,345	

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JESS-LINK PRODUCTS CO., LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 11

	Year ended December 31, 2023			Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	$ 47,128	$ 236,620	$ 283,748	$ 33,225	$ 207,216	$ 240,441
Labour and health insurance fees	2,491	19,018	21,509	1,910	16,086	17,996
Pension costs	1,125	8,694	9,819	1,057	8,093	9,150
Directors' emoluments	-	5,400	5,400	-	5,400	5,400
Other employee benefit expense	2,039	6,703	8,742	1,581	6,460	8,041
	$ 52,783	$ 276,435	$ 329,218	$ 37,773	$ 243,255	$ 281,028
Depreciation	$ 6,876	$ 31,187	$ 38,063	$ 5,003	$ 32,994	$ 37,997
Amortisation	$ 20	$ 5,405	$ 5,425	$ -	$ 9,877	$ 9,877

Note:

1. As at December 31, 2023 and 2022, the average number of employees per quarter were 260 and 239, including 8 and 8 non-employee directors, respectively.
2. Average employee benefit expense for the years ended December 31, 2023 and 2022 were $1,285 and $1,193, respectively.
3. Average employee salaries for the years ended December 31, 2023 and 2022 were $1,126 and $1,041, respectively, and the adjustment of average employee salaries was (8.2%)
4. The Company had no supervisors' remuneration for the years ended December 31, 2023 and 2022 as the Company has set up an audit committee.

JESS-LINK PRODUCTS CO., LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 11

5. Salary and Compensation Policy:

(1) Directors and managers: The Company pays directors’ remuneration from earnings distribution in accordance with the Articles of Incorporation of the Company. The Company's remuneration committee regularly assesses and determines the directors' and managers' salaries and remuneration based on a comprehensive consideration of the Company's profitability, directors' and managers' education and work experience, performance, seniority and professional expertise and by reference to the general pay levels in the same industry. The directors' and mangers' salaries and remuneration are reviewed by the remuneration committee and approved by the directors.

(2) Employees: The Company determines the employees’ salaries based on the semi-annual employee performance evaluations, and each employee's position, education and work experience, seniority and work performance, and the salaries are adjusted in time to the market situation. Also, the Company offers good welfare, education and training, and enacts a set of work rules, covering recruitment, promotion and retirement, pursuant to the Labour Standards Act and related laws and regulations and approved by the Department of Labor, Taipei City Government. The Company has maintained a harmonious employer and employee relationship since the incorporation. In order for the harmonious employer and employee relationship to continue, all of the Company's management pays attention to the communication channels between employer and employees.

JESS-LINK PRODUCTS CO., LTD.

Chairman：Shu-Mei Chang

Datacenter / Networking / Telecom

Smart Connection Industry

Electronic Products

JPC connectivity

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