Stock Code：2497

Information Disclosure Website: http://mops.twse.com.tw/mops/web/index

Corporate Website: e-lead.com.tw

怡利電子工業股份有限公司

E-LEAD ELECTRONIC CO.,LTD.

2023 ANNUAL REPORT

Printed on 22 May 2024

I. Spokesperson:

Name: Mao-Quan Ke
Title: Deputy General Manager, General Management Office
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Acting Spokesperson:
Name: Yun-Zhi Lu
Title: Manager, Operations Management Office
Telephone: (04)7977277 Ext. 2015
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II. Address and telephone number of headquarters, branch offices and factories:

Headquarters: No. 37, Gongdong 1st Rd., Shengang Shiang, Changhua
Telephone: (04)7977277 Fax: (04)7977271
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Telephone: (04)7977277
Chuansing II Factory: No. 264, Xinggong Rd., Hemei Township, Changhua
Changhua Factory: No. 72-6, Fangcao St., Changhua City, Changhua
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III. Share transfer agent:

Name: Registrar Agency Department, Yuanta Securities Co., Ltd.
Address: B1F., No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City
Website: www.yuanta.com.tw
Telephone: (02)25865859 (Service Lines)

IV. CPAs who duly audited the annual financial report for the most recent fiscal year:

Names: Tzu-Ping Huang and Wen-Chen Lo
Accounting Firm: Ernst & Young R.O.C
Address: 26F., No. 186, Shizheng N. 7th Rd., Taichung City, R.O.C
Website: www.ey.com/zh_tw
Telephone: (04)22598999

V. The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Corporate website: e-lead.com.tw

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Chapter I. A Letter to Shareholder

Dear shareholders:

In 2023, the global economic landscape was marked by various conflicts, such as the Russia-Ukraine war and Israel-Hamas war, which heightened inflationary pressures worldwide. Moreover, China experienced deflationary trends while facing intensified market competition. In this challenging environment, E-LEAD encountered significant hurdles. Despite maintaining positive revenue growth, profitability fell short compared to the previous year. Currently, our ARHUD series products have secured a prominent position in the rapidly expanding Chinese market. The new products featuring cutting-edge 3D spatial visual technology, including ARHUD, PHUD, and E-mirror, have entered mass production and are actively garnering orders. Additionally, the ADAS and INFOTAINMENT series products have enjoyed steady shipments in the Southeast Asian market. We remain dedicated to expanding our client base and pursuing new projects with leading automotive manufacturers, aiming to achieve even greater success in the industry.

Looking forward to the year ahead, the global market remains dynamic, with uncertainties stemming from ongoing conflicts and geopolitical factors. These challenges may hinder the economic recovery and have ripple effects on global supply chains. Nevertheless, we hold a prudent yet hopeful perspective for our operations. With the gradual launch of new projects, we expect to maintain our growth trajectory. Our commitment to improving operational efficiency remains steadfast.

I. Company Structure: Expanding production capacity, refining cost structures, fostering teamwork, and cultivating talent continue to be our primary emphasis.

II. Product Line: Our primary emphasis continues to be on actively advocating for practical projects that utilize 3D spatial visual technologies like ARHUD, PHUD, and E-mirror. Moreover, the subsidiary, Far Vision, will kickstart the active promotion of innovative products, including telescopic mirrors, beginning in April.

III. Business Promotion: Actively broadening our product and market reach, focusing on key markets like India, Japan, Europe, and the Americas. By capitalizing on our established OE Tier 1 advantages and distinctive technological strengths, we're forging strategic partnerships across industries to penetrate the 2-wheel vehicle market, with a specific focus on electric motorcycles and heavy motorcycles. Additionally, the subsidiary, Far Vision, is expanding its product promotion efforts to markets outside of China.

The strategy outlined above aims to further utilize E-LEAD's existing technology and OE system advantages in the automotive industry to enhance our business scale and profitability. We intend to achieve this through diversification, leveraging the capabilities of our subsidiary and allied companies.

I. 2023 Business Performance

(I) Operating Revenue: The Company's consolidated net operating revenue for 2023 was over NT$ 3.77 billion reflecting a 6% increase compared to 2022.

(II) Operating Expense: The Company's consolidated operating expenses for 2023 were over NT$ 650 million reflecting a 1% increase compared to 2022.

(III) Profit or Loss: The Company's consolidated net profit for the current period in 2023 was nearly NT$ 232 million reflecting a 33% decrease compared to 2022.

(IV) Analysis of Receipts, Expenditures and Profitability

Unit: in NT$ thousand

Analytical Items	2023	2022
	Consolidated	Consolidated
Net Operating Revenue	3,766,293	3,565,754
Operating Cost	(2,867,240)	(2,615,293)
Gross profit	899,053	950,461
Operating Expense	(650,006)	(641,917)
Operating Income	249,047	308,544
Non-Operating Income and Expenses	24,283	179,093
Income Before Tax	273,330	487,637
Income Tax Expense	(40,738)	(141,066)
Net Income	232,592	346,571
Other Comprehensive Income	(8,496)	35,509
Total Comprehensive Income	224,096	382,080
Basic Earnings per Share (NT$)	1.89	2.88
Return on Assets (%)	6.25	10.37
Return on Equity (%)	10.98	20.13
Net Profit Margin (%)	6.18	9.72

(V) Achievements in Research and Development Projects and Product Development

1. Installation and Technical Proposal for 3D Spatial Visual HUD in Actual Vehicles
2. Development of Software for 3D Spatial Visual HUD - Creator
3. Development of ARHUD Lite for Various Mass-produced Vehicle Models
4. Preliminary Technical Development of PHUD Panoramic HUD
5. Preliminary Development of Electronic Digital Rearview Mirror

II. Outline of the Business Plan for 2024

(I) Business Policy and Production and Marketing Policy

1. Actively seeking collaborations with automotive manufacturers to integrate ARHUD, PHUD, and E-mirror 3D spatial visual technologies into their projects
2. Consistently promoting VA/VE initiatives
3. Actively implementing training programs for mid to senior-level executives.
4. Enhancing efforts in managing suppliers.

(II) Research and development projects and product development plan

1. Development and Preparation for Large-scale Production of 3D Spatial Visual ARHUD for Mass-produced Vehicle Models
2. Development of Software for 3D Spatial Visual ARHUD - Creator
3. Development of Second-Generation AI VPA Interactive Interface
4. Development of ARHUD Lite for Various Mass-produced Vehicle Models
5. Development and Preparation for Large-scale Production of PHUD for Mass-produced Vehicle Models
6. Development and Preparation for Large-scale Production of Electronic Digital Rearview Mirror
7. Supporting the Subsidiary in Developing Products for AI-driven Eye Protection and Education

III. The Company's Future Development Strategy, and the Effect of External Competition, the Legal Environment, and the Overall Business Environment

As our business centers on serving automotive OEMs, we naturally encounter fierce competition from global industry leaders. We've established a corporate structure that aligns with Tier 1 automotive supplier standards, enabling us to utilize our technological and cost advantages to address future challenges with innovative solutions. Furthermore, we're implementing a diversification strategy by expanding into optical products beyond automotive electronics through our subsidiary.

We will stay committed to our established goals and plans and diligently work towards their execution. We appreciate the ongoing support and encouragement from our shareholders. Thank you.

Chairman: Hsi-Hsun Chen General Manager: Hsi-Hsun Chen Accounting Supervisor: Pi-Huan Chen

Chapter II. Company Profile

I. Date of Incorporation:

Established on 22 June 1983.

II. Company History:

(I) Company History

June 1989:	Manufacture and sale of camcorder conversion tapes (mechanical).
August 1990:	Manufacture and sale of universal chargers for camcorders.
April 1993:	Development and sale of motorized camcorder conversion belts.
October 1993:	Manufacture and sale of wireless sensors for mobile phones (light emitting and vibrating).
February 1995:	ISO 9002 certified.
November 1995:	Manufacture and sale of Bluetooth hands-free mobile phone series.
*March 1997:	The US subsidiary GLOBALCOM was established in California, USA.
October 1998:	QS 9000 tutorials introduced; development of integrated Bluetooth hands-free car audio system completed, and mass production shipped.
February 1999:	Taiwan Excellence Mark was awarded to the car audio combination handset and the universal car handset.
March 1999:	The caller ID annunciator was awarded the CED Innovative Design and Technology Award by the Electrical-Electronic & Environmental Technology Development Association of R.O.C.
September 1999:	Awarded the 8th National Award of Outstanding SMEs.
November 1999:	Awarded the 2nd Rising Star Award.
November 1999:	The General Manager of the Company was awarded the 3rd SME Professional Managers Elite Award.
December 1999:	QS 9000, ISO 9001 certified.
December 1999:	Universal voice-activated hands-free car handset and conference phone awarded the Taiwan Excellence Mark.
October 2000:	Established a sub-subsidiary in China, E-LEAD Electronic Technology (Jiangsu) Co., Ltd., and started mass production gradually.
January 2001:	Opening of the Chuansing Factory.
January 2001:	Mobile phone interior and car satellite anti-theft security systems awarded with Taiwan Excellence Mark.
August 2001:	ISO 14001 certified, 2004 renewal.
February 2002:	The shares are listed.
January 2003:	Car navigation system awarded with Taiwan Excellence Mark

*October 2003:	Established a subsidiary in Thailand, Summit E-LEAD Electronic Co., Ltd. with a 55% shareholding.
January 2004:	Car Multimedia Bluetooth Communication Audio and Car Multimedia Entertainment System - Front-loading awarded with Taiwan Excellence Mark.
March 2004:	OHSAS 18001 certified, 2007 renewal.
June 2004:	Ford Q1 certified.
October 2004:	TS 16949 certified.
January 2005:	The portable navigation and entertainment system and the full-featured navigation system were awarded the Taiwan Excellence Mark.
*November 2005:	Established a sub-subsidiary in China, Changchun E-LEAD Electronic Technology Co., to expand the market.
February 2006:	Established a subsidiary in Thailand, E-LEAD Electronic (Thailand) Co., Ltd. to expand the market.
*June 2006:	Established a sub-subsidiary in China, Nanchang Jiangling Group E-Lead Automotive Electronics Co., to expand the market.
March 2007:	Awarded Ford Supplier of the Year Silver Award.
March 2007:	Awarded the Special Contribution Award of the Year by Honda Access China Corp.
April 2007:	Noahpad, the intelligent human-machine interface, won the Product Innovation Award at the 2007 Taipei International Automotive Electronics Show.
April 2008:	Awarded the Kuozui Motors Annual Output Excellence Award.
July 2009:	The new information system has been fully implemented.
October 2010:	The in-car audio/video navigation console EL-828 won the 2010 Global Sources Design of the Year Award and the Electronic Product Innovation Design Award.
February 2011:	Issued first domestic secured convertible bonds of NT$350 million.
April 2011:	The in-car audio/video navigation console EL-828 won the 2011 Taipei International Automotive Electronics Show Innovation New Product Award.
July 2011:	The in-car audio/video navigation console EL-828 won the 2011 Taiwan ITS/Telematics Excellence 100 Award in the product category. E-where offline navigation planning technology was awarded the 2011 Taiwan ITS/Telematics Excellence Award in the Technology Category.
March 2012:	The in-car audio/video navigation console EL-828 has been awarded the Taiwan Excellence Mark.

April 2012:	The modular in-car audio/video navigation console EL-816/EL-918 won the Automotive Electronics Innovation Award at the 2012 Taipei International Automotive Electronics Show.
October 2012:	The in-car audio/video navigation console EL-828 was awarded the Industrial Innovation Achievement Award by the Department of Technology, Ministry of Economic Affairs.
December 2012:	EL-817C, the intelligent in-car mainframe, awarded the 2012 Information Month Outstanding I.T. Applications/ Products Award.
January 2013:	The full-plane in-car multimedia navigation console EL-918C awarded with Taiwan Excellence Mark.
April 2013:	The full-plane in-car multimedia navigation console EL-918C won the Automotive Electronics Innovation Award at the 2013 Taipei International Automotive Electronics Show.
December 2013:	The cloud-based multimedia audio system, EL-817C, has been awarded the Taiwan Excellence Mark.
December 2013:	Selected by the Industrial Development Bureau of the Ministry of Economic Affairs as the 2nd Mittelstand Key Counselling Targets.
June 2014:	SmartHUD awarded the Computex 'Best Choice Award'.
November 2014:	The SmartHUD was awarded the 2014 Information Month “Top 100 Innovative Products Award”.
April 2015:	The SmartHUD was awarded the Taiwan Excellence Mark.
April 2015:	The Cloud Multimedia System EL-823-LC01 was awarded the 2014 ALJacs SUPPLIER AWARD.
April 2016:	Optical Projection - Telematics Head-Up Display 2 was awarded the Innovation Product Award at 2016 Taipei International Automotive Electronics Show.
March 2017:	Awarded Taiwan Honda's 2016 Best Partner Award.
April 2017:	The flat-screen head-up display was awarded the Gold Award in the Electronic Terminal Product category of the 2017 Taipei International Automotive Electronics Show Innovation Product Awards.
*January 2018:	Established E-LEAD Technology (Cayman) Co., Ltd.
February 2018:	ISO/IEC 17025 accredited Reliability Laboratory.
April 2018:	The Combiner Type HUD was awarded the Silver Award in the Electronics Terminal and Components category of the 2018 Taipei International Automotive Electronics Show Innovation Product Awards.
May 2018:	Certified to ISO 26262 Functional Safety Process for Road Vehicles Certificate by SGS for vehicle electrical systems.
May 2018:	Certified to ISO 26262 Functional Safety Process for Road Vehicles.
October 2018:	ISO 45001 certified.

March 2019:	Mass production of WHUD in China began.
November 2021:	The (naked eye) 3D head-up display 3D AR HUD awarded the Taiwan Excellence Award.
December 2021:	Certified by the TISAX Automotive Information Safety Assessment and Exchange Mechanism Management System Level 2.
March 2022:	Projectair W has been awarded the gold medal at the “Archimedes - Moscow International Salon of Inventions” in Russia.
April 2022:	Received DEKRA Taiwan's ASPICE CL2 certification.
July 2022:	Projectair W has been awarded the gold medal and the Special Award from Indonesia at the “9th 2022 Japan Design, Idea, and Expo”.
July 2022:	Issued a second domestic secured convertible bonds for NT$300 million.
August 2022:	Capital increase by issuing 4 million new shares, increasing the share capital by NT$40 million.
November 2022:	Received the 2022 Asia Pacific Excellence Business Leader Award and the Business Advancement Award.
January 2023:	Successfully achieved TISAX (Trusted Information Security Assessment Exchange) Level 3 certification for the automotive information security assessment and management system.
August 2023:	Established Far Vision Technology Co., Ltd. to expand into the market.
December 2023	Certified by ISO/SAE 21434 for vehicle cybersecurity.

Note: * The company has been deregistered.

(II) Merger and acquisition activities; strategic investments in affiliated enterprises; corporate reorganization in the most recent fiscal year and current fiscal year up to the date of publication of the annual report: None.

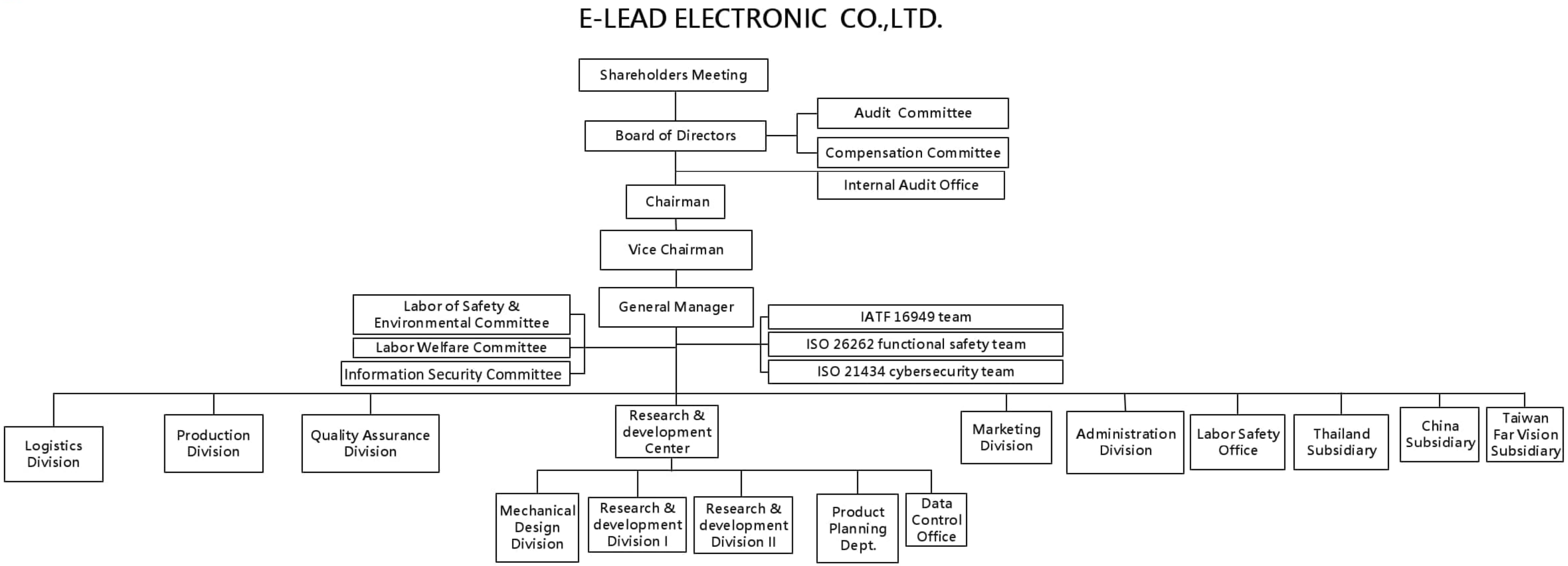
(III) Instances in which a major quantity of shares belonging to directors, supervisors, or shareholders holding greater than a 10 percent stake in the company is transferred or otherwise changes hands; any change in managerial control: None.

(IV) Any material changes in operating methods or type of business; and any other matters of material significance that could affect shareholders' equity: None.

Chapter III. Corporate Governance Report

I. Organizational System

(I) Organizational chart



(II) Businesses of the principal departments

Departments		Businesses of the principal departments
General Management Administration Office	Operations Management Office	Annual planning/budget execution management, project promotion, supervision of departmental improvement programs, supervision and management of long-term investments, intellectual property management, and legal affairs operations.
	Finance Department	Capital management and planning, client credit, accounting, financial statement preparation, taxation, shareholding affairs and corporate governance.
	Management Department	Human resources planning, education and training planning, general procurement, fixed assets, maintenance of public equipment, 5S management and maintenance, access control and public relations, customer service representative and guest reception, management of official vehicles and business trips, management of staff meals and dormitories, promotion of staff welfare and business management.
	Information Office	Planning and management of internal and external information network systems and building and management of computerised information systems, information security systems and video and voice systems.
Labor Safety Office		Plant safety and environmental maintenance and management, identification of environmental safety regulations, consideration and identification of environmental safety and health risks, labor health promotion, labor safety and health and emergency response management, maintenance and management of electrical and mechanical facilities.
Audit Office		Establishing the company's audit system, performing various auditing operations and tracking internal control audit deficiencies.
Marketing Department		Development of new customers, maintenance of existing customers, handling of customer complaints, exhibition participation, market intelligence research, export customs clearance, sales management, coordination and implementation of marketing strategy development.
Institutional Design Center	Electronics Department I Electronics Department II	1.Research and development of automotive multimedia-related products and new technologies. 2.Study of audio-video transmission and network video related products. 3.Development of Advanced Driver Assistance Systems (ADAS) including Perimetric Bird's Eye View, Forward Vehicle Collision Avoidance, Road Drift Warning, Blind Spot Warning, Pedestrian Recognition, Moving Obstacle Detection 4.Research in forward-looking technology.

<table>
<tr><td rowspan="5"></td><td rowspan="3">Institutional Design Center</td><td>Institutional design Division I, II, III</td><td>Design, modification and tooling development of 3D mechanisms for products.</td></tr>
<tr><td>Optical Design Department</td><td>Product optical design and improvement.</td></tr>
<tr><td>Industrial Design Division</td><td>Product design and packaging, marketing collateral design.</td></tr>
<tr><td colspan="2">Product Planning Division</td><td>Product development project control, product functional specification definition and formulation, new product development project benefit evaluation/cost analysis and estimation, product pricing strategy, R&D schedule control and problem tracking, product planning, new product education and training.</td></tr>
<tr><td colspan="2">Document Management Office</td><td>Document control and technical documentation and drawing management.</td></tr>
<tr><td rowspan="2">Production Department</td><td colspan="2">Engineering Division</td><td>Production technology improvement research, new product production technology implementation and product design change operations.</td></tr>
<tr><td colspan="2">Manufacturing Division</td><td>Mass production, planning and management of production capacity, product manufacturing, packaging and management of factory operations.</td></tr>
<tr><td rowspan="2">Quality Assurance Department</td><td colspan="2">Quality Assurance Division</td><td>Maintenance and management of quality systems; development and testing of advance products, management of test laboratories and instrumentation laboratories, development and implementation of inspection standards; incoming, in-process and outgoing inspection of raw materials, and management of suppliers.</td></tr>
<tr><td colspan="2">Quality Service Division</td><td>After-sales service and customer service technical support.</td></tr>
<tr><td rowspan="3">Materials Department</td><td colspan="2">Procurement Division</td><td>Supplier development, evaluation and management, procurement of raw materials, machinery and equipment, and import customs operations.</td></tr>
<tr><td colspan="2">Production Control Division</td><td>Work order management and group inventory transfer.</td></tr>
<tr><td colspan="2">Warehousing Unit</td><td>Receiving and dispatching materials and other warehousing operations.</td></tr>
</table>

II. Information on the Company's Directors, Supervisors, General Manager, Deputy General Managers, Deputy Assistant General Managers, and the Supervisors of all the Company's Departments And Branch Units, as Follows:

(I) Information on directors

1. Information on directors (I)

14 April 2024

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date on which current position was assumed	Term of contract	Commencement date of the first term (Note 3)	Number of shares held at the time of election		Number of shares currently held		Number of shares currently held by the spouses and children of minor age		Number of shares held through nominees		Principal work experience and academic qualifications (Note 4)	Position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman and General Manager	R.O.C	Hsi-Hsun Chen	Male 61-70	15 June 2023	3 years	22 June 1983	9,805,449	8.25%	9,868,149	8.03%	3,003,660	2.44%	0	0%	Department of Physics, National R.O.C University PhD Program, Department of Computer Science, National Tsing Hua University Deputy Chairman and General Manager, E-LEAD Electronic Co., Ltd. Chairman, Utmost Speed Co., Ltd.	Chairman, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. Director, E-LEAD Electronic (Thailand) Co., Ltd. Chairman, E-LEAD Technology Co., Ltd(B.V.I.) Chairman, OKAY Enterprise Co., Ltd. Chairman, Far Vision Technology CO., LTD.	Deputy Chairman	Hsi-Tsang Chen	Brothers	
Deputy Chairman	R.O.C	Hsi-Tsang Chen	Male 61-70	15 June 2023	3 years	22 June 1983	10,418,041	8.76%	10,578,041	8.61%	2,262,185	1.84%	0	0%	Department of Electronic Engineering, National R.O.C Ocean University Master of Business Administration, Yunlin University of Science and Technology Chairman and General Manager, E-LEAD Electronic Co., Ltd Director, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. Independent Director, R.O.C Optical Platform	Chairman, E-LEAD Electronic (Thailand) Co., Ltd. Independent Director, Kingcan Holdings Limited Director, OKAY Enterprise Co., Ltd. Chairman, Yi Jia Investment Business Co. Ltd.	Chairman	Hsi-Hsun Chen	Brothers	
Director	R.O.C	Teng-Kuei Chen	Male 61-70	15 June 2023	3 years	16 June 2020	1,049,904	0.85%	1,049,904	0.88%	0	0%	0	0%	Department of Math, National R.O.C University Supervisor, E-LEAD Electronic Co., Ltd.	Chairman, Dickie Duck Enterprises Co., Ltd. Supervisor, E-LEAD Electronic Technology (Jiangsu) Co., Ltd.	None	None	None	
Director	R.O.C	Yu-Tzu Fu	Feale 61-70	15 June 2023	3 years	6 June 2016	693,372	0.58%	791,372	0.64%	515,758	0.42%	0	0%	School of Nursing, China Medical University	Deputy Director, Shen Gaang Jomg Shiaw Hospital	None	None	None	
Director	R.O.C	Ming-Shou Lin	Male 61-70	15 June 2023	3 years	16 June 2020	0	0%	0	0%	0	0%	0	0%	Master of Accounting, National Chengchi University Director, Taichung Office, (Former) Crowe Llp. Supervisor, Depo Auto Parts Ind. Co., Ltd. Director/International Affairs, Crowe (TW) CPAs Supervisor, E-LEAD Electronic Co., Ltd. Supervisor, Kingcan Holdings Limited	Independent Director, Kingcan Holdings Limited Independent Director, Depo Auto Parts Ind. Co., Ltd. Vice Chairman, Crowe (TW) CPAs	None	None	None	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date on which current position was assumed	Term of contract	Commencement date of the first term (Note 3)	Number of shares held at the time of election		Number of shares currently held		Number of shares currently held by the spouses and children of minor age		Number of shares held through nominees		Principal work experience and academic qualifications (Note 4)	Position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	R.O.C	Han-Nian Lin	Male 61-70	15 June 2023	3 years	15 June 2023	2,677	0%	2,677	0%	0	0%	0	0%	Ph.D. in Electronic Physics, New York University (now known as the Tandon School of Engineering). Researcher, Weber Research Center, New York University. Manager and Director of the R&D Department, E-LEAD Electronic Co., Ltd.研 Assistant Professor and Associate Professor at the Department of Electrical Engineering and Institute of Telecommunications, Dayeh University. Researcher at the Taiwan Testing and Certification Center. Professor at the Department of Communication Engineering, Feng Chia University.	Professor at the Department of Communication Engineering and Director of the IC EMC Research Center, Feng Chia University. Member and Chair of the EMC Subcommittee at the Electronic Engineering Technical Committee, National Standards of the Republic of China (CNS) Member of the Information and Communication Technology Committee, National Standards of the Republic of China (CNS) Senior Reviewer for Laboratory Certification and Product Verification Agencies at the Taiwan Accreditation Foundation (TAF) Technical Review Committee Member at the Vehicle Safety Certification Center (VSCC) Member of the Engineer Competency Assessment Committee at the Industrial Development Bureau (iPAS), Ministry of Economic Affairs Member of the Taiwanese Committee at the Union Radio Scientifique Internationale (URSI)	None	None	None	
Independent Director	R.O.C	Chi-Chung Tsai	Male 61-70	15 June 2023	3 years	13 June 2017	0	0%	0	0%	0	0%	0	0%	Master of Business Administration, Dayeh University Ph.D. in Management, Fuzhou University	Independent Director, Ting Sin Co., Ltd. Chief, Horng Shyang Cpa, Law & Land Administration Agent Offices Litigious (or non-litigious) agent ad litem, Cayman Engley Industrial Co., Ltd. Adjunct Lecturer, National Open College of Continuing Education Affiliated to Taichung University of Science and Technology Assistant Professor, Dayeh University CEO, Hong Xiang International Financial and Economic Consulting Co., Ltd. Member of the Remuneration Committee and member of Audit Committee, E-LEAD Electronic Co., Ltd.	None	None	None	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date on which current position was assumed	Term of contract	Commencement date of the first term (Note 3)	Number of shares held at the time of election		Number of shares currently held		Number of shares currently held by the spouses and children of minor age		Number of shares held through nominees		Principal work experience and academic qualifications (Note 4)	Position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	R.O.C	Cheng-Chun Chang	Male 61-70	15 June 2023	3 years	13 June 2017	0	0%	0	0%	0	0%	0	0%	Ph.D., College of Law, Chinese Culture University Secretary-general, The Entrepreneur Club Independent Director and member of the Audit Committee, Siward Crystal Technology Co., Ltd.	Member of the Remuneration Committee and Audit Committee, E-LEAD Electronic Co., Ltd. Supervisor, LINCO Technology Co., Ltd.	None	None	None	
Independent Director	R.O.C	Shein-Tung Wu	Male 61-70	15 June 2023	3 years	13 June 2017	0	0%	0	0%	0	0%	0	0%	Master of Science in Computer Science, Utah State University, USA Vice Director, Planning & Promotion Division, Cybersecurity Technology Institute and Market Intelligence & Consulting Institute, Institute for Information Industry Senior Director, Market Intelligence & Consulting Institute (MIC) Project Leader, "Industry & Technology Intelligence Service- Information and Communications Technology (ICT) software field (ITIS)", DOIT, Ministry of Economic Affairs Member of Council, Asia Pacific Industrial Analysis Association	Member of the Remuneration Committee and member of Audit Committee, E-LEAD Electronic Co., Ltd. Consultant, Market Intelligence & Consulting Institute (MIC)	None	None	None	
Independent Director	R.O.C	Rong-Lin Jiang	Male 61-70	15 June 2023	3 years	15 June 2023	0	0%	0	0%	0	0%	0	0%	Director, E-LEAD Electronic Co., Ltd. Supervisor, Axcen Photonics Corporation, Ltd. Director, Axcen Photonics Corporation, Ltd.	Member of the Remuneration Committee and Audit Committee, E-LEAD Electronic Co., Ltd. Assistant General Manager, Sunrise CPA's Firm	None	None	None	

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

Note 6: The Company has established an Audit Committee in June 2020; hence, no supervisor was appointed.

2. Information on directors (II)

Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of other public companies at which the person concurrently serves as an independent director
Hsi-Hsun Chen	The Chairman, Hsi-Hsun Chen, graduated from the Department of Physics of National R.O.C University and studied in the Graduate School of Electrical Engineering of Dayeh University and the PhD program of Tsing Hua University. Previously Head of Research and Development, General Manager, Deputy Chairman and Chairman of the Company; Also, the Chairman and General Manager of E-LEAD (Jiangsu), a subsidiary. Being able to communicate and interact with all Directors of the board on management strategies as a chairman and has commercial, marketing and industrial technology skills.	The Company has obtained written statements, experience, current employment certificate, and a list of relatives provided by each director to verify the independence from the company, their spouse, and relatives within the third degree of kinship for the nomination and selection of the board of directors. Furthermore, the Company has confirmed that the following four independent directors have met the qualification criteria set forth in the "Regulations Governing	0
Hsi-Tsang Chen	The Deputy Chairman, Hsi-Tsang Chen, graduated from National R.O.C Ocean University with a degree in Electronic Engineering and National Yunlin University of Science & Technology with a Master of Business Administration. Previously General Manager and Chairman of the Company. Also Chairman and General Manager of E-LEAD (Thailand), a subsidiary, with corporate governance, commercial, marketing and industrial technology skills and is able to provide timely advice and direction to the Company's Board of Directors on corporate governance and operational management to require the management team to develop operational strategies for implementation.		1
Teng-Kuei Chen	The Director, Teng-Kuei Chen, graduated from National R.O.C University with a degree in Mathematics. Also, the Chairman of Dickie Duck Enterprises Co., Ltd. Well versed in business, marketing and industrial technology capabilities and is able to provide timely advice and direction to the Company's Board of Directors on corporate governance and operational management to require the management team to formulate operational strategies for implementation.		0

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of other public companies at which the person concurrently serves as an independent director
Ming-Shou Lin	The Director, Ming-Shou Lin, graduated from the Institute of Accountancy, National Chengchi University with a master's degree. Also a Vice Chairman of Crowe R.O.C, an independent director of other public companies and a university lecturer. Familiar with accounting standards, financial and taxation regulations and is able to provide timely and valuable advice to the Board of Directors of the Company in relation to corporate governance, financial and taxation management.	Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and Article 14-2 of the Securities and Exchange Act, both before their appointment and during their tenure. These independent directors have also been authorized to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act to independently perform their related duties.	2
Yu-Tzu Fu	The Director, Yu-Tzu Fu, graduated from the Department of Nursing, China Medical University and served as Deputy Director of the Hospital. Has ability to provide timely and valuable advice to the Board of Directors of the Company in relation to operational management and to enhance the quality of corporate governance of the Board.		0
Han-Nian Lin	The Director, Han-Nian Lin, Ph.D. in Electronic Physics from New York University (now known as the Tandon School of Engineering), currently serves as a Professor at the Department of Communication Engineering and Director of the IC EMC Research Center at Feng Chia University. Additionally, he is a member and Chair of the EMC Subcommittee at the Electronic Engineering Technical Committee, National Standards of the Republic of China (CNS), as well as a member of the Information and Communication Technology Committee, CNS. Lin also holds the position of Senior Reviewer for Laboratory Certification and Product Verification Agencies at the Taiwan Accreditation Foundation (TAF), and serves as a Technical Review Committee Member at the Vehicle Safety Certification Center (VSCC). Furthermore, he is a member of the Engineer Competency Assessment Committee at the Industrial Development Bureau (iPAS), Ministry of Economic Affairs, and a member of the Taiwanese Committee at the Union Radio Scientifique Internationale (URSI). Leveraging his expertise, Lin enhances the quality of corporate governance and management within the board of directors.		0

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of other public companies at which the person concurrently serves as an independent director
Chi-Chung Tsai	The Director, Chi-Chung Tsai, graduated from Fuzhou University with a PHD of Business Administration degree in School of Economics and Management. Also qualified as an AAIA International Accountant and runs a tax representation firm, a financial advisory firm and served as an independent director of a listed company and a part-time university lecturer. Familiar with corporate governance, accounting standards, financial and tax regulations. The expertise has been leveraged to enhance the quality of the Board's corporate governance management, Remuneration Committee and Audit Committee oversight functions.		1
Cheng-Chun Chang	The Director, Cheng-Chun Chang, graduated from Chinese Culture University with a PHD degree in Zhongshan Academic Research Institute with practical experience in human resources management. Had served as the Secretary of the Entrepreneur Club and concurrently served as an independent director of other public companies, with his expertise to enhance the quality of the Board's corporate governance management and the oversight function of the Compensation Committee and Audit Committee.		0
Shein-Tung Wu	The Director, Shein-Tung Wu, holds a master’s degree in computer science from Utah State University and was a senior industry consultant for the Market Intelligence & Consulting Institute, MIC, and a board member of the Asia Pacific Industry Analysis Association in R.O.C, with his expertise to enhance the Board's technical management, compensation committee and audit committee oversight functions.		0
Rong-Lin Jiang	Rong-Lin Jiang, a graduate of Tamkang University's Department of International Trade, currently serves at the Sunrise CPA’s Firm. Proficient in enterprise management, accounting standards, finance, and tax regulations. Leveraging his expertise, Jiang enhances the quality of corporate governance and management within the board of directors, strengthening the oversight functions of the remuneration committee and audit committee.		0

Diversity and Independence of the Board of Directors:

(I) Diversity of the Board of Directors: Describe the company’s board diversity policy, objectives, and the status of implementation thereof. The diversity policy refers to matters including diversity in the composition or ratios of the board and its members in terms of the standards for election of directors, the required professional qualifications of directors, and their experience, gender, age, nationality, and culture. Furthermore, describe the company’s specific objectives with regard to the above-mentioned policy, and the status of their achievement:

Please refer to Chapter III., IV (III) “Corporate Governance - Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons” for details.

(II) Independence of the Board of Directors: Specify the number of independent directors on the board and their ratio to the total number of directors. Describe the status of independence of the board of directors and give a statement of reasons as to whether the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act are complied with, including a description of any spousal relationship or familial relationship within the second degree of kinship that may exist between any directors, between any supervisors, or between any director(s) and supervisor(s):

The Company has a total of 10 directors, of which 4 are independent directors, accounting for 40.00% of the total number of directors, and an audit committee has been established in lieu of a supervisor in accordance with the law. There are no cases where more than half of the directors have spousal relationship or familial relationship within the second degree of kinship.

Note 1: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

(II) Information on the company's general managers, deputy general managers, deputy assistant general managers, and the supervisors of all the company's departments and branch units, as follows:

14 April 2024 Unit: share; %

Title (Note 1)	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Number of shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman and General Manager	R.O.C	Hsi-Hsun Chen	Male	16 June 2020	9,868,149	8.03%	3,003,660	2.44%	0	0%	Department of Physics, National R.O.C University PhD Program, National Tsing Hua University, Institute of Information Engineering Deputy Chairman and General Manager, E-LEAD Electronic Co., Ltd.	Chairman, OKAY Enterprise Co., Ltd. Chairman, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. Director, E-LEAD Electronic (Thailand) Co., Ltd. Chairman, E-LEAD Technology Co., Ltd.(B.V.I.) Chairman, Far Vision Technology Co., Ltd.	Deputy Chairman	Hsi-Tsang Chen	Brothers	Refer to II(III)
Deputy General Manager, Marketing Department	R.O.C	Rui-Sheng Wu	Male	7 February 2018	0	0%	0	0%	0	0%	Department of Electronic Engineering, Chienkuo Technology University Sales Manager, E-LEAD Electronic	None	None	None	None	
Deputy General Manager, Institutional Design Center	R.O.C	Zheng-Ji Yang	Male	7 August 2019	0	0%	53	0%	0	0%	Mechanical Department, Chung Yuan Christian University Manager and Mechanical Engineer, Delta Electronics Inc.	None	None	None	None	
Deputy General Manager, General Management Office	R.O.C	Mao-Quan Ke	Male	7 August 2019	500	0%	0	0%	0	0%	Master of Finance, National Chung Hsing University Manager, Management Office of E-LEAD Electronic	General Manager, E-LEAD Electronic (Thailand) Co., Ltd.	None	None	None	
Deputy General Manager, Electronics Department I	R.O.C	Jhih-Fang Chen	Male	7 August 2019	8,998	0.01%	0	0%	0	0%	M.S., Institute of Electronics, National Taiwan University of Science and Technology R&D Manager, E-LEAD Electronic	None	None	None	None	
Deputy General Manager, Electronics Department II	R.O.C	Sheng-Nan Jiang	Male	7 August 2019	0	0%	0	0%	0	0%	M.S. in Electrical Engineering, Dayeh University R&D Manager, E-LEAD Electronic	None	None	None	None	
Deputy General Manager, Production Department & Institutional Design Center	R.O.C	Zhen-Chang Huang	Male	26 August 2021	0	0%	0	0%	0	0%	Chinyi Technical Institute and Chienkuo Technology University Manager, Engineering Division, E-LEAD Electronic	None	None	None	None	
Deputy General Manager, China Division, Management Office	R.O.C	Min-Nan Cai	Male	16 March 2022	0	0%	0	0%	0	0%	Department of Materials Engineering and Science, Feng Chia University Manager, Procurement Division, E-LEAD Electronic	Director, E-LEAD Electronic Technology (Jiangsu) Co., Ltd.	None	None	None	

Deputy Assistant General Manager, Thailand Business Unit, Operations Management Office	R.O.C	Jun-Ming Chen	Male	3 August 2022	0	0%	24	0%	0	0%	Department of Electro Optics, National United University Section Manager, Procurement Division, E-LEAD Electronic	None	None	None	None	
Manager, Audit Office	R.O.C	Cui-Zu Chen	Female	31 May 2002	2,000	0%	0	0%	0	0%	Accounting and Statistics Division, Overseas Chinese Commercial College Accounting Section Manager, Yuan Feng Industrial Co., Ltd.	None	None	None	None	
Manager, Finance Department	R.O.C	Pi-Huan Chen	Female	1 May 2006	2,142	0%	0	0%	0	0%	Department of Accounting, Tamkang University and Master of Management, National Changhua University of Education Senior, Deloitte Touche Tohmatsu Limited	None	None	None	None	
Deputy General Manager, Quality Assurance Department	R.O.C	Qian-You Chen	Male	3 August 2022	1,049	0%	0	0%	0	0%	Industrial Management Institute, National Formosa University Commissioner of Industry, Merida Bikes Director, Quality Assurance Department, E-LEAD Electronic	None	None	None	None	
Director, Materials Department	R.O.C	Wen-Wen Zhang	Female	7 August 2019	0	0%	0	0%	0	0%	Department of Business Management, Chienkuo Institute of Technology Ling Tung University Manager, Procurement Division, E-LEAD Electronic	None	None	None	None	
Deputy Assistant General Manager, Product Planning Department	R.O.C	Ru-Sian Chen	Male	7 August 2019	0	0%	0	0%	0	0%	Computer Engineering Unit, Nankai Technical Institute Agent, Information Office, E-LEAD Electronic Manager, Product Planning Department, E-LEAD Electronic	None	None	None	None	
Technical Deputy Assistant General Manager, Health Business Department	R.O.C	Zhi-Yi Shi	Male	26 August 2021	0	0%	0	0%	0	0%	Design Institute, Dayeh University Department of Industrial Design, Chaoyang University of Technology Manager, Industrial Design Department, E-LEAD Electronic	None	None	None	None	
Deputy Assistant General Managers, Product Planning Department	R.O.C	Wan-Ting Lin	Female	3 August 2022	16,025	0.01%	3,075	0%	0	0%	Business Administration, Dayeh University Manager, Product Planning Division, E-LEAD Electronic	None	None	None	None	
Deputy Assistant General Manager, Business Department IV	R.O.C	Yi Lian Zhuang	Female	3 August 2022	13,000	0.01%	0	0%	0	0%	Department of Engineering Management, National Formosa University Deputy Assistant General Manager, Business Department IV, E-LEAD Electronic	None	None	None	None	

Note: The number of shares held as listed above represents the number of shares registered as at the date for suspension of share transfer on 14 April 2024.

Note 1: The information in this table should be disclosed for the general manager, deputy general managers, deputy assistant general managers, and the supervisors of all the company's departments and branch units, including all persons in positions equivalent to general manager, deputy general manager, or deputy assistant general manager, regardless of job title.

Note 2: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 3: If the general manager or person of an equivalent post (the highest level manager) and the chairman of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

(III) Where the chairman of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto:

The Chairman and General Manager of the company are the same person, who holds sufficient educational and professional qualifications as a director. Moreover, on 16 June 2023, the Company appointed one independent director and one external director, in line with corporate governance standards.

III. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, General Managers, and Deputy General Managers

(I) If any of the circumstances listed below applies to the Company, it shall individually disclose the remuneration items paid to each director and supervisor:

1. A company that posted an after-tax deficit in the parent only financial statements or individual financial statements in any of the three most recent fiscal years shall disclose the remuneration paid to individual directors and supervisors. This requirement, however, shall not apply if the company has posted net income after tax in the parent only financial statement or individual financial statement for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits.
2. A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors.

3. A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month.
4. If the total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial statements exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT$15 million, the company shall disclose the remuneration paid to that individual director or supervisor.
5. A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx) is ranked within the lowest two tiers in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEx, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation.
6. The average annual salary of the full-time non-management employees in a TWSE or TPEx listed company is less than NT$500,000 in the most recent fiscal year.
7. A TWSE or TPEx listed company had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year.
8. A TWSE or TPEx listed company had a decline in after-tax net income reaching 10 percent and exceeding NT$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT$100,000.
9. If the circumstance in item (1) or (5) of the preceding point applies to the company, it shall disclose the individual remuneration paid to each of its five most senior management personnel.

(II) Remuneration to Ordinary Directors and Independent Directors (Individual Disclosure of Names)

31 December 2023; Unit: NT$ Thousands; 1,000 shares; %

Title	Name	Remuneration to directors								SUM OF A+B+C+D AND RATIO TO NET INCOME (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Base compensation (A) (Note 2)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay (F)		Employee profit-sharing compensation (G) (Note 6)						
																The Company		All consolidated entities (Note 7)				
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	consolidated entities (Note 7	The Company	All consolidated entities (Note 7)	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities (Note 7)	
Chairman	Hsi-Hsun Chen	0	0	0	0	1,021	1,021	18	18	1,039 0.45%	1,039 0.45%	7,677	7,677	0	0	339	0	339	0	9,055 3.89%	9,055 3.89%	None
Former Deputy Chairman	Hsi-Yao Chen **	0	0	0	0	340	340	9	9	349 0.15%	349 0.15%	1,793	1,793	4,995	4,995	0	0	0	0	7,137 3.07%	7,137 3.07%	None
Deputy Chairman	Hsi-Tsang Chen **	0	0	0	0	1,021	1,021	15	15	1,036 0.45%	1,036 0.45%	5,704	5,704	0	0	228	0	228	0	6,968 3.00%	6,968 3.00%	None
Director	Teng-Kuei Chen	0	0	0	0	682	682	30	30	712 0.34%	712 0.34%	0	0	0	0	0	0	0	0	712 0.31%	712 0.31%	None
Director	Ming-Shou Lin	0	0	0	0	682	682	18	18	700 0.30%	700 0.30%	0	0	0	0	0	0	0	0	700 0.30%	700 0.30%	None
Director	Yu-Tzu Fu	0	0	0	0	682	682	18	18	700 0.30%	700 0.30%	0	0	0	0	0	0	0	0	700 0.30%	700 0.30%	None
Director	Han-Nian Lin	0	0	0	0	340	340	9	9	349 0.15%	349 0.15%	0	0	0	0	0	0	0	0	349 0.15%	349 0.15%	None
Independent Director	Chi-Chung Tsai	600	600	0	0	0	0	18	18	618 0.27%	618 0.27%	0	0	0	0	0	0	0	0	618 0.27%	618 0.27%	None
Independent Director	Cheng-Chun Chang	600	600	0	0	0	0	18	18	618 0.27%	618 0.27%	0	0	0	0	0	0	0	0	618 0.27%	618 0.27%	None
Independent Director	Shein-Tung Wu	600	600	0	0	0	0	30	30	630 0.27%	630 0.27%	0	0	0	0	0	0	0	0	630 0.27%	630 0.27%	None
Independent Director	Rong-Lin Jiang	325	325	0	0	0	0	15	15	340 0.15%	340 0.15%	0	0	0	0	0	0	0	0	340 0.15%	340 0.15%	None

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: The remuneration of the independent directors of the company shall be in accordance with the Articles of Incorporation or pursuant to a resolution of the shareholders' meeting and may be such as to provide for reasonable remuneration separate and distinct from that of the ordinary directors and supervisors. The remuneration of such independent director may also be determined by the relevant statutory procedures to be a fixed monthly remuneration without participation in the distribution of the Company's earnings.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises): None.

**Former Deputy Chairman Hsi-Yao Chen was dismissed on 16 June 2023; Deputy Chairman Hsi-Tsang Chen assumed office on 16 June 2023.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 8)	All consolidated entities (Note 9) H	The Company (Note 8)	All consolidated entities (Note 9) I
Less than NT$1,000,000	Hsi-Hsun Chen, Hsi-Yao Chen, Hsi-Tsang Chen, Teng-Kuei Chen, Ming-Shou Lin, Yu-Tzu Fu, Han-Nian Lin, Chi-Chung Tsai, Cheng-Chun Chang, Shein-Tung Wu and Rong-Lin Jiang	Hsi-Hsun Chen, Hsi-Yao Chen, Hsi-Tsang Chen, Teng-Kuei Chen, Ming-Shou Lin, Yu-Tzu Fu, Han-Nian Lin, Chi-Chung Tsai, Cheng-Chun Chang, Shein-Tung Wu and Rong-Lin Jiang	Teng-Kuei Chen, Ming-Shou Lin, Yu-Tzu Fu, Han-Nian Lin, Chi-Chung Tsai, Cheng-Chun Chang, Shein-Tung Wu and Rong-Lin Jiang	Teng-Kuei Chen, Ming-Shou Lin, Yu-Tzu Fu, Han-Nian Lin, Chi-Chung Tsai, Cheng-Chun Chang and Shein-Tung Wu, Rong-Lin Jiang
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)	None	None	None	None
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)	None	None	None	None
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)	None	None	None	None
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)	None	None	Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)	None	None	None	None
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)	None	None	None	None
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)	None	None	None	None
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)	None	None	None	None
NT$100,000,000 or above	None	None	None	None
Total	11	11	11	11

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or a deputy general manager, please complete this Table and Table 3-1and 3-2.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, deputy general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as general manager, deputy general manager, other managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.

Note 9: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).

Note 10: Net income means the net income after tax on the parent only or individual financial report for the most recent fiscal year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company.

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises".

c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

(III) Remuneration to General Manager(s) and Deputy General Manager(s) (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

31 December 2023; Unit: NT$ Thousands; 1,000 shares; %

Title	Name	Salary (A) (Note 2)		Retirement pays(B)		Rewards and special disbursements(C) (Note 3)		Employee profit-sharing compensation(D) (Note 4)				Sum of A+B+C+D AND ratio to net income (%) (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All consolidated entities (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Hsi-Hsun Chen	19,754	21,473	0	0	11,145	11,990	1,728	0	1,728	0	32,627 14.03%	35,191 15.13%	None
Deputy General Manager	Rui-Sheng Wu													
Deputy General Manager	Min-Nan Cai													
Deputy General Manager	Mao-Quan Ke													
Deputy General Manager	Zheng-Ji Yang													
Deputy General Manager	Jhih-Fang Chen													
Deputy General Manager	Sheng-Nan Jiang													
Deputy General Manager	Zhen-Chang Huang													
Deputy General Manager	Qian-You Chen													

*Disclosures must be made for all persons in positions equivalent to general manager or assistant general manager, regardless of job title (e.g., director-general, chief executive officer, chief administrative officer…etc.).

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and deputy general manager(s)	Names of General Manager(s) and Deputy General Manager(s)	
	The Company (Note 6)	All consolidated entities (Note 7)
Less than NT$1,000,000	None	None
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)	None	None
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)	Min-Nan Cai, Mao-Quan Ke, Zheng-Ji Yang, Jhih-Fang Chen, Sheng-Nan Jiang, Zhen-Chang Huang and Qian-You Chen	Mao-Quan Ke, Zheng-Ji Yang, Jhih-Fang Chen, Sheng-Nan Jiang, Zhen-Chang Huang and Qian-You Chen
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)	Rui-Sheng Wu	Rui-Sheng Wu
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)	Hsi-Hsun Chen	Hsi-Hsun Chen、Min-Nan Cai
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)	None	None
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)	None	None
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)	None	None
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)	None	None
NT$100,000,000 or above	None	None
Total	9	9

Note 1: The name of each general manager and deputy general manager shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or a deputy general manager, please complete this table and Table (1-1), or Tables (1-2-2).

Note 2: This includes salary, duty allowances, and severance pay to the general manager(s) and deputy general manager(s) in the most recent fiscal year.

Note 3: This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the general manager(s) and deputy general managers(s) in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the general manager(s) and deputy general manager(s) as approved or expected to be approved by the board of directors for the most recent fiscal year (including concurrent service as general manager, deputy general manager, other managerial officer, or non-managerial employee). If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed. Net income refers to the net income of the previous period; If IFRSs is adopted in reporting, net income shall be the net income stated in the separate financial statements

Note 5: Disclose the total amount of remuneration in each category paid to the general manager(s) and deputy general manager(s) by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the general manager(s) and deputy general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and deputy general manager by the Company.

Note 7: Disclose the names of the general manager(s) and deputy general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net income means the net income after tax on the parent only or individual financial report for the most recent fiscal year; If IFRSs is adopted in reporting, net income shall be the net income stated in the parent only or individual financial statements for the most recent fiscal year.

Note 9: a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and deputy general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company.

b. If general manager(s) or deputy general manager(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises”.

c. Remuneration means remuneration received by the general manager(s) and deputy general manager(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEx listed Company (Individual Disclosure of Names and Remuneration Items) (Note 1)

31 December 2023; Unit: NT$ Thousands; 1,000 shares; %

Title	Name	Salary (A) (Note 2)		Retirement pays(B)		Rewards and special disbursements(C) (Note 3)		Employee profit-sharing compensation(D) (Note 4)				Sum of A+B+C+D AND ratio to net income (%) (Note 6)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 7)
								The Company		All consolidated entities (Note 5)				
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
General Manager	Hsi-Hsun Chen	5,489	5,489	0	0	2,188	2,188	339	0	339	0	8,016 3.45%	8,016 3.45%	0
Former Deputy Chairman	Hsi-Yao Chen **	1,793	1,793	4,995	4,995	0	0	0	0	0	0	6,788 2.92%	6,788 2.92%	0
Deputy Chairman	Hsi-Tsang Chen	4,227	4,227	0	0	1,477	1,477	228	0	228	0	5,923 2.55%	5,923 2.55%	0
Deputy General	Min-Nan Cai	1,741	3,460	0	0	1,061	1,906	164	0	164	0	2,966 1.28%	5,530 2.38%	0
Deputy General	Rui-Sheng Wu	2,035	2,035	0	0	1,325	1,325	205	0	205	0	3,565 1.53%	3,565 1.53%	0

** Former Deputy Chairman Hsi-Yao Chen retired on 27 June 2023.

Note 1: "Management personnel" in the "Five Highest Remunerated Management Personnel" means managerial officers of the Company. "Managerial officers" means those falling within the applicable scope defined on 27 March 2003 Order No. Tai-Cai-Zheng-III-0920001301 of the former Securities and Futures Commission, Ministry of Finance. The "five highest remunerated" is calculated as those ranked in the top five in remuneration based on the sum total of the amounts of salary, retirement pay and pension, rewards and special disbursements, and employee profit-sharing compensation (i.e., the sum of items A+B+C+D) received by each of the Company's managerial officers from all companies in the consolidated financial reports. If any concurrently serving director(s) is among those top, fill out this table and also Table (II) above.

Note 2: This refers to the salary, duty allowances, and severance pay of each of the five highest remunerated management personnel in the most recent fiscal year.

Note 3: This refers to the amount of all rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, and other remuneration of the five highest remunerated management personnel in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the five highest remunerated management personnel in the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the five highest remunerated management personnel by all companies in the consolidated financial report (including the Company).

Note 6: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 7: a. In this column, specifically disclose the amount of remuneration received by the five highest remunerated management personnel of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. Remuneration means remuneration received by the five highest remunerated management personnel of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

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

	Title (Note 1)	Name (Note 1)	Amount in stock (NT$)	Amount in cash (NT$)	Total (NT$)	As a % of net profit (%)
Managerial officers	1. Chairman and General Manager	Hsi-Hsun Chen	0	2,043	2,043	0.88%
	2. Deputy Chairman	Hsi-Tsang Chen				
	3. Deputy General Manager, Marketing Department	Rui-Sheng Wu				
	4. Deputy General Manager, Institutional Design Center	Zheng-Ji Yang				
	5. Deputy General Manager, General Management Office	Mao-Quan Ke				
	6. Deputy General Manager, Electronics Department I	Jhih-Fang Chen				
	7. Deputy General Manager, Electronics Department II	Sheng-Nan Jiang				
	8. Deputy General Manager, Production Department & Technical General Manager of Institutional Design Center	Zhen-Chang Huang				
	9. Deputy General Manager, China Division, Management Office	Min-Nan Cai				
	10.Deputy Assistant General Manager, Thailand Business Unit, Operations Management Office	Jun-Ming Chen				
	11.Manager, Audit Office	Cui-Zu Chen				
	12.Manager, Finance Department	Pi-Huan Chen				
	13.Deputy General Manager, Quality Assurance Department	Qian-You Chen				
	14.Director, Materials Department	Wen-Wen Zhang				
	15.Deputy Assistant General Manager, Product Planning Department	Ru-Sian Chen				
	16.Deputy Assistant General Manager, Production Department	Chun-Qin Shi				
	17.Deputy Assistant General Managers, Product Planning Department	Wan-Ting Lin				
	18.Deputy Assistant General Manager, Business Department IV	Yi-Lian Zhuang				

Note 1: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent only or individual financial report for the most recent fiscal year.

Note 3: The applicable scope of "managerial officers" is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:

(1) General manager(s) and equivalent level positions
(2) Deputy general manager(s) and equivalent level positions
(3) Deputy assistant general manager(s) and equivalent level positions
(4) Supervisor(s) of the Finance Department
(5) Supervisor(s) of the Accounting Department
(6) Other persons who have the power to manage affairs and sign for the Company

Note 4: If any director, general manager, or deputy general manager receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-2.

(IV) Separately Compare and Describe Total Remuneration, as a Percentage of Net Income Stated in the Parent Only Financial Reports or Individual Financial Reports, as Paid by this Company and by each other Company Included in the Consolidated Financial Statements During the Past 2 Fiscal Years to Directors, Supervisors, General Managers, and Deputy General Managers, and Analyze And Describe Remuneration Policies, Standards, and Packages, the Procedure for Determining Remuneration, and its Linkage to Operating Performance and Future Risk Exposure:

1. Total remuneration, as a percentage of net income(loss) paid by the company to directors, supervisors, general managers, and deputy general managers:

Unit: NT$ Thousands; %

Title	2022 Total remuneration as a percentage of net income (%)		2023 Total remuneration as a percentage of net income (%)	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	6.94%	6.94%	11.96%	11.96%
General Manager and Deputy General Manager	9.66%	10.61%	14.03%	15.13%

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1) Directors and supervisors: In accordance with the provisions of the Company's Articles of Incorporation, the Directors shall be paid a discretionary carriage fee, irrespective of the profit or loss of the Company, and shall be remunerated in accordance with their actual participation in and contribution to the operations of the Company and with reference to industry standards, as determined by a meeting of the Directors.

(2) Remuneration paid to general manager(s) and deputy general manager(s): The remuneration of the General Manager and Deputy General Manager is based on the duties, responsibilities and contributions of the positions held by them and is determined by reference to industry standards.

(3) Procedure for determining remuneration, and its linkage to operating performance: In accordance with the provisions of the Company's Articles of Incorporation- Article 27-1: If the Company makes a profit in a year, it shall make a provision for the remuneration of its employees of not less than 1% and for the remuneration of its directors of not more than 5%. However, if the Company has accumulated losses, it shall retain in advance an amount to cover them.

(4) Future risk exposure: The Company has taken out directors' liability insurance for the directors to protect against possible risks.

IV. The State of the Company's Implementation of Corporate Governance:

(I)The state of operations of the board of directors and implementation of evaluations of the Board of Directors:

1. Information on the State of Operations of the Board of Directors

The Board of Directors convened 7 times (A) in the most recent fiscal year and the attendance by the directors and supervisors was as follows:

Title	Name (Note 1)	Number of meetings attended in person B	Number of meetings attended by proxy	In-person attendance rate (%)【B/A】(Note 2)	Remarks
Chairman	Hsi-Hsun Chen	7	0	100	
Director	Hsi-Yao Chen	3	0	100	Dismissed on 16 June 2023
Director	Hsi-Tsang Chen	5	2	71	
Director	Teng-Kuei	7	0	100	

	Chen				
Director	Ming-Shou Lin	7	0	100	
Director	Yu-Tzu Fu	7	1	100	
Director	Han-Nian Lin	4	0	100	Assumed office on 16 June 2023
Independent Director	Chi-Chung Tsai	7	0	100	
Independent Director	Cheng-Chun Chang	7	0	100	
Independent Director	Shein-Tung Wu	7	0	100	
Independent Director	Rong-Lin Jiang	4	0	100	Assumed office on 16 June 2023

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
   (I) Any matter under Article 14-3 of the Securities and Exchange Act: None.
   (II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director’s name, the content of the motion, the cause for recusal, and whether and how the director voted. The objectives of the current and most recent year to enhance the functions of the Board (e.g. to establish an audit committee and to improve information transparency, etc.) and the evaluation of the implementation. The Board of Directors' objective has been to improve the transparency of information by evaluating corporate governance. The directors who concurrently serve as managerial personnel excused themselves from the Board meetings on 12 January 2023 and 24 January 2024 regarding the year-end bonus for managerial officers and the annual salary adjustment in August 2023.

III. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors’ self-evaluations (or peer evaluations) and the evaluation method and content: Please refer to IV. (I) 2. Implementation of Evaluations of the Board of Directors and 3. The Results of the Board's Performance Evaluation.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing a special committee, increasing information transparency, etc.) and the measures taken toward achievement thereof. On 16 June 2023, the Company appointed one independent director and one external director.

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2:

(1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

2. Implementation of Evaluations of the Board of Directors

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Method of evaluation (Note 4)	Evaluation content (Note 5)
Once annually	1 January 2023 to 31 December 2023	Board as a Whole, Individual Directors Remuneration Committee Audit Committee	Internal evaluation by the board	As in Note 5

Note 1: Fill in the cycle on which the board evaluations are performed.

Note 2: Fill in the period covered by the board evaluation.

Note 3: The scope of the evaluation should cover the performance of the board as a whole, the individual directors, and the functional committees.

Note 4: The performance evaluation methods may include internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members, evaluations external organizations or experts engaged for that purpose, or other suitable method.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

(1) Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and

continuing education of the directors; internal control.

(2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.

(3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.

3. The Results of the Board's Performance Evaluation will be submitted to the Board on 24 January 2024.

(1) Self-evaluations of board performance:

The evaluation of board performance shall cover five aspects with a total of 45 indicator, with 37 “Excellent (5)”, 5 “Good (4)” and 3 “Fine (3)” indicators, indicating that the Board has been able to provide good guidance and supervision on the Company's strategy, major business and risk management, and has established a proper internal control system, and that the overall operation is sound and in line with corporate governance.

The results are as follows:

5 aspects of self-evaluations	Indicators	Results
A. Participation in the operation of the company	12	4.83
B. Improvement of the quality of the board of directors’ decision making	12	4.83
C. Composition and structure of the board of directors	7	4.28
D. Election and continuing education of the directors	7	4.71
E. Internal control	7	5.00

(2) Self-evaluation of performance of the board members:

The evaluation of performance of the board members shall cover six aspects with a total of 23 indicator. 9 indicators were rated “Excellent (5)” with an average score of 4.89, In 2023, new directors joined the board, contributing positively to the company's governance with more proactive participation. Their involvement has been positively evaluated in terms of efficiency and effectiveness in the operation of each indicator.

The evaluation results are as follows:

6 aspects of self-evaluations	Indicators	Results
A. Alignment of the goals and missions of the company	3	4.97
B. Awareness of the duties of a director	3	5.00
C. Participation in the operation of the company	8	4.81
D. Management of internal relationship and communication	3	4.93
E. The director's professionalism and continuing education	3	4.87
F. Internal control	3	4.90

(3) Self-evaluation of the performance of functional committees:

The company has established a remuneration committee and an audit committee. The performance evaluation includes 26 indicators across five aspects. Based on the evaluation results, 24 indicators were rated as “Excellent (5),” and 2 indicators were rated as “To be improved (1)”, which are related to the absence of a nominating committee. Overall, the evaluation shows that the audit committee and remuneration committee have been operating effectively, meeting the requirements of corporate governance and enhancing the functions of the board of directors.

The evaluation results are as follows:

5 aspects of self-evaluations	Indicator	Results
A. Participation in the operation of the company	4	5.00
B. Awareness of the duties of the functional committee	8	4.38
C. Improvement of quality of decisions made by the functional committee	7	5.00
D. Makeup of the functional committee and election of its members	4	3.75
E. Internal control	3	5.00

(II) The state of operations of the audit committee:

The Audit Committee convened 6 times (A) in the most recent fiscal year and the attendance by the independent directors was as follows:

Title	Name	Number of meetings attended in person (B)	In-person attendance rate (%) (B/A) (Note)	Remarks
Independent Director	Chi-Chung Tsai	6	100	Convener
Independent Director	Cheng-Chun Chang	6	100	
Independent Director	Shein-Tung Wu	6	100	
Independent Director	Rong-Lin Jiang	3	100	Assumed office on 16 June 2023

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.

(I) Any matter under Article 14-5 of the Securities and Exchange Act.

Audit Committee	Content of the motion(s) and follow-up measures
12 January 2023	1. Results of the independence assessment of the CPAs for 2022. 2. Replacement of CPAs. 3. Endorsement/ guarantee for the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd.

	Outcomes of audit committee resolutions: The motion was approved by all members of the Audit Committee.
	Measures taken by the Company based on the opinions of the audit committee: The motion was approved by all attending directors.
15 March 2023	1. 2022 Business Report, Consolidated Financial Statements and Parent Only Financial Statement. 2. Amendment to the “Articles of Incorporation”. 3. Distribution of 2022 Profits. 4. Amendment to the “Operational Procedures for Loaning of Company Funds and Endorsements and Guarantees”. 5. Endorsement/ guarantee for the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 6. Loan Limit and PSR (Pre-Shipment Credit Refinance) Quota Renewal with Taipei Fubon Bank. 7. Appointment of and professional fees to the CPAs in respect of the financial statements for 2023 and the list of non-assurance services expected to be provided by the CPA firm and its related entities for 2023. 8. “Assessment of the effectiveness of the internal control system” and “Statement of Internal Control” for 2022. 9. Amendment to the Company’s “Internal Control Systems (Version 9)”, “Implementation Rules for Internal Control (Version 12)” and “EL-A01 Procedures and Methods for Self-Assessment of Internal Control (Version 06)”.
	Outcomes of audit committee resolutions: The motion was approved by all members of the Audit Committee.
	Measures taken by the Company based on the opinions of the audit committee: The motion was approved by all attending directors.
10 May 2023	1. 2023 Q1 Consolidated Financial Statements. 2. Cash injection into E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 3. Endorsement/ guarantee for the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 4. Loan Limit and renewal of derivatives hedging facility in Cathay United Bank.
	Outcomes of audit committee resolutions: The motion was approved by all members of the Audit Committee.
	Measures taken by the Company based on the opinions of the audit committee: The motion was approved by all attending directors.
09 August 2023	1.2023 Q2 Consolidated Financial Statements. 2. Endorsement/ guarantee for the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 3. Loaning of funds to the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 4. Loaning of funds to the subsidiary, E-LEAD ELECTRONIC(THAILAND) CO., LTD.
	Outcomes of audit committee resolutions: The motion was approved by all

	members of the Audit Committee.
	Measures taken by the Company based on the opinions of the audit committee: The motion was approved by all attending directors.
08 November 2023	1.2023 Q3 Consolidated Financial Statements. 2. Endorsement/ guarantee for the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 3.Renewal of the nominal limit for derivative financial instrument hedging transactions with Mega International Commercial Bank, North Changhua Branch. 4.Cash injection of NT$29.9 million into the subsidiary, Far Vision Technology CO., LTD. 5.Annual Audit Plan for 2024.
	Outcomes of audit committee resolutions: The motion was approved by all members of the Audit Committee.
	Measures taken by the Company based on the opinions of the audit committee: The motion was approved by all attending directors.
06 March 2024	1.Business report, consolidated financial statements, and parent company only financial statements for 2023. 2.Profit distribution for 2023. 3.Renewal of credit facilities and PSR limits with Taipei Fubon Bank. 4.Results of the independent assessment of the CPA's independence for 2023. 5. Appointment and remuneration of CPAs for 2023, including a list of non-assurance services expected to be provided by the CPA's firm and its related entities in 2024. 6."Assessment of the effectiveness of internal control system" and issuance of the "Statement of Internal Control System" for 2023.
	Outcomes of audit committee resolutions: The motion was approved by all members of the Audit Committee.
	Measures taken by the Company based on the opinions of the audit committee: The motion was approved by all attending directors.
08 May 2024	1.2024 Q1 Consolidated Financial Statements.
	Outcomes of audit committee resolutions: The motion was approved by all members of the Audit Committee.
	Measures taken by the Company based on the opinions of the audit committee: The motion was approved by all attending directors.

(II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communication between the independent directors and the internal audit supervisor and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication).

(I) Summary of communication between the independent directors and internal audit supervisor

1. The independent directors of the company have expressed satisfaction with the implementation and effectiveness of the internal audit operations. Communication regarding these matters has been positive.
2. Key communication matters during 2023 are as follows:

Date	Method	Significant matters	Suggestion and outcomes
12 January 2023	Communication within the Audit Committee	Report on the 6th implementation of the audit operation in 2022.	No adverse opinion
15 March 2023	Communication within the Audit Committee	Report on the 1st implementation of the audit operation in 2023. 2022 “Assessment of the effectiveness of the internal control system” and “Statement of Internal Control System”.	No adverse opinion
10 May 2023	Communication within the Audit Committee	Report on the 2nd implementation of the audit operation in 2023.	No adverse opinion
09 August 2023	Communication within the Audit Committee	Report on the 3rd audit implementation status in 2023.	No adverse opinion
08 November 2023	Communication within the Audit Committee	Report on the 4th audit implementation status in 2023. “Annual Audit Plan” for 2023.	No adverse opinion
06 March 2024	Communication within the Audit Committee	Report on the 1st audit implementation status in 2024. “Assessment of the effectiveness of internal control system” and issuance of the “Statement of Internal Control System” for 2023.	No adverse opinion
08 May 2024	Communication within the Audit Committee	Report on the 2nd audit implementation status in 2024.	No adverse opinion

(II) Summary of communication between the independent directors and the CPAs

1. The communication between the independent directors of the company and the CPAs has been positive.
2. Key communication matters are as follows:

Date	Method	Significant matters	Suggestion and outcomes
15 March 2023	Communication within the Audit Committee	Independence of the CPA, contents of the letter of representation, scope of the Group's audit, key audit matters, expected auditors' opinion for 2022.	No adverse opinion
08 November 2023	Communication within the Audit Committee	Independence of the CPA, contents of the letter of representation, scope of the Group's audit, key audit matters, CPA's Review Report.	No adverse opinion
06 March 2024	Communication within the Audit Committee	Independence of the CPA, contents of the letter of representation, scope of the Group's audit, key audit matters, expected auditors' opinion for 2023.	No adverse opinion

Note: *If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

*If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person’s actual time in office.

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

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its "Corporate Governance Best-Practice Principles" based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE Listed and TPEx Listed Companies" and disclosed at the Company's external website and at MOPS.	No material deviations
2. Shareholding Structure and Shareholders' Rights				
(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(1) The Company has established a spokesperson system to deal with matters relating to shareholders' suggestions and has disclosed the contact details of shareholders on its website.	(1) No material deviations
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2) The top ten shareholders of the Company are the directors of the Company and the spouses and relatives within the second tier of kinship. The Board of Directors has substantive control of the Company.	(2) No material deviations
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(3) The management of the Company's investee companies is conducted in accordance with the Company's "Group Corporate Governance Policy", "Internal Control System", "Internal Audit System" and relevant laws and regulations.	(3) No material deviations
(4) Has the Company established internal rules	V		(4) The Company has established "Operational	(4) No material deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
prohibiting insider trading of securities based on undisclosed information?			Procedures for Handling Material Internal Information" which prohibits insiders from trading securities using information not publicly available in the market.	
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1) 1. The nomination and election of board members in company are conducted in accordance with the provisions of the "Articles of Incorporation". The Company follows a candidate nomination system, adhering to the "Guidelines Governing Election of Directors" and "Corporate Governance Best-Practice Principles" to ensure the diversity and independence of the board members. 2. The Board of Directors consists of 10 members. Director, Hsi-Hsun Chen possesses expertise in business, marketing, and industry technology. Directors, Hsi-Tsang Chen possess knowledge of corporate governance, business, marketing, and industry technology. Director, Teng-Kuei Chen is experienced in business, marketing, and industry technology. Directors, Ming-Shou Lin, Chi-Chung Tsai and Rong-Lin Jiang are well-versed in enterprise management, accounting principles, finance, and tax regulations. Director, Yu-Tzu Fu has capabilities in healthcare and nursing as well as business	(1) No material deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			management. Director, Cheng-Chun Chang specializes in human resources management practices. Shein-Tung Wu brings expertise in software communication industry analysis, network technology research and development, and foresight contextual technology forecasting. Han-Nian Lin possesses significant capabilities in industry technology research and development, as well as insightful contextual understanding for predicting technological trends. 3. The Board of Directors consists of 4 independent directors, accounting for 40% of the board, and 6 non-independent directors, accounting for 60% of the board. 2 directors serve as employees of the company, accounting for 20% of the board, and 1 female director, accounting for 10% of the board. The 4 independent directors have been serving for 1 to 9 years, and the age of all 10 directors ranges from 61 to 70 years old. 4. The Board of Directors has disclosed the policy on the diversified composition of its members on the Company's website and the MOPS.	
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	(2) The company is still in the stage of reviewing its feasibility.	(2) The company is still in the stage of reviewing its feasibility.
(3) Has the Company established rules and methodology for evaluating the performance	V		(3) The Company has a Board performance evaluation system in place and the evaluation of Board	(3) No material deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?			performance for 2023 was submitted to the Board on 24 January 2024.	
(4) Does the Company regularly evaluate its external auditors' independence?	V		(4) The Company's audit committee regularly refers to Audit Quality Indicators (AQIs) to assess the independence and suitability of CPAs. This was reported to the board on 6 March 2024.The items of the assessment include assessing whether there is no close relationship between the CPA firm, its affiliates and members of the audit services team and the Company or the Company's directors, supervisors and managers, including financial interests, financing and guarantees, business relationships, family and personal relationships, employment relationships, gifts and special privileges, rotation of the CPA, independence of the CPA of non-audit services and CPA's declaration of independence.	(4) No material deviations
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to	V		4. On 17 June 2019, the Board of Directors resolved to designate Mao-Quan Ke, Deputy General Manager of General Management Office as the head of corporate governance to protect the rights of shareholders and strengthen the functions of the Board of Directors. Its practices include legal affairs,	No material deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			financial accounting, information and human resources; the finance department is also responsible for corporate governance related matters. The Head of Corporate Governance of the Company has at least three years' experience as a legal executive of a listed company. The main duties include dealing with matters relating to meetings of the Board of Directors, the Audit Committee, the Remuneration Committee and the Shareholders' Meeting in accordance with the law, preparing minutes of meetings on record for the convention of the Board of Directors, the Audit Committee, the Remuneration Committee and the Shareholders' Meeting, assisting in the appointment and continuing education of Directors, providing information necessary for the execution of the business of the Directors and assisting the Directors in complying with the law.	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?	V		5. The Company has established a dedicated unit and complaint channels for shareholders, banks, employees, customers, suppliers, community or other stakeholders to deal with issues relating to their rights and interests and the communication has been satisfactory.	No material deviations
6. Has the Company appointed a professional shareholder services agent to handle matters	V		6. The Company has commissioned the “Stock Transfer Agency Department of Yuanta Securities	No material deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
related to its shareholder meetings?			Co., Ltd." as the paraprofessional service agent.	
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V V V		(1) The Company has disclosed information as required by law on its financial operations and corporate governance on a regular or irregular basis at MOPS and on the Company's website at www.e-lead.com.tw. (2) The Company's website is available in both English and traditional Chinese for shareholders' reference. The Company's Operations Management Office and Finance Department are also responsible for the collection and disclosure of information and have a spokesperson and an acting spokesperson to speak on behalf of the Company. (3) The Company announces its Q1, Q2, Q3 and annual financial reports and business report for each month within the prescribed timeframe.	(1) No material deviations (2) No material deviations (3) No material deviations
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies	V		(1) Employee rights and employee care: The Company has a dedicated Human Resources Officer in the Management Department to deal with employee rights and employee care, as well as an Employee Welfare Committee to take care of the welfare of our employees. (2) Investor relation: The Company has a spokesperson and a proxy spokesperson to receive inquiries from	(1) No material deviations (2) No material deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			investors. External professional share agents are also appointed to deal with shareholding matters. (3) Supplier relation: The Procurement Division is the main supplier relations maintenance department. (4) The Investors and Stakeholders section of the company's website has a communication channel and a message platform, as well as a service area listing the company's service locations and various contact details. The Finance Department is responsible for maintaining relationships with financial, tax and securities institutions. (5) Continuing education of the Directors and Supervisors: The Company arranges for its directors and supervisors to attend seminars covering topics related to corporate governance every year and the details of the training are disclosed in the Corporate Governance section of the MOPS. Please refer to (VIII) 2. Professionalism and continuing education of Chief Corporate Governance and department supervisors. (6) Risk management policy and risk assessment standard in action: The risk management of the Company's operations is assigned to the relevant management units according to the nature of their business. The audit office is responsible for reviewing the existence or potential risks of each operation to formulate and implement a risk-oriented annual audit plan, and reporting on the implementation of internal control and the status of	 (3) No material deviations (4) No material deviations (5) No material deviations (6) No material deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			its tracking and improvement at the board of directors' meetings. (7) Client relation: The Company has a sales and after-sales service unit to maintain a well-established communication and service channel with our customers and has been performing well. (8) Status of the purchase of professional liability insurance for the protection of the Directors: Director's Liability Insurance for the years 2022 and 2023 provides coverage up to US$5 million. The Director's Liability Insurance will be renewed in June 2024.	(7) No material deviations (8) No material deviations
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)	V		The Company regularly reviews its corporate governance assessment program with the objective of meeting the assessment.	No material deviations

Note: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.

(IV) If the Company Has a Remuneration Committee in Place and Operation of Such Committee Shall be Disclosed:

Qualifications / Capacity (Note 1)	Name	Professional qualifications and experience (Note 2)	Independence analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convener)	Cheng-Chun Chang	Having obtained a PhD at Chinese Culture University with practice experience in the management of human resource. Had served as the Secretary General of the Entrepreneur Club and independent director of other public companies. The expertise is believed to enhance the quality of the Board's corporate governance management and the oversight function of the Remuneration Committee and Audit Committee.	The Company has obtained a written declaration, employment experience and proof of current employment from each of the directors, as well as a list of relatives provided for verification at the time of nomination and selection of board members, and has confirmed the independence of its relatives, including itself, its spouse and the relatives within third degree, from the Company; It has also been verified that the four independent directors listed on the left have all met the qualifications set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission during the two years prior to their election and during their tenure of office, and that the independent directors have been given full powers to participate in decision-making and express their views in accordance with Article 14-3 of the Securities and Exchange Act, so that they can independently perform their relevant duties.	0
Independent Director	Chi-Chung Tsai	Having obtained a PhD in Business Administration from the School of Economics and Management, Fuzhou University and has been qualified as AAIA Accountant and also run a joint taxation agency firm and financial consultancy firm. Currently an Independent Director of a listed company and a part-time university lecturer who is familiar with the concept of business management, accounting standards, financial and tax laws and regulations. The expertise is believed to enhance the quality of the corporate governance management of the Board and to supervise the Remuneration Committee and Audit Committee.		1

Independent Director	Shein-Tung Wu	Having graduated with a Master of Science in Computer Science from Utah State University, USA with former experience as a Senior Industry Consultant at Market Intelligence & Consulting Institute and a Director at Asia Pacific Industry Analysis Association of Taiwan. The expertise is believed to enhance the technical management of the board and to supervise the Remuneration Committee and Audit Committee.		0
Independent Director	Rong-Lin Jiang	Rong-Lin Jiang graduated from Tamkang University with a degree in International Trade. He is currently employed at the Sunrise CPA's Firm, where he is well-versed in corporate management, accounting standards, financial regulations, and tax laws. Leveraging his expertise, he contributes to enhancing the quality of corporate governance within the board of directors, as well as the oversight functions of the compensation committee and the audit committee.		0

Note 1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1 Information on Directors and Supervisors (1) on p.10. For "Capacity," please specify whether the member is an independent director or other (if the member is the convenor, please note that fact).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

2. Operation of the Remuneration Committee

(1) The Company's remuneration committee has a total of 4 members.

(2) The term of the current members is from 16 June 2023 to 15 June 2026. The number of remuneration committee meetings held in the most recent fiscal year was: 7 (A). The attendance by the members was as follows:

Title	Name	Number of meetings attended in person (B)	Number of meetings attended by proxy	In-person attendance rate (%) (B/A) (Note)	Remarks
Convenor	Cheng-Chun Chang	7	0	100	
Member	Chi-Chung Tsai	7	0	100	
Member	Shein-Tung Wu	7	0	100	
Member	Rong-Lin Jiang	3	0	100	Assumed office on 16 June 2023
Other information required to be disclosed: 1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None. 2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.					

Note:

(1) If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

(2) If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

3. Important resolutions from the meetings of the remuneration committee are as follows:

Meeting date	Content of the motion	Outcome	Measures taken by the Company with respect to the members' opinion
12 January 2023	1. Results of the evaluation of the Board's performance in 2022 2. Year-end bonus for managerial personnel of the Company (including subsidiaries) for 2022	Approved	N/A
16 March 2023	Review of the total amount of employee compensation and director remuneration for 2022	Approved	N/A
10 May 2023	1.Amendment to the "Employee Compensation Distribution Regulations". 2. Distribution amounts of remuneration to directors and compensation to managerial personnel for 2022.	Approved	N/A
16 June 2023	1. Election of the convener and chair of the 5th Remuneration Committee. 2. Managerial salaries for June 2023.	Approved	N/A
09 August 2023	1. Amendment to the Remuneration Committee Charter, version 05. 2. Salary adjustments for managerial personnels (including subsidiaries) for 2023.	Approved	N/A
08 November 2023	Regular review on the company's compensation and Rules for Performance Evaluation of the Board of Directors and functional committees.	Approved	N/A
24 January 2024	1. Report on the evaluation results of the Board of Directors' performance evaluation for 2022. 2. Revision on the Rules for Performance Evaluation of the Board of Directors and functional committees. 3. Year-end bonuses for managerial personnels (including subsidiaries) for 2022.	Approved	N/A
06 March 2024	Total distribution of employee compensation and director's remuneration for 2023.	Approved	N/A
08 May 2024	1. The amount of director remuneration distributed in 2023. 2. The amount of managerial personnel compensation distributed in 2023.	Approved	N/A

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

The Company's systems, measures, and implementation in relation to environmental protection, community engagement, social contributions, social services, social welfare, consumer rights, human rights, occupational health and safety, and other sustainable development activities are as follows:

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		(1) The company has developed a code of practice for sustainable development. (2) The respective departments are responsible for executing tasks related to sustainable development. The Management Department is in charge of employee communication, the Labor Safety Office handles environmental safety and health within the factory premises, the Spokesperson manages investor relations, the Finance Department oversees financial, taxation, and securities institution relationships, the Quality Service Division and Marketing Department handle customer relations, and the Procurement Division maintains relationships with suppliers. Currently, there is no regular reporting to the Board of Directors regarding the handling of these matters, In the future, establishment assessments will be conducted regularly and reported to the Board. Implementation status: The schedule for greenhouse gas inventory and verification in the company: Talent training	In the future, establishment assessments will be conducted regularly and reported to the Board

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			courses, data collection, discussions on relevant activities at the factory, and preliminary calculations of emissions were completed on 5 December 2023. We anticipate conducting inventory listings and preliminary reports in May 2024, along with drafting regulations related to greenhouse gas in the company. Progress on the Company's energy management (ISO 50001): We are currently in the process of implementing the guidance for system integration.	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		The Company regularly conducts risk assessments on environmental, social and corporate governance issues related to its operations in accordance with the materiality principle and formulates relevant risk management policies or strategies.	No material deviations
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics? (2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact? (3) Has the Company evaluated the potential risks and opportunities posed by climate change for its	 V V V		 (1) A labor safety office has been established and related management systems have been developed. (2) The Company is committed to improving the efficiency of its resources and using recycled materials that have a low impact on the environment wherever possible. (3) The Company has established a labor safety office and developed a management system.	 (1) No material deviations (2) No material deviations (3) No material deviations

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
business now and in the future and adopted relevant measures to address them?			The "Environmental, Safety and Health Policy" has been formulated and the Company has obtained ISO14001 (Latest certificate valid from 4 October 2021 to 3 October 2024) and ISO45001(Latest certificate valid from 4 October 2021 to 3 October 2024) certificates. Additionally, we are planning for ISO14064-1 greenhouse gas inventory and ISO50001 energy management systems. We aim to complete the greenhouse gas inventory for the parent company by 2026 and for subsidiaries by 2029. 1. The "Labor Safety Office" has been established to manage the plant environment. For many years, the Company has implemented a room temperature for the use of air-conditioning, and regularly check for the implementation status. 2. The Company has an "Environmental, Safety and Health Policy", which commits the company to protect the environment and put safety first.	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction,	V		(4) 1. Annual quantified management of energy saving and carbon reduction in the future (1) Energy saving and carbon reduction The Company's quantified	(4) No material deviations

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
reduction of water consumption, or management of other wastes?			management target for future energy savings and carbon reduction: a 40% reduction in carbon emissions by 2030 (2) Water consumption In response to global climate change and global water scarcity, the Company aims to reduce overall water consumption by 30% by 2025, with 2018 as the base year, and to take concrete actions to face the challenge of climate change together with global enterprises. 2. Measures to achieve the objectives and the status of achievement (1) Energy saving and carbon reduction A solar power system has been installed to increase the use of renewable energy. Reduce the weight of waste and increase recycling rates. Implement energy saving programs for electrical lighting, air-conditioning and other electricity consumption, and review energy-consuming equipment or replace old equipment. (2) Water management Water conservation and the use of water-saving taps and water-saving	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			labelled equipment. (3) Achievement: In 2022, the greenhouse gas emissions, water usage, and total waste weight were 2,341 Tco2e, 24,587 cubic meters, and 44,000 kilograms, respectively. In 2023, the greenhouse gas emissions, water usage, and total waste weight were 2,392 Tco2e, 25,379 cubic meters, and 46,600 kilograms, respectively. The Environmental and Safety and Health Policy on Energy and Carbon Reduction, Greenhouse Gas Reduction and Reduction of Water and Other Waste Management was signed by the Chairman and announced for implementation on 10 January 2024.	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1) The Comply complies with the SA8000 social responsibility policy to uphold the equality and dignity of both sexes at work and prohibit discrimination, verbal violence and sexual harassment in the workplace. The “Gender Equality Act” and other related regulations are established in accordance with relevant labor acts and are taught and promoted during the	(1) No material deviations

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			education and training of new recruits. The Audit Office will be auditing the implementation status.	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		(2) The company has revised the work rules manual for employees in accordance with the relevant laws and regulations, which has been approved by the Changhua County Government. The allocation of 3% of the pre-tax net profit as employee compensation each year is linked to operational performance and employee salaries.	(2) No material deviations
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		(3) The Company has set up a medical office, a breastfeeding room and a doctor on site once a month to provide employees with health advice; Employees have regular annual health examinations and special workers have regular medical check-ups in accordance with labor acts.	(3) No material deviations
(4) Has the Company established effective career development training programs for employees?	V		(4) In order to enhance the work skills of our employees, to enable them to quickly integrate into the working environment, to improve the quality of our products and services and to enhance the overall competitiveness of our organization, the Company has developed an education and training program through a systematic training blueprint to enable our employees to grow with us.	(4) No material deviations
(5) Does the company comply with the relevant laws	V		(5) The Company complies with relevant	(5) No material deviations

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies? (6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	 V		legislation and international standards and has established relevant consumer protection policies and complaints procedures. (6) The Company has established a supplier management policy which requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health or labor human rights issues. Implementation has been satisfactory and there have been no breaches.	 (6) No material deviations
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		V	The Company has not yet prepared for a Sustainability Report.	After evaluation, the decision was made to prepare a sustainability report next year.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: No material deviations in the Company's operation.				
7. Other important information to facilitate a better understanding of the company's promotion of sustainable development: (1) Chuansing Factory is equipped with 6 AEDs and conducts regular educational training. It is certified as a "Safe Place" by Changhua County Government. (2) Participate in the Ministry of Labor's Youth Employment Program, which provides practical workplace training to increase employment opportunities for young people aged 15 to 29. (3) Maternity care protection measures are implemented, including optimizing breastfeeding room facilities and providing designated "mothers'				

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
parking spaces”. (4) Establishing channels and emails for reporting and addressing workplace bullying issues. (5) Conducting employee health promotion programs. (6) Equipped with employee motorcycle parking spaces (7) 7-11 vending machines are installed within the factory. (8) Free snacks are provided for all colleagues in the factory. (9) Scholarships for employees' children are offered. (10) The optimization of office area seating and public space environment is underway. (11) Organizing blood donation drives on 22 March 2023, 20 July 2023, and 20 March 2024, to contribute to the community. (12) Participating in the “Save Lives with Used Shoes” public welfare event on 30 November 2023. (13) Participating in the “Get Active and Love the Elderly” event on 12 May 2023, to show care for the elderly during the Dragon Boat Festival. (14) Participating in the “Love the Elderly, Shine Bright in Mid-Autumn Festival” event on 31 August 2023, to show care for the elderly during the Mid-Autumn Festival. (15) Beginning with the company's diverse welfare policies, a one-day hiking trip to Xitou was organized on 17 June 2023, involving 13 tour buses. This was followed by an employee family trip from 4 November to 25 November 2023, accommodating 945 individuals with 24 tour buses. Additionally, a Christmas celebration event took place from 19 December to 23 December 2023. (16) In March 2024, new ATMs and passbook entry machine were installed within the factory premises				

Note 1: If “Yes” is ticked in the “Implementation status” column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If “No” is ticked in the “Implementation status” column, please explain the deviations and the reasons in the “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons” column and explain the Company’s plans for adoption of related policies, strategies, and measures in the future. However, for Items 1 and 2, the TWSE/TPEx listed company shall describe its governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal formulation, review measures, etc. It additionally shall describe the company's risk management policies or strategies for operations-related environmental, social, and corporate governance issues, and their assessment status.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company’s investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

1. The declaration of “No false information nor omissions” was signed and is available at MOPS.

2. Implementation of Ethical Corporate Management

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(1) The Board has established a “Ethical Corporate Management Best Practice Principles”, which is published at MOPS and the Company's website.	(1) No material deviations
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		(2) The Company's internal management practices are governed by the “Management Responsibility Policy”, the ‘Vetting Authority Policy”, the “Reward and Punishment Management Policy” and the “Company Code of Ethical Conduct”	(2) No material deviations
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(3) The items listed in the left column are specific to the Company's practices in each case, and the Company's personnel shall not directly or indirectly offer, promise, demand or accept any improper advantage or otherwise act in bad faith, unlawfully or in breach of fiduciary	(3) No material deviations

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			duty in the course of their business conduct.	
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(1) Before entering into business relationships with others, the Company assesses the legitimacy of agents, suppliers, customers or other parties with whom it does business, its policy of conducting business with integrity and whether it has a history of dishonest conduct to ensure that it conducts business in a fair and transparent manner and does not ask for, offer or accept bribes.	(1) No material deviations
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?		V	(2) To be set up in due course in the future.	(2) To be set up in due course in the future
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(3) If a conflict of interest arises, an employee may report it to his or her immediate department head or the head of the management office. No conflicts of interest between employee and the Company have been identified in the most recent year; A Director who has a conflict of interest shall recuse himself or herself from any resolution of the Board. In January 2023 and January 2024, the Directors who were also employees rescued themselves from the Board’s review of the year-end bonus for	(3) No material deviations

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		managerial officers in August 2023. (4) The Company has established an effective accounting system and internal control system, which are reviewed and revised from time to time in accordance with changes in laws and regulations and practical requirements. Regular audits are conducted by internal auditors to ensure that the system is designed and implemented in an effective manner, to achieve corporate governance and risk control, and to operate with integrity. CPAs perform audits on internal control of the company in both the first and second halves of the year.	(4) No material deviations
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(5) The company's management regularly educates the company at meetings and training sessions on how to prevent dishonest behavior, in the hope of establishing a consistent belief among all employees and following the relevant laws and regulations in order to implement ethical business practices.	(5) No material deviations
3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		(1) If any violation of the regulations related to honest management is found, it can be reported to the head of the direct department or the head of the management office. The authority and responsible unit will jointly review the case, and then the company will take disciplinary action in accordance with the company's personnel rules and regulations if the case is confirmed.	(1) No material deviations

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner? (3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaint	V V		(2) If the Company discovers or receives a report of dishonest conduct by a member of the Company's staff, and if the conduct is proven to be in breach of the relevant laws or Company regulations, the Company shall immediately require the individual to cease the conduct and deal with the individual appropriately. If necessary, legal proceedings may be instituted to seek damages in order to protect the reputation and rights of the Company. (3) The Company shall exercise due diligence in maintaining the confidentiality and protection of whistleblowers and shall not be subject to improper treatment as a result of such whistleblowing.	(2) No material deviations (3) No material deviations
4. Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The “Ethical Corporate Management Best Practice Principles” has been disclosed on the Company's website and at MOPS. There is no record on violation of ethical corporate management by the Company	No material deviations
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: No material deviations				
6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): None.				

Note: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.

(VII) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

The company has established the “Corporate Governance Best Practices Principles”, “Sustainable Development Best Practice Principles”, “Codes of Ethical Conduct” and “Ethical Corporate Management Best Practice Principles” which are published on the company's website and disclosed on MOPS.

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:

1. Managerial officers' participation in professional development and training related to corporate governance.

(1) Professionalism and continuing education of directors in 2023

Name	Date	Organizer	Course Topics	Hours
Hsi-Hsun Chen	04 July 2023	TWSE	2023 Cathay Sustainable Finance and Climate Change Summit	6hrs
Hsi-Tsang Chen	15 July 2023	Commerce Development Research Institute	Corporate Governance and Sustainable Business Management Workshop	3hrs
	18 August 2023	Accounting Research and Development Foundation	Corporate Governance Forum	3hrs
Teng-Kuei Chen	13 July 2023	TWSE/ TPEx	Sustainability Development Action Plan Promotion Seminar for Listed Companies	3hr
	04 September 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6hrs
Yu-Tzu Fu	04 July 2023	TWSE	2023 Cathay Sustainable Finance and Climate Change Summit	6hrs
Ming-Shou Lin	04 July 2023	TWSE	2023 Cathay Sustainable Finance and Climate Change Summit	6hrs
Han-Nian Lin	18 August 2023	Accounting Research and Development Foundation	Corporate Governance Forum	3hrs
	13 October 2023	Securities & Futures Institute	2023 Insider Trading Prevention Awareness Seminar	3hrs
Chi-Chung Tsai	20 October 2023	Securities & Futures Institute	2023 Insider Trading Prevention Awareness Seminar	3hrs
	15 November 2023	Securities & Futures Institute	2023 Insider Trading Prevention Awareness Seminar	3hrs
	22 November 2023	Securities & Futures Institute	2023 Insider Trading Prevention Awareness Seminar	3hrs

Name	Date	Organizer	Course Topics	Hours
Cheng-Chun Chang	04 July 2023	TWSE	2023 Cathay Sustainable Finance and Climate Change Summit	6hrs
Shein-Tung Wu	04 July 2023	TWSE	2023 Cathay Sustainable Finance and Climate Change Summit	6hrs
Rong-Lin Jiang	04 July 2023	TWSE	2023 Cathay Sustainable Finance and Climate Change Summit	6hrs
	13 October 2023	Securities & Futures Institute	2023 Insider Trading Prevention Awareness Seminar	3hrs
	15 November 2023	Securities & Futures Institute	2023 Insider Trading Prevention Awareness Seminar	3hrs

(2) Professionalism and continuing education of Chief Corporate Governance and department supervisors in 2023

Title Name	Date	Organizer	Course Topics	Hours
Deputy General Manager, General Management Office and Chief Corporate Governance Officer Mao-Quan Ke	04 July 2023	TWSE	2023 Cathay Sustainable Finance and Climate Change Summit	6hrs
	18 August 2023	Accounting Research and Development Foundation	Corporate Governance Forum	3hrs
	04 September 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6hrs
	13 October 2023	Securities & Futures Institute	2023 Insider Trading Prevention Awareness Seminar	3hrs
Manager, Finance Department and Accounting Supervisor Pi-Huan Chen	19 October 2023 to 20 October 2023	Tunghai University	Professional Development of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12hrs
Manager, Audit Office Cui-Zu Chen	18 May 2023	The Institute of Internal Auditors	Information Business Audit Practices Workshop	6hrs
	09 November 2023	The Institute of Internal Auditors	Enterprise Implementation of Sustainable ESG and Integrated Application of Internal Audit and Internal Control Practices Workshop	6hrs

2. Operational Procedures for handling material internal information:
   (1) The Company has established the "Operational Procedures for Handling Material Internal Information" and has announced this procedure to inform all employees, managers and directors that they should comply with the laws and regulations relating to insider trading in order to avoid any violation and occurrence of insider trading.
   (2) On 07 March 2023, 02 May 2023, 01 August 2023, 30 October 2023, and 27 February 2023, the Company forwarded the non-compliance of the transfer of shares of insiders of the Taiwan Stock Exchange to inform the insiders of the common non-compliance patterns and urged them to follow the regulations. It was reported to the Board of Directors on 15 March 2023, 10 May 2023, 09 August 2023, 08 November 2023, and 06 March 2023.
   Education and training on "Operational Procedures for Handling Material Internal Information" for all directors after the board meeting on 8 November 2023.
   (3) On 22 November 2023, the Company held a training session on "Operational Procedures for Handling Material Internal Information" for the employees; For the new employees, the Company held a training session on "Operational Procedures for Handling Material Internal Information" on 23 March, 21 June, 27 September and 20 December.
   (4) Directors, managers and employees of a total of 74 people attended the educational sessions for one hour, covering the scope of material internal information, confidential practices, public practices and handling of non-compliance matters.

(IX) The section on the state of implementation of the company's internal control system shall furnish the following:

1. Statement on Internal Control.

E-LEAD Electronic Co., Ltd.

Statement of Internal Control System

Date: 06 March 2024

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2023:

1. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. 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 stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its 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 five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, the Company believes that, on 31 December 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. 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.
7. This Statement was passed by the Board of Directors in their meeting held on 06 March 2024, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

E-LEAD Electronic Co., Ltd.

Chairman: Hsi-Hsun Chen

General Manager: Hsi-Hsun Chen

Note 1: The design and operation of internal control systems for public companies shall be disclosed. In case of significant deficiencies identified during the year, an explanatory paragraph shall be added after the fourth item in the statement on internal control. This paragraph shall enumerate and explain the material deficiencies identified through self-assessment, as well as the measures taken by the company to address and improve the deficiencies before the balance sheet date.

Note 2: The date of the statement shall be the "end date of the fiscal year".

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

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

(XI) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Material resolutions of shareholders meetings

Date	Contents of resolution and implementation
16 June 2023	The resolutions and implementation of the 2023 Annual Meeting of Shareholders are as follows: 1. Adoption of 2022 Business Report and Financial Statements. 2. Adoption of the proposal for 2022 profit distribution Implementation status: The shareholders' meeting resolved to distribute cash dividends and authorized the Chairman to set other relevant matters such as the ex-dividend date and payment date. 8 August 2023 was set as the ex-dividend date, and cash dividends were distributed on 22 August 2023. The announcement was made in accordance with the law on MOPS. 3. Amendment to certain provisions of the "Articles of Incorporation". Implementation status: Upon the resolution of the meeting of shareholders, the Company shall register the change in accordance with the law, report the change in the MOPS and publish the implementation of the change in the internal announcement of the Company. 4. Amendments to certain provisions of the "Operational Procedures for the Loaning Funds and Making of Endorsements/Guarantees". Implementation status: The resolution of the shareholders' meeting was reported in a public announcement on the Market Observation Post System (MOPS) in accordance with the law and was implemented upon announcement within the Company. 5. Re-election of directors for the company Implementation status: After the resolution of the shareholders' meeting, the announcement and registration of the company change were completed in accordance with the law and published on MOPS.

2. Material resolutions of board meetings

Date	Important reports or resolutions
12 January 2023	The 19th meeting of the 15th Board of Directors. 1. Approved the remuneration committee’s review of the 2022 year-end bonus for managerial officers (including subsidiary). 2. Approved the results of the 2022 independence assessment of the CPAs. 3. Approved the replacement of CPAs. 4. Approved the provision of endorsement/ guarantee for the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 5. Approved the arrangement of bank loans. 6. Approved the budget for 2023.
15 March 2023	The 20th meeting of the 15th Board of Directors. 1. Approved the material overdue accounts receivable from the subsidiary E-LEAD Electronic (Jiangsu) Co., Ltd. which are not considered loaning of funds. 2. Approved the 2022 Business Report, Consolidated Financial Statements and Parent Only Financial Statement. 3. Approved the distribution of 2022 profits. 4. Approved the 2022 distribution of employee compensation and director remuneration. 5. Amendment to certain provisions of the “Articles of Incorporation”. 6. Approved the amendment to the “Operational Procedures for Loaning of Company Funds and Endorsements and Guarantees”. 7. Approved the endorsement/ guarantee for loan to the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd., from Institutional Banking of CTBC Bank Nantun Branch. 8. Approved the revised endorsement guarantee amount for loan of the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd., from EnTie Commercial Bank, Institutional Banking Taichung Regional Center, and Application for loan limit of the Company. 9. Approved the loan limit and PSR (Pre-Shipment Credit Refinance) quota renewal with Taipei Fubon Bank. 10. Approved the limit of issuance of commercial paper from China Bills Finance Corporation Taichung Branch. 11. Approved the appointment of and professional fees to the CPAs in respect of the financial statements for 2023 and the list of non-assurance services expected to be provided by the CPA firm and its related entities for 2023. 12. Approved the acceptance of shareholders' proposal for the annual meeting of shareholders and relevant matters. 13. Approved the proposal for the election of directors of the company. 14. Approved the acceptance by the Company of nominations from shareholders for inclusion in the list of candidates. 15. Approved the nomination and review of director and independent director candidates for the 2023 annual meeting shareholders.

Date	Important reports or resolutions
	16. Approved the date, location, methods and related matters of the 2023 annual meeting of shareholders meeting. 17. Approved the 2022 “Assessment of the effectiveness of the internal control system” and “Statement of Internal Control”. 18. Approved the amendments to the Company’s “Internal Control Systems (Version 9)”, “Implementation Rules for Internal Control (Version 12)” and “EL-A01 Procedures and Methods for Self-Assessment of Internal Control (Version 06)”.
10 May 2023	The 21st meeting of the 15th Board of Directors. 1. Approved the material overdue accounts receivable as at 31 March 2023 from the subsidiary E-LEAD Electronic (Jiangsu) Co., Ltd. which are not considered loaning of funds. 2. Approved the 2023 Q1 Consolidated Financial Statements. 3. Approved the proposal for a capital increase of E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 4. Approve the provision of endorsement/ guarantee for subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 5. Approved the loan limit and renewal of the derivatives hedging facility in Cathay United Bank. 6. Approved the application for a loan limit with Bank SinoPac Yuanlin Branch. 7. Approved the amendments to the “Operational Procedures for Handling Material Internal Information”. 8. Approved the amendments to the “Sustainable Development Best Practice Principles”. 9. Approved the amendments to the “Corporate Governance Best Practice Principles”. 10. Approved the development of “Directions for the Implementation of Continuing Education for Directors”. 11. Approved the amendments to “EL-M30 Regulations on Employee Profit-Sharing Compensation”. 12. Approved the review of the list for distribution of director remuneration and employment compensation for managerial officers for 2022. 13. Approved the proposal for adjustment of the 2023 budget.
16 June 2023	The 1st meeting of the 16th Board of Directors. Election of the Chairman and Deputy Chairman.
16 June 2023	The 2nd meeting of the 16th Board of Directors. 1. Approved the appointment of Mr. Hsi-Hsun Chen as the General Manager. 2. Approved the appointment of the Remuneration Committee member. 3. Approved the appointment of the Audit Committee member. 4. Approved matters regarding the retirement of managerial personnels.
09 August 2023	The 3rd meeting of the 16th Board of Directors. 1. Approved the material overdue accounts receivable as at 30 June 2023 from the subsidiary E-LEAD Electronic (Jiangsu) Co., Ltd. which are not considered loaning of funds. 2. Approved the 2023 Q2 Consolidated Financial Statements. 3. Approved the endorsement/ guarantee for the subsidiary, E-LEAD Electronic

Date	Important reports or resolutions
	Technology (Jiangsu) Co., Ltd. 4.Approved the loaning of funds to the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 5.Approved the loaning of funds to the subsidiary, E-LEAD ELECTRONIC(THAILAND) CO., LTD. 6. Approved the arrangement of bank loans. 7. Approved the proposal to authorize specific directors to oversee the audit operations and daily administration of management audit personnel. 8. Approved the amendment to the “Remuneration Committee Charter”. 9. Approved the salary adjustment for managerial personnels (including subsidiaries) for 2023. 10. Approved the change of company seals and the person responsible for seal custody.
08 November 2023	The 4th meeting of the 16th Board of Directors. 1. Approved the material overdue accounts receivable as at 30 September 2023 from the subsidiary E-LEAD Electronic (Jiangsu) Co., Ltd. which are not considered loaning of funds. 2. Approved the 2023 Q3 Consolidated Financial Statements. 3. Approved the endorsement/ guarantee for the subsidiary, E-LEAD Electronic Technology (Jiangsu) Co., Ltd. 4. Approved the arrangement of bank loans. 5. Approved the renewal of the nominal limit for derivative financial instrument hedging transactions with Mega International Commercial Bank, North Changhua Branch. 6. Approved the amendment to certain articles of the Procedures for Handling Material Inside Information 7. Approved the cash injection of NT$29.9 million into the subsidiary, Far Vision Technology CO., LTD. 8. Approved the Annual Audit Plan for 2024.
24 January 2024	The 5th meeting of the 16th Board of Directors. 1. Approved the review by the Remuneration Committee of the year-end bonuses for managerial personnels (including subsidiaries) for 2023. 2. Approved the amendment to the Rules for Performance Evaluation of the Board of Directors and functional committees. 3. Approved the arrangement of bank loans. 4. Approved the joint venture establishment of KOSO E-LEAD TECHNOLOGY COMPANY LIMITED with Tong Yah Electronic Technology Co., Ltd. 5. Approved the transfer of related trademarks and patents of eye protection products to the subsidiary Far Vision Technology CO., LTD. as capital increase. 6. Approved the budget for 2024.
06 March 2024	The 6th meeting of the 16th Board of Directors. 1. Approved the material overdue accounts receivable as at 31 December 2023 from the subsidiary E-LEAD Electronic (Jiangsu) Co., Ltd. which are not considered loaning of funds. 2. Approved the Business report, consolidated financial statements, and parent company only financial statements for 2023.

Date	Important reports or resolutions
	3. Approved the profit distribution for 2023. 4. Approved the distribution of employee compensation and director remuneration for 2023. 5. Approved the renewal of credit facilities and PSR limits with Taipei Fubon Bank. 6. Approved the arrangement of bank loans. 7. Approved the results of the independent assessment of the CPA's independence for 2023. 8. Approved the appointment and professional fee of the CPA for 2024, as well as the list of non-audit services expected to be provided by the CPA firm and its affiliated entities for 2024. 9. Approved matters related to the acceptance of shareholder proposals concerning shareholder's rights at the Shareholders' Meeting of 2024. 10. Approved the date, location, type if meeting, and related matters for convening the Shareholders' Meeting of 2024. 11. Approved the "Assessment of the effectiveness of internal control system" and issuance of the "statement of internal control system" for 2023. 12. Approved the acquisition of land for the subsidiary, E-LEAD ELECTRONIC (THAILAND) CO., LTD. (referred to as Thailand E-LEAD).
08 May 2024	1. Approved the material overdue accounts receivable as at 31 March 2024 from the subsidiary E-LEAD Electronic (Jiangsu) Co., Ltd. which are not considered loaning of funds. 2. Approved the 2024 Q1 Consolidated Financial Statements. 3. Approved the arrangement of bank loans. 4. Approved the distribution list of director remuneration and managerial personnel compensation for 2023.

(XII) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(XIII) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: None.

V. Information on the professional fees of the attesting CPAs

Monetary Unit: NT$ Thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Ernst & Young Taiwan	Tzu-Ping Huang Wen-Chen Lo	1 January 2023 to 31 December 2023	2,720	1,022	3,742	

Please specify the services for which the non-audit fees were paid:
The non-audit fees include tax compliance audit, transfer pricing reports and evaluation of convertible corporate bonds, and the preparation of English version financial reports, annual reports, and meeting handbooks.
The non-audit fees paid include tax compliance audit, transfer pricing reports,

(1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

VI. Information on replacement of CPA: N/A.

VII. Where the company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

VIII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the company as well as the company's directors, supervisors, managerial officers, and ten-percent shareholders, and the number of shares transferred or pledged:

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

Title (Note 1)	Name	2023		Current year up to 14 April 2024	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman and General Manager	Hsi-Hsun Chen	0	0	0	0
Deputy Chairman	Hsi-Tsang Chen	0	0	0	0
Director	Teng-Kuei Chen	0	0	0	0
Director	Yu-Tzu Fu	78,000	0	2,000	0
Director	Ming-Shou Lin	0	0	0	0
Director	Han-Nian Lin	0	0	0	0
Independent Director	Chi-Chung Tsai	0	0	0	0
Independent Director	Cheng-Chun Chang	0	0	0	0
Independent Director	Shein-Tung Wu	0	0	0	0
Independent Director	Rong-Lin Jiang	0	0	0	0
Deputy General Manager, Marketing Department	Rui-Sheng Wu	0	0	0	0
Deputy General Manager, Institutional Design Center	Zheng-Ji Yang	0	0	0	0
Deputy General Manager, General Management Office and Chief Corporate Governance Officer	Mao-Quan Ke	0	0	0	0
Deputy General Manager, Electronics Department I	Jhih-Fang Chen	0	0	0	0
Deputy General Manager, Electronics Department II	Sheng-Nan Jiang	0	0	0	0
Deputy General Manager, Production Department & Technical General Manager of Institutional Design Center	Zhen-Chang Huang	0	0	0	0

Deputy Executive Manager, E-LEAD Jiangsu	Min-Nan Cai	0	0	0	0
Deputy Assistant General Manager, Thailand Business Unit, Operations Management Office	Jun-Ming Chen	(3,000)	0	0	0
Manager, Audit Office	Cui-Zu Chen	0	0	0	0
Manager, Finance Department	Pi-Huan Chen	0	0	0	0
Deputy General Manager, Quality Assurance Department	Qian-You Chen	0	0	0	0
Director, Materials Department	Wen-Wen Zhang	0	0	0	0
Deputy Assistant General Manager, Product Planning Department	Ru-Sian Chen	0	0	0	0
Deputy Assistant General Managers, Production Department	Chun-Qin Shi	0	0	0	0
Deputy Assistant General Managers, Product Planning Department	Wan-Ting Lin	0	0	0	0
Deputy Assistant General Manager, Business Department IV	Yi-Lian Zhuang	0	0	0	0

Note 1: Any shareholder holding more than 10 percent of the Company's total share capital shall be noted as a major shareholder, and such shareholders shall be listed individually.
Note 2: If the counterparty of a transfer of shareholding or a pledge of shareholding is a related party, additionally complete the table below.

Information on Transfers of Shareholding

(Note 1)	Reason for transfer (Note 2)	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers and major shareholders	Number of shares	Transaction price
None						

Note 1: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10 percent shareholding.
Note 2: Specify whether the shares are acquired or disposed of.

Information on Pledges of Shareholding

Name (Note 1)	Reason for change in pledge status (Note 2)	Date of change	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders	Shares	Shareholding ratio	Pledge ratio	Amount borrowed under pledges (or redeemed)
None								

Note 1: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10 percent shareholding.
Note 2: Specify whether it is a pledge or redemption.

IX. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

Name (Note 1)	Shares held		Shares held by spouse and minor children		Shares held through nominees		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Hsi-Tsang Chen	10,578,041	8.61%	2,262,185	1.84%	-	-	Hsi-Hsun Chen Hsi-Yao Chen Wei-Ting Chen Kai-Wen Chen Shu-Hua Liu	Brothers Brothers Father and daughter Father and son Wife of younger brother	
Hsi-Hsun Chen	9,868,149	8.03%	3,003,660	2.44%	-	-	Hsi-Yao Chen Hsi-Tsang Chen Shu-Hua Liu Ke-Ya Chen Ke-Rou Chen Wen-Ming Liu	Brothers Brothers Couple Father and son Father and daughter Father and son-in-law	
Hsi-Yao Chen	4,805,158	3.91%	1,223,091	1.00%	-	-	Hsi-Tsang Chen Hsi-Hsun Chen Shu-Hua Liu	Brothers Brothers Wife of younger brother	
Ke-Rou Chen	4,767,535	3.88%	-	-	-	-	Wen-Ming Liu Hsi-Hsun Chen Shu-Hua Liu Ke-Ya Chen	Grandfather and grandchild Father and daughter Mother and daughter Brother and sister	

Name (Note 1)	Shares held		Shares held by spouse and minor children		Shares held through nominees		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Kai-Wen Chen	4,588,713	3.73%	-	-	-	-	Hsi-Tsang Chen Wei-Ting Chen Shu-Fan Chen	Father and son Sister and brother Sister and brother	
Ke-Ya Chen	4,172,763	3.39%	-	-	-	-	Wen-Ming Liu Hsi-Hsun Chen Shu-Hua Liu Ke-Rou Chen	Grandfather and grandchild Father and son Mother and daughter Brother and sister	
Wei-Ting Chen	3,692,351	3.00%	-	-	-	-	Hsi-Tsang Chen Shu-Fan Chen Kai-Wen Chen	Father and daughter Sisters Sister and brother	
Shu-Fan Chen	3,496,581	2.84%	-	-	-	-	Hsi-Tsang Chen Wei-Ting Chen Kai-Wen Chen	Father and son Sisters Sister and brother	
Shu-Hua Liu	3,003,660	2.44%	9,868,149	8.03%	-	-	Hsi-Tsang Chen Hsi-Yao Chen Hsi-Hsun Chen Ke-Ya Chen Ke-Rou Chen Wen-Ming Liu	Older brother of the spouse Older brother of the spouse Spouse Mother and son Mother and daughter Father and daughter	
Wen-Ming Liu	2,433,047	1.98%	-	-	-	-	Hsi-Hsun Chen Shu-Hua Liu Ke-Ya Chen Ke-Rou Chen	Father and son-in-law Father and daughter Grandfather and grandchild Grandfather and grandchild	

Note 1: All of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately.

Note 2: The shareholding ratio (%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees.

Note 3: Disclose the relationships among the above-listed shareholders, including corporate/juristic person shareholders and natural person shareholders, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company:

Unit: Share; %

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Share	%	Share	%	Share	%
E-LEAD TECHNOLOGY CO., LTD.(BVI)	23,938,736	100%	-	-	23,938,736	100%
HUGE PROFIT CO., LTD.	50,000	100%	-	-	50,000	100%
E-LEAD ELECTRONIC（THAILAND）CO., LTD.	4,000,000	100%	-	-	4,000,000	100%
E-LEAD Electronic（Jiangsu）Co., Ltd.	-	-	-	100%	-	100%
Far Vision Technology CO., LTD.	30,000	100%	-	-	30,000	100%
Ruter Elastomer Co., Ltd.	190,000	19%	160,000	16%	350,000	35%

(Note): This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

Chapter IV. Status of Fundraising

I. Capital and Shares

(I) Disclose the types of shares issued by the company during the preceding fiscal year and in the current fiscal year up to the date of the publication of the report. If approval has been granted to offer and issue securities by shelf registration, additionally disclose the approved amount and information regarding securities to be issued or already issued.

22 May 2024

Month /year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares (1,000 shares)	Amount (NT$1,000)	Shares (1,000 shares)	Amount (NT$1,000)	Sources of capital (NT$1,000)	Capital paid in by assets other than cash	Other
January 2023	10	150,000	1,500,000	118,798	1,187,985	Conversion of convertible corporate bonds amounting to 28,524	None	Approved under Ministry of Economic Affairs Letter Jing-Shou-Shang No. 10201001600 dated 7 January 2013
September 2022	10	200,000	2,000,000	122,798	1,227,985	Capital increase through issuing new shares amounting to 40,000	None	Approved under Ministry of Economic Affairs Letter Jing-Shou-Shang No. 11101167690 dated 6 September 2022

Note 1: Disclose the information for the current fiscal year up to the date of publication of the annual report.
Note 2: For a capital increase, specify the date and reference number of the official letter under which the increase was effectively registered (or approved).
Note 3: If any stock is issued at less than par value, this should be prominently indicated.
Note 4: If capital is paid in by offsetting monetary claims or technology against the price of shares, please specify, and also note the type and monetary amount of the offset.
Note 5: If it is a private placement, the fact that it is a private placement should be prominently indicated.

Type of securities	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Listed common shares	122,798,463 shares	77,201,537 shares	200,000,000 shares	

Note: Note whether the stock is stock of a TWSE or TPEx listed company (if it is a company under restrictions with respect to TWSE or TPEx listing/trading, this should be noted).

Information on Shelf Registration System: None.

(II) Shareholder structure

14 April 2024

Shareholder composition / Quantity	Government agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions and foreign individuals	Total
Number of shareholders	0	0	40	16,630	40	16,710
Number of shares held	0	0	5,372,548	115,227,401	2,198,514	122,798,463
Shareholding ratio	0	0	4.38%	93.83%	1.79%	100.00%

Note: Primary TWSE and TPEx listed companies and Emerging Stock companies should disclose the shareholding ratio of Mainland Chinese investors. “Mainland Chinese investors” means citizens, legal entities, groups, or other institutions of the Mainland China area, or a company in which the same have invested in a third jurisdiction as provided in Article 3 of the Regulations Governing Permission for People from the Mainland Area to Invest in the Taiwan Area.

(III) Diffusion of ownership

1. Distribution of Shareholding

Face value of NT$10 per share; 14 April 2024

Range of number of shares held	No. of shareholders	Shareholding (shares)	Shareholding %
1 - 999	3,176	497,093	0.40
1000 - 5000	11,716	21,520,651	17.53
5001 - 10000	1,065	8,341,019	6.79
10001 - 15000	276	3,511,477	2.86
15001 - 20000	153	2,804,550	2.28
20001 - 30000	123	3,090,976	2.52
30001 - 40000	57	2,060,575	1.68
40001 - 50000	32	1,494,055	1.22
50001 - 100000	45	3,165,120	2.58
100001 - 200000	26	3,528,206	2.87
200001 - 400000	13	3,441,260	2.80
400001 - 600000	4	1,970,931	1.61
600001 - 800000	4	2,910,141	2.37
800001 - 1000000	2	1,806,739	1.47
1000001 - 9999999999	18	62,655,670	51.02
Total	16,710	122,798,463	100.00

2. Preferred shares: None

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

14 April 2024

No.	Names of major shareholders \ Shares	Shareholding (shares)	Shareholding %
1	Hsi-Tsang Chen	10,578,041	8.61%
2	Hsi-Hsun Chen	9,868,149	8.03%
3	Hsi-Yao Chen	4,805,158	3.91%
4	Ke-Rou Chen	4,767,535	3.88%
5	Kai-Wen Chen	4,588,713	3.73%
6	Ke-Ya Chen	4,172,763	3.39%
7	Wei-Ting Chen	3,692,351	3.00%
8	Shu-Fan Chen	3,496,581	2.84%
9	Shu-Hua Liu	3,003,660	2.44%
10	Wen-Ming Liu	2,433,047	1.98%

(V) Provide share prices for the past 2 fiscal years, together with the company's net worth per share, earnings per share, dividends per share, and related information. If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Unit: NT$; 1,000 shares

Item \ Fiscal year			2022	2023	Current year to 31 March 2024
Market price per share (Note 1)	Highest		117.50	82.30	65.20
	Lowest		59.70	60.40	53.30
	Average		81.71	70.30	58.24
Net worth per share (Note 2)	Before distribution		16.69	17.81	18.31
	After distribution		15.99	Not yet distributed	N/A
Earnings per share	Weighted average shares (1,000 shares)		120,278	122,798	122,798
	Earnings per share (Note 3)		2.88	1.89	0.55
Dividends per share	Cash dividends (NT$)		0.7	Upon resolution of the meeting of shareholders	N/A
	Stock dividends	Dividends from retained earnings	0	0	
		Dividends from capital reserve	0	0	
	Accumulated undistributed dividends (Note 4)		0	0	
Return on Investment analysis	Price/earnings ratio (Note 5)		28.37	37.20	
	Price/dividend ratio (Note 6)		(Note 8) 116.73	Upon resolution of the meeting of shareholders	
	Cash dividend yield (Note 7)		(Note 8) 0.86%	Upon resolution of the meeting of shareholders	

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: List the highest and lowest market price of common shares in each fiscal year and calculate the average market price by weighing transacted prices against transacted volumes in each respective fiscal year.

Note 2: Calculate the net worth per share based on the number of outstanding shares at year-end. Calculate the amount of distribution based on the amount resolved by the board of directors or resolved in the next year's shareholders meeting.

Note 3: If retrospective adjustments are required because of issuance of stock dividends, the earnings per share should be disclosed in the amounts before and after the retrospective adjustments.

Note 4: If equity securities are issued with terms that allow undistributed dividends to be accrued and accumulated until the year the Company makes profit, the amount of cumulative undistributed dividends up until the current year should be disclosed separately.

Note 5: Price/earnings ratio = average closing price per share for the year / earnings per share.

Note 6: Price / dividend ratio = average closing price per share for the year / cash dividends per share.

Note 7: Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 8: Net worth per share and earnings per share are based on audited (auditor-reviewed) data as at the latest quarter before the publication date of the annual report. For all other fields, calculations are based on the data for the current year as of the date of publication of the annual report.

(6) Company's dividend policy and implementation thereof:

1. Dividend policy as set out in the Articles of Incorporation: The dividend distribution of the Company shall not be less than 10% of the distributable profits for the year. However, if the cumulative distributable profits are less than 10% of the additional paid-in capital, dividends may be withheld. Additionally, the proportion of cash dividends distributed shall not be less than 10% of the total shareholder dividends.

2. Proposal for the distribution of dividends at the meeting of shareholders: The net profit after tax for 2023 amounted to NT$232,592 thousand. According to the Articles of Incorporation, a proposed profit distribution table is prepared. The proposed dividend for shareholders for 2023 is NT$1 per share in cash.

3. Based on the principle of dividend stability and the company's development plan, future dividends shall not be less than 50% of the net profit after tax for the current year, deducting the items set aside, with at least 50% of the dividends being in cash.

(7) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: N/A.

(8) Profit-sharing compensation of employees and directors:

1. The percentages or ranges with respect to employee and director profit-sharing compensation, as set forth in the company's articles of incorporation:
   (1) If the Company has made profit in the year, appropriate no less than 1% as remuneration to the employees, and no more than 5% as remuneration to the Directors and Supervisors. The Company shall appropriate for covering carryforward loss, where applicable.
   (2) The profit for the year referred to in the preceding paragraph means the profit before tax for the year before the distribution of remuneration to employees and remuneration to directors and supervisors.
   (3) The distribution of remuneration to employees and remuneration to directors and supervisors shall be made by a resolution of the Board of Directors passed with the presence of at least two-thirds of the Directors and the approval of a majority of the Directors present and reported to the shareholders' meeting.
   (4) Remuneration to the employees may be paid in cash or stock dividend. Employees of subsidiaries meeting certain condition shall also be entitled to remuneration.
2. The basis for estimating the amount of employee and director profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

(1) The basis for estimating the amount of employee and director profit-sharing compensation:

The estimated amounts of employee and director profit-sharing compensation payable for 2023 are estimated at 3% and 1.5% of the Company's net profit before tax after offsetting losses, respectively.

(2) Basis for the calculation of the numbers of shares to be distributed as employee profit-sharing compensation in the form of stocks:

The Company has not distributed employee profit-sharing compensation in the form of stock in 2023.

(3) Accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

To be accounted for as profit or loss in the year in which the general meeting is convened.

3. Information on any approval by the board of directors of distribution of profit-sharing compensation:

(1) The amount of any employee profit-sharing compensation and director profit-sharing compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: The Board of Directors resolved on 6 March 2024 to distribute NT$9,535 thousand and NT$4,768 thousand for compensation and director profit-sharing compensation, respectively, for 2023. There was no discrepancy with the estimated amount of expense recognized for the year.

(2) The amount of any employee profit-sharing 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 only financial reports or individual financial reports for the current period and total employee profit-sharing compensation: The Company did distribute employee profit-sharing compensation in the form of stocks.

4.The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated: There is no discrepancy between the estimated provision and the actual distribution.

(9) Status of a company repurchasing its own shares: None.

II. Issuance of Corporate Bonds:

(1) Issuance of Corporate Bonds

<table>
<tr><td colspan="2">Type of corporate bonds (Note 2)</td><td>2nd issuance of domestic secured convertible corporate bonds (Note 5)</td></tr>
<tr><td colspan="2">Issue (transaction) date</td><td>7 July 2022</td></tr>
<tr><td colspan="2">Face value</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Place of issue and trading (Note 3)</td><td>N/A</td></tr>
<tr><td colspan="2">Issue price</td><td>Issued at 104.97% of face value</td></tr>
<tr><td colspan="2">Total price</td><td>NT$300 million</td></tr>
<tr><td colspan="2">Coupon rate</td><td>0% coupon rate</td></tr>
<tr><td colspan="2">Term</td><td>Maturity: 3 years; Maturity date: 7 July 2025</td></tr>
<tr><td colspan="2">Guarantor</td><td>Mega International Commercial Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Trustee</td><td>CTBC Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriter</td><td>IBF Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Attesting lawyer</td><td>Lawyer Ya-Wen Qiu, Handsome Attorneys -At-Law</td></tr>
<tr><td colspan="2">Attesting CPA</td><td>CPAs Chin-Yuan Tu and Ming-Hung Chen, Ernst& Young Taiwan</td></tr>
<tr><td colspan="2">Redemption method</td><td>Except for the holders of these convertible corporate bonds who choose to convert them into ordinary shares of the company in accordance with Article 10 of the Terms of Issuance and Conversion, or for the company to exercise its right of early redemption as stated in Article 17 of the Terms of Issuance and Conversion, or for the company to repurchase and cancel the bonds through its securities business office, the Company will repay the holders of these convertible corporate bonds in cash in a lump sum, equal to the face value of the bonds, within ten business days from the day following the maturity date of the bonds. In the event that the Taipei Stock Exchange ceases operations on the aforementioned dates, the repayment will be postponed to the next business day.</td></tr>
<tr><td colspan="2">Unredeemed balance</td><td>NT$300 million</td></tr>
<tr><td colspan="2">Conditions for redemption or early redemption</td><td>Please refer to the Terms of Issuance and Conversion of the Convertible Bonds.</td></tr>
<tr><td colspan="2">Restrictive covenants (Note 4)</td><td>None</td></tr>
<tr><td colspan="2">Name of rating agency, date and result of rating</td><td>None</td></tr>
<tr><td rowspan="2">Other rights</td><td>The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date</td><td>None</td></tr>
<tr><td>The issuance and conversion, exchange, or subscription rules</td><td>Please refer to the Terms of Issuance and Conversion of the Convertible Bonds.</td></tr>
<tr><td colspan="2">The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.</td><td>Based on the current conversion price of NT$83.8, this represents a dilution of approximately 1.19%.</td></tr>
<tr><td colspan="2">Name of the custodian institution of the exchangeable underlying</td><td>N/A</td></tr>
</table>

Note 1: Corporate bonds included publicly offered and privately placed corporate bonds. Publicly offered corporate bonds are those that have been effectively registered (or approved) by the FSC; privately placed corporate bonds are those that have been approved by a resolution of the board of directors.
Note 2: Adjust the number of columns according to the actual number of issues.
Note 3: Fill in this item if the bonds are overseas corporate bonds.
Note 4: E.g., restrictions on the payment of cash dividends, investment abroad, or requirement to maintain a certain asset ratio, etc.
Note 5: If it is a private placement, the fact that it is a private placement should be prominently indicated.
Note 6: For convertible corporate bonds, exchangeable corporate bonds, shelf registered corporate bonds, or corporate bonds with warrants, further disclose the information for each type of bond in table format according to the features of each.

(2) Convertible Corporate Bonds Unit: NT$

Type of corporate bonds (Note 1)		2nd issuance of domestic secured convertible corporate bonds		
Item / Fiscal year		2022	2023	Current year up to 31 March 2024 (Note 4)
Market price of convertible corporate bonds (Note 2)	Maximum	124.00	118.00	110.9
	Minimum	103.00	105.00	103.1
	Average	111.87	110.11	106.29
Conversion price		84.60	83.80	83.80
Issue (transaction) date		7 July 2022		
Conversion price at issuance		85.00		
Method for performance of conversion obligations (Note 3)		Transfer on the issuance of new shares		

Note 1: Adjust the number of columns according to the actual number of issues.
Note 2: If there are multiple trading locations for offshore corporate bonds, please list the prices according to the trading locations.
Note 3: Note whether the method is by delivery of issued shares or issuance of new shares.
Note 4: The information for the current year should be that as of the date of publication of the annual report.

(3) Exchangeable Corporate Bonds: None.

(4) Issuance of Corporate Bonds Under Shelf Registration: None.

(5) Corporate Bonds with Warrants: None.

III. Preferred Shares:

(1) Preferred Shares: None.

(2) Preferred Shares with Warrants: None.

IV. Global Depositary Receipts: None.

V. Employee Share Subscription Warrants:

(1) The annual report shall disclose unexpired employee subscription warrants issued by the company in existence as of the date of publication of the annual report and shall explain the effect of such warrants upon shareholders' equity. None.

(2) The annual report shall disclose the names of top-level company executives holding employee share subscription warrants and the cumulative number of such warrants exercised by said executives as of the date of publication of the annual report. The annual report shall also disclose the names of the ten employees holding employee subscription warrants authorizing purchase of the most shares, along with the cumulative number of warrants exercised by these ten employees, as of the date of publication of the annual report: None.

(3) New restricted employee shares: None.

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

VII. Implementation of the Company's Capital Allocation Plans: None.

Chapter V. The Overview of Business Operations

I. A description of the Business:

(I) Scope of business:

1. Major lines of business and the relative weight of each for 2023:

Unit: NT$ Thousands; %

Main product	Consolidated net operating income	Percentage
Automotive Electronics	3,534,210	93.84
Other	232,083	6.16
Total	3,766,293	100.00

2. Current products (services):

Product items	Product details
Automotive Electronics	Head-Up Display (WHUD, 2D/3D ARHUD, 2D/3D Digital Rearview Mirror HUD), DMS, In-Car Audio/Video Navigation Console, Rear Seat Entertainment System, Front and Rear Reversing Camera, 2D/3D Around View Monitor, Blind Spot Detection System, Advanced Driver Assistance System (ADAS), Wired/Wireless Car Chargers, Air Cleaner for Car and Driving Recorder.
Other	Far Horizon eye care product and Camcorder Tape Converter.

3. New products (services) planned for development:

The Company will continue to develop competitive automotive electronics products to enhance the value of user-friendly and safety-enhancing features. Please refer to Chapter I, A Letter to Shareholders "II. Outline of the Business Plan for 2024".

(II) An overview of the industry:

1. Current Status and Development of the Industry

(1) Automotive Electronics:

The increasing complexities of vehicle functions and the trend towards energy efficiency, safety and comfort. The traditional technology of mechanical vehicles has no longer been able to satisfy people's expectations of having a safe, environmentally friendly and comfortable vehicle. As a result, the global automotive market is becoming more diverse, more customized, more intelligent, more digital, more electronically controlled and more user-friendly.

The integration of control technology for vehicle mechanisms and electronic controls through various sensors, image processing, in-vehicle consoles, satellite positioning, wireless communication, and even wireless connection to customer service centers using portable devices and vehicles. Providing vehicles and personnel with functions or services of cleanliness, low pollution, comfort, active and passive safety features, security, emergency rescue security, road guidance, etc. With automotive electronics making up a growing proportion of automotive components, the supply chain of components for the traditional automotive industry is beginning to undergo a qualitative change and a new market opportunity is gradually growing. The automotive electronics supply chain has not only opened new opportunities for the development of the automotive industry as a whole but has also become a popular industry for technology companies from all over the world to invest in.

With various countries continuously declaring and implementing electric vehicle policies along with corresponding regulations, the global automotive industry is entering a new era, driving the development of key systems and electronic components for electric vehicles. According to research institutions' reports, global electric vehicle sales surpassed 13 million units in 2023, and the market size of the global automotive electronics industry is expected to exhibit rapid growth trends.

(2) Eye Protection Products:

The World Health Organization (WHO) has established World Sight Day as an annual event, led by WHO in collaboration with international organizations such as the International Agency for the Prevention of Blindness, Lions Clubs International, and Orbis, among others. This global healthcare initiative aims to address the critical issue of vision care. According to estimates by Australian scientists, the global population with myopia (nearsightedness) is projected to reach approximately 5 billion by 2050, with nearly 1 billion individuals facing the risk of high myopia and potential blindness. Myopia has emerged as one of the most significant public health challenges worldwide, emphasizing the importance of prioritizing vision care. The causes of myopia are predominantly related to environmental factors, with only a small number of cases attributed to congenital and genetic factors. The primary contributing factor is prolonged near-work activities, particularly among students who spend extended hours reading and writing due to academic pressures.

2. The Links Between the Upstream, Midstream, and Downstream Segments of the Industry Supply Chain

The main product categories manufactured by the Company are Head-Up Display, Front and Rear Reversing Camera, 2D/3D Around View Monitor, Blind Spot Detection System, Advanced Driver Assistance System, GPS In-Car Entertainment Equipment and Rear Seat Entertainment System, The Far Horizon Eye Care product line is part of the midstream segment of the industry. The upstream is the related component manufacturing or processing industry and material suppliers, while the downstream sales are mostly to car manufacturers, dealers or distributors. The upstream, midstream and downstream linkages related to this industry are described as follows:

Upstream	Midstream	Downstream
Plastic processing industry Metal stamping industry Electronic components industry Wire and cable industry TFT display panel industry PCB industry	Head-Up Display Front and Rear Reversing Camera 2D/3D Around View Monitor Blind Spot Detection System Advanced Driver Assistance System GPS In-Car Entertainment Equipment rear seat entertainment system Wired/Wireless Car Chargers Far Horizon Eye Care product	Car manufacturers Dealers Distributors

3. Development Trends and Competition for the Company's Products

(1) Automotive Electronics:

The trend towards electrification and intelligence in the automotive industry continues to drive the growth of the automotive electronics industry. International car manufacturers, international automotive component manufacturers, and even consumer electronics and semiconductor manufacturers are all actively involved in the research and development and production of automotive electronics. Taiwanese information industry players are also actively developing automotive sub-products. As the technology development of domestic integrated car manufacturers is limited by the parent car manufacturers, their influence on vehicle design and product development is restricted, which indirectly makes it more difficult for Taiwanese manufacturers to enter the automotive electronics industry. On the other hand, in a highly competitive automotive industry, the global automotive supply chain is gradually shifting from a centralized system to a global division of labor in the face of falling cost pressures and the rise of emerging markets, thus providing opportunities for emerging players to enter.

(2) Eye Protection Products:

Modern medicine has been ineffective in the prevention and treatment of myopia, mainly because it has failed to address the problem of [prolonged reading at a close distance]. E-LEAD utilizes the technology of a head-up display, which has been adapted to become a telephoto imaging amplifier for mobile phone screens, extending the screen of the phone from 20-30cm to 1.5m, significantly relieving the pressure on the eyes caused by the ciliary and medial rectus muscles when looking at close distances, and preventing extreme fatigue and myopia.

(III) Overview of the company's technologies and its research and development work

1. Research and development expenditures:

Unit: NT$ Thousands; %

Year	2023	2024Q1
Consolidated net operating income	3,766,293	841,046
Consolidated R&D expenditures	316,620	81,786
Consolidated R&D expenditures as a percentage of net operating revenue	8.40	9.72

2. Research and development outcomes:
Please refer to Chapter I. A Letter to Shareholders I. (V) Achievements in Research and Development Projects and Product Development.

(IV) The company's long- and short-term business development plans

1. Short-Term Development Plan:
The Company's main products are Front and Rear Reversing Camera, 2D/3D Around View Monitors, Blind Spot Detection Systems, Advanced Driver Assistance Systems, GPS In-Car Entertainment Equipment, Rear Seat Entertainment Systems, and Far Horizon Eye Care Product line. Therefore, in the short term, the Company will continue to develop high-end automotive electronics products, and please refer to II, (II) Research and development projects and product development plan in Chapter I, A Letter to Shareholders for the direction of our short-term plan.

2. Long-Term Development Plan:

The high level of application of automotive electronics has become a key driver for the upgrading of the automotive industry. The leading car manufacturers are investing in the design and development of safer and more environmentally friendly high-technology vehicles to provide a more comfortable and convenient driving experience. In order to capture the trend of the automotive industry and to expand the business opportunities of various vehicle manufacturers, the Company will focus on developing competitive, more advanced and niche vehicle electrical products.

In addition, the vision crisis should not be taken lightly. The effectiveness of modern medicine in the prevention and treatment of myopia has not been significant, and there seems to be no solution to the problem of myopia, mainly because of the inability to solve the problem [of prolonged reading at close distances]. E-LEAD utilizes the technology of a head-up display, which has been adapted to become a telephoto imaging amplifier for mobile phone screens, extending the screen of the phone from 20-30cm to 1.5m, significantly relieving the pressure on the eyes caused by the ciliary and medial rectus muscles when looking at close distances, and preventing extreme fatigue and myopia. E-LEAD has been developed for use by students in reading, writing and operating tablets and computers, and will continue to be marketed to all sectors of the community in order to reduce the chances of [prolonged reading at a close distance].

Medium- to long-term research and development plans are listed as follows:

Item	Applications
Combiner Type HUD	WHUD, 2D/3D ARHUD, PHUD, 2D/3D Digital Rearview Mirror HUD and DMS
Advanced Driver Assistance System Technology	2D/3D Around View, Blind Spot Detection System, Front and Rear Reversing Camera, Driving Recorder, Lane Departure Warning System, Forward Collision Warning System and Short, Medium and Long Range Millimeter Wave Radar Applications
In-Car Infotainment System	GPS In-Car Entertainment Equipment and Rear Seat Entertainment System
Automotive Electronic Accessories	Wired/Wireless Car Chargers and Air Purifiers
Far Horizon Eye Care product	Project Air (video) and Project Air, etc.

II. Analysis of the Market and the Production and Marketing Situation:

(I) Market Analysis

1. Sales Regions of the Main Markets (Consolidated)

Unit: NT$ Thousands

Region \ Year		2022		2023	
		Amount	%	Amount	%
Export Sales	China	1,172,713	32.89	1,383,920	36.74
	Indonesia	1,114,370	31.25	1,209,852	32.12
	Singapore	464,136	13.02	486,825	12.93
	Thailand	411,904	11.55	406,440	10.79
	Others	122,499	3.43	80,930	2.15
	Subtotal	3,285,622	92.14	3,567,967	94.73
Domestic Sales		280,132	7.86	198,326	5.27
Total		3,565,754	100.00	3,766,293	100.00

2. Market Overview

(1) Automotive Electronics:

According to IEK's research report, the development of smart vehicles is in full swing worldwide. Taiwan's automotive electronics industry is primarily focused on components and modules, and has the capacity for related parts and components，. Our products still have a competitive advantage over the rest of the world, outside of European, American and Japanese manufacturers. The share of automotive electronics in the average production cost per vehicle is estimated to be around 50% by 2030 according to a study by the international academic journal IEEE Spectrum. With the growing popularity of electric vehicles and the introduction of autonomous cars, automotive electronics are set to play an even more important role.

As the brands continue to introduce new technologies, new automotive electronics are being installed in new models to capture the market. In 2023, the global automotive market has an annual sales volume of about 89.18 million units, with the top three global automotive groups being Toyota with 10.65 million units, Volkswagen Group with 9.24 million units and Hyundai Motor Group with 7.3 million units. In 2023, new car sales in the Taiwanese automotive market reached nearly 477,000 units, representing a growth of approximately 11% compared to 2022.

(2) Eye Protection Products:

According to the World Health Organization (WHO), more than 253 million people worldwide are already visually impaired and by 2050, it is estimated that one in every two people will become myopic. The demand for Eye Protection Products has increased due to the growing trend of vision loss among the younger generation.

3. Market Share

(1) Automotive Electronics:

The Company currently derives its main operating income from the sales of Head-Up Displays for cars, Advanced Driver Assistance Systems, In-Car Infotainment Systems and Automotive Electronic Modules, etc. With many years of experience in the automotive industry, the Company is one of the largest manufacturers of Head-Up Displays, Advanced Driver Assistance Systems, In-Car Infotainment Systems and Automotive Electronic Modules in Taiwan.

The Company's products have been adopted by the leading domestic and international car manufacturers, and currently holds a prominent position in the market for Head-Up Displays, In-Car Entertainment Systems and Automotive Electronic Modules, and is gradually gaining access to the key markets. Our main competitors are mainly from Taiwan, Europe, the U.S.A., Japan and China. The Company has mastered the key system integration and CAN BUS technology, and the quality of our products cannot be easily imitated, therefore, the Company is able to maintain a close relationship with the key distributors.

(2) Eye Protection Products:

The Company’s Eye Protection Products have attracted a high level of interest from experts in the field of eye care and the Company is continuing to promote them to the public to increase its market share.

4. Demand and Supply for the Future Market and its Growth Potential

(1) Combiner Type HUD

As smart driving technology continues to evolve, there is an increasing amount of information that needs to be determined and alerted when driving a car. Under normal circumstances, it takes at least 0.5 seconds for the driver's eyes to shift to read the information on the dashboard, which is about 30 meters per second on a motorway at 100 km/h. The risk is even higher in heavy traffic. To reduce the frequency of drivers looking away and to improve the safety of driving, it has become a trend to display driving information and road information on the windscreen. According to the report, the head-up display market has gradually upgraded from WHUD to ARHUD. According to the High-Tech Intelligent Automotive Research Institute, the HUD (W/AR) has been installed as standard on new cars in the Chinese market, with 2,254,300 units in 2023. Among them, approximately 236,800 units of ARHUDs have been installed.

(2) Advanced Driver Assistance System Technology

Advanced Driver Assistance System technology is one of the smart vehicle technologies that have been actively developed by car manufacturers in recent years, as a technological advancement process to reach the stage of complete autonomous vehicles in the future. In addition, in order to improve the safety of driving, countries around the world are mandating the installation of advanced driver assistance system related safety equipment. Examples include the mandatory installation of a Blind Spot Detection System (BSD), Front and Rear Reversing Cameras, etc. As the proportion of electronic products in cars increases, the integration of car accessories with the car's system has become an area that cannot be overlooked, and the growth of advanced driver assistance systems can be expected.

According to international management consulting firm Bain & Company, the global advanced driver assistance system market is expected to reach between US$22 billion and US$26 billion per year by 2025, with a compound annual growth rate of between 12% and 14%, according to estimates of the demand for business-to-business (B2B) technology, software, hardware and services.

(3) GPS In-Car Entertainment Equipment/ Rear Seat Entertainment System

Car audio systems were the very first electronics products to be used in cars. Although it is only an accessory equipment, and has no influence on the performance of the car. However, with the increasing demand for higher standards of entertainment, car manufacturers are placing more and more focus on the use of sound equipment in cars. After more than 80 years of development, it has evolved from the original car radio into a comprehensive in-car audio-visual navigation system that integrates audio-visual entertainment, communication navigation and assisted driving, becoming an indispensable component of future cars and one of the bases for evaluating the comfort of a car. After the traditional 3C products of computer, communication and consumer electronics, the 4C automotive electronics industry is flourishing in recent years with the concerted efforts of the industry, academia and Government collaboration.

(4) Far Horizon Eye Care Product Line

In an era where 3C products are becoming widespread, the vision health of everyone has been at stake. According to professional ophthalmologists, myopia progression is fastest in children of younger age and the risk is higher of becoming highly myopic. With high myopia accounting for the second highest rate of causing of blindness, the promotion of vision care has become an urgent issue. According to GII, the eye care market worldwide is forecast to grow to US$11.94 billion between 2021 and 2025, growing at a compound annual growth rate of 3.83% over the forecast period.

5. Competitive Niche

(1) The Company has a long-standing relationship with all the major car manufacturers and car importers and has accumulated a wealth of experience in quality design and marketing.
(2) The sales volume of automotive head-up displays is the highest in China.
(3) The Company has a keen eye for market insight and are is leading the industry in terms of the timing of product launches and being able to tap into the mainstream of the market trends.
(4) With over 40 years of experience, the Company has been awarded the National Award of Outstanding SMEs, the Rising Star Award, the Taiwan Excellence Award and the Manufacturer Excellence Award.
(5) The Company's R&D and manufacturing technologies are well established, and the Company has obtained a number of certifications and is fully qualified to interface with European, American and Japanese manufacturers.
(6) Having a good R&D team is essential to having a competitive niche.
(7) The threshold of the automotive electronics industry and remote imaging technology is relatively high, and E-LEAD has a good understanding of the quality assurance systems of the vehicle manufacturers and has mastered the key technologies.

(8) The product range is diversified for system integration and has a good opportunity to secure the cooperation of vehicle manufacturers.

(9) The Company has been established in China for over 20 years and has a proven track record of delivery from the leading car manufacturers, which has enabled us to expand our market in China.

(10) The Company has established a factory in Thailand to facilitate our expansion into the wider ASEAN region.

6. Positive and Negative Factors for Future Development, and the Company's Response to Such Factors

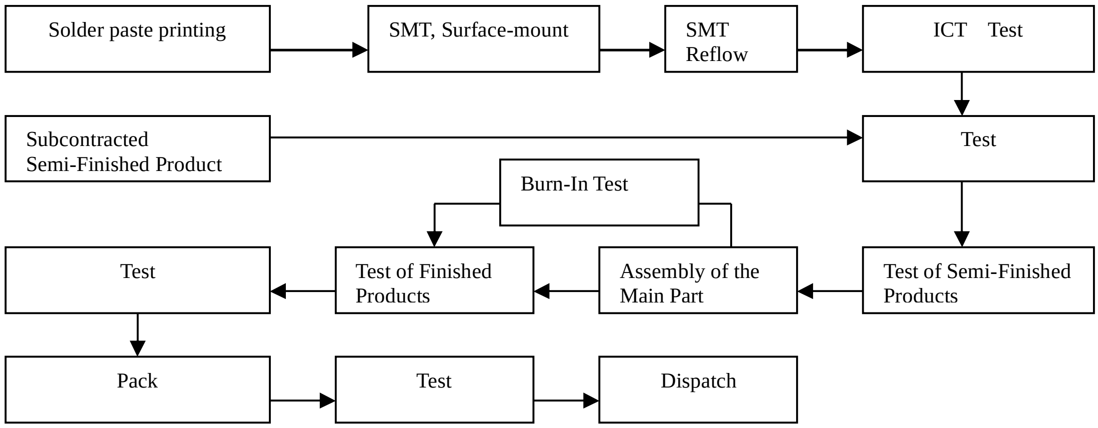
Challenges	Opportunities
Quality standards and requirements for the car factory 1. Safety standards 2. Electrical standards 3. Environmental standards	1. Leading IC/module/system development technology. 2. Close industry cooperation (IA program). 3. Full government support and project counseling. 4. Quality requirements can be overcome in a short period through cooperation from IC to vehicle integration.
Length of introduction period for new products/technologies	1. China/ASEAN emerging markets have a high and urgent demand, with faster timelines for introducing new products and technologies. 2. Strong technical development capabilities and sufficient experience in various industries to meet the standards of car manufacturers.
Monopoly of the world's leading manufacturers	1. Fast response time to the car manufacturers. 2. Lower development costs. 3. Sophisticated manufacturing techniques. 4. Lower costs for parts procurement due to location in a supply chain cluster. 5. Competitive world-class IT marketing talent.
Certification of relevant regulations for car manufacturers	The products and quality system are in compliance with the requirements of international regulations and have been continuously approved by the relevant standards of the car manufacturers. Due to accumulated experience over the long term, the Company can now manage the verification schedule effectively, which has a positive impact on the company's operations.
Operation of healthcare channel	1. Mastering the key technologies of remote imaging. 2. A key production line for remote imaging has been built. 3. A new sales model for optical Eye Protection Products has been established.

(II) Usage and Manufacturing Processes of the Main Products.

1. Main products and its primary application:

Provides a full range of in-car information and networking functions and vision care, including advanced driver assistance, Internet, navigation, video, music, digital TV and integrated car electronic accessories.

Manufacturing processes of the main products:



(III) Supply Situation for the Major Raw Materials:

Major Raw Materials:	Source of Supply	Supply Situation
360-Degree Surround View System	C20129	Good and stable
SMD IC	C30573, S30102, S32163, S31181, C30438	Good and stable
TFT	C30004, C30897	Good and stable
Plastic parts, glass	S80571, C20120, C20116, S10129	Good and stable
Wire	S30202, S31196, T30068	Good and stable
PCB	C30898, C30715	Good and stable
Touch Panel	T30063	Good and stable
DVR SOC board	S32176	Good and stable
Wireless charging board	S32172	Good and stable
Camera	T30065, S30102	Good and stable
LVDS module, DVR motherboard	S32160	Good and stable

The major raw materials used in the production of the Company's products are electronic components, wire and plastic. The supply of raw materials has been stable and the supply of raw materials is in good condition.

(IV) A List of any Suppliers and Clients Accounting for 10 Percent or More of the Company's Total Procurement (Sales) Amount in Either of the 2 Most Recent Fiscal Years, The Amounts Bought From (Sold To) Each, the Percentage of Total Procurement (Sales) Accounted for by Each, and an Explanation of the Reason for Increases or Decreases.

1. Information on Major Customers in the the Most Recent 2 Years

Consolidated Information

Unit: NT$ Thousands

	2022				2023				Up to the preceding quarter of the current fiscal year (Note 2)			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	Customer A	589,460	16.53	None	Customer A	649,418	17.25	None	Customer A	53,372	6.34	None
2	Customer B	463,429	13.00	None	Customer B	486,322	12.91	None	Customer B	156,552	18.61	None
3	Customer C	78,945	2.21	None	Customer C	399,387	10.60	None	Customer C	98,627	11.73	None
4	Customer D	753,108	21.12	None	Customer D	71,882	1.91	None	Customer D	8,707	1.04	None
	Others	1,680,812	47.14	None	Others	2,159,284	57.33	None	Others	523,788	62.28	None
	Net sales	3,565,754	100.00		Net sales	3,766,293	100.00		Net sales	841,046	100.00	

Note 1: List all customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the company is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

2. Information on Major Suppliers for the Most Recent 2 Years

Consolidated Information

Unit: NT$ Thousands

	2022				2023				Up to the preceding quarter of the current fiscal year (Note 2)			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	Others	2,373,082	100.00	None	Others	2,136,925	100.00	None	Others	411,317	100.00	None
	Net purchases	2,373,082	100.00		Net purchases	2,136,925	100.00		Net purchases	411,317	100.00	

Note 1: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

3. Reasons for changes in major customers and suppliers:

In 2023, Customer A, an Indonesian customer, witnessed increased sales of audio systems and ADAS. On the other hand, Customer B, a customer from Singapore, saw a slight decrease in sales, particularly of ADAS products. Customer C, based in China, witnessed an increase in HUD sales. Customer D, also from China, experienced a decrease in HUD sales. There were no suppliers accounting for more than 10% of the total purchase amount.

(V) Production Volume and Value in the Most Recent 2 Fiscal Years

Consolidated Information Unit: 1,000 PCS; NT$ Thousands

Fiscal year / Output / Main products	2022			2023		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Automotive Electronics (Note)	2,441	1,877	2,447,049	2,564	1,972	2,635,713
Other	114	88	83,043	122	92	132,424
Total	2,555	1,965	2,530,092	2,686	2,064	2,768,137

Note: This capacity and output do not include semi-finished products and materials.

Note 1: Production capacity refers to the quantity that the Company can produce using existing production facilities in normal operations, after consideration of factors such as necessary suspensions of operations and holidays.

Note 2: If there is substitutability in the production of any products, they may be calculated on a consolidated basis, and an explanatory note should be provided.

(VI) Sales Volume and Value in the Most Recent 2 Fiscal Years

Consolidated Information Unit: 1,000 PCS; NT$ Thousands

Year / Sales / Volume / Main products	2022				2023			
	Local		Export		Local		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Automotive Electronics (Note 1)	138	260,786	2,325	3,147,801	187	186,419	2,256	3,339,748
Other	43	19,346	39	137,821	48	11,907	44	228,219
Total	181	280,132	2,364	3,285,622	235	198,326	2,300	3,567,967

Note 1. The sales volume of the product does not include semi-finished products and materials.

Note 2. Domestic sales refer to the revenue generated by the parent company within the territory of Taiwan.

III. The Number of Employees Employed for the 2 Most Recent Fiscal Years, and During the Current Fiscal Year up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels (Including the Percentage of Employees at Each Level):

Consolidated Information

Unit: persons; age; year; %

Fiscal year		2022	2023	Current year up to 30 April 2024 (Note)
Number of employees	Management personnel	144	149	149
	Research and development personnel	219	235	233
	Manufacturing technicians	817	860	818
	Total	1,180	1,244	1,200
Average age		40	40	40
Average years of service		10.33	9.50	9.10
Education distribution percentage (%)	Ph.D.	0.53	0.53	0.56
	Master's degree	18.10	20.11	21.71
	College	55.71	56.41	56.77
	Senior high school	22.67	19.93	18.18
	Below senior high school	2.99	3.02	2.78

Note: Fill in the information for the current fiscal year up to the date of publication of the annual report.

IV. Disbursements for Environmental Protection:

(1) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None

(2) Measures and anticipated significant environmental expenditure for the next two years: None

V. Labor Relations:

(1) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

The Company's management philosophy has always been innovation, honesty and mutual respect and sustainable management. In addition to providing a safe and clean working environment, employee satisfaction surveys, counseling for new recruits, employee feedback boxes and other feedback channels are also in place. The Company also conducts labor-management meetings in accordance with the law and is committed to protecting the rights and interests of its employees.

1. Benefit measures:

(1) Insurance: The employees of the Company are covered by the Labor Insurance Scheme and the National Health Insurance Scheme which are in accordance with the law.

(2) Profit sharing: When there is a surplus, performance bonuses will be allocated and included in the year-end bonus distribution. Additionally, employee profit-sharing compensation will be allocated and disbursed after the annual board meeting and submitted to the shareholders' meeting.

(3) Cash gift: Holidays bonus, birthday gift, wedding gift, childbirth allowance, relocation gift, consolation money, etc.

(4) Activities: The Company has established an Employee Welfare Committee in accordance with the law, provides welfare payments and organizes various activities in accordance with the regulations. In addition, there are occasional employee trips, birthday celebrations, social and entertainment events, end-of-year parties, lucky draw for employees, exclusive shop discounts, etc.

(5) Book reading: Regular subscriptions to various books, magazines and newspapers which are available for employees to read.

(6) Other benefits: Free lunch, on-site car park, accommodation for employees, exclusive badminton court, breastfeeding room, etc.

2. Education and training

(1) To develop talents and enhance core competitiveness, the Company has been providing systematic and planned training to employees according to their functions and ranks. In addition to regular on-site training, employees are also provided with external training.

(2) The company has passed the Talent Quality Management System (TTQS) assessment and has been awarded a bronze medal.

(3) The Group has 48,947 hours of on-site and off-site education and training for 2023, with an expenditure of NT$1,756 thousand.

3. Retirement systems and the status of the implementation

(1) The Company contributes to the pension fund in accordance with the Labor Standards Act, which is deposited in the name of the Company's Supervisory Committee of Business Entities' Labor Retirement Reserve in a government designated account.

(2) With effect from 1 July 2005, in line with the implementation of the Labor Pensions Act, employees may choose to be subject to the pension provisions of the Labor Standards Act or opt to be subject to the Labor Pensions Act and retain their existing length of service. For employees subject to the Act, a monthly contribution of 6% of their salary shall be paid into a personal pension account.

(3) Retirement systems

a. Voluntary retirement

- Where the worker has worked for more than twenty-five years and are is subject to the retirement system under the Labor Standards Act.
- Where the worker attains the age of fifty-five and has worked for fifteen years and are is subject to the retirement system under the Labor Standards Act.
- Where the worker attains the age of sixty and has worked for ten years and are is subject to the retirement system under the Labor Standards Act.

b. Compulsory retirement

- Where the worker attains the age of sixty-five.
- Where the worker is unable to perform his/ her duties due to disability.

c. The criteria for payment of worker pensions

- The calculation of the length of service: Starting from the date of employment.
- The calculation of base: Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 15. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months.
- Base standard: Based on the average monthly wages for the six months prior to the date of approved retirement.
- An additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties.
- For employees subject to the Labor Pension Act, when they attain the age of sixty, they are entitled to apply for pensions from the Bureau of Labor Insurance in accordance with the law.

d. Voluntary Retirement Scheme

- ·The total length of service plus the age during employment is 60 (inclusive) or more.
- The calculation of base: Two bases are given for each full year of service rendered under the old scheme. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 15. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months.
- An additional 20% on top of the amount calculated shall be added to the average monthly wages for the six months prior to the date of approved retirement.

(4) There were 6 applications for retirement from employees during the period of January 2023 to April 2024. According to the old scheme, retirement benefits were provided based on the old scheme. Among them, 5 employees applied for and received retirement pensions from their respective labor retirement preparation accounts in accordance with the law. Additionally, 1 managerial personnel’s retirement benefits were paid by the company's Labor Retirement Reserve. Employees may apply to the Bureau of Labor Insurance for payment when they attain the age of sixty.

4. Code of conduct or ethics for employees

In order to protect the rights and interests of employees, improve labor relations, establish management systems and improve organizational functions, the Company has established various internal work rules in accordance with the relevant laws and regulations, which are available on the internal bulletin board.

(1) Code of ethical conduct established by the Company

a. The purpose is to ensure that the directors, supervisors, managerial officers and employees of the Company conduct in an ethical manner and that the Company's stakeholders have a greater understanding of the Company's ethical standards for compliance.

b. Applicable to:

Including directors, supervisors, general manager(s) and equivalent level positions、 deputy general manager(s) and equivalent level positions、deputy assistant general manager(s) and equivalent level positions、supervisor(s) of the Finance Department、supervisor(s) of the Accounting Department and other persons or employees who have the power to manage affairs and sign for the Company.

c. Management priorities

(a) Prevent conflicts of interest

(b) Avoid opportunities for personal interest

(c) Obligation of confidentiality

(d) Fair trade

(e) Protect and make proper use of the Company's assets

(f) Compliance with the law

(g) Encourage the reporting of any illegal or unethical conduct

(h) Penalty measures

(2) Employee Handbook

The regulations and procedures related to employee integrity, employment, attendance, salary, rewards and penalties, resignation, retirement, and welfare are clearly defined in the Employee Handbook. These guidelines are published on the internal electronic bulletin board and provided to each employee upon their commencement of employment.

(3) Building a working environment of gender equality

In order to ensure gender equality and dignity at work and to provide a working environment which is free from sexual harassment and gender discrimination, the Company has established the “Gender Equality in Employment Rules”. In addition, the Company announces the relevant information to all employees regularly so that all employees are aware of and can comply with the provisions of this rule.

(4) Management of company network and email usage

In order to manage the Company's e-mail, intranet and Internet resources effectively, the Company has established the “Classified Security Information Protection Rule” and the “Internet Communication and Mail Control Rules”. At the same time, employees are required to sign an employee declaration upon the commencement of their employment to ensure that all employees understand and will abide by the rules governing the use of the company's network and email.

(5) Document quality management system

In order to standardize the Company's internal operation process and ensure the quality of service, the Company conducts quality control assessments for each operation management system in order to continuously improve the internal operation and achieve the objective of sustainable management.

ISO 14000 and ISO 45001 certified, with regular external audits and continuous achievement of certification.

5. Work environment and employee safety measures

(1) Health, safety and risk management

The Company is committed to providing a safe and comfortable work environment for its employees and are ISO 14001 and ISO 45001 certified. The Company conducts annual internal audits by its audit team, which is composed of internal professionals. External audits are also carried out by an independent third party and based on the results of the audits, meetings will be held to carry out any necessary improvements or corrective measures. The continuous improvement through education and training with the full participation of all employees is aimed at achieving the ultimate objective of achieving zero risk or loss, thus ensuring the health of employees and providing a safe work environment.

(2) Environmental inspections

To ensure that the possible harmful substances in the workplace do not exceed the permitted concentration as stipulated in the law and to protect the health of employees, the Company has regularly conducted environmental inspections every six months. In 2023, the results were in compliance with the standards required by the law.

(3) Management of contractors

The Company conducts the necessary controls and risk management of the contractor's operations in the plant area with regard to high- risk operations such as overheads, hangings, fire, limited space and electrical. At the time of contracting for the work, the Company states in writing the Company's practices and requires the Contractor to sign a letter of consent. The Contractor's personnel must be licensed and equipped with the appropriate personal protective equipment and appropriate safety precautions will be carried out on site. In addition to routine spot inspections, self-maintenance and audits, The Company has also regularly commissioned external legitimate organizations to carry out maintenance and repairs on the equipment.

(4) Management of waste

Recycling is the preferred treatment method for waste. For waste that cannot be recycled, it will be disposed of by incineration or burial through legal disposal agencies. In order to keep track of the flow of waste, frequent audits are conducted by our auditors to ensure that all waste is disposed of legally and to avoid causing further environmental pollution.

(5) 5S activities

The Company is actively promoting the 5S activities (Sort, Set in Order, Shine, Standardize, Sustain) internally. The purpose is to cultivate employee self-management and encourage the participation of all staff members. The goal is to improve work efficiency, reduce workplace accidents, and ensure a safe and healthy working environment through the implementation of 5S activities.

(6) Green product design

"Low toxicity", "extended product life", "energy saving" and "easy recycling" are the main objectives of the product design of the Company. The design and manufacture of the products are carried out under this objective, with the long-term aim of creating a profitable operation with a consistent reduction in environmental impact.

(7) Health examination for employees

In addition to regular health examinations for employees, it is mandatory for new employees to undergo a medical examination upon their employment in the factory. Special workers (mainly including chemical workers, radiation workers, soldering workers, workers surrounded by dust and debris, workers in noisy environments, etc.) are required to undergo annual health examinations to ensure adequate health care.

(8) Other

In addition to regular simulated exercises and training, the Company has established extensive and rigorous preventive measures and contingency plans for natural and man-made disasters and infectious diseases, such as typhoons, earthquakes, fires and new flu to provide the most appropriate response and reconstruction plan in the event of a crisis or disaster. Also, to minimize the uncertainties of business operations and the possible impact of various disasters, and to maintain the normal operation of the Company in order to fully protect the interests of Shareholders, customers and employees of the Company.

(9) There were no cases of employee occupational accidents in 2023, and therefore, no statistics regarding the number of incidents, number of individuals affected, or the proportion relative to the total number of employees. As a result, no relevant improvement measures were implemented.

(10) There were no incidents of fire in 2023, and consequently, no statistics regarding the number of incidents, casualties, or the proportion relative to the total number of employees. Consequently, no relevant improvement measures were taken in response to fires.

6. Agreements between employers and employees

The company is committed to creating an atmosphere of mutual trust between employers and employees, focusing on internal communication and providing a variety of channels for feedback. For example, the employee proposal system, the convening of labor-management meetings and regular communication and co-ordination meetings, various announcements and communications on the company's intranet and employee opinion surveys, etc. Labor relations have been harmonious with no major labor disputes. A labor-management meeting was held on 12 December 2023, during which good communication between labor and management was observed.

(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cyber Security Management:

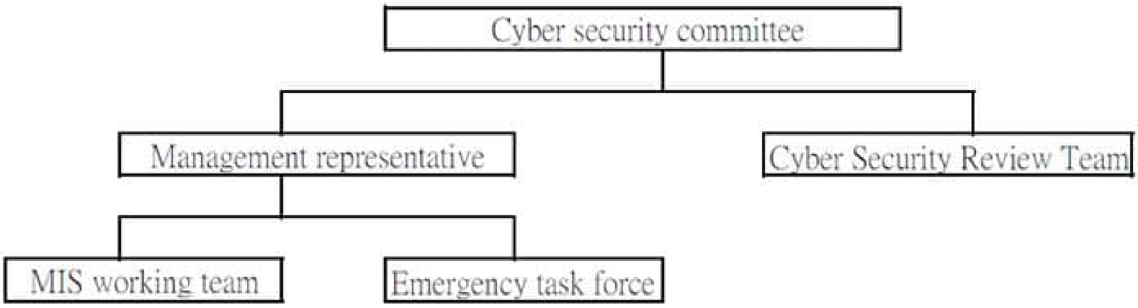
1. Cyber security risk management framework:

To facilitate the effective implementation of the Company's cyber security risk management system, the Cyber Security Committee was established on 31st January 2020. The head of the General Management Administration Office serves as the convener and holds regular or necessary annual meetings to review matters relating to cyber security risk management so that the objectives of the system can be effectively achieved and the security of business operations can be enhanced.

The Company is certified by TISAX Trusted Information Security Assessment Exchange AL3. The current certificate is valid until May 27, 2024. The Board of Directors approved the appointment of Mao-Quan Ke, General Management Administration Office, as Chief Cyber Security Officer on 19th January 2022.

The Information Office is the responsible unit for cyber security. The head of the department is the Executive Secretary of the Cyber Security Committee and the head of the Information Processing Team, the head of the Emergency Response Team and personnel of the department as of the member of Emergency Response Team. The main task is to plan, implement, supervise and improve the cyber security risk management system and respond to cyber security incidents. The Cyber Security Audit Team, chaired by the Audit Office, is responsible for evaluating and examining the implementation of the cyber security risk management system and conducting internal audits of cyber security at least once a year.

Cyber Security Committee. The Cyber Security Committee shall convene a management review meeting at least once a year to review cyber security policies, internal and external concerns, audit findings reports, risk assessment and decisions on continuous improvement opportunities. The Information Security Governance Report was submitted to the Board of Directors on 9 August 2023. The most recent internal audit was completed on 12 April 2024 and the management review meeting report was completed on 10 May 2024.



Structure of Cyber Security Committee

2. Cyber security policies

Purpose:

The Company has established a cyber security policy to strengthen the management of cyber security, to ensure the confidentiality, integrity and availability of information, to provide an environment in which the Company's information operations can continue to operate, and to meet the requirements of relevant laws and regulations, and to protect them from internally and externally intentional or accidental threats.

Vision and objectives:

(1) Cyber security policies vision:

Enhance employee awareness to avoid data leakage

Implement daily maintenance to ensure the availability of services

(2) The cyber security objectives established in accordance with the cyber security policy vision are as follows:

- Organize cyber security education and training to promote awareness of cyber security and strengthen employees' awareness of their responsibilities.
- Protect information about the Company's operations from unauthorized access and modification to ensure its accuracy and integrity.
- Conduct regular internal audits to ensure that all relevant operations are carried out.
- Ensure a level of system availability for the Company's critical core systems.

(3) The annual deliverables, resources required, responsible personnel, expected completion time, and evaluation of results and findings should be developed for the above cyber security objectives. The relevant supervision and measurement procedures shall be in accordance with the Company's "Supervision and Measurement Regulations" IS-I15.

(4) The Information Processing Team should report to the Cyber Security Committee convenor in a management review meeting on the results of the Information Security Objective effectiveness measurements.

(5) Internet Security Policy:

- The Company adheres to international Internet security standards such as ISO 21434 or agreed-upon Internet security management processes with clients to maintain our management system.
- Valuable assets related to Internet security activities shall be identified and managed, with appropriate handling methods agreed upon by clients and our company.
- The Company values the development of secure products as a core principle and ensures necessary actions are taken.
- Regular Internet security audits of processes will be conducted to ensure compliance with the requirements of section 4.2.1.
- The Company ensures that employees possess good Internet security skills or arrange appropriate training.

Responsibility:

(1) Establish and review the policy.

(2) The Information Processing Team implements this policy through standards and procedures.

(3) All employees and contracted service providers are required to follow relevant security management procedures to safeguard the cyber security policies.

(4) All personnel are responsible for the reporting of cyber security incidents and any identified weaknesses.

(5) Any conduct that endangers the cyber security will be subject to civil, criminal or administrative liability or penalties in accordance with the Company's regulations.

Review:

This policy shall be reviewed at least once a year at a management review meeting to reflect the latest developments in government regulations, technology and business to ensure the Company's sustainability and competence in cyber security practices.

Implementation:

(1) (Including subsidiaries) In obtaining sensitive information or personal data of the Company for business purposes, users shall be responsible for the confidentiality and proper use of such information and shall comply with the relevant laws and regulations of the country and the relevant cyber security regulations of the Company.

(2) In case of data leakage or information security incidents caused by negligence, the legal consequences shall be applied.

(3) This policy was approved by the Convenor after a meeting of the Cyber Security Committee and will be implemented as amended.

3. Concrete management programs:

(1) The implementation of ISO27001 cyber security risk management system can effectively reduce the occurrence of cyber security incidents and has a certain effect on risk management. Having evaluated the costs and benefits, there is no urgency or need to take out insurance for the time being.

(2) Implemented ISO27001: 2013 Standard 14 areas and related control measures.

- Cyber security policies
- Cyber security organizations
- Human resource security
- Asset management
- Access controls
- Cryptography
- Physical and environmental safety
- Operational security
- Communication security
- System acquisition development and maintenance
- Supplier relations
- Cyber security incident management
- Cyber security aspects of business continuity management
- Compliance

(3) Common cyber malicious attacks, ransomware and other information security risks are now being protected by network security devices. Such as the installation of firewalls like Intrusion Prevention System (IPS) and network behavior analysis.

(4) Every year, the company conducts vulnerability scanning, vulnerability remediation, backup restoration exercises, security incident drills and business continuity drills for core systems such as domain control stations, email, ERP systems, databases, file hosts, etc. to effectively prevent the occurrence of cyber security risks. If a risk occurs, it can be effectively controlled and losses can be minimized.

4. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important Contracts:

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report or expired in the most recent fiscal year.

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Credit facility agreement	Hua Nan Commercial Bank	9 March 2022 to 15 February 2029	Credit Limit: NT$80 million in total. The grace period starts from the first disbursement date and lasts for 3 years. After the grace period expires, repayment will be made monthly in 48 equal installments, amortizing the principal.	None
Credit facility agreement	Mega International Commercial Bank	15 March 2022 to 15 February 2029	Credit Limit: NT$80 million in total. A grace period of 3 years will be granted starting from the first disbursement date. After the expiration of the grace period, repayment will be made monthly in 48 installments, with each installment amortizing the principal.	None
Credit facility agreement	Taipei Fubon Commercial Bank	9 June 2022 to 15 May 2029	Credit Limit: NT$160 million for construction financing and NT$50 million for operational working capital. A grace period of 3 years will be granted starting from the first disbursement date. After the expiration of the grace period, repayment will be made monthly in 48 installments, with each installment amortizing the principal.	None

Chapter VI. Financial Overview

I. Condensed Balance Sheets and Statements of Comprehensive Income for the Past 5 Fiscal Years

(I) Condensed Balance Sheet and Statement of Comprehensive Income

Consolidated Condensed Balance Sheet

Unit: NT$ Thousands

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years (Note 1)					Financial information as at 31 March 2024 (Note 3)
		2019	2020	2021	2022	2023	
Current assets		1,431,750	1,437,771	1,897,984	2,587,961	3,035,375	2,779,656
Property, plant and equipment (Note 2)		947,211	915,960	925,391	1,062,867	1,098,964	1,082,116
Intangible assets		20,703	29,283	45,976	36,997	31,389	32,957
Other assets (Note 2)		407,129	423,271	289,759	240,936	202,835	254,510
Total assets		2,866,929	2,858,424	3,183,244	3,949,060	4,390,230	4,170,273
Current liabilities	Before distribution	1,034,050	1,069,681	1,460,197	1,229,247	1,557,395	1,286,232
	After distribution	1,034,050	1,069,681	1,460,197	1,133,288	Not yet distributed	N/A
Non-current liabilities		385,216	449,370	328,393	670,844	645,729	635,557
Total liabilities	Before distribution	1,419,266	1,519,051	1,788,590	1,900,091	2,203,124	1,921,789
	After distribution	1,419,266	1,519,051	1,788,590	1,814,132	Not yet distributed	N/A
Equity attributable to owners of the parent company		1,447,663	1,339,373	1,394,654	2,048,969	2,187,106	2,248,484
Capital stock		1,187,985	1,187,985	1,187,985	1,227,985	1,227,985	1,227,985
Additional paid-in capital		216,787	216,787	216,787	449,022	449,022	449,022
Retained earnings	Before distribution	57,119	(28,557)	67,735	411,918	556,184	623,737
	After distribution	57,119	(28,557)	67,735	325,959	Not yet distributed	N/A
Other equities		(14,228)	(36,842)	(77,853)	(39,956)	(46,085)	(52,260)
Treasury stock		0	0	0	0	0	0
Non-controlling interests		0	0	0	0	0	0
Total equity	Before distribution	1,447,663	1,339,373	1,394,654	2,048,969	2,187,106	2,248,484
	After distribution	1,447,663	1,339,373	1,394,654	1,963,010	Not yet distributed	N/A

* A company that has compiled parent only financial statements shall also compile parent only condensed balance sheets and statements of comprehensive income for the most recent 5 fiscal years.

* A company that has adopted the International Financial Reporting Standards for its financial information for less than 5 fiscal years shall additionally prepare Table (2) below presenting its financial information under the Enterprise Accounting Standards of the R.O.C.

Note 1: The information has been audited and attested by a CPA.

Note 2: If the company that has conducted any asset revaluation in a fiscal year, it shall state the date of the asset revaluation and the amount of the revaluation increment.

Note 3: The consolidated financial information has been audited and attested or reviewed by a CPA; For the "after distribution" figures above, please fill in the amounts based on the amount resolved by the board of directors or resolved in the next year's shareholders meeting.

Note 4: For the "after distribution" figures above, please fill in the amounts based on the amount resolved by the board of directors or resolved in the next year's shareholders meeting.

Note 5: If the competent authority has notified the Company to make a correction or restatement to its financial information, this table shall be prepared based on the corrected or restated figures, and a note shall be give specifying the specific circumstances and reasons.

Consolidated Condensed Statement of **Comprehensive** Income

Unit: NT$ Thousands

Item \ Fiscal year	Financial Information for Most Recent 5 Fiscal Years (Note 1)					Financial information as at 31 March 2024(Note 2)
	2019	2020	2021	2022	2023	
Revenue	2,201,953	1,633,351	2,475,727	3,565,754	3,766,293	841,046
Gross profit	511,958	379,347	659,742	950,461	899,053	203,083
Operating (loss) income	45,199	(88,247)	171,384	308,544	249,047	29,948
Non-operating incomes and expenses	(13,379)	5,158	(7,461)	179,093	24,283	39,497
Net (loss) income before tax	31,820	(83,089)	163,923	487,637	273,330	69,445
Net (loss)income from continued operations	629	(81,921)	96,520	346,571	232,592	67,553
Net (loss) income	629	(81,921)	96,520	346,571	232,592	67,553
Total other comprehensive income	6,505	(26,369)	(41,239)	35,509	(8,496)	(6,175)
Total comprehensive income	7,134	(108,290)	55,281	382,080	224,096	61,378
Net income attributable to the shareholders of parent company	629	(81,921)	96,520	346,571	232,592	67,553
Net income attributable to non-controlling interests	0	0	0	0	0	0
Total comprehensive income attributable to the shareholders of parent company	7,134	(108,290)	55,281	382,080	224,096	61,378
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0	0
Earnings per share	0.01	(0.69)	0.81	2.88	1.89	0.55

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* A Company that has adopted the International Financial Reporting Standards for its financial information for less than 5 fiscal years shall additionally prepare Table (2) below presenting its financial information under the Enterprise Accounting Standards of the R.O.C.

Note 1: The consolidated information has been audited and attested by a CPA.

Note 2: The information has been reviewed by a CPA.

Note 3: For loss from discontinued operations, the net amount after deduction of income tax shall be stated.

Note 4: If the competent authority has notified the Company to make a correction or restatement to its financial information, this table shall be prepared based on the corrected or restated figures, and a note shall be given specifying the specific circumstances and reasons.

Parent Only Condensed Balance Sheet

Unit: NT$ Thousands

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years (Note 1) 2019	2020	2021	2022	2023	Financial information as at 31 March 2024
Current assets		886,035	774,984	875,541	1,487,606	1,419,092	
Property, plant and equipment (Note 2)		659,184	649,692	644,623	674,005	684,670	
Intangible assets		18,603	16,626	19,913	15,239	18,064	
Other assets (Note 2)		290,963	303,371	159,796	107,598	35,580	
Total assets		2,650,843	2,511,636	2,550,480	3,289,990	3,520,062	
Current liabilities	Before distribution	817,645	777,800	882,080	574,201	694,733	
	After distribution	817,645	777,800	882,080	488,242	Not yet distributed	
Non-current liabilities		385,535	394,463	273,746	666,820	638,223	
Total liabilities	Before distribution	1,203,180	1,172,263	1,155,826	1,241,021	1,332,956	
	After distribution	1,123,291	1,203,180	1,172,263	1,155,062	Not yet distributed	
Equity attributable to owners of the parent company		1,447,663	1,339,373	1,394,654	2,048,969	2,187,106	
Capital stock		1,187,985	1,187,985	1,187,985	1,227,985	1,227,985	
Additional paid-in capital		216,787	216,787	216,787	449,022	449,022	
Retained earnings	Before distribution	57,119	(28,557)	67,735	411,918	556,184	
	After distribution	57,119	(28,557)	67,735	325,959	Not yet distributed	
Other equities		(14,228)	(36,842)	(77,853)	(39,956)	(46,085)	
Treasury stock		0	0	0	0	0	
Non-controlling interests		0	0	0	0	0	
Total equity	Before distribution	1,447,663	1,339,373	1,394,654	2,048,969	2,187,106	
	After distribution	1,440,529	1,447,663	1,339,373	1,963,010	Not yet distributed	

* A company that has compiled parent only financial statements shall also compile parent only condensed balance sheets and statements of comprehensive income for the most recent 5 fiscal years.

* A company that has adopted the International Financial Reporting Standards for its financial information for less than 5 fiscal years shall additionally prepare Table (2) below presenting its financial information under the Enterprise Accounting Standards of the R.O.C.

Note 1: The parent only financial information has been audited and attested by a CPA.

Note 2: If the company that has conducted any asset revaluation in a fiscal year, it shall state the date of the asset revaluation and the amount of the revaluation increment.

Note 3: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Note 4: For the "after distribution" figures above, please fill in the amounts based on the amount resolved by the board of directors or resolved in the next year's shareholders meeting.

Note 5: If the competent authority has notified the Company to make a correction or restatement to its financial information, this table shall be prepared based on the corrected or restated figures, and a note shall be give specifying the specific circumstances and reasons.

Parent Only Condensed Statement of **Comprehensive** Income

Unit: NT$ Thousands

Item \ Fiscal year	Financial Information for Most Recent 5 Fiscal Years (Note 1)					Financial information as at 31 March 2024
	2019	2020	2021	2022	2023	
Revenue	1,228,881	905,477	1,345,846	2,173,273	2,193,637	
Gross profit	290,536	213,733	306,994	674,174	685,894	
Operating loss	(68,503)	(122,205)	(52,010)	122,183	198,688	
Non-operating incomes and expenses	82,735	30,771	189,771	332,920	104,844	
Net income before tax	14,232	(91,434)	137,761	455,103	303,532	
Net income from continued operations	629	(81,921)	96,520	346,571	232,592	
Losses from discontinued operations	0	0	0	0	0	
Net(loss) income	629	(81,921)	96,520	346,571	232,592	
Other comprehensive income (after tax)	6,505	(26,369)	(41,239)	35,509	(8,496)	
Total comprehensive income	7,134	(108,290)	55,281	382,080	224,096	
Net income attributable to the owner of parent company	629	(81,921)	96,520	346,571	232,592	
Net income attributable to non-controlling interests	0	0	0	0	0	
Total comprehensive income attributable to the shareholders of parent company	7,134	(108,290)	55,281	382,080	224,096	
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0	
Earnings per share	0.01	(0.69)	0.81	2.88	1.89	

* A company that has compiled Financial Analysis for the Most Recent 5 Years financial statements shall also compile Financial Analysis for the Most Recent 5 Years condensed balance sheets and statements of comprehensive income for the most recent 5 fiscal years.

* A Company that has adopted the International Financial Reporting Standards for its financial information for less than 5 fiscal years shall additionally prepare Table (2) below presenting its financial information under the Enterprise Accounting Standards of the R.O.C.

Note 1: The parent only financial information has been audited and attested by a CPA.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Note 3: For loss from discontinued operations, the net amount after deduction of income tax shall be stated.

Note 4: If the competent authority has notified the Company to make a correction or restatement to its financial information, this table shall be prepared based on the corrected or restated figures, and a note shall be give specifying the specific circumstances and reasons.

(2) The name of the CPA and the auditor's opinion given thereby for the most recent 5 years

Fiscal year	2019	2020	2021	2022	2023
CPAs	Chin-Yuan Tu Ming-Hung Chen	Chin-Yuan Tu Ming-Hung Chen	Chin-Yuan Tu Ming-Hung Chen	Tzu Ping Huang Wen Pi Yen	Tzu Ping Huang Wen Chen Lo
Auditor's opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion

II. Financial Analyses for the Past 5 Fiscal Years

(1) Parent Only Financial Analysis

Item (Note 3) / Fiscal year (Note 1)		Financial Analysis for the Most Recent 5 Years (Note 1)					As at 31 March 2024 of the current fiscal year
		2019	2020	2021	2022	2023	
Financial structure (%)	Liabilities to assets ratio	45.39	46.67	45.32	37.72	37.87	
	Long-term capital to property, plant and equipment ratio	278.10	266.87	258.82	402.93	412.66	
Solvency (%)	Current ratio	108.36	99.64	99.26	259.07	204.26	
	Quick ratio	93.85	83.47	73.39	209.76	173.28	
	Interest cover ratio	261.71	(643.94)	1,985.07	4,016.21	2,138.22	
Operating performance	Accounts receivable turnover (time)	12.63	9.09	11.88	3.80	3.04	
	Average collection Days	28.90	40.15	30.72	96.05	120.07	
	Inventory turnover (times)	3.89	3.37	4.26	5.81	6.38	
	Accounts payable turnover (time)	6.33	4.24	4.23	5.81	6.87	
	Average days of sale	93.83	108.31	85.68	62.82	57.21	
	Property, plant and equipment turnover (times)	1.83	1.38	2.08	3.30	3.23	
	Total assets turnover (times)	0.47	0.35	0.53	0.74	0.64	
Profitability	Return on assets (%)	0.29	(2.87)	4.04	12.19	7.18	
	Return on equity (%)	0.04	(5.88)	7.06	20.13	10.98	
	Net income before tax to paid-in capital ratio (%) (Note 7)	1.20	(6.10)	11.60	37.06	24.72	
	Net profit rate (%)	0.05	(9.05)	7.17	15.95	10.60	
	Earnings per share (NTD)	0.01	(0.69)	0.81	2.88	1.89	
Cash flow	Cash flow ratio (%)	(2.97)	0.17	(8.65)	(26.48)	70.93	
	Cash flow adequacy ratio (%)	49.90	643.02	(152.07)	(177.93)	72.16	
	Cash reinvestment ratio (%)	(1.04)	0.06	(3.36)	(4.51)	11.86	
Leverage	Operating leverage	(5.47)	(2.77)	(7.59)	5.63	3.65	
	Financial leverage	0.89	0.93	0.88	1.11	1.08	

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Current ratio/ Interest coverage ratio/Total asset turnover ratio/Return on assets/Return on equity/Pre-tax net profit as a percentage of paid-in capital/Net profit margin/Earnings per share/Operating leverage would change due to the decrease in profitability.
2. Accounts receivable turnover /Average collection days have been affected by the growth in revenue, leading to an increase in accounts receivable, a decrease in accounts receivable turnover ratio, and an increase in average collection days.
3. Cash flow ratio/ Cash flow adequacy ratio/ Cash reinvestment ratio has increased: This is due to a decrease in accounts receivable, resulting in an increase in net cash inflow from operating activities, as well as a significant increase in net cash inflow from operating activities over the past 5 years.

Note 1: The parent only financial information has been audited and attested by a CPA.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

(2) Consolidated Financial Analysis

Item (Note 3) \ Fiscal year		Financial Analysis for the Most Recent 5 Years (Note 1 and Note 3)					As at 31 March 2024 of the current fiscal year (Note 2 and 3)
		2019	2020	2021	2022	2023	
Financial structure (%)	Liabilities to assets ratio	49.50	53.14	56.19	48.12	50.18	46.08
	Long-term capital to property, plant and equipment ratio	193.50	195.29	186.20	255.89	257.77	266.52
Solvency (%)	Current ratio	138.46	134.41	129.98	210.53	194.90	216.11
	Quick ratio	96.07	92.17	73.67	110.67	124.15	136.09
	Interest cover ratio	301.76	(481.61)	1,232.06	1,768.28	879.38	3151.19
Operating performance	Accounts receivable turnover (time)	4.28	3.24	4.27	4.71	3.93	0.84
	Average collection Days	85.28	112.65	85.48	77.49	92.87	434.52
	Inventory turnover (times)	2.47	1.91	2.18	2.27	2.25	0.52
	Accounts payable turnover (time)	6.84	4.30	3.89	5.23	6.21	1.44
	Average days of sale	147.77	191.09	167.43	160.79	162.22	701.92
	Property, plant and equipment turnover (times)	2.33	1.75	2.69	3.59	3.48	0.77
	Total assets turnover (times)	0.77	0.57	0.82	1.00	0.90	0.2
Profitability	Return on assets (%)	0.47	(2.46)	3.58	10.37	6.25	1.62
	Return on equity (%)	0.04	(5.88)	7.06	20.13	10.98	3.05
	Net income before tax to paid-in capital ratio (%) (Note 7)	2.68	(6.99)	14.43	39.71	22.26	5.66
	Net profit rate (%)	0.03	(5.02)	3.90	9.72	6.18	8.03
	Earnings per share (NTD)	0.01	(0.69)	0.81	2.88	1.89	0.55
Cash flow	Cash flow ratio (%)	6.24	14.08	(5.00)	(21.43)	30.17	6.00
	Cash flow adequacy ratio (%)	64.78	281.27	8.99	(24.04)	24.36	27.44
	Cash reinvestment ratio (%)	2.44	5.65	(2.73)	(6.97)	9.81	(0.22)
Leverage	Operating leverage	14.58	(6.10)	4.80	3.53	4.30	8.95
	Financial leverage	1.54	0.86	1.09	1.10	1.16	1.08

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. The interest coverage ratio/ return on assets/return on equity/pre-tax net profit as a percentage of paid-in capital/net profit margin/earnings per share/operating leverage have been affected by significant growth in revenue and profitability.
2. The cash flow ratio/cash flow solvency ratio/cash reinvestment ratio has increased: This is due to a decrease in accounts receivable, resulting in an increase in net cash inflow from operating activities, as well as a significant increase in net cash inflow from operating activities over the past 5 years.

Note 1: The consolidated financial information has been audited and attested by a CPA.

Note 2: The consolidated financial information has been reviewed by a CPA.

Note 3: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual report:

1. Financial structure
   (1) Liabilities to assets ratio＝total liabilities / total assets.
   (2) Long-term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net value of property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Interest cover ratio = net income before income tax and interests expenses / interest expenses for the current period.
3. Operating capacity
   (1) Accounts receivable (including accounts receivable and bills receivable arising from business operation) turnover rate = net sales of goods / average receivables for different periods (including balance of accounts receivable and bills receivable arising from business operation).
   (2) Average days of cash receipt＝365 / accounts receivable turnover.
   (3) Inventory turnover rate = operating costs / average inventory.
   (4) Accounts payable (including accounts payable and bills payable arising from business operation) turnover rate = operating costs / average payable for different period (including accounts payable and bills payable arising from business operation).
   (5) Average days of sale = 365 / inventory turnover rate.
   (6) Property, plant and equipment turnover ratio = net sales / average net worth of property, plant and equipment.
   (7) Total asset turnover ratio = net sales / total average assets.
4. Profitability
   (1) Return on asset = (profit or loss after tax + interest expenses × (1 - tax rate)) / average total assets.
   (2) Return on equity = profit and loss after tax / net average shareholders' equity.
   (3) Net profit rate = profit and loss after tax / net sales of goods.
   (4) Earnings per share = (Income attributable to shareholders of parent company - preferred share dividend) / weighted average of outstanding shares (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash flow due to operating activities / current liabilities.
   (2) Net cash flow adequacy ratio = net cash flow from operating activities over the current five years / (capital expenditure + increase in inventory + cash dividends) for the current five years).
   (3) Cash re-investment ratio = (net cash flow from operation - cash dividends) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)
6. Leverage:
   (1) Operational leverage = (net sale - variable operating costs and expenses) / operating income. (Note 6)
   (2) Financial leverage = operating income / (operating income - interest expenses)

Note 4: Special attention shall be paid to the following when making the calculations for cash flow analysis:

1. Based on the weighted average number of ordinary shares instead of the number of shares issued as at the end of the year.
2. Where there is a cash capital increase or treasury stock trader, the weighted average number of shares should be calculated by taking into account the period of their circulation.

3. Where there is a capital increase from surplus or capital reserve, the calculation of earnings per share for the previous years and half-year should be adjusted retrospectively in proportion to the capital increase, irrespective of the period during which the capital increase was issued.
4. If the Preference Shares are cumulative non-convertible Preference Shares, the dividends for the year, whether or not paid, shall be reduced by the net profit after taxation or increased by the net loss after taxation. In the case of non-cumulative preference shares, dividends on preference shares shall be reduced by the net profit after tax if there is a net profit after tax; in the case of losses, no adjustment shall be made.

Note 5: The cash flow analysis should be measured with particular attention to the following:

1. Net cash flow from operating activities is defined as the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow from capital investments.
3. Additions to inventories are included only if the closing balance is greater than the opening balance, or nil if inventories are reduced at the end of the year.
4. Cash dividends comprise cash dividends on ordinary and preference shares.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before accumulated depreciation.

Note 6: The issuer should distinguish between fixed and variable operating costs and operating expenses according to their nature and, where estimates or subjective judgements are involved, pay attention to their reasonableness and maintain consistency.

Note 7: Where the Company's shares have no par value or a par value other than NT$10 per share, the calculation of the ratio of paid-in capital above is changed to the ratio of equity attributable to the shareholders of the parent company in the balance sheet.

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

Please refer to page 129.

IV. Financial Statement for the Most Recent Fiscal Year, Including an Auditor's Report Prepared by a Certified Public Accountant, and 2-Year Comparative Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Chart, and any Related Footnotes or Attached Appendices

Please refer to pages 130 to 237.

V. A Parent Company Only Financial Statement for the Most Recent Fiscal Year, Certified by a CPA, but not Including the Statements of Major Accounting Items.

Please refer to pages 238 to 341.

VI. If the Company or Its Affiliates Have Experienced Financial Difficulties in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report, the Annual Report Shall Explain How Said Difficulties Will Affect the Company's Financial Situation.

The Company and its affiliates have not experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

Chapter VII. Review of Financial Position, Financial Performance and Risk Management

I. Financial Position:

Comparative Analysis of Consolidated Financial Position

Unit: NT$ Thousands

Item \ Fiscal year	2023	2022	Increase (decrease)	Difference %
Current assets	3,035,379	2,587,961	447,418	17.29
Non-current financial assets measured at fair value through other comprehensive income	906	1,988	(1,082)	(54,43)
Investments accounted for using the equity method	6,041	6,381	(340)	(5.33)
Property, plant and equipment	1,098,964	1,062,867	36,097	3.4
Right-of-use assets	14,716	11,930	2,786	23.35
Intangible assets	31,389	36,997	(5,608)	(15.16)
Other assets	202,835	240,936	(38,101)	(15.81)
Total assets	4,390,230	3,949,060	441,170	11.17
Current liabilities	1,557,395	1,229,247	328,148	26.70
Non-current liabilities	645,729	670,844	(25,115)	(3.74)
Total liabilities	2,203,124	1,900,091	303,033	15.95
Capital stock	1,227,985	1,227,985	0	0
Additional paid-in capital	449,022	449,022	0	0
Retained earnings	556,184	411,918	144,266	35.02
Other equities	(46,085)	(39,956)	(6,129)	(15.34)
Total equity	2,187,106	2,048,969	138,137	6.74

Description of material changes:

1. Decrease in non-current financial assets measured at fair value through other comprehensive income is attributed to recognizing the losses of the unlisted company.
2. Increase in right-of-use assets: This is due to an increase in building lease agreements.
3. Increase in current liabilities: This indicates an increase in prepaid accounts payable due to an increase in orders and the need to procure materials, as well as retaining more cash in response to economic changes, leading to an increase in short-term borrowings.
4. Increase in retained earnings: This is due to an increase in revenue and profitability.

II. Financial Performance

(I) Comparative Analysis of Consolidated Operating Results

Unit: NT$ Thousands

Item \ Fiscal year	2023	2022	Increase (decrease)	Difference%
Revenue	3,766,293	3,565,754	200,539	5.62
Operating costs	(2,867,240)	(2,615,293)	251,947	9.63
Gross profit	899,053	950,461	(51,408)	(5.41)
Operating expenses	(650,006)	(641,917)	8,089	1.26
Operating income	249,047	308,544	(59,497)	(19.28)
Non-operating incomes and expenses	24,283	179,093	(154,810)	(86.44)
Income before income tax	273,330	487,637	(214,307)	(43.95)
Income tax expenses	(40,738)	(141,066)	(100,328)	(71.12)
Net income for the year	232,592	346,571	(113,979)	(32.89)
Other comprehensive income for the year	(8,496)	35,509	(44,005)	(123.93)
Total comprehensive income for the year	224,096	382,080	(157,984)	(41.35)

Description of material changes:

1. Decrease in non-operating incomes: This is attributed to the litigation settlement income and gains from the disposal of fixed assets in 2022, and a decrease in foreign exchange gains in 2023.
2. Decrease in pre-tax net profit/income tax expense/net profit for the period/other comprehensive income for the period/ other comprehensive income for the period: This is attributed to changes in customer portfolio resulting in a decrease in gross profit from operations, leading to reduced profitability for the current period. The decrease in other comprehensive income for the period is due to fluctuations in exchange rates.

(II) The effect upon the company's financial operations as well as measures to be taken in response:

Making timely adjustments in product development, production and sales strategies, including the introduction of innovative technologies in auto-electric products to enhance product competitiveness; Enhancing the warehouse management system to improve the efficiency of material tracking, increasing production capacity in Thailand and strengthening the supply capacity in Southeast Asia to capture the opportunities created by the rising consumption power in emerging markets such as China, Southeast Asia and South America.

III. Cash Flows

(I) Consolidated liquidity analysis

Fiscal year / Item	2023	2022	Variance (%) (Note)
Cash flow ratio (%)	30.17	(21.43)	240.78
Cash flow adequacy ratio (%)	24.36	(24.04)	(201.33)
Cash reinvestment ratio (%)	9.81	(6.97)	242.18
Analysis of financial ratio change: The increase in cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio is attributed to the increased net cash inflow from operating activities, particularly due to a significant increase in net cash inflow from operating activities over the past five years.			

(II) Analysis of Consolidated Cash Flow for the year ahead

Unit: NT$ Thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Net Cash Flow from Investing and Financing Activities	Estimated Cash Surplus (Deficit)	Remedy for Estimated Cash Deficit	
				Investment Plan	Financing Plan
852,998	489,946	(530,953)	811,991	-	-
1. Analysis of changes in cash flows: (1) Operating Activities: The net cash inflow generated from operating activities primarily comes from the revenue derived from inventory turnover. (2) Investing and Financing Activities: These activities mainly involve the purchase of machinery and equipment, intangible assets, and the repayment of bank loans. 2. Remedy for estimated cash deficit and liquidity analysis: N/A.					

IV. The Annual Report Shall Describe the Effect upon Financial Operations of any Major Capital Expenditures During the Most Recent Fiscal Year:

None.

V. The Annual Report Shall Describe the Company's Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, The Plan For Improving Re-Investment Profitability, and Investment Plans for the Coming Year:

1. Reinvestment policy for the most recent fiscal year

The Company has invested in the automotive electronics industry, with a 100% shareholding in both China and Thailand, and is gradually disposing of its less relevant investments in order to focus on its own business.

2. The main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability

31 December 2023 Unit: NT$ Thousands; %

Investees	Percentage of direct (indirect) shareholding	Recognized investment gain or loss for the most recent year (2023)	Main reasons for gain or loss	Improvement plan
E-LEAD Technology Co., Ltd. (B.V.I.)	100.00	(82,461)	The investment in E-LEAD (Jiangsu) incurred losses due to price competition	None
Huge Profit Co., Ltd.（Belize）	100.00	(186)	In the process of liquidation	None
E-LEAD Electronic (Thailand) Co., Ltd.	100.00	141,885	Sound operating condition	None
E-LEAD Electronic (Jiangsu)Co., Ltd.	100.00	(86,097)	Incurred losses due to price competition	None
Far Vision Technology CO., LTD.	100.00	(4,362)	Established in August 2023, the business is still in the promotional stage	None
Ruter Elastomer Co., Ltd.	19.00	2	Operations are stable	None
Nuro Technology Inc.	5.98	0	Undergoing transformation	None

3. Investment plans for the coming year: None.

VI. Risks and Assessments During the Most Recent Fiscal Year and as They Stood on the Date of Publication of the Annual Report:

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

1. The effect upon the company's profits (losses) of interest rate and response measures to be taken in the future: The Group's finance costs for the first quarter of 2023 and 2024 were NT$35,070 thousand and NT$8,804 thousand respectively. The financing from financial institutions as a proportion of consolidated total assets was 21.60% and 21.05% at the end of 2023 and the end of the first quarter of 2024 respectively, which has limited impact on the Company and the Group.
2. The Group's export sales accounted for 94.73% and 95.27% in 2023 and the first quarter of 2024 respectively. The Company is exposed to exchange rate fluctuations between the US dollar, RMB and Thai baht, and the New Taiwan dollar for purchases or sales in non-functional currencies. However, as the exchange rate risks of purchasing and selling goods are offset for to some extent and the Group's net income is in US dollars, the Company will exchange foreign currencies in a timely manner in order to reduce exchange losses.
3. Impact of inflation in the most recent year on the Company's profit or loss and future measures in response: The Group's sales to countries or regions with high inflation are denominated in US dollars and therefore inflation is not expected to have a substantial impact on profit or loss in the near term.
4. The Group's exposure to interest rates and inflation is limited and the future measures to address changes in exchange rates are described below:
   (1) The Finance Department maintains close contact with the foreign exchange departments of financial institutions to collect information on movements in foreign exchange rates and to keep track of domestic and foreign exchange movements and changes in order to reduce the adverse impact of exchange rate changes.
   (2) Considering the possible impact of exchange rate changes when quoting to customers, the Company adopts a more conservative exchange rate as the basis for a quotation so that exchange rate fluctuations would have less impact on the profitability of the orders received.
   (3) The Company maintains foreign currency positions in the foreign currency deposit accounts to meet the foreign currency funding requirements and adjust the foreign currency holdings in a timely manner to reduce the impact of exchange rate fluctuations.
   (4) When the exchange rate fluctuates drastically, other instruments will be used in the future to hedge exchange rate risk, such as forward exchange transactions, to hedge the risk of changes in exchange rates.
   (5) The Company has established "Procedures for the Acquisition or Disposal of Assets" to regulate the procedures for derivative trading and to strengthen the Company's risk control management.
   (6)

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

1. The Group did not engage in transactions relating to high-risk and highly leveraged investments in 2023 and the first quarter of 2024.
2. The Group's policy for the loaning of funds or endorsement/guarantee is in accordance with the Company's "Operational Procedures for Loaning of Funds and Endorsement/Guarantee" for 2023 and the first quarter of 2024, which is regularly audited and announced in accordance with the regulations, and there should be no potential risk for the actions taken by the subsidiaries holding 100% equity investment. The relevant information is as follows:

(1) Loans to other parties:

As at 31 December 2023 Unit: NT$ Thousands

Loaning company	Loan recipients	Related party	Subject	Cumulative highest balance up to the end of the month	Closing balance	Actual spending	Interest rate band	Nature of loans of funds	Amount of business transactions	Reasons for short-term financing	Amount of allowance for doubtful debts	Collateral		Limit on the amount of funds to be lent to individual (Note 2)	Total limit of loan (Note 3)
												Name	Value		
E-LEAD Electronic Co., Ltd.	E-LEAD Electronic Technology (Jiangsu) Co., Ltd.	Y	Other receivables	$265,260	$259,740	$ -	-	Short-term financing funds	-	Working capital	$ -	-	-	$874,842	$874,842
E-LEAD Electronic Co., Ltd.	E-LEAD ELECTRONIC(THAILAND)CO., LTD.	Y	Other receivables	64,820	61,420	-	-	Short-term financing funds	-	Working capital	$ -	-	-	874,842	874,842

As at 31 March 2024 Unit: NT$ Thousands

Loaning company	Loan recipients	Related party	Subject	The highest aggregate balance up to the end of the month	Closing balance	Actual spending	Interest rate band	Nature of loans of funds	Amount of business transactions	Reasons for short-term financing	Amount of allowance for doubtful debts	Collateral		Limit on the amount of funds to be lent to individual (Note 2)	Total limit of loan (Note 3)
												Name	Value		
E-LEAD Electronic Co., Ltd.	E-LEAD Electronic Technology (Jiangsu) Co., Ltd.	Y	Other receivables	$264,480	$264,480	$ -	-	Short-term financing funds	-	Working capital	-	-	-	$899,394	$899,394
E-LEAD Electronic Co., Ltd.	E-LEAD ELECTRONIC(THAILAND)CO., LTD.	Y	Other receivables	63,980	63,980	-	-	Short-term financing funds	-	Working capital	-	-	-	899,394	899,394

(2) Endorsements/ guarantees:

As at 31 December 2023 Unit: NT$ Thousands

Guarantee Beneficiary		The limit on the total amount of endorsements /guarantees for any single entity (Note 3)	The highest balance of endorsement guarantees for the period	Balance of endorsement guarantee at the end of the period	Actual spending	Amount of pledge or property as security	Aggregate amount of endorsement guarantees as a proportion of the net value of the financial statements for the most recent period	Maximum limit for endorsement guarantee	An endorsement by the Parent Company for a subsidiary	An endorsement by a subsidiary for the Parent Company	Guaranteed endorsement in China
Name	Relationship (Note 2)										
E-LEAD Electronic Technology (Jiangsu) Co., Ltd.	Parent and subsidiary	$1,093,553	$451,685	$380,952	$165,428	$ -	17.42%	$1,093,553	Y	N	Y

As at 31 March 2024 Unit: NT$ Thousands

Guarantee Beneficiary		The limit on the total amount of endorsements /guarantees for any single entity (Note 3)	The highest balance of endorsement guarantees for the period	Balance of endorsement guarantee at the end of the period	Actual spending	Amount of pledge or property as security	Aggregate amount of endorsement guarantees as a proportion of the net value of the financial statements for the most recent period	Maximum limit for endorsement guarantee	An endorsement by the Parent Company for a subsidiary	An endorsement by a subsidiary for the Parent Company	Guaranteed endorsement in China Name
Name	Relationship (Note 2)										
E-LEAD Electronic Technology (Jiangsu) Co., Ltd.	Parent and subsidiary	$1,124,242	$383,064	$330,600	$102,327	$ -	14.70%	$1,124,242	Y	N	Y

3. The main reasons for the /losses generated thereby and response measures to be taken in the future: N/A.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work.

Please refer to (II) Research and development projects and product development plan of II. Outline of the Business Plan for 2024 in Chapter I. A Letter to Shareholders for the future R&D plans for the most recent year and up to the date of printing of the Annual Report; In 2024, the Company will continue to develop existing products and new products, and the Company expects to spend approximately NT$343 million on R&D, which is approximately 8% higher than in 2023.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

There have been no significant changes in domestic or international policies and laws that have had a material impact on the Company's financial operations.

(V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

The Company has kept up to date with the technological changes and developments in the industry in which it operates and has kept abreast of industry developments. In addition to the continuous enhancement of its own R&D capabilities and the active expansion of future market applications, the Company has been able to effectively reduce the occurrence of information security incidents through the implementation of the TISAX automotive information security assessment and exchange mechanism management system), which is effective for risk management. Therefore, there have been no material impacts on the Company's financial operations as a result of technological changes and industry changes.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

There have been no material changes in the Company's image that have resulted in corporate crisis management.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

The Company has no plans to engage in mergers and acquisitions. However, if there are plans for mergers and acquisitions in the future, the Company will conduct a prudent assessment in accordance with its “Operational Procedures for Acquisition or Disposal of Assets” in order to ensure that the interests of the Company and its shareholders are protected.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

The Company expects to construct the Chuansing II Factory in the most recent year and up to the date of printing of the Annual Report, please refer to V. 3. Investment plans for the coming year for details.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

The Company's top 10 customers accounted for 76% and 75% of the Group's revenue in 2023 and the first quarter of 2024, respectively, with the remaining sales exposure being relatively immaterial. In order to avoid customer concentration, the Company is committed to developing new customers.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

There has been no material transfer or change in the shareholding of the Company's directors, supervisors or substantial shareholders holding more than 10 % of the shares.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

There has been no change associated with any change in governance personnel or top management of the Company.

(XII) Litigious and non-litigious matters

1. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or 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.

2. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or 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.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

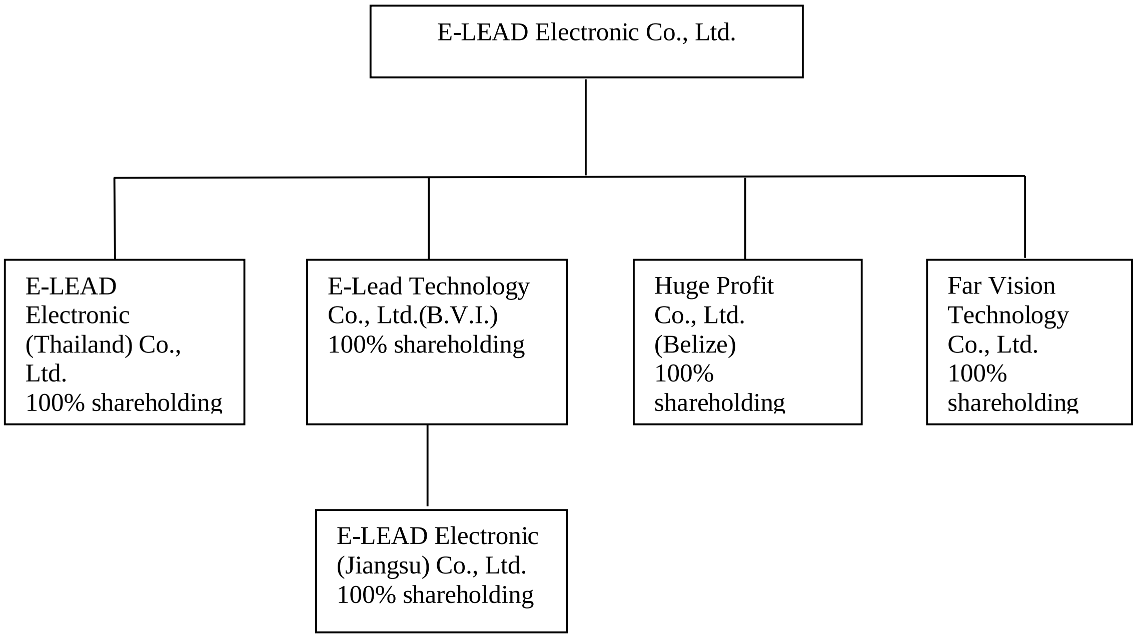
VII. Other Important Matters: None.

Chapter VIII. Special Items to be Included:

I. Information Related to the Company's Affiliates

(I) Consolidated business report

1. Organizational chart of affiliates



2. Basic information of the company's affiliates

31 December 2023 Unit: NT$ Thousands

Company	Date of Incorporation	Address	Capital Stock	Main business or products
E-LEAD Technology Co., Ltd. (B.V.I.)	21 July 2000	3rd Floor, Yamraj Building, Market Square, Road Town, Tortola, British Virgin Islands.	$773,628	Financial investment business
Huge Profit Co., Ltd（Belize）	2 January 2001	No. 21 Regent Street, Belize City, Belize	1,642	Trading business
E-LEAD Electronic (Thailand) Co., Ltd.	6 February 2006	888/4 Moo 7 Sukhumvit Rd., Tambon bangpoomai, Amphur muang, Samutprakarn 10280 Thailand	370,901	In-Car Audio/Video Navigation Console, Rear Seat Entertainment System and other automotive electronic accessories
E-LEAD Electronic (Jiangsu) Co., Ltd.	30 October 2000	No.167 Jinhu West Road Wujiang Eco Tech Dvpt Zone Suzhou, 215200 China	742,242	Head-Up Displays and other automotive electronic accessories
Far Vision Technology CO., LTD.	08 October 2023	4F-9., No. 186, Shizheng N. 7th Rd., Xitun Dist., Taichung, Taiwan	30,000	Far Vision eye protection products

3. Information on the shareholders presumed to be in a controlling and subordinate relation: None.

4. Industries covered by the overall affiliated businesses' operations:

Automotive Electronics and products including In-Car Audio/Video Navigation Console, Rear Seat Entertainment System, Windshield Reflection Type Head up display (HUD), advanced driver assistance system (ADAS), Digital Dashboard, 360 Degrees 2D/ 3D AVM, Front and Rear Reversing Camera, etc.

5. Directors, Supervisors and General Manager of affiliates

31 December 2023

Entities	Title	Name or representatives	Shareholding	
			Shares	%
E-LEAD Technology Co., Ltd. (B.V.I.)	Chairman	E-LEAD Electronic Co., Ltd. Representative: Hsi-Hsun Chen	23,938,736	100%
Huge Profit Co., Ltd.（Belize）	Chairman	E-LEAD Electronic Co., Ltd. Representative: Hsi-Hsun Chen	50,000	100%
E-LEAD Electronic (Thailand) Co., Ltd.	Chairman Director Director	E-LEAD Electronic Co., Ltd. Representative: Hsi-Tsang Chen E-LEAD Electronic Co., Ltd. Representative: Hsi-Hsun Chen E-LEAD Electronic Co., Ltd. Representative: Wei-Ting Chen	4,000,000	100%
E-LEAD Electronic（Jiangsu）Co., Ltd.	Chairman Director Director Supervisor	E-LEAD Technology Co., Ltd. (B.V.I.) Representative: Hsi-Hsun Chen, Ke-Ya Chen, Min-Nan Cai and Teng-Kuei Chen	-	100%
Far Vision Technology CO., LTD.	Chairman Director Director Supervisor	E-LEAD Electronic Co., Ltd. Representative: Hsi-Hsun Chen, Ke-Ya Chen, Kai-Wen Chen and Hsi-Tsang Chen	3,000,000	100%

6. Operational Highlights of Affiliates

31 December 2023 Unit: NT$ Thousands

Name of Enterprise	Capital Stock	Assets	Liabilities	Net Value	Operating Income	Operating Profit	Net Income (Loss)	Comprehensive Income for the Year	Earnings per Share (NT$)
E-LEAD Technology Co., Ltd. (B.V.I)	$773,628	$610,383	$ -	$610,383	$ -	$(116)	$(86,154)	$(99,160)	$(3.60)
Huge Profit Co., Ltd（Belize）	1,642	7,411	-	7,411	-	(176)	(240)	(1,322)	(4.80)
E-LEAD Electronic (Thailand) Co., Ltd.	370,901	1,072,632	218,979	853,653	1,410,854	147,657	143,168	143,168	35.79
E-LEAD Electronic (Jiangsu) Co., Ltd.	742,242	1,814,522	1,205,150	609,372	1,747,143	(100,382)	(85,114)	(85,114)	N/A
Far Vision Technology CO., LTD.	30,000	47,620	21,409	26,211	16,207	(4,861)	(3,789)	(3,789)	(1.26)

(II) Consolidated Financial Statements

The entities that are required to be included in the consolidated statements of affiliates of E-LEAD ELECTRONIC CO., LTD. as at and for the year ended 31 December 2023 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.10 “Consolidated Financial Statements”. Relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, E-LEAD ELECTRONIC CO., LTD. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

(III) Affiliation Report: N/A.

II. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report:

The Company has not carried out private placements of securities.

III. Holding or Disposal of Shares in the Company by the Company's Subsidiaries During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report:

None of the above.

IV. Other Matters That Require Additional Description: None.

3. Audit Committee’s Review Report on the Financial Statements for the Most Recent Year:

E-LEAD Electronic Co., Ltd.

Audit Committee’s Review Report

The Company has prepared the 2023 Business Report, Consolidated Financial Statements, Parent Only Financial Statements, and Proposal for Distribution of Profits, which have been reviewed by the Audit Committee and resolved and approved by the Board of Directors. The CPA firm of Ernst & Young, represented by CPAs Tzu Ping Huang and Wen-Chen Lo, was retained to audit the Consolidated Financial Statements and Parent Only Financial Statements and has issued an audit report relating to the Consolidated Financial Statements and Parent Only Financial Statements with unqualified opinion. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review.

Sincerely,

For the 2024 Annual Meeting of Shareholders

E-LEAD Electronic Co., Ltd.

Audit Committee

Convener:

06 March 2024

Stock Code:2497

E-LEAD ELECTRONIC CO. LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

Address: No. 37, Gongdong 1st Rd., Shengang Shiang, Changhua

Telephone: (04)7977277

The reader is advised that the consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail

E-LEAD ELECTRONIC CO. LTD.

Declaration Statement

The entities that are required to be included in the consolidated statements of affiliates of E-LEAD ELECTRONIC CO., LTD. as at and for the year ended 31 December 2023 under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.10 "Consolidated Financial Statements". Relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, E-LEAD ELECTRONIC CO., LTD. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Truly yours

E-LEAD ELECTRONIC CO., LTD.

Chairman: Hsi-Hsun Chen

6 March 2024

Independent Auditors' Report

To E-LEAD Electronic Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of E-LEAD Electronic Co., Ltd. and its subsidiaries (the "Group") as of 31 December 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2023 and 2022, and their consolidated financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), 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 2023 consolidated financial statements of the Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for losses on accounts receivable

As of 31 December 2023, the carrying amounts of accounts receivable and allowance for losses were NT$975,607 thousand and NT$50,999 thousand, respectively, and the net accounts receivable accounted for 21% of total assets, which was significant to the Group. As the allowance for losses is measured by the expected amount of credit losses over the life of the asset, the assumptions used in the measurement involve significant management judgement. We therefore determined this a key audit matter.

Our audit procedures include, but are not limited to, obtaining an understanding of, and testing the effectiveness of, the internal control system established by management over the collection of accounts receivable; Analyzing changes in accounts receivable and changes in turnover rates over the period and testing the collection of accounts receivable after the period to assess recoverability; Review the breakdown of accounts receivable at the end of the period and recalculate the reasonableness of the allowance for losses on accounts receivable based on the classification of individual credit groups and the expected loss rate as assessed by management. We have also considered the appropriateness of the disclosure of accounts receivable in Notes 5 and 6 to the consolidated financial statements

Evaluation of allowance for losses on decline in value of inventories and obsolescence of inventories

As of 31 December 2023, the net inventory of the Group was NT$1,071,433 thousand, representing 24% of total assets. Due to the uncertainty of the rapid changes in product technology and market demand, the allowance for losses on decline in value and obsolescence of inventories involve significant management judgment, we therefore determined this a key audit matter.

Our audit procedures include, but are not limited to, obtaining an understanding of, and testing the effectiveness of, management's internal control over inventory, including obtaining an understanding of the reasonableness of management's policy for the allowance for losses on decline in value and obsolescence of inventories; assessing management's inventory planning, selecting significant inventory locations and conducting physical observations of inventory counts to confirm the quantity and condition of inventories; testing the adequacy of the allowance for losses on decline in value of inventories. This includes testing the reasonableness of the net realizable value of inventories by reviewing a sample of evidence relating to the purchase and sale of inventories, obtaining a sample of inventory ageing schedules to test the correctness of the ageing calculations and recalculating the reasonableness of the allowance for losses on obsolescence of inventories. We also considered the appropriateness of the disclosures in Notes 5 and 6 to the consolidated financial statements.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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 ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 accompanying notes, 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other

E-LEAD Electronic Co., Ltd. has prepared its parent only financial statements for the years ended 31 December 2023 and 2022, and we have issued an audit report with an unqualified opinion for reference purposes.

/s/Huang, Tzu Ping

/s/Lo, Wen Chen

Ernst & Young, Taiwan

6 March 2024

Notice to Readers

English Translation of Consolidated Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets			31 December 2023		31 December 2022	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6.1	$852,998	20	$468,730	12
1110	Financial assets at fair value through profit or loss - current	4,6.2	8,349	-	8,878	-
1150	Notes receivable, net	4	99,440	2	60,905	2
1170	Accounts receivable, net	4,6.3,7	924,608	21	746,039	19
1200	Other receivables	4,7	41,489	1	66,766	2
130x	Inventories	4,6.4	1,071,433	24	1,170,536	30
1410	Prepayments		30,435	1	57,078	1
1470	Other current assets	4	6,627	-	9,029	-
11xx	Total current assets		3,035,379	69	2,587,961	66
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	4,6.5	906	-	1,988	-
1550	Investments accounted for using the equity method	4,6.6	6,041	-	6,381	-
1600	Property, plant and equipment	4,6.7,8	1,098,964	25	1,062,867	27
1755	Right-of-use assets	4,6.17,7,8	14,716	-	11,930	-
1780	Intangible assets	4	31,389	1	36,997	1
1840	Deferred tax assets	4,6.21	137,307	3	167,586	4
1900	Other non-current assets	4,6.8	65,528	2	73,350	2
15xx	Total non-current assets		1,354,851	31	1,361,099	34
1xxx	Total assets		$4,390,230	100	$3,949,060	100

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

Chairman: Hsi-Hsun Chen Manager: Hsi-Hsun Chen Accounting Supervisor: Pi-Huan Chen

English Translation of Consolidated Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			31 December 2023		31 December 2022	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	4,6.9	$738,155	17	$565,250	14
2130	Contract liabilities - current	6.15	16,939	-	10,156	-
2150	Notes payable		1,558	-	-	-
2170	Accounts payable	7	509,388	12	412,737	11
2200	Other payables	6.10,7	278,359	6	228,097	6
2230	Current income tax liabilities	4,6.21	3,728	-	6,851	-
2399	Other current liabilities	4,6.17,7	9,268	-	6,156	-
21xx	Total current liabilities		1,557,395	35	1,229,247	31
	Non-current liabilities					
2530	Bonds payable	4,6.11	292,830	7	288,098	7
2540	Long-term loans	6.12	210,000	5	210,400	6
2570	Deferred tax liabilities	4,6.21	64,699	1	88,661	2
2640	Net defined benefit obligation - non-current	4,6.13	73,349	2	80,433	2
2670	Other non-current liabilities	4,6.17,7	4,851	-	3,252	-
25xx	Total non-current liabilities		645,729	15	670,844	17
2xxx	Total liabilities		2,203,124	50	1,900,091	48
31xx	Equity attributable to owners of the parent company	4,6.14				
3100	Capital					
3110	Common stock		1,227,985	28	1,227,985	31
3200	Additional Paid-in Capital		449,022	10	449,022	11
3300	Retained earnings					
3310	Legal reserve		227,281	5	208,936	5
3320	Special reserve		39,956	1	19,536	1
3350	Unappropriated retained earnings		288,947	7	183,446	5
	Subtotal		556,184	13	411,918	11
3400	Other equity					
3410	Exchange differences on translation of foreign operations		(41,391)	(1)	(36,344)	(1)
3420	Unrealized gains or losses measured at fair value through other comprehensive income		(4,694)	-	(3,612)	-
	Subtotal		(46,085)	(1)	(39,956)	(1)
3xxx	Total equity		2,187,106	50	2,048,969	52
	Total liabilities and equity		$4,390,230	100	$3,949,060	100

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

Chairman: Hsi-Hsun Chen | Manager: Hsi-Hsun Chen | Accounting Supervisor: Pi-Huan Chen

English Translation of Consolidated Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2023

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

Code	Accounting Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Revenues	4,6.15,7	$3,766,293	100	$3,565,754	100
5000	Operating costs	6.18,7	(2,867,240)	(76)	(2,615,293)	(73)
5900	Gross profit		899,053	24	950,461	27
	Operating expenses	6.18,7				
6100	Sales and marketing expenses		(121,168)	(3)	(142,465)	(4)
6200	General and administrative expenses		(197,148)	(5)	(199,107)	(6)
6300	Research and development expenses		(316,620)	(9)	(290,428)	(8)
6450	Expected credit loss	4,6.16	(15,070)	-	(9,917)	-
6000	Subtotal		(650,006)	(17)	(641,917)	(18)
6900	Operating profit		249,047	7	308,544	9
	Non-operating income and expenses	6.19,7				
7100	Interest income		12,206	-	1,383	-
7010	Other income		36,220	1	116,834	3
7020	Other gains or losses		10,925	-	88,839	3
7050	Finance costs		(35,070)	(1)	(29,230)	(1)
7060	Share of profits or losses of associates and joint ventures recognized under the equity method	6.6	2	-	1,267	-
7000	Subtotal		24,283	-	179,093	5
7900	Income before tax		273,330	7	487,637	14
7950	Income tax expense	4,6.21	(40,738)	(1)	(141,066)	(4)
8200	Net income		232,592	6	346,571	10
8300	Other comprehensive income	6.20				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements on defined benefit plans		(2,959)	-	(2,985)	-
8316	Unrealized gain or loss on equity instruments measured at fair value through other comprehensive income		(1,082)	-	(1,821)	-
8349	Income tax related to items that will not be reclassified subsequently	6.21	592	-	597	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(6,308)	-	49,647	1
8399	Income tax related to items that may be reclassified subsequently	6.21	1,261	-	(9,929)	-
8300	Total other comprehensive income, net of tax		(8,496)	-	35,509	1
8500	Total comprehensive income		$224,096	6	$382,080	11
8600	Net income attributable to:					
8610	Owner of parent		$232,592		$346,571	
8620	Non-controlling interests		-		-	
			$232,592		$346,571	
8700	Comprehensive income attributable to:					
8710	Owner of parent		$224,096		$382,080	
8720	Non-controlling interests		-		-	
			$224,096		$382,080	
	Earnings per share (NTD)	6.22				
9750	Basic earnings per share		$1.89		$2.88	
9850	Diluted earnings per share		$1.87		$2.85	

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

Chairman: Hsi-Hsun Chen　　Manager: Hsi-Hsun Chen　　Accounting Supervisor: Pi-Huan Chen

English Translation of Consolidated Financial Statements Originally Issued in Chinese
E-LEAD ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of the parent company							
				Retained earnings			Other equity		
	Items	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations	Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income	Total Equity
Code		3110	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as at 1 January 2022	$1,187,985	$216,787	$208,936	$19,536	$(160,737)	$(76,062)	$(1,791)	$1,394,654
C5	Equity components arising from the issuance of convertible bonds - arising from share options		26,931						26,931
D1	Net income for 2022					346,571			346,571
D3	Other comprehensive income for 2022					(2,388)	39,718	(1,821)	35,509
D5	Total comprehensive income for 2022	-	-	-	-	344,183	39,718	(1,821)	382,080
E1	Capital increase by cash	40,000	205,304						245,304
Z1	Balance as at 31 December 2022	$1,227,985	$449,022	$208,936	$19,536	$183,446	$(36,344)	$(3,612)	$2,048,969
A1	Balance as at 1 January 2023	$1,227,985	$449,022	$208,936	$19,536	$183,446	$(36,344)	$(3,612)	$2,048,969
B1	Legal reserve			18,345		(18,345)			-
B3	Special reserve				20,420	(20,420)			-
B5	Common stock cash dividends					(85,959)			(85,959)
D1	Net income for 2023					232,592			232,592
D3	Other comprehensive income for 2023					(2,367)	(5,047)	(1,082)	(8,496)
D5	Total comprehensive income for 2023	-	-	-	-	230,225	(5,047)	(1,082)	224,096
Z1	Balance as at 31 December 2023	$1,227,985	$449,022	$227,281	$39,956	$288,947	$(41,391)	$(4,694)	$2,187,106

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

Chairman: Hsi-Hsun Chen　　Manager: Hsi-Hsun Chen　　Accounting Supervisor: Pi-Huan Chen

English Translation of Consolidated Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	Item	2023	2022
AAAA	Cash flows from operating activities:		
A00010	Net profit before tax from continuing operation	$273,330	$487,637
A10000	Net income before tax for the period	273,330	487,637
A20000	Adjustment for:		
A20010	Income and expense items：		
A20100	Depreciation	124,686	121,105
A20200	Amortization	18,199	21,715
A20300	Expected credit loss	15,070	9,917
A20400	Losses on financial assets and liabilities at fair value through profit or loss	426	1,783
A20900	Interest expense	35,070	29,230
A21200	Interest income	(12,206)	(1,383)
A22300	Share of profit of subsidiaries, associates and joint ventures under the equity method	(2)	(1,267)
A22500	Loss on disposal of property, plant and equipment	(141)	(4,609)
A22800	(Loss) gain on disposal of intangible assets	(4,246)	124
A23000	Gain on disposal of non-current assets held for sale	-	(70,339)
A30000	Changes in assets/liabilities related to operating activities:		
A31130	Increase in notes receivable	(38,535)	(37,435)
A31150	Increase in accounts receivable	(193,639)	(131,851)
A31180	Decrease (increase) in other receivable	25,684	(38,541)
A31200	Decrease (increase) in inventories	99,103	(383,037)
A31230	Decrease (increase) in prepayments	26,643	(25,074)
A31240	Decrease (increase) in other current assets	3,080	(8,720)
A32125	Increase in contract liabilities	6,783	706
A32130	Increase (decrease) in notes payable	1,558	(13,571)
A32150	Increase (decrease) in accounts payable	96,651	(160,729)
A32180	Increase in other payable	57,638	20,808
A32230	Increase in other current liabilities	1,552	1,668
A32240	(Decrease) increase in net defined benefit obligation	(10,060)	795
A33000	Cash provided by (used in) operations	526,644	(181,068)
A33100	Interest received	11,799	1,383
A33200	Dividends received	342	1,607
A33300	Interest paid	(31,246)	(25,714)
A33500	Income tax paid	(37,656)	(59,627)
AAAA	Net cash provided by (used in) operating activities	469,883	(263,419)
	(Continued)		

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

Chairman: Hsi-Hsun Chen　　Manager: Hsi-Hsun Chen　　Accounting Supervisor: Pi-Huan Chen

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	Item	2023	2022
	(Continued)		
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(3,113)
B02600	Disposal of non-current assets held for sale	-	97,770
B02700	Acquisition of property, plant and equipment	(166,001)	(246,602)
B02800	Disposal of property, plant and equipment	685	14,208
B04500	Acquisition of intangible assets	(12,944)	(12,369)
B04600	Disposal of intangible assets	4,366	-
B06700	Increase in other non-current assets	(12,100)	(14,967)
B06800	Decrease in other non-current assets	19,067	21,440
BBBB	Net cash used in investing activities	(166,927)	(143,633)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	1,249,237	1,587,212
C00200	Decrease in short-term loans	(1,070,643)	(1,529,047)
C01200	Issuance of corporate bonds	-	314,901
C01600	Acquisition of long-term loans	-	210,400
C01700	Repayment of long-term loans	(400)	(301,083)
C03000	(Decrease) increase in deposits received	(2)	6
C04020	Repayment of leasehold principal	(2,611)	(2,342)
C04400	Decrease in other non-current liabilities	(4)	(51,619)
C04500	Distribution of cash dividends	(85,959)	-
C04600	Capital increase by cash	-	240,000
C04800	Stock options exercised by employees	-	5,304
CCCC	Net cash provided by financing activities	89,618	473,732
DDDD	Effect of exchange rate changes on cash and cash equivalents	(8,306)	37,038
EEEE	Increase in cash and cash equivalents	384,268	103,718
E00100	Cash and cash equivalents at beginning of period	468,730	365,012
E00200	Cash and cash equivalents at end of period	$852,998	$468,730

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

Chairman: Hsi-Hsun Chen Manager: Hsi-Hsun Chen Accounting Supervisor: Pi-Huan Chen

E-LEAD ELECTRONIC CO. LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

E-LEAD Electronic Co., Ltd. (the "Company") was incorporated in Republic of China (R.O.C) on 22 June 1983. The Company mainly engaged in automotive electronics and its main products include head-up displays (WHUD、2D/3D ARHUD, 2D/3D digital electronic rear view mirror HUD), DMS, In-car audio/video navigation console, rear seat entertainment system, reversing camera, 2D/3D surround view system, blind spot detection system, advanced driver-assistance systems (ADAS), wired/wireless chargers for vehicles, automotive air purifier, car recorder, distance vision eye care products, video camera changeover tapes, etc.

The shares of the Company commenced trading on Taipei Exchange in October 2001 and were listed on the Taiwan Stock Exchange on 4 February 2002.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Group were authorized for issue in accordance with a resolution of the Board of Directors' meeting on 6 March 2024.

3. Newly issued or revised standards and interpretations

1. Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2023. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Group.

2. Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2024. The remaining stands and interpretations have no have no material impact on the Group.

3. Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(a) IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

1. Statement of compliance

The consolidated financial statements of the Group for the years ended 31 December 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

2. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

3. Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(1) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(2) exposure, or rights, to variable returns from its involvement with the investee, and
(3) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(1) the contractual arrangement with the other vote holders of the investee
(2) rights arising from other contractual arrangements
(3) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries 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.

If the Group loses control of a subsidiary, it:

(1) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(2) derecognizes the carrying amount of any non-controlling interest;
(3) recognizes the fair value of the consideration received;
(4) recognizes the fair value of any investment retained;
(5) recognizes any surplus or deficit in profit or loss; and
(6) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The consolidated entities are listed as follows:

			Percentage of ownership (%)	
Investor	Subsidiary	Main businesses	31 December 2023	31 December 2022
The Company	E-LEAD TECHNOLOGY CO., LTD.(BVI) (E-LEAD (BVI) Co.)	Financial investment business	100%	100%
The Company	HUGE PROFIT CO., LTD.	Trading business	100%	100%
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	In-car video and audio navigation systems, rear seat entertainment systems and other automotive electronic accessories	100%	100%
The Company	FAR VISION TECHNOLOGY CO., LTD. (Note)	Far Vision eye protection product	100%	-
E-LEAD (BVI) Co.	E-LEAD TECHNOLOGY (JIANGSU) CO., LTD.	Head-up displays and other automotive electronic accessories	100%	100%

(Note)： The Company established FAR VISION TECHNOLOGY CO., LTD. in July 2023. Since obtaining control, the income and expenses of the subsidiary have been consolidated into the Group’s financial statements.

4. Foreign currency transactions

The Group’s consolidated financial statements are presented in NT$, which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
(2) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
(3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

5. Translation of financial statements in foreign currency

In preparing the consolidated financial statements, the assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. When the partial disposal involves the loss of control of a subsidiary that includes a foreign operation and when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation, are accounted for as disposals.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

6. Current and non-current distinction

An asset is classified as current when:

(1) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(2) The Group holds the asset primarily for the purpose of trading
(3) The Group expects to realize the asset within twelve months after the reporting period
(4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(1) The Group expects to settle the liability in its normal operating cycle.
(2) The Group holds the liability primarily for the purpose of trading.
(3) The liability is due to be settled within twelve months after the reporting period.
(4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Group’s business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

<u>Financial assets measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

<u>Financial asset measured at fair value through other comprehensive income</u>

A financial asset is measured at fair value through other comprehensive income and reported in the balance sheet if both of the following conditions are met:

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

   (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
B. the time value of money; and
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

A. The rights to receive cash flows from the asset have expired.
B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

<u>Classification between liabilities or equity</u>

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled. For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under *IFRS 9 Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

9. Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

10. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(1) In the principal market for the asset or liability, or
(2) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

11. Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials	－	The weighted average method is used to calculate the actual cost of goods imported.
Working in progress, semi-finished products and finished products	－	Includes direct raw materials, direct labor, fixed manufacturing costs and variable manufacturing costs apportioned to normal production capacity, excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

12. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

13. Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

(1) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets.*

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

14. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. 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 is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Assets	Estimated lives
Buildings	5 to 55 years
Machinery and equipment	2 to 15 years
Transportation equipment	2 to 10 years
Office equipment	5 to 8 years
Other equipment	3 to 35 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

15. Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(1) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(2) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(1) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) amounts expected to be payable by the lessee under residual value guarantees;
(4) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(5) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(1) the amount of the initial measurement of the lease liability;
(2) any lease payments made at or before the commencement date, less any lease incentives received;
(3) any initial direct costs incurred by the lessee; and
(4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment and the practical expedient has been applied to such rent concessions.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

16. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.
The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Trademarks	Patents	Computer software
Useful lives	Finite 1 to 5 years	Finite 1 to 5 years	Finite 1 to 10 years
Amortization method used	Straight-line basis	Straight-line basis	Straight-line basis
Internally generated or acquired	Acquired	Acquired	Acquired

17. Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of the net fair value or value in use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

18. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

19. Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follow:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is Automotive electronics and revenue is recognized based on the consideration stated in the contract.

The credit period of the Group's sale of goods is from receipt of payment prior to shipment to 90 days at the end of the month. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

20. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

21. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

22. Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(1) the date of the plan amendment or curtailment, and
(2) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

23. Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(1) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(1) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1. Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Operating lease commitment－Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1) Post-employment benefit plan

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

(2) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(3) Account receivables - estimation of impairment loss

The Group estimates the impairment loss of account receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(4) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

1. Cash and cash equivalents

	As at	
	31 December 2023	31 December 2022
Cash on hand	$1,219	$1,007
demand deposits and cheque deposits	637,099	467,372
Cash equivalent	214,680	351
Total	$852,998	$468,730

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

2. Financial assets at fair value through profit or loss - current

	As at	
	31 December 2023	31 December 2022
Mandatorily measured at fair value through profit or loss:		
Funds	$6,639	$6,493
Stocks	1,680	1,845
Redeemable bonds	30	540
Total	$8,349	$8,878

Financial assets at fair value through profit or loss – current were not pledged.

3. Account receivables, net

	As at	
	31 December 2023	31 December 2022
Account receivables (total carrying amount)	$975,607	$782,874
Less: loss allowance	(50,999)	(36,835)
Total	$924,608	$746,039

Account receivables were not pledged.

The Group's credit period to customers is normally from receipt of payment prior to shipment to 90 days at the end of the month. Please refer to Note 6.16 for more details on loss allowance of account receivables for the years ended 31 December 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

For overdue account receivables that are uncollectible despite continuous efforts of collection, the Group has reclassified them as overdue receivables and recognized a 100% loss allowance. The total carrying amount as at 31 December 2023 and 2022 were NT$9,921 thousand and NT$10,104 thousand, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Inventories

	As at	
	31 December 2023	31 December 2022
Raw materials	$294,246	$465,545
Work in progress	159,086	135,233
Semi-finished products	256,975	272,169
Finished products	361,126	297,589
Total	$1,071,433	$1,170,536

The cost of inventories recognized in operating costs amounts to NT$2,867,240 thousand and NT$2,615,293 thousand for the years ended 31 December 2023 and 2022, including the write-down of inventories of NT$32,698 thousand and the gain on reversal of write-down of inventories of NT$69,700 thousand.

The Group recognized a gain on write-down of inventories from 1 January to 31 December 2022 as a result of the sale and scrap of part of the inventories for which a write-down was previously recognized.

The abovementioned inventories were not pledged.

5. Financial assets at fair value through other comprehensive income - non-current

	As at	
	31 December 2023	31 December 2022
Investments in equity instruments measured at fair value through other comprehensive income - non-current:		
Shares of companies not publicly listed	$906	$1,988

Financial assets measured at fair value through other comprehensive income - non-current were not pledged.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Investments accounted for using the equity method

The following table lists the investments in associates of the Group:

	As at			
	31 December 2023		31 December 2022	
Investees	Amount	%	Amount	%
Investments in associates:				
RUTER ELASTOMER CO., LTD.	$6,041	19%	$6,381	19%

The Company's investment in RUTER ELASTOMER CO., LTD. is not material to the Group. The long-term investment evaluation and recognition of investment gains and losses are based on the unaudited accounts of the investee company. The aggregated financial information is shown below based on the total shareholdings:

	For the years ended 31 December	
	2023	2022
Net profit from continuing operations for the period	$2	$1,267
Other comprehensive income (net of tax)	-	-
Total comprehensive income	$2	$1,267

As at 31 December 2023 and 31 December 2022, the aforementioned investment in associates had no contingent liabilities or capital commitments, and was not pledged

The Company and the Company's senior executives have a consolidated shareholding of more than 20% in RUTER ELASTOMER CO., LTD. and therefore have material impact.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

7. Property, plant and equipment

	As at	
	31 December 2023	31 December 2022
Owner occupied property, plant and equipment	$1,098,964	$1,062,867
Property, plant and equipment leased out under operating leases	-	-
Total	$1,098,964	$1,062,867

There were no additions and disposals of property, plant and equipment leased out under operating leases for the years ended 31 December 2023 and 2022. The consolidated owner occupied property, plant and equipment and those leased out under operating leases are presented below.

	1 January 2023 to 31 December 2023					
	1 January 2023	Additions	Disposals	Other changes	Exchange differences	31 December 2023
Cost:						
Land and land improvements	$451,264	$ -	$ -	$ -	$589	$451,853
Buildings	556,539	171	(251)	-	(990)	555,469
Machinery and equipment	892,633	108,612	(97,936)	-	(6,956)	896,353
Transportation equipment	13,282	1,683	(2,254)	-	(54)	12,657
Office equipment	43,955	1,778	(780)	-	(151)	44,802
Other equipment	201,696	4,935	(502)	-	(936)	205,193
Construction in progress	13,957	47,264	_	(1,125)	(535)	59,561
Total	$2,173,326	$164,443	$(101,723)	$(1,125)	$(9,033)	$2,225,888
Depreciation and impairment:						
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -
Buildings	316,405	13,352	(226)	-	(1,558)	327,973
Machinery and equipment	601,018	94,612	(97,738)	-	(1,732)	596,160
Transportation equipment	10,236	683	(2,018)	-	(43)	8,858
Office equipment	35,792	2,345	(714)	-	(115)	37,308
Other equipment	147,008	10,908	(483)	-	(808)	156,625
Total	$1,110,459	$121,900	$(101,179)	$ -	$(4,256)	$1,126,924
Net carrying amount	$1,062,867					$1,098,964

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	1 January 2022 to 31 December 2022					
	1 January 2022	Additions	Disposals	Other changes	Exchange differences	31 December 2022
Cost:						
Land and land improvements	$408,620	$40,604	$ -	$ -	$2,040	$451,264
Buildings	537,876	9,868	-	-	8,795	556,539
Machinery and equipment	756,541	164,553	(32,828)	-	4,367	892,633
Transportation equipment	11,847	1,114	-	-	321	13,282
Office equipment	39,366	6,084	(2,279)	-	784	43,955
Other equipment	182,504	20,498	(2,843)	-	1,537	201,696
Construction in progress	1,633	14,408	(827)	(1,457)	200	13,957
Total	$1,938,387	$257,129	$(38,777)	$(1,457)	$18,044	$2,173,326
Depreciation and impairment:						
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -
Buildings	294,715	18,236	-	-	3,454	316,405
Machinery and equipment	536,649	86,456	(24,386)	-	2,299	601,018
Transportation equipment	9,195	750	-	-	291	10,236
Office equipment	35,378	1,924	(2,142)	-	632	35,792
Other equipment	137,059	11,234	(2,650)	-	1,365	147,008
Total	$1,012,996	$118,600	$(29,178)	$ -	$8,041	$1,110,459
Net carrying amount	$925,391					$1,062,867

No interest was capitalized on additional fixed assets for the years ended 31 December 2023 and 2022.

Components of building that have different useful lives are the main building, hydroelectric construction and structural reinforcement construction, which are depreciated over the useful lives of 50 years, 10 years and 15 years respectively.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

8. Other non-current assets

Items	As at 31 December 2023	As at 31 December 2022
Refundable deposits	$1,569	$1,256
Advance payments in equipment	60,139	61,907
Other non-current assets - other	3,820	10,187
Overdue receivables	9,921	10,104
Loss allowance - overdue receivables	(9,921)	(10,104)
Total	$65,528	$73,350

9. Short-term borrowings

Items	As at 31 December 2023	As at 31 December 2022
Unsecured bank loans	$298,225	$150,000
Secured bank loans	439,930	415,250
Total	$738,155	$565,250

Items	As at 31 December 2023	As at 31 December 2022
Unused short-term lines of credits	$1,257,939	$973,926
	2023	2022
Interest rate band	1.83%~3.55%	1.81%~6.43%

Please refer to Note 8 for more details on assets pledged as security for short-term borrowings.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

10. Other payables

Items	As at 31 December 2023	As at 31 December 2022
Salaries and bonuses payable	$133,863	$119,522
Other	144,496	108,575
Total	$278,359	$228,097

11. Bonds payable

	As at 31 December 2023	As at 31 December 2022
Liability component:		
Value of domestic convertible bonds payable	$300,000	$300,000
Discount on domestic convertible bonds payable	(7,170)	(11,902)
Subtotal	292,830	288,098
Less: current portion	-	-
Total	$292,830	$288,098
Embedded derivative financial instrument	$(30)	$(540)
Equity component	$26,931	$26,931

The Company issued second domestic secured convertible bonds with a coupon rate of 0% on 7 July 2022. The convertible bonds, evaluated in accordance with the contractual terms, consist of a bond principal, an embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer’s ordinary shares). The terms of the bonds are as follows:

Issue amount: NT$300,000 thousand, issued at 104.97% of par value and the total amount raised was NT$314,901 thousand.

Period of issue: 7 July 2022 to 7 July 2025

Important redemption clauses:

A. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (8 October 2022) and 40 days prior to the maturity date (28 May 2025), at the principal amount of the bonds (the “early redemption conversion price”) if the closing price of the Company’s ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 30% (inclusive) of the conversion price.

B. The Company may redeem the bonds after 3 months of the issuance (8 October 2022) and 40 days prior to the maturity date (28 May 2025), in whole or in part, at the early redemption conversion price if the outstanding balance of the convertible bonds is less than 10% of the original issue amount.

C. If the creditor does not reply in writing to the Company's securities agent (effective upon delivery and postmarked by the postmark date) by the date set out in the “Notice of Call for Bonds”, the Company may redeem the bonds in cash at their face value within 5 business days after the call date.

Terms of Exchange:

A. Underlying Securities: Common shares of the Company.

B. Exchange Period: The bonds holders may request conversion into common shares of the Company from 8 October 2023 until 7 July 2025 in lieu of cash repayment from the Company.

C. Exchange Price and Adjustment: The exchange price was originally NT$85 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. The exchange price as of 31 December 2023 was NT$83.8 per share.

D. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company assessed the aforementioned financial instruments in accordance with IFRS 9 compound financial instrument, and therefore allocated the purchase price to the liability component and the equity component. The allocation is made to the equity component at the fair value of the compound financial instrument less the amount of the separately measured liability component. The difference between the amount apportioned to the liability component and its carrying amount is recognized in profit or loss, and the difference between the amount apportioned to the equity component and its carrying amount is recognized as “additional paid in capital - stock options”. As at 31 December 2023, the amount of financial assets at fair value through profit or loss for convertible bonds issued was NT$30 thousand.

12. Long-term borrowings

(1) As at 31 December 2023:

Lenders	Loan type	Maturity date and terms of repayment	Amount
Hua Nan Commercial Bank	Secured loans	Repayment in installments from 9 March 2022 to 15 February 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	$80,000
Mega International Commercial Bank	Secured loans	Repayment in installments from 15 March 2022 to 15 February 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	80,000
Taipei Fubon Commercial Bank	Secured loans	Repayment in installments from 10 May 2022 to 15 May 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	50,000
Less: current portion			-
Total			$210,000
Interest rate band			1.25%~1.35%

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) As at 31 December 2022:

Lenders	Loan type	Maturity date and terms of repayment	Amount
Hua Nan Commercial Bank	Secured loans	Repayment in installments from 9 March 2022 to 15 February 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	$80,000
Mega International Commercial Bank	Secured loans	Repayment in installments from 15 March 2022 to 15 February 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	80,000
Taipei Fubon Commercial Bank	Secured loans	Repayment in installments from 10 May 2022 to 15 May 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	50,400
Less: current portion			-
Total			$210,400
Interest rate band			1.13%~1.23%

Certain land and buildings are pledged as first priority security for secured bank loans, please refer to Note 8 for more details.

13. Post-employment benefits

Defined contribution plan

The Company adopts a defined benefit plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries in China are required by the local government to contribute a certain percentage of employees' total salaries to the pension insurance fund, which is paid to the relevant government departments and kept in the employees' individual pension accounts.

Pension expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were NT$18,345 thousand and NT$16,667 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15 years. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount based on actuarial reports on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$1,006 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at 31 December 2023, the Company's defined benefit plans are expected to expire after 9 years.

Pension costs under defined benefit plans recognized in profit or loss are as follows:

	For the years ended 31 December	
	2023	2022
Current period service costs	$1,089	$718
Net interest on net defined benefit liability (asset)	1,143	580
Total	$2,232	$1,298

Reconciliation of the present value of the defined benefit obligation to the fair value of plan assets is as follows:

	As at		
	31 December 2023	31 December 2022	1 January 2022
Present value of defined benefit obligation	$117,686	$125,744	$117,902
Plan assets at fair value	(44,337)	(45,311)	(41,412)
Net defined benefit liabilities - non-current	$73,349	$80,433	$76,490

Reconciliation of liability (asset) of the defined benefit plan:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
As at 1 January 2022	$117,902	$(41,412)	$76,490
Current period service costs	718	-	718
Interest expense (income)	870	(290)	580
Subtotal	119,490	(41,702)	77,788

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Remeasurements of the net defined benefit liability/ asset:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(6,389)	(3,107)	(9,496)
Experience adjustments	12,481	-	12,481
Subtotal	125,582	(44,809)	80,773
Payments from the plan	-	-	-
Contributions by employer	-	(502)	(502)
Effect of changes in foreign exchange rates	162	-	162
As at 31 December 2022	125,744	(45,311)	80,433
Current period service costs	1,089	-	1,089
Interest expense (income)	1,732	(589)	1,143
Subtotal	128,565	(45,900)	82,665
Remeasurements of the net defined benefit liability/ asset:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	543	(176)	367
Experience adjustments	2,186	-	2,186
Subtotal	131,294	(46,076)	85,218
Payments from the plan	(2,831)	2,704	(127)
Contributions by employer	(10,787)	(965)	(11,752)
Effect of changes in foreign exchange rates	10	-	10
As at 31 December 2023	$117,686	$(44,337)	$73,349

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The following key assumptions are used to determine the defined benefit plan of the Group:

A. Domestic entities of the Group:

	As at	
	31 December 2023	31 December 2022
Discount rate	1.20%	1.30%
Expected rate of salary increases	2.50%	2.50%

B. Foreign entities of the Group:

	As at	
	31 December 2023	31 December 2022
Discount rate	3.58%	1.99%
Expected rate of salary increases	5.52%	3.75%

A sensitivity analysis for each significant assumption:

	Effect on the defined benefit obligation			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increases by 0.25%	$ -	$(2,459)	$ -	$(2,621)
Discount rate decreases by 0.25%	2,560	-	2,742	-
Future salary increases by 0.25%	2,279	-	2,479	-
Future salary decreases by 0.25%	-	(2,202)	-	(2,380)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

14. Equities

(1) Common stock

	As at	
	31 December 2023	31 December 2022
Number of shares (in thousands)	200,000	200,000
Authorized share capital	$2,000,000	$2,000,000
Number of shares issued and received in full (in thousands)	122,798	122,798
Share capital issued	$1,227,985	$1,227,985

On 4 May 2022, the Board of Directors resolved to issue 4,000,000 new shares of NT$10 each in cash at NT$80 per share. In accordance with Section 267 of the Company Act, 15% of the total number of new shares issued, amounting to 600,000 shares, are reserved for subscription by the Company's employees on a preferential basis. Due to market changes and fluctuations in stock prices, the actual price of the cash capital increase and the employee stock option price of NT$60 per share were measured based on the fair value of the stock options on the date of issuance, and remuneration costs and additional paid-in capital of NT$5,304 thousand were recognized, resulting in a paid-in capital of NT$1,227,985 thousand after the capital increase. The above cash capital increase was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on 8 June 2022, and the Board of Directors has authorized the Chairman to determine 19 August 2022 as the base date for the capital increase and to complete the registration of the change on 6 September 2022. The ordinary shares in issue have a par value of NT$10 each and carry a right to vote and receive dividends.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Additional paid-in capital

	As at	
	31 December 2023	31 December 2022
Issue premium	$209,175	$209,175
Conversion premium on conversion of corporate bonds	207,397	207,397
Convertible bonds - stock options	26,931	26,931
Cash capital increase - Employee stock options	5,304	5,304
Gain on disposal of assets	215	215
Total	$449,022	$449,022

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(3) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if the Company has a surplus after the annual final accounts, the Company shall, in addition to paying income tax, first make up for the deficit of previous years and then set aside 10% of the remaining amount as a legal reserve and set aside or reverse a special reserve in accordance with the law, and the Board of Directors shall prepare a proposal for the distribution of the remaining amount together with the accumulated undistributed earnings at the beginning of the period and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. The total amount of dividends distributed shall not be less than 10% of the distributable earnings for the year. However, dividends may be withheld if the accumulated distributable earnings are less than 10% of the total paid-in capital. Additionally, the proportion of cash dividends distributed shall not be less than 10% of the total shareholder bonus.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

The FSC on 31 March 2021 issued Order No. Financial – Supervisory – Securities – Corporate – 1090150022, which sets out the following provisions for compliance. On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. The Company has not made any first-time adoption that would require a provision for special reserve and therefore this letter order has no impact on the Company.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on 6 March 2024 and 16 June 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$23,022	$18,345		
Special reserve	6,129	20,420		
Common stock -cash dividend	122,798	85,959	1	0.7

Please refer to Note 6.18 for details on employees' compensation and remuneration to directors and supervisors.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

15. Operating revenue

	For the years ended 31 December	
	2023	2022
Revenue from contracts with customers		
Sale of goods	$3,695,434	$3,488,408
Other revenue	70,859	77,346
Total	$3,766,293	$3,565,754

Analysis of revenue from contracts with customers during the three-month periods ended 31 March 2023 and 2022 are as follows:

(1) Disaggregation of revenue

For the year ended 31 December 2023:

	E-LEAD Taiwan	Far Vision Taiwan	E-LEAD Jiangsu	E-LEAD Thailand	Total
Sale of goods	$1,062,764	$140	$1,327,342	$1,305,188	$3,695,434
Other revenue	11,522	-	56,512	2,825	70,859
Total	$1,074,286	$140	$1,383,854	$1,308,013	$3,766,293

For the year ended 31 December 2022:

	E-LEAD Taiwan	E-LEAD Jiangsu	E-LEAD Thailand	Total
Sale of goods	$974,115	$1,121,775	$1,392,518	$3,488,408
Other revenue	18,730	50,429	8,187	77,346
Total	$992,845	$1,172,204	$1,400,705	$3,565,754

Revenue from contracts with customers is recognized at a point in time.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Contract balances

A. Contract assets – current

The Company has no contract assets as at 31 December 2023 and 31 December 2022.

B. Contract liabilities - current

	As at		
	31 December 2023	31 December 2022	1 January 2022
Sale of goods	$16,939	$10,156	$9,450

The significant changes in the Group's balances of contract liabilities for the years ended 31 December 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
The opening balance transferred to revenue	$(8,662)	$(4,568)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	15,445	5,274

(3) Transaction price allocated to unsatisfied performance obligations

As the Group's contracts with customers for the sale of goods are less than 1 year as at 31 December 2023 and 2022, information on unsatisfied performance obligations is not required.

(4) Assets recognized from costs to fulfil a contract

None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

16. Expected credit losses

	For the years ended 31 December	
	2023	2022
Operating expenses – Expected credit losses		
Account receivables	$15,070	$9,917

Please refer to Note 12 for more details on credit risk.

The Group's note receivables and account receivables are measured as an allowance for loss using the lifetime expected credit losses, considering the credit rating of the counterparties and other factors, and using an allowance matrix to measure the allowance for loss. The assessment of the loss allowance as at 31 December 2023 and 2022 is as follows:

As at 31 December 2023		Past due					
	Undue	<30 days	31-60 days	61-90 days	91-180 days	> 181 days	Total
Gross carrying amount	$1,017,487	$25,771	$22,973	$2,968	$5,576	$272	$1,075,047
Loss rate	1.03%	53.19%	79.26%	91.17%	100%	100%	
Lifetime expected credit losses	(10,529)	(13,708)	(18,208)	(2,706)	(5,576)	(272)	(50,999)
Total	$1,006,958	$12,063	$4,765	$262	$ -	$ -	$1,024,048

As at 31 December 2022		Past due					
	Undue	<30 days	31-60 days	61-90 days	91-180 days	> 181 days	Total
Gross carrying amount	$814,746	$17,214	$6,213	$169	$1,327	$4,110	$843,779
Loss rate	2.09%	53.13%	81.57%	91.72%	100%	100%	
Lifetime expected credit losses	(17,030)	(9,145)	(5,068)	(155)	(1,327)	(4,110)	(36,835)
Total	$797,716	$8,069	$1,145	$14	$ -	$ -	$806,944

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The movement in the provision for impairment of account receivables during the years ended 31 December 2023 and 2022 is as follows:

	Account receivables	Overdue receivables
As at 1 January 2023	$36,835	$10,104
Addition for the current period	15,070	-
Exchange rate difference	(906)	(183)
As at 31 December 2023	$50,999	$9,921
As at 1 January 2022	$21,752	$14,717
Addition (reversal) for the current period	21,131	(11,214)
Account receivables transferred to overdue receivables	(6,385)	6,385
Exchange rate difference	337	216
As at 31 December 2022	$36,835	$10,104

17. Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as land, buildings and transportation equipment. The lease terms range from 2 to 50 years.

The Group’s leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	As at	
	31 December 2023	31 December 2022
Land	$9,300	$10,802
Buildings	3,375	-
Transportation equipment	2,041	1,128
Total	$14,716	$11,930

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

During the years ended 31 December 2023 and 2022, the Group's additions to right-of-use assets amounting to NT$5,698 thousand and NT$668 thousand, respectively.

(b) Lease liabilities

	As at	
	31 December 2023	31 December 2022
Lease liabilities		
Current	$3,323	$1,763
Non-current	4,418	2,812
Total	$7,741	$4,575

Please refer to Note 6.19(4) for the interest on lease liabilities recognized during the years ended 31 December 2023 and 2022 and refer to Note 12.5 Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2023	2022
Land	$1,370	$1,372
Buildings	422	-
Machinery and equipment	-	444
Transportation equipment	994	689
Total	$2,786	$2,505

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2023	2022
The expenses relating to short-term leases	$2,847	$2,542

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

D. Cash outflow relating to leasing activities

During the years ended 31 December 2023 and 2022, the Group's total cash outflows for leases amounting to NT$2,611 thousand and NT$2,342 thousand, respectively.

(2) Company as a lessor

Leases of owned investment properties are classified as operating leases by the Group as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended 31 December	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments	$2,848	$1,141

For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years are as follow:

	As at	
	31 December 2023	31 December 2023
Not later than one year	$1,630	$974
Later than one year but not later than two years	1,612	372
Later than two years but not later than three years	1,116	372
Later than three years but not later than four years	396	372
Later than four years but not later than five years	392	372
Later than five years	93	466
Total	$5,239	$2,928

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

18. Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

Function / Expense type	For the years ended 31 December					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$334,614	$328,122	$662,736	$298,670	$300,898	$599,568
Labor and health insurance	26,449	26,933	53,382	22,978	24,201	47,179
Pension	8,479	12,098	20,577	7,622	10,343	17,965
Remuneration to Directors	14,907	10,295	25,202	13,403	9,336	22,739
Other employee benefits expense	113,410	11,276	124,686	109,699	11,406	121,105
Depreciation	505	17,694	18,199	440	21,275	21,715

The remuneration policy for the directors, managers and employees of the Company is as follows:

According to the Articles of Incorporation, no less than 1% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the year ended 31 December 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors for the year ended 31 December 2023 to be 3% and 1.5% of profit of the current year, respectively, recognized as employee benefits expense. A resolution was passed at a Board of Directors meeting held on 6 March 2024 to distribute NT$9,535 thousand and NT$4,768 thousand in cash as employees' compensation and remuneration to directors and of 2023, respectively. The Company records employees' compensation and remuneration to directors at NT$9,247 thousand and NT$4,624 thousand, respectively. A resolution was passed at a Board of Directors meeting held on 15 March 2023 to distribute employees' compensation and remuneration to directors in cash. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended 31 December 2022.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

19. Non-operating income and expenses

(1) Interest income

	For the years ended 31 December	
	2023	2022
Financial assets measured at amortized cost	$12,206	$1,383

(2) Other income

	For the years ended 31 December	
	2023	2022
Government grant income	$3,327	$13,013
Rental income	2,848	1,141
Other income	30,045	102,680
Total	$36,220	$116,834

(3) Other gains and losses

	For the years ended 31 December	
	2023	2022
Foreign exchange gains, net	$9,539	$16,856
Gains (losses) on disposal of intangible asset	4,246	(124)
Gains on disposal of property, plant and equipment	141	4,609
Gain on disposal of non-current assets held for sale	-	70,339
Losses on financial assets at fair value through profit or loss (Note)	(426)	(1,783)
Miscellaneous expenses	(2,575)	(1,058)
Total	$10,925	$88,839

Note: Balances were the valuation adjustment arising from financial assets mandatorily measured at fair value through profit or loss.

(4) Finance costs

	For the years ended 31 December	
	2023	2022
Interest on borrowings from bank	$(30,284)	$(26,852)
Interest on bonds payable	(4,732)	(2,308)
Interest on lease liabilities	(54)	(70)
Total	$(35,070)	$(29,230)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

20. Components of other comprehensive income

(1) For the year ended 31 December 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss :					
Remeasurements of defined benefit plans	$(2,959)	$ -	$(2,959)	$592	$(2,367)
Unrealized gain or loss from equity instruments investments measured at fair value through other comprehensive income	(1,082)	-	(1,082)	-	(1,082)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(6,308)	-	(6,308)	1,261	(5,047)
Total	$(10,349)	$ -	$(10,349)	$1,853	$(8,496)

(2) For the year ended 31 December 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss :					
Remeasurements of defined benefit plans	$(2,985)	$ -	$(2,985)	$597	$(2,388)
Unrealized gain or loss from equity instruments investments measured at fair value through other comprehensive income	(1,821)	-	(1,821)	-	(1,821)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	49,647	-	49,647	(9,929)	39,718
Total	$44,841	$ -	$44,841	$(9,332)	$35,509

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

21. Income tax

The major components of income tax expense (income) for the year ended 31 December 2023 and 2022 are as follows:

(A) Income tax recognized in profit or loss

	For the years ended 31 December	
	2023	2022
Current income tax expense (income):		
Current income tax charge	$39,450	$51,261
Adjustments in respect of current income tax of prior periods	(5,866)	4,893
Deferred tax expense (income):		
Deferred tax (income) expense relating to origination and reversal of temporary differences	(39,567)	22,556
Deferred tax expense relating to origination and reversal of tax loss and tax credit	46,721	62,356
Total income tax expense	$40,738	$141,066

(B) Income tax recognized in other comprehensive income

	For the years ended 31 December	
	2023	2022
Deferred tax expense (income):		
Exchange differences resulting from translating the financial statements of a foreign operation	$(1,261)	$9,929
Remeasurements of defined benefit plans	(592)	(597)
Income tax relating to components of other comprehensive income	$(1,853)	$9,332

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2023	2022
Accounting profit before tax from continuing operations, net	$273,330	$487,637
Tax calculated at the parent 's statutory rate	$54,666	$97,528
Tax effect of revenues exempt from taxation	(20,199)	(25,068)
Tax effect of expenses not deductible for tax purposes	1,934	3,151
Tax effect of deferred tax assets/liabilities	1,656	10,031
Undistributed earnings subject to 5% income tax	2,936	-
Tax effect of different tax rates for entities operating in other tax jurisdictions	5,611	50,435
Adjustments in respect of current income tax of prior periods	(5,866)	4,893
Others	-	96
Total income tax expense recognized in profit or loss	$40,738	$141,066

(D) Deferred tax assets (liabilities) relate to the following:

(1) For the year ended 31 December 2023

Items	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Unrealized gains or losses on foreign exchange	$800	$2,308	$ -	$ -	$3,108
Loss allowance	11,609	3,571	-	(261)	14,919
Loss on allowance for write-down of inventories	32,762	8,375	-	(495)	40,642
Share of profit or loss of subsidiaries under the equity method	(87,160)	22,764	-	-	(64,396)
Unrealised intra-group transactions	40,773	4,590	-	-	45,363
Valuation of financial assets	16	(22)	-	-	(6)
Valuation of financial liabilities	-	(26)	-	-	(26)
Net defined benefit liabilities - non-current	6,306	(2,007)	-	-	4,299
Remeasurement of defined benefit plans	9,626	-	592	-	10,218
Translation of the financial statements of a foreign operation	(1,501)	-	1,261	-	(240)
Unused tax losses	65,694	(46,707)	-	(260)	18,727
Deferred tax (expense)/ income		$(7,154)	$1,853	$(1,016)	
Net deferred tax assets/(liabilities)	$78,925				$72,608
Reflected in balance sheet as follows:					
Deferred tax assets	$167,586				$137,307
Deferred tax liabilities	$(88,661)				$(64,699)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) For the year ended 31 December 2022

Items	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Unrealized gains or losses on foreign exchange	$(26)	$826	$ -	$ -	$800
Loss allowance	9,080	2,362	-	167	11,609
Loss on allowance for write-down of inventories	47,705	(15,576)	-	633	32,762
Share of profit or loss of subsidiaries under the equity method	(47,277)	(39,883)	-	-	(87,160)
Unrealised intra-group transactions	11,219	29,554	-	-	40,773
Valuation of financial assets	-	16	-	-	16
Net defined benefit liabilities - non-current	6,115	159	-	32	6,306
Remeasurement of defined benefit plans	9,029	-	597	-	9,626
Translation of the financial statements of a foreign operation	8,428	-	(9,929)	-	(1,501)
Unused tax losses	127,995	(62,370)	-	69	65,694
Deferred tax (expense)/ income		$(84,912)	$(9,332)	$901	
Net deferred tax assets/(liabilities)	$172,268				$78,925
Reflected in balance sheet as follows:					
Deferred tax assets	$211,143				$167,586
Deferred tax liabilities	$(38,875)				$(88,661)

(3) The following table contains information of the unused tax losses of the Group:

	Year	Unused tax losses as at 31 December 2023	Unused tax losses as at 31 December 2022	Expiration year
E-LEAD ELECTRONIC CO., LTD.	2018-2021	$ -	$328,468	2029-2032
E-LEAD ELECTRONIC TECHNOLOGY (JIANGSU) CO. LTD.	2023	71,194	-	2028
FAR VISION TECHNOLOGY CO., LTD.	2023	4,643	-	2034
		$75,837	$328,468	

(4) Unrecognized deferred tax assets

None.

(E) The assessment of income tax returns

As at 31 December 2023, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
E-LEAD ELECTRONIC CO., LTD.	Approved up to 2021
E-LEAD ELECTRONIC TECHNOLOGY (JIANGSU) CO. LTD.	Assessed up to 2022
E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Assessed up to 2022

22. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2023	2022
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company	$232,592	$346,571
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	122,798	120,278
Basic earnings per share (NT$)	$1.89	$2.88

	For the years ended 31 December	
	2023	2022
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company	$232,592	$346,571
Less: Interest expense from convertible bonds	3,785	1,846
Profit attributable to ordinary equity holders of the Company after dilution	$236,377	$348,417
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	122,798	120,278
Effect of dilution:		
Employee compensation－stock (in thousands)	171	132
Convertible bonds (in thousands)	3,546	1,729
Weighted average number of ordinary shares outstanding after dilution (in thousands)	126,515	122,139
Diluted earnings per share (NT$)	$1.87	$2.85

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name relationship of the related parties

Name of the related parties	Relationship with the Group
OKAY ENTERPRISE CO., LTD.	The person in charge is the Chairman of the Company
SUZHOU FAR HORIZON TRADING CO., LTD.	The Chairman of the Company is first degree relatives to the person in charge of the Company
Hsi-Hsun Chen	Chairman of the Company
Hsi-Yao Chen (Note 1)	Deputy Chairman of the Company
Hsi-Tsang Chen (Note 2)	Deputy Chairman of the Company

Note 1: Hsi-Yao Chen was dismissed on 16 June 2023.
Note 2: Hsi-Tsang Chen, former Director-General of the Company, assumed the position of Deputy Chairman on 16 June 2023.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Significant transactions with the related parties:

1. Sales

	For the years ended 31 December	
	2023	2022
SUZHOU FAR HORIZON TRADING CO., LTD.	$144,929	$71,639
OKAY ENTERPRISE CO., LTD.	(584)	8,030
Total	$144,345	$79,669

Note: The sales revenue and sales returns of OKAY ENTERPRISE CO., LTD. amounted to NT$113 thousand and NT$ 697, respectively, for the year ended 31 December 2023.

The sales price to the related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was based on normal sales terms.

2. Purchases

	For the years ended 31 December	
	2023	2022
OKAY ENTERPRISE CO., LTD.	$88,805	$119,495

The purchase price to the above related party was determined through mutual agreement based on the market rates. The payment terms from the related party supplier are comparable with third party suppliers and are 60 days per month.

3. Account receivables

	As at	
	31 December 2023	31 December 2022
SUZHOU FAR HORIZON TRADING CO., LTD.	$54,073	$9,584
OKAY ENTERPRISE CO., LTD.	26	45
Total	$54,099	$9,629

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Other receivables

	As at	
	31 December 2023	31 December 2022
OKAY ENTERPRISE CO., LTD.	$1,407	$1,163

5. Account payables

	As at	
	31 December 2023	31 December 2022
OKAY ENTERPRISE CO., LTD.	$33,596	$12,020

6. Other payables

	As at	
	31 December 2023	31 December 2022
OKAY ENTERPRISE CO., LTD.	$2,141	$7,335

7. The details of the lease transactions between the Group and its related parties are as follows:

		For the years ended 31 December	
Related parties	Type	2023	2022
OKAY ENTERPRISE CO., LTD.	Rental income	$1,063	$972

		For the years ended 31 December	
Related parties	Type	2023	2022
Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Depreciation expense	$528	$714
Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Interest expense	22	40

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Related parties	Type	As at 31 December 2023	As at 31 December 2022
Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Right-of-use asset	$1,027	$2,141
Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Lease liability	1,067	2,208

The rentals are determined and collected based on the general market conditions.

8. Property transaction

The details of intangible assets sold to related parties for the year ended 31 December 2023 are as follows:

Related parties	Intangible assets	Total transaction price	Outstanding receivable amount
SUZHOU FAR HORIZON TRADING CO., LTD.	Patent	$4,366	$ -

For the year ended 31 December 2022: None.

9. Other

The details of other significant transactions with related parties for the years ended 31 December 2023 and 2022 are as follows:

Related parties	Type	2023	2022
OKAY ENTERPRISE CO., LTD.	Miscellaneous income	$16,433	$23,386
	Research materials expenses	15,688	19,733
Hsi-Hsun Chen	Miscellaneous expense – Guarantee fee	-	73

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

10. Remuneration for key management of the Company

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	$22,264	$23,332

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

	Carrying amount as at		
Items	31 December 2023	31 December 2022	Secured liabilities
Property, plant and equipment - land	$451,853	$451,264	Long-term and short-term borrowings
Property, plant and equipment - buildings (Net book value)	198,764	209,408	Long-term and short-term borrowings
Right-of-use assets	7,073	7,461	Short-term borrowings
Total	$657,690	$668,133	

9. Significant contingencies and unrecognized contractual commitments

1. Please refer to Note 13.1 for the information on endorsements/ guarantees provided by the Group for others for the year ended 31 December 2023.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

12. Other

1. Categories of financial instruments

Financial assets	As at	
	31 December 2023	31 December 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	$8,349	$8,878
Financial assets at fair value through other comprehensive income	906	1,988
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	851,779	467,723
Notes and account receivables	1,024,048	806,944
Other receivables	41,489	66,766
Subtotal	1,917,316	1,341,433
Total	$1,926,571	$1,352,299

Financial liabilities	As at	
	31 December 2023	31 December 2022
Financial liabilities at amortized cost		
Short-term borrowings	$738,155	$565,250
Account payables	510,946	412,737
Other payables	278,359	228,097
Bonds payable	292,830	288,098
Long-term borrowings (including current portion with maturity less than 1 year)	210,400	210,400
Lease liabilities	7,741	4,575
Total	$2,038,031	$1,709,157

2. Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for RMB, USD and THB. The information of the sensitivity analysis is as follows:

(1) When NTD strengthens/weakens against RMB by 1%, the profit for the years ended 31 December 2023 and 2022 is increased/decreased by NT$664 thousand and NT$493 thousand, respectively.

(2) When NTD strengthens/weakens against USD by 1%, the profit for the years ended 31 December 2023 and 2022 is increased/decreased by NT$6,752 thousand and NT$5,341 thousand, respectively.

(3) When NTD strengthens/weakens against THB by 1%, the profit for the years ended 31 December 2023 and 2022 is increased/decreased by NT$1,996 thousand and NT$1,287 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the three-month periods ended 31 December 2023 and 2022 to increase/decrease by NT$948 thousand and NT$776 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended 31 December 2023 and 2022 by NT$17 thousand and NT$18 thousand, respectively.

Please refer to Note 12.8 for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, trade and notes receivables and lease receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As at 31 December 2023, and 31 December 2022, account receivables from top ten customers represent 79% and 82% of the total account receivables of the Group, respectively. The credit concentration risk of other contract assets and trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

5. Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Non-derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 December 2023					
Borrowings	$748,311	$98,237	$107,220	$11,915	$965,683
Payables	510,946	-	-	-	510,946
Convertible bonds	-	300,000	-	-	300,000
Lease liabilities (Note)	3,442	4,526	-	-	7,968
Other payables	278,359	-	-	-	278,359
As at 31 December 2022					
Borrowings	$580,997	$47,630	$108,265	$65,212	$802,104
Payables	412,737	-	-	-	412,737
Convertible bonds	-	300,000	-	-	300,000
Lease liabilities (Note)	1,812	2,833	-	-	4,645
Other payables	228,097	-	-	-	228,097

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term borrowings	Long-term borrowings	Bonds payables	Other non-current liabilities	Leases liabilities	Total liabilities from financing activities
As at 1 January 2023	$565,250	$210,400	$288,098	$440	$4,575	$1,068,763
Cash flows	178,594	(400)	-	(6)	(2,611)	175,577
Non-cash changes	-	-	4,732	-	5,753	10,485
Foreign exchange movement	(5,689)	-	-	-	24	(5,665)
As at 31 December 2023	$738,155	$210,000	$292,830	$434	$7,741	$1,249,160

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term borrowings	Long-term borrowings	Bonds payables	Other non-current liabilities	Leases liabilities	Total liabilities from financing activities
As at 1 January 2022	$503,936	$301,083	$ -	$52,053	$6,109	$863,181
Cash flows	58,165	(90,683)	314,901	(51,613)	(2,342)	228,428
Non-cash changes	-	-	(26,803)	-	738	(26,065)
Foreign exchange movement	3,149	-	-	-	70	3,219
As at 31 December 2022	$565,250	$210,400	$288,098	$440	$4,575	$1,068,763

7. Fair values of financial instruments

(1) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, account receivables, account payables and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

D. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

E. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(2) Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.8 for fair value measurement hierarchy for financial instruments of the Group.

8. Fair value measurement hierarchy

(1) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(2) Information on the hierarchy of fair value measurements

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 31 December 2023:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	$6,639	$ -	$ -	$6,639
Stocks	1,680	-	-	1,680
Redeemable bonds	-	30	-	30
Measured at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	-	-	906	906

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at 31 December 2022:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	$6,493	$ -	$ -	$6,493
Stocks	1,845	-	-	1,845
Redeemable bonds	-	540	-	540
Measured at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	-	-	1,988	1,988

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Movements of fair value measurements in Level 3 of the fair value hierarchy

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
As at 1 January 2023	$1,988
Total gains (losses) recognized for the year ended 31 December 2023:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(1,082)
As at 31 December 2023	$906

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at 1 January 2022	$3,809
Total gains (losses) recognized for the year ended 31 December 2022:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(1,821)
As at 31 December 2022	$1,988

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

For the years ended 31 December 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks and other	Market approach	Discount for lack of marketability and minority shareholdings	30%	The higher the volatility, the lower the estimation of fair value	10% increase (decrease) in the discount for lack of marketability and minority shareholdings would result in decrease/ increase in the Group's profit or loss by NT$91 thousand.

For the years ended 31 December 2022:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks and other	Market approach	Discount for lack of marketability and minority shareholdings	30%	The higher the volatility, the lower the estimation of fair value	10% increase (decrease) in the discount for lack of marketability and minority shareholdings would result in decrease/ increase in the Group's profit or loss by NT$199 thousand.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(3) Fair value measurement hierarchy not measured at fair value but for which the fair value is disclosed

None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at 31 December 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items			
USD	$27,259	30.7100	$837,131
RMB	162,696	4.3290	704,310
THB	240,871	0.8990	216,543
Financial liabilities			
Monetary items			
USD	$5,274	30.7100	$161,958
RMB	147,366	4.3290	637,946
THB	18,830	0.8990	16,929

	As at 31 December 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items			
USD	$23,348	30.7000	$716,787
RMB	66,265	4.4090	292,164
THB	202,343	0.8910	180,287
Financial liabilities			
Monetary items			
USD	$5,949	30.7000	$182,644
RMB	77,455	4.4090	341,499
THB	57,858	0.8910	51,552

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Due to the variety of the Company's functional currencies, disclosure of information on exchange gains and losses on monetary financial assets and financial liabilities by significant impact foreign currency would not be possible. The Company recognized gains (losses) on foreign currency exchange of NT$9,539 thousand and NT$16,856 thousand for the years ended 31 December 2023 and 2022, respectively.

10. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

1. Information on significant transactions

(1) Loaning of funds:

No. (Note 1)	Lender	Loan recipients	Related Party	Financial statement account	Cumulative highest balance through the month	Ending balance	Actual amount provided	Interest rate band	Loan type	Amount of transaction	Reason for short-term financing	Allowance for doubtful debts	Collateral		Limit on the amount of funds to be lent to individual recipients (Note 2)	Total Limits (Note 3)
													Item	Value		
0	The Company	E-LEAD ELECTRONIC TECHNOLOGY (JIANGSU) CO., LTD.	Y	Other receivables	$265,260	$259,740	$ -	-	Short-term financing funds	$ -	Operating needs	$ -	-	$ -	$874,842	$874,842
0	The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Y	Other receivables	64,820	61,420	-	-	Short-term financing funds	-	Operating needs	-	-	-	874,842	874,842

Note 1: The description of the numbered column is as follows:
(1) Enter 0 for issuer.
(2) The investee companies are numbered sequentially by company, starting with the Arabic numeral 1.

Note 2: In accordance with the Company's capital lending procedures, loans to a single enterprise are limited to a maximum of 40% of the Company's latest net financial statements.

Note 3: In accordance with the Company's procedures for the loaning of funds, the maximum loaning of funds is limited to a maximum of 40% of the most recent net financial statements.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Endorsement/Guarantee provided to others:

No. (Note 1)	Guarantor (company name)	Recipient		Ceilings of guarantee/ endorsement provided to a single entity (Note 3)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of assets pledged	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Ceilings of total guarantee/ endorsement (Note 4)	Guarantee/ Endorsement provided by parent to subsidiaries	Guarantee/ endorsement provided by subsidiaries to parent	Guarantee/ endorsement in China
		Company name	Relation (Note 2)										
0	The Company	E-LEAD ELECTRONIC TECHNOLOGY (JIANGSU) CO., LTD.	3	$1,093,553	$451,685	$380,952	$165,428	$ -	17.42%	$1,093,553	Y	N	Y

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

(1) Enter 0 for issuer.

(2) The investee companies are numbered sequentially by company, starting with the Arabic numeral 1.

Note 2: There are seven types of relations between the endorser and the person to whom the guarantee/ endorsement is made, as indicated by the following types:

(1) A company with which it does business.

(2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.

(3) A company in which more than 50% of the voting shares are held, directly or indirectly, by the company.

(4) A company in which the Company directly and indirectly holds more than 90% of the voting shares.

(5) A company guaranteed by all contributing shareholders in proportion to their shareholding by virtue of a joint investment relationship.

(6) A company which is mutually insured under a contract between peers or co-founders for the purposes of touting.

(7) Inter-operators are bound by the Consumer Protection Act to guarantee the performance of contracts for the sale of pre-sale properties.

Note 3: In accordance with the Company's endorsement and guarantee procedures, the limit of endorsement and guarantee for a single enterprise shall not exceed 50% of the net value of the Company's latest financial statements

Note 4: In accordance with the Company's endorsement and guarantee procedures, the maximum endorsement and guarantee shall not exceed 50% of the net value of the most recent financial statements.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and jointly controlled entities):

Company	Types and names of marketable securities	Relation with the issuer of marketable securities	Financial statement account	Period end				Note
				Units/ shares	Carrying amount	%	Fair value	
The Company	Funds Yuanta 0-2 Year Investment Grade Corporate Bond Fund	-	Financial assets at fair value through profit or loss - current	10,000.00 unit	$3,200	-	$3,200	
E-LEAD TECHNOLOGY CO., LTD. (BVI)	Funds PineBridge Quantitative Diversified Income Fund A USD	-	Financial assets at fair value through profit or loss - current	70,000.00 unit	2,803	-	2,803	
E-LEAD TECHNOLOGY CO., LTD. (BVI)	Funds PineBridge Global ESG Quantitative Bond Fund B USD	-	Financial assets at fair value through profit or loss - current	20,393.60 unit	636	-	636	
E-LEAD ELECTRONIC TECHNOLOGY (JIANGSU) CO., LTD.	Stocks Lifan Technology(Group)Co., Ltd.	-	Financial assets at fair value through profit or loss - current	108,426 shares	1,680	-	1,680	
The Company	Stocks NURO TECHNOLOGY INC.	-	Financial assets at fair value through other comprehensive income - non-current	859,950 shares	906	5.98%	906	

(4) Cumulative purchases or sales of the same marketable securities amounting to at least NT$300 million or 20% of the paid-in capital: None.

(5) Acquisition of fixed assets amounting to at least NT$300 million or 20% of the paid-in capital: None.

(6) Disposal of fixed assets amounting to at least NT$300 million or 20% of the paid-in capital: None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) The value of transactions with related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Company name	Counterparty name	Relation	Intercompany transactions				Circumstances under which the terms of the transaction differ from those of a normal transaction and the reasons		Notes and accounts receivable (payables)		Note
			Purchases (sales)	Amount	Percentage of total purchase (Sales)	Terms	Unit price	Description	Balance	Percentage of total accounts and notes receivables (payables)	
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Parent and subsidiary	Sales	$441,421	20.12%	Within 60 days	Same as general trading condition	Same as general trading condition	$110,889	17.17%	
The Company	E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Parent and subsidiary	Sales	498,951	22.75%	Within 120 days	Same as general trading condition	The Company's 100% owned subsidiary required a longer period of time to develop the automotive electronics market in China therefore a more lenient collection policy was granted	323,772	50.13%	
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	SUZHOU FAR HORIZON TRADING CO., LTD.	Sub-subsidiaries and accompanying Note 7	Sales	144,929	8.30%	Within 60 days	Same as general trading condition	Same as general trading condition	54,073	8.49%	
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Parent and subsidiary	Purchases	103,080	8.47%	Within 105 days	Same as general trading condition	Same as general trading condition	325	0.15%	
The Company	E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Parent and subsidiary	Purchases	299,735	24.62%	Within 75 days	Same as general trading condition	Same as general trading condition	1,835	0.84%	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of the paid-in capital:

Company name	Counterparty name	Relation	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery of amounts due from related parties in subsequent period	Allowance for doubtful debts
					Amount	Handling method		
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Parent and subsidiary	$110,889	3.02 times	$ -	-	$87,917	-
The Company	E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Parent and subsidiary	323,772	1.05 times	113,539	Coordinate payment arrangements and subsequently recover partial payments	55	-

(9) Traders in derivatives: None.

(10) Intercompany relationships and significant intercompany transactions

No. (Note 1)	Company name	Counterparty	Relations (Note 2)	Intercompany transactions			
				Financial statement account	Amount	Terms	Proportion to consolidated total operating revenue or total assets (Note 3)
0	The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	1	Sales and technical services income	$602,932	Note 4	16.01%
0	The Company	E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	1	Sales	498,951	Same as general trading condition	13.25%

No. (Note 1)	Company name	Counterparty	Relations (Note 2)	Intercompany transactions			
				Financial statement account	Amount	Terms	Proportion to consolidated total operating revenue or total assets (Note 3)
0	The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	1	Account receivables	110,889	Within 60 days	2.52%
0	The Company	E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	1	Account receivables	323,772	Within 120 days	7.37%

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

1. Enter 0 for parent.
2. The investee companies are numbered sequentially by company, starting with the Arabic numeral 1.

Note 2: There are three types of relations between the parent and subsidiaries, as indicated by the following types:

1. Parent to subsidiary.
2. Subsidiary to Parent.
3. Subsidiary to subsidiary.

Note 3: The proportion of transaction amounts to consolidated total operating revenues or total assets is calculated as the closing balance to consolidated total assets for assets and liabilities, or as the cumulative amount to consolidated total operating revenues for profit and loss accounts.

Note 4: Technical service income is based on a certain percentage of royalties and technical service contracts based on sales of certain products by E-LEAD ELECTRONIC (THAILAND) CO.

Note 5: The amounts of each of these transactions are eliminated in full in the preparation of the consolidated financial statements.

2.Information on investments

Names, locations, main business activities, amount of original investment, shareholding as at the end of the period, profit or loss for the period and recognized gains or losses on investment, etc. of investees over which the company exercises significant influence (excluding information on investment in China)

E-LEAD ELECTRONIC CO. LTD. AND SUBSIDIARIES (Continued)
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Company Name	Investee Company	Location	Main business activities	amount of original investment		Shareholding at the end of the period			Profit (loss) of investee companies for the period	recognized gains (losses) on investment	Note
				Ending balance	Beginning balance	Number of shares	%	Carrying amount			
The Company	E-LEAD TECHNOLOGY CO., LTD. (BVI)	3rd Floor,Yamraj Building, Market Square, Road Town, Tortola,British Virgin Islands.	Financial investment business	$773,628	$472,763	23,938,736 shares	100%	$488,268	$(86,154)	$(82,461)	Subsidiary (Note 1) (Note 2) (Note 3)
The Company	HUGE PROFIT CO., LTD.	No. 21 Regent Street, Belize City, Belize	Trading operations	1,642	1,642	50,000 shares	100%	6,965	(240)	(186)	Subsidiary (Note 2) (Note 3)
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	888/4 Moo 7 Sukhumvit Rd., Tambon bangpoomai ,Amp hur muang , Samutprakarn 10280 Thailand	In-car audio and video navigation, rear seat entertainment systems and other car electronic accessories.	370,901	207,715	4,000,000 shares	100%	836,847	143,168	141,885	Subsidiary (Note 2) (Note 3)
The Company	FAR VISION TECHNOLOGY CO., LTD.	4F.-9, No. 186, Shizheng N. 7th Rd., Xitun Dist., Taichung City	Far Vision eye protection product	30,000	-	3,000,000 shares	100%	21,402	(3,789)	(4,362)	Subsidiary (Note 2) (Note 3)
The Company	RUTER ELASTOMER CO., LTD.	2/F, No. 262, Sec. 2, Jianguo N. Road, Zhongshan District, Taipei City	Manufacturing and wholesaling of electronic materials, hardware and moulds	14,359	14,359	190,000 shares	19%	6,041	14	2	Investee accounted for under the equity method
The Company	NURO TECHNOLOGY INC.	4F., No. 28, Chenggong 12th St., Zhubei City, Hsinchu County	Wholesale of electronic equipment and electronic devices	906	-	859,950 shares	5.98%	906	-	-	Equity instrument measured at fair value through other comprehensive income

Note 1: The profit or loss of the investee company is included in the recognized investment income of the investee company, E-LEAD TECHNOLOGY CO., LTD.(BVI).

Note 2: The investment income (loss) recognized in the current period includes the effect of downstream and upstream transactions between related companies.

Note 3: Excluded from the consolidated financial statements.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

3.Information on investment in China

(1) The information on the Company's investment in China through E-LEAD TECHNOLOGY CO., (BVI) is as follow:

Investee company name	Main business activities	Paid-in capital	Method of investment	Beginning balance of the accumulated outflow of investment from Taiwan	Investment Flows		Closing balance of the accumulated outflow of Investment from Taiwan	Net income (loss) of investee company	Proportion to the Company's shareholding in direct or indirect investment	Gains or losses on investments recognized during the period (Note)	Carrying value of the ending balance	Investment income remitted for the period
					Outflow	Inflow						
E-LEAD ELECTRONIC TECHNOLOGY (JIANGSU) CO., LTD.	Head-up displays and other automotive electronic accessories	$$706,330 (USD 23 million)	Investment in China through remittance from a subsidiary in third region, E-LEAD TECHNOLOGY CO,LTD(BVI).	$414,585 (USD 13.5 million)	$291,745 (USD 9.5 million)	$ -	$706,330 (USD 23 million)	$(85,114)	100%	$(86,097)	$606,641	$ -

Note: The financial statements have been audited by a CPA of the parent company in Taiwan.

Cumulative amount of remittances from Taiwan to China at the end of the period	Amount of investment approved by the Investment Commission of the Ministry of Economic Affairs	Investment quota in China in accordance with the Investment Commission of the Ministry of Economic Affairs
$715,082 (USD 23.285 million)	$734,860 (USD 23.929 million)	$1,312,264 (Note 2)

Note 1: The above amounts in foreign currencies are translated into NTD using the exchange rate as at the balance sheet date.

Note 2: The ceiling for the Company's investment in China is 60% of the net value.

Note 3: The investment gains and losses recognized in this period are based on the financial statements of the Parent Company audited by the CPA for the corresponding period.

(2) Significant transactions with China investees occurred directly or indirectly through third regions: Please refer to Note 13(1)

4. Information of major shareholders

For the year ended 31 December 2023

Shareholdings / Name of the shareholders	Number of shareholdings	%
Hsi-Tsang Chen	10,578,041	8.61%
Hsi-Hsun Chen	9,868,149	8.03%
Hsi-Yao Chen	6,266,158	5.10%

14. Segment information

For management purposes, the Group is divided into operating units based on different products and workforce and is divided into three reporting operation segments as follows:

1. E-LEAD Taiwan Operations Segment: The segment is responsible for sales in Southeast Asia and markets outside of China.

2. E-LEAD Jiangsu Operations Segment: The segment is responsible for sales activities in the Chinese market.

3. E-LEAD Thailand Operations Segment: The segment is responsible for sales in the Southeast Asian market.

The aforementioned reporting operation segments have not been consolidated into more than one operation segment.

The management individually monitors the results of its business units' operations in order to make decisions on resource allocation and performance evaluation. Segment performance is evaluated on the basis of operating profit or loss before tax and is measured in a manner consistent with operating profit or loss in the consolidated financial statements. However, income taxes in the consolidated financial statements are prepared on a group basis and are not apportioned to the operating segments.

Transfer pricing between operating segments is based on regular transactions with external third parties.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Reportable information on segment profit and loss, assets and liabilities

(1) For the year ended 31 December 2023

	E-LEAD Taiwan	Far Vision Taiwan	E-LEAD Jiangsu	E-LEAD Thailand	Subtotal	Other	Reconciliation and deduction	Total
Revenue								
Revenue from external customers	$1,074,286	$140	$1,383,854	$1,308,013	$3,766,293	$ -	$ -	$3,766,293
Intersegmental revenue	1,119,350	16,067	363,280	102,842	1,601,539	-	(1,601,539) [1]	-
Total revenue	$2,193,636	$16,207	$1,747,134	$1,410,855	$5,367,832	$ -	$(1,601,539) [1]	$3,766,293
Interest expense	14,892	19	22,954	705	38,570	-	(3,500) [1]	35,070
Depreciation and amortization	58,998	422	47,547	41,874	148,841	-	(5,956) [1]	142,885
Segmental profit or loss	$303,532	$(4,687)	$(122,424)	$155,763	$332,184	$(240)	$(58,614) [1]	$273,330
Assets								
Investments accounted for under the equity method	$1,359,523	$ -	-	$ -	$1,359,523	$ -	$(1,353,482) [1]	$6,041
Segment assets	$3,520,062	$47,620	$1,814,522	$1,072,632	$6,454,836	$7,411	$(2,072,017) [1]	$4,390,230
Segment liabilities	$1,332,956	$21,409	$1,205,150	$218,979	$2,778,494	$ -	$(575,370) [1]	$2,203,124

(2) For the year ended 31 December 2022

	E-LEAD Taiwan	E-LEAD Jiangsu	E-LEAD Thailand	Subtotal	Other	Reconciliation and deduction	Total
Revenue							
Revenue from external customers	$992,845	$1,172,204	$1,400,705	$3,565,754	$ -	$ -	$3,565,754
Intersegmental revenue	1,180,428	202,884	154,007	1,537,319	-	(1,537,319)	-
Total revenue	$2,173,273	$1,375,088	$1,554,712	$5,103,073	$ -	$(1,537,319)	$3,565,754
Interest expense	11,621	18,770	557	30,948	-	(1,718)	29,230
Depreciation and amortization	64,892	47,391	35,543	147,826	-	(5,006)	142,820
Segmental profit or loss	$455,103	$107,050	$150,895	$713,048	$108	$(225,519)	$487,637
Assets							
Investments accounted for under the equity method	$1,002,201	$ -	$ -	$1,002,201	$ -	$(995,820)	$6,381
Segment assets	$3,289,990	$1,459,367	$1,062,517	$5,811,874	$12,531	$(1,875,345)	$3,949,060
Segment liabilities	$1,241,021	$1,052,741	$357,296	$2,651,058	$ -	$(750,967)	$1,900,091

[1] Inter-segment revenue is excluded from consolidation and is reflected under “Reconciliation and deduction”.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

2. There is no reconciliation of revenue, profit and loss, assets, liabilities and other significant items that should be reported by the segments.

3. Regional information

Revenue from external customers:

	For the years ended 31 December	
	2023	2022
China	$1,383,920	$1,172,713
Indonesia	1,209,852	1,114,370
Singapore	486,825	464,136
Thailand	406,440	411,904
Taiwan	198,326	280,132
Others	80,930	122,499
Total	$3,766,293	$3,565,754

Revenue is categorized based on the country in which the customers are located.

Non-current assets:

	As at	
	31 December 2023	31 December 2022
Taiwan	$721,644	$712,866
China	186,079	209,692
Thailand	302,874	262,586
Total	$1,210,597	$1,185,144

4.Information on important customers

	For the years ended 31 December			
	2023		2022	
Customer name	Amount of sales	%	Amount of sales	%
A	$649,418	17%	$589,460	17%
B	486,322	13%	463,429	13%
C	399,387	11%	78,945	2%
D	323,314	9%	294,154	8%
E	204,076	5%	195,938	5%
F	203,726	5%	31,293	1%
G	71,882	2%	753,108	21%

Stock code: 2497

E-LEAD ELECTRONIC CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

Address: No. 37, Gongdong 1st Rd., Shengang Shiang, Changhua

Telephone: (04)7977277

Independent Auditors' Report

To E-LEAD Electronic Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of E-LEAD Electronic Co., Ltd. (the "Company") as of 31 December 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

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

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China; Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 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, and we do not provide a separate opinion on these matters.

Allowance for losses on accounts receivable

As of 31 December 2023, the carrying amounts of accounts receivable and allowance for losses were NT$645,469 thousand and NT$1,228 thousand, respectively, and the net accounts receivable accounted for 18% of total assets, which was significant to the Company. As the allowance for losses is measured by the expected amount of credit losses over the life of the asset, the assumptions used in the measurement involve significant management judgement. We therefore determined this a key audit matter.

Our audit procedures include, but are not limited to, obtaining an understanding of, and testing the effectiveness of, the internal control system established by management over the collection of accounts receivable; Analyzing changes in accounts receivable and changes in turnover rates over the period and testing the collection of accounts receivable after the period to assess recoverability; Review the breakdown of accounts receivable at the end of the period and recalculate the reasonableness of the allowance for losses on accounts receivable based on the classification of individual credit groups and the expected loss rate as assessed by management. We have also considered the appropriateness of the disclosure of accounts receivable in Notes 5 and 6 to the parent only financial statements.

Evaluation of allowance for losses on decline in value of inventories and obsolescence of inventories

As of 31 December 2023, the net inventory of the Company was NT$203,241 thousand, representing 6% of total assets. Due to the uncertainty of the rapid changes in product technology and market demand, the allowance for losses on decline in value and obsolescence of inventories involve significant management judgment, we therefore determined this a key audit matter.

Our audit procedures include, but are not limited to, obtaining an understanding of, and testing the effectiveness of, management's internal control over inventory, including obtaining an understanding of the reasonableness of management's policy for the allowance for losses on decline in value and obsolescence of inventories; assessing management's inventory planning, selecting significant inventory locations and conducting physical observations of inventory counts to confirm the quantity and condition of inventories; testing the adequacy of the allowance for losses on decline in value of inventories. This includes testing the reasonableness of the net realizable value of inventories by reviewing a sample of evidence relating to the purchase and sale of inventories, obtaining a sample of inventory ageing schedules to test the correctness of the ageing calculations and recalculating the reasonableness of the allowance for losses on obsolescence of inventories. We also considered the appropriateness of the disclosures in Notes 5 and 6 to the individual financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of 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 ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s 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 auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, 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 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 2023 parent only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

/s/Huang, Tzu Ping

/s/Lo, Wen Chen

Ernst & Young, Taiwan

6 March 2024

<u>Notice to Readers</u>

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors 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, Ernst & Young 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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
E-LEAD ELECTRONIC CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
For the years ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets			31 December 2023		31 December 2022	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6.1	$512,834	15	$226,562	7
1110	Financial assets at fair value through profit or loss - current	4,6.2	3,230	-	3,621	-
1150	Notes receivable, net	4	1,566	-	231	-
1170	Accounts receivable, net	4,6.3	194,510	5	271,464	8
1180	Accounts receivable - related parties, net	4,6.3,7	449,731	13	524,834	16
1200	Other receivables	4	8,201	-	7,532	-
1210	Other receivables - related parties	4,7	4,681	-	166,685	5
130x	Inventories	4,6.4	203,241	6	214,347	7
1410	Prepayments		12,052	-	68,839	2
1420	Prepayments - related parties		28,185	1	-	-
1470	Other current assets		861	-	3,491	-
11xx	Total current assets		1,419,092	40	1,487,606	45
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	4,6.5	906	-	-	-
1550	Investments accounted for using the equity method	4,6.6	1,359,523	39	1,002,201	30
1600	Property, plant and equipment	4,6.7,8	684,670	19	674,005	20
1755	Right-of-use assets	4,6.17,7	2,227	-	3,341	-
1780	Intangible assets	4	18,064	1	15,239	1
1840	Deferred tax assets	4,6.21	22,490	1	87,317	3
1900	Other non-current assets	4,6.8	13,090	-	20,281	1
15xx	Total non-current assets		2,100,970	60	1,802,384	55
1xxx	Total assets		$3,520,062	100	$3,289,990	100

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: Hsi-Hsun Chen　　Manager: Hsi-Hsun Chen　　Accounting Supervisor: Pi-Huan Chen

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			31 December 2023		31 December 2022	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	4,6.9	$300,000	9	$180,000	6
2130	Contract liabilities - current	6.15	4,203	-	9,302	-
2170	Accounts payable		178,651	5	205,443	6
2180	Accounts payable - related parties	7	38,940	1	15,752	1
2200	Other payables	6.10,7	169,351	5	160,362	5
2399	Other current liabilities	4,6.17,7	3,588	-	3,342	-
21xx	Total current liabilities		694,733	20	574,201	18
	Non-current liabilities					
2531	Bonds Payable	6.11	292,830	8	288,098	9
2540	Long-term loans	6.12	210,000	6	210,400	6
2570	Deferred tax liabilities	4,6.21	64,668	2	88,661	3
2640	Net defined benefit obligation - non-current	4,6.13	69,559	2	77,346	2
2670	Other non-current liabilities	4,6.17,7	1,166	-	2,315	-
25xx	Total non-current liabilities		638,223	18	666,820	20
2xxx	Total liabilities		1,332,956	38	1,241,021	38
	Equity	4,6.14				
3100	Capital					
3110	Common stock		1,227,985	35	1,227,985	37
3200	Additional Paid-in Capital		449,022	12	449,022	14
	Retained earnings					
3310	Legal reserve		227,281	7	208,936	6
3320	Special reserve		39,956	1	19,536	1
3350	Unappropriated retained earnings		288,947	8	183,446	5
3300	Subtotal		556,184	16	411,918	12
3400	Other equity components					
3410	Exchange differences on translation of foreign operations		(41,391)	(1)	(36,344)	(1)
3420	Unrealized gains or losses measured at fair value through other comprehensive income		(4,694)	-	(3,612)	-
	Subtotal		(46,085)	(1)	(39,956)	(1)
3xxx	Total equity		2,187,106	62	2,048,969	62
2x3x	Total liabilities and equity		$3,520,062	100	$3,289,990	100

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: Hsi-Hsun Chen Manager: Hsi-Hsun Chen Accounting Supervisor: Pi-Huan Chen

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

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

Code	Accounting Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Revenues	4,6.15,7	$2,193,637	100	$2,173,273	100
5000	Operating costs	6.18,7	(1,507,743)	(69)	(1,499,099)	(69)
5900	Gross profit		685,894	31	674,174	31
5910	Add: Realized gain or loss from sales		146,731	7	37,585	2
5920	Less: Unrealized gain or loss from sales		(167,356)	(8)	(146,731)	(7)
5950	Gross profit, net		665,269	30	565,028	26
	Operating expenses	6.18,7				
6100	Sales and marketing expenses		(47,798)	(2)	(43,357)	(2)
6200	General and administrative expenses		(140,439)	(6)	(146,384)	(7)
6300	Research and development expenses		(277,604)	(13)	(252,654)	(11)
6450	Expected credit loss	4,6.16	(740)	-	(450)	-
6000	Subtotal		(466,581)	(21)	(442,845)	(20)
6900	Operating profit		198,688	9	122,183	6
7000	Non-operating income and expenses	6.19,7				
7100	Interest income		14,283	1	2,183	-
7010	Other income		39,824	2	75,211	3
7020	Other gains or losses		10,751	-	36,913	2
7050	Finance costs		(14,892)	(1)	(11,621)	(1)
7070	Share of profits or losses of subsidiaries, associates and joint ventures accounted for under the equity method	6.6	54,878	3	230,234	11
7000	Subtotal		104,844	5	332,920	15
7900	Income before tax		303,532	14	455,103	21
7950	Income tax expense	4,6.21	(70,940)	(3)	(108,532)	(5)
8200	Net income		232,592	11	346,571	16
	Other comprehensive income	6.20				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements on defined benefit plans		(2,959)	-	(2,985)	-
8316	Unrealized gain or loss on equity instruments measured at fair value through other comprehensive income		(1,082)	-	(1,821)	-
8349	Income tax related to items that will not be reclassified subsequently	6.21	592	-	597	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(6,308)	-	49,647	2
8399	Income tax related to items that may be reclassified subsequently	6.21	1,261	-	(9,929)	-
8300	Total other comprehensive income, net of tax		(8,496)	-	35,509	2
8500	Total comprehensive income		$224,096	11	$382,080	18
	Earnings per share (NTD)	6.22				
9750	Basic earnings per share		$1.89		$2.88	
9850	Diluted earnings per share		$1.87		$2.85	

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: Hsi-Hsun Chen Manager: Hsi-Hsun Chen Accounting Supervisor: Pi-Huan Chen

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

				Retained earnings			Other equity components		
	Item	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations	Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income	Total Equity
Code		3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as at 1 January 2022	$1,187,985	$216,787	$208,936	$19,536	$(160,737)	$(76,062)	$(1,791)	1,394,654
C5	Equity components arising from the issuance of convertible bonds - arising from share options		26,931						26,931
D1	Net income for 2022					346,571			346,571
D3	Other comprehensive income for 2022					(2,388)	39,718	(1,821)	35,509
D5	Total comprehensive income for 2022	-	-	-	-	344,183	39,718	(1,821)	382,080
E1	Capital increase by cash	40,000	205,304						245,304
Z1	Balance as at 31 December 2022	$1,227,985	$422,091	$208,936	$19,536	$183,446	$(36,344)	$(3,612)	$2,048,969
A1	Balance as at 31 December 2022	$1,227,985	$449,022	$208,936	$19,536	$183,446	$(36,344)	$(3,612)	$2,048,969
B1	Legal reserve			18,345		(18,345)			-
B3	Special reserve				20,420	(20,420)			-
B5	Common stock cash dividends					(85,959)			(85,959)
D1	Net income for 2023					232,592			232,592
D3	Other comprehensive income for 2023					(2,367)	(5,047)	(1,082)	(8,496)
D5	Total comprehensive income for 2023	-	-	-	-	230,225	(5,047)	(1,082)	224,096
Z1	Balance as at 31 December 2023	$1,227,985	$449,022	$227,281	$39,956	$288,947	$(41,391)	$(4,694)	$2,187,106

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: Hsi-Hsun Chen　　Manager: Hsi-Hsun Chen　　Accounting Supervisor: Pi-Huan Chen

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	Item	2023	2022
AAAA	Cash flows from operating activities:		
A00010	Net profit before tax from continuing operation	$303,532	$455,103
A10000	Net income before tax for the period	303,532	455,103
A20000	Adjustment for:		
A20010	Income and expense items：		
A20100	Depreciation	49,770	51,753
A20200	Amortization	9,228	13,139
A20300	Expected credit loss	740	450
A20400	Losses on financial assets and liabilities at fair value through profit or loss	391	79
A20900	Interest expense	14,892	11,621
A21200	Interest income	(14,283)	(2,183)
A22400	Share of profit of subsidiaries, associates and joint ventures under the equity method	(54,878)	(230,234)
A22500	Gain on disposal of property, plant and equipment	(810)	(1,924)
A22800	(Gain) loss on disposal of intangible assets	(4,246)	123
A23900	Unrealized gain from sales	20,625	109,146
A29900	Other items	(1,368)	10,757
A30000	Changes in assets/liabilities relating to operating activities:		
A31130	Increase in notes receivable	(1,335)	(22)
A31150	Decrease (increase) in accounts receivable	76,214	(139,463)
A31160	Decrease (increase) in accounts receivable - related parties	75,103	(310,590)
A31180	(Inecrease) decrease in other receivable	(262)	1,275
A31190	Decrease (increase) in other receivables - related parties	6,782	(1,780)
A31200	Decrease (increase) in inventories	11,106	(3,936)
A31230	Decrease (increase) in prepayments	28,602	(53,839)
A31240	Decrease (increase) in other current assets	3,304	(3,182)
A32125	(Decrease) increase in contract liabilities	(5,099)	1,601
A32150	Decrease in accounts payable	(26,792)	(41,369)
A32160	Increase (decrease) in accounts payable - related parties	23,188	(32,598)
A32180	Increase in other payable	12,675	37,278
A32230	Increase in other current liabilities	229	471
A32240	(Decrease) increase in net defined benefit obligation	(10,746)	18
A33000	Cash provided by (used in) operations	516,562	(128,306)
A33100	Interest received	14,783	2,160
A33200	Dividends received	342	1,607
A33300	Interest paid	(10,019)	(9,323)
A33500	Income tax paid	(28,927)	(18,179)
AAAA	Net cash provided by (used in) operating activities	492,741	(152,041)
	(Continued)		

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: Hsi-Hsun Chen Manager: Hsi-Hsun Chen Accounting Supervisor: Pi-Huan Chen

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

E-LEAD ELECTRONIC CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	Item	2023	2022
	(Continued)		
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(906)	-
B00100	Acquisition of financial assets at fair value through profit or loss	-	(3,070)
B01800	Acquisition of investments accounted for using the equity method	(329,433)	-
B02700	Acquisition of property, plant and equipment	(59,002)	(82,914)
B02800	Disposal of property, plant and equipment	3,399	6,619
B04300	Decrease (increase) in other receivable - related parties	154,315	(67,415)
B04500	Acquisition of intangible assets	(11,973)	(8,588)
B04600	Disposal of intangible assets	4,366	-
B06700	Increase in other non-current assets	-	(800)
B06800	Decrease in other non-current assets	301	3,144
BBBB	Net cash used in investing activities	(238,933)	(153,024)
CCCC	Cash flows from financing activities:		
C00100		560,000	590,000
C00200	Decrease in short-term loans	(440,000)	(720,000)
C01200	Issuance of corporate bonds	-	314,901
C01600	Acquisition of long-term loans	-	210,400
C01700	Repayment of long-term loans	(400)	(301,083)
C04020	Repayment of leasehold principal	(1,177)	(1,683)
C04400	Decrease in other non-current liabilities	-	-
C04500	Distribution of cash dividends	(85,959)	-
C04600	Capital increase by cash	-	240,000
C04800	Stock options exercised by employees	-	5,304
CCCC	Net cash provided by financing activities	32,464	337,839
EEEE	Increase in cash and cash equivalents	286,272	32,774
E00100	Cash and cash equivalents at beginning of period	226,562	193,788
E00200	Cash and cash equivalents at end of period	$512,834	$226,562

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: Hsi-Hsun Chen Manager: Hsi-Hsun Chen Accounting Supervisor: Pi-Huan Chen

E-LEAD ELECTRONIC CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the Years Ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

E-LEAD Electronic Co., Ltd. (the “Company”) was incorporated in Republic of China (R.O.C) on 22 June 1983. The Company mainly engaged in automotive electronics and its main products include head-up displays (WHUD、2D/3D ARHUD, 2D/3D digital electronic rear view mirror HUD), DMS, In-car audio/video navigation console, rear seat entertainment system, reversing camera, 2D/3D surround view system, blind spot detection system, advanced driver-assistance systems (ADAS), wired/wireless chargers for vehicles, automotive air purifier, car recorder, distance vision eye care products, video camera changeover tapes, etc.

The shares of the Company commenced trading on Taipei Exchange in October 2001 and were listed on the Taiwan Stock Exchange on 4 February 2002.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on 6 March 2024.

3. Newly issued or revised standards and interpretations

1. Changes in accounting policies resulting from applying for the first-time certain standards and amendments:

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2023. The new standards and amendments had no material impact on the Company.

2. Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below:

Item	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2024. The remaining standards and interpretations have no material impact on the Company.

3. Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Item	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures.

IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

1. Statement of compliance

The parent company only financial statements of the Company for the years ended 31 December 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

2. Basis of preparation

The Company prepared the parent company only financial statements in accordance with the Regulations. According to the Article 21 of the Regulation, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

3. Foreign currency transactions

The Company's parent company only financial statements are presented in its functional currency, New Taiwan Dollars (NT$).

Transactions in foreign currencies are initially recorded by the Company at the respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(2) Foreign currency items within the scope of IFRS 9 "Financial Instruments" are accounted for based on the accounting policy for financial instruments.

(3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

4. Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. When the partial disposal involves the loss of control of a subsidiary that includes a foreign operation and when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation, are accounted for as disposals.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

5. Current and non-current distinction

An asset is classified as current when:

(1) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(2) The Company holds the asset primarily for the purpose of trading.
(3) The Company expects to realize the asset within twelve months after the reporting period.
(4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(1) The Company expects to settle the liability in its normal operating cycle.
(2) The Company holds the liability primarily for the purpose of trading.
(3) The liability is due to be settled within twelve months after the reporting period.
(4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Company's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset

<u>Financial assets measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income and are reported in the balance sheet as financial assets measured at fair value through other comprehensive income or loss if both of the following conditions are met:

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

<u>Financial asset measured at fair value through profit or loss</u>

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
B. the time value of money.
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since the initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of financial assets

Financial asset held by the Company is derecognized when:

A. The rights to receive cash flows from the asset have expired.
B. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
C. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity instrument

Classification of liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

Compound instrument

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled. For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

A. it is acquired or incurred principally for the purpose of selling in the near term,
B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

A. it eliminates or significantly reduces a measurement or recognition inconsistency, or
B. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include account payables and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

8. Derivative instruments

The Company uses derivative financial instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as assets or liabilities at fair value through profit or loss except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

9. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(1) In the principal market for the asset or liability, or
(2) In the absence of a principal market, in the most advantageous market for the asset or liability

The primary or most advantageous market must be accessible to the Company for trading purposes.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants in their economic best interest.

A fair value measurement of a non-financial asset takes a market participant’s ability to generate economic benefits into account by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

10. Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its saleable or production-ready condition are accounted for as follows:

Raw materials	－The weighted average method is used to calculate the actual cost of goods imported.
Working in progress, semi-finished products and finished products	－Includes direct raw materials, direct labor, fixed manufacturing costs and variable manufacturing costs apportioned to normal production capacity, excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

11. Investments accounted for using the equity method

According to Article 21 of the Regulation, the Company's investment in subsidiaries was presented as "Investments accounted for using equity method" and made necessary adjustments. The profit or loss during the period and other comprehensive income presented in the parent company only financial statements shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis, and the shareholders' equity presented in the parent company only financial statements shall be the same as the equity attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis. The adjustment was considered the difference between investment in subsidiaries in consolidated financial statements according to IFRS 10 "Consolidated financial statements" and application of IFRS to different reporting entities, debit/credit "Investment accounted for using equity method", "Share of profit or loss of subsidiaries, associates and joint ventures" or "Share of other comprehensive profit or loss of subsidiaries, associates and joint ventures" etc.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. Joint venture means the Company has rights to the net assets of the joint agreement (with joint controller).

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a proportionate basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a proportionate basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 "Investments in Associates and Joint Ventures". If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 "Impairment of Assets". In determining the value in use of the investment, the Company estimates:

(1) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

(2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

12. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. 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 is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives:

Items	Useful Lives
Buildings	5 to 55 years
Machinery and equipment	2 to 15 years
Transportation equipment	2 to 10 years
Office equipment	5 to 8 years
Other equipment	3 to 35 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of plant, property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

13. Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

(1) The right to obtain substantially all the economic benefits from use of the identified asset, and
(2) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(1) fixed payments (including in-substance fixed payments), less any lease incentives receivable,
(2) variable lease payments that depend on an index or a rate, (initially measured using the index or rate as at the commencement date),
(3) amounts expected to be payable by the lessee under residual value guarantees,
(4) the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
(5) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(1) the amount of the initial measurement of the lease liability,
(2) any lease payments made at or before the commencement date, less any lease incentives received,
(3) any initial direct costs incurred by the lessee, and
(4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis

The Company opted not to assess whether the relevant rent reductions that occurred as a direct result of Covid-19 were lease modifications. Such rent reductions are treated as changes in lease payments and the practical expedient has been applied to all eligible rent reductions.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For contracts with lease components as well as non-lease components, the Company applies IFRS 15 to apportion the consideration in the contract.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

14. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

A summary of the policies applied to the Company’s intangible assets is as follows:

	Trademark	Patents	Computer software
Useful lives	1 to 5 years	1 to 5 years	1 to 10 years
Amortization method used	Straight-line basis	Straight-line basis	Straight-line basis
Internally generated or acquired	Acquired	Acquired	Acquired

15. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 “Impairment of Assets” may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of the net fair value or value in use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

16. Provision

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

17. Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follows:

Sale of goods

The Company manufactures and sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main products of the Company are automotive electronics and revenue is recognized based on the consideration stated in the contract.

The credit period for the Company's sales of goods transactions is normally from receipt of payment prior to shipment to 90 days at the end of the month. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

19. Government grants

The Company recognizes government grant income when it is reasonably certain that the conditions set forth in the government grant will be met and that an inflow of economic benefits from the government grant will be received. When the grant relates to an asset, the government grant is recognized as deferred revenue and recognized as income over the expected life of the related asset; When a grant relates to an expense item, the government grant is recognized as revenue in the period in which the related costs are expected to be incurred, using a reasonable and systematic method.

When the Company receives non-monetary government grants, it recognizes the assets and grants received in nominal amounts and recognizes the income in equal installments over the expected useful life of the subject assets and the pattern of consumption of the benefits in the consolidated statement of comprehensive income. Loans or similar grants at below-market interest rates obtained from the Government or related institutions are regarded as additional government grants.

20. Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account. and hence, not associated with the Company. Therefore, fund assets are not included in the Company’s parent only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(1) the date of the plan amendment or curtailment, and
(2) the date that the Company recognizes restructuring-related costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

21. Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders’ meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(1) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(1) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgments, estimates and assumptions

The preparation of the parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1. Judgements

In the process of adopting the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the parent only financial statements:

Operating lease commitments - Company as lessor

The Company has entered into commercial real estate leases for its investment real estate portfolio. Based on an assessment of their contractual terms, the Company retains significant risks and rewards of ownership of these immovable properties and treats these leases as operating leases.

2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1) Post-employment benefit plans

The present value of the pension cost and defined benefit obligation of the post-employment benefit plans is based on actuarial valuations. The actuarial valuation involves various assumptions, including: discount rates and changes in expected payroll.

(2) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(3) Accounts receivables–estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(4) Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant account

1. Cash and cash equivalents

	As at	
	31 December 2023	31 December 2022
Cash on hand	$915	$693
Demand deposits and cheque deposits	342,348	225,528
Cash equivalent	169,571	341
Total	$512,834	$226,562

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

2. Financial assets at fair value through profit or loss - current

	As at	
	31 December 2023	31 December 2022
Mandatorily measured at fair value through profit or loss：		
Funds	$3,200	$3,081
Redeemable bond	30	540
Total	$3,230	$3,621

Financial assets at fair value through profit or loss – current were not pledged.

3. Accounts receivables and accounts receivable - related parties

	As at	
	31 December 2023	31 December 2022
Accounts receivables – non affiliate	$202,390	$274,396
Less: allowance for losses	(1,228)	(488)
Less: allowance for exchange losses	(6,652)	(2,444)
Subtotal	194,510	271,464
Accounts receivable – related parties	456,385	525,968
Add: allowance for exchange losses	(6,654)	(1,134)
Subtotal	449,731	524,834
Total	$644,241	$796,298

Account receivables were not pledged.

The credit period for the Company's customers is normally from receipt of payment prior to shipment to 90 days at the end of the month. Please refer to Note 6.16 for details on allowance for loss and Note 12 for details on credit risk management.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Inventories

	As at	
	31 December 2023	31 December 2022
Raw materials	$92,158	$107,831
Semi-finished products	67,092	41,487
Work in progress	40,865	60,290
Finished products	3,126	4,739
Total	$203,241	$214,347

The cost of inventories recognized in operating costs amounts to NT$1,507,743 thousand and NT$1,499,099 thousand for the years ended 31 December 2023 and 2022, including the write-down of inventories of NT$499 thousand and the gain on reversal of write-down of inventories of NT$36,142 thousand.

The gain on reversal of write-down of inventories was recognized in 2022 as a result of the scraps of some of the inventories previously recorded as declines in valuation and the continuing liquidation of slow-moving inventories.

The above mentioned inventories were not pledged.

5. Financial assets at fair value through other comprehensive income - non-current

	As at	
	31 December 2023	31 December 2022
Investments in equity instruments measured at fair value through other comprehensive income - non-current:		
Shares of companies not publicly listed	$906	$ -

Financial assets measured at fair value through other comprehensive income - non-current were not pledged.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Investments accounted for using the equity method

The list of the Company's investments is as follows:

	As at			
	31 December 2023		31 December 2022	
Name of the investees	Amount	%	Amount	%
Investments in subsidiaries:				
E-LEAD ELECTRONIC (THAILAND) CO., LTD.	$836,847	100%	$689,946	100%
E-LEAD TECHNOLOGY CO., LTD.(BVI)	488,268	100%	298,032	100%
FAR VISION TECHNOLOGY CO., LTD.	21,402	100%	-	-
HUGE PROFIT CO., LTD.	6,965	100%	7,842	100%
Subtotal	1,353,482		995,820	
Investments in associates:				
RUTER ELASTOMER CO., LTD.	6,041	19%	6,381	19%
Total	$1,359,523		$1,002,201	

The gain or loss on investments recognized under the equity method and the translation adjustments for the years ended 31 December 2023 and 2022 are as follows:

	2023			2022		
Name of the investees	Investment (loss) income	Translation adjustment	Total	Investment income	Translation adjustment	Total
E-LEAD THAILAND	141,885	6,697	148,582	131,109	44,363	175,472
RUTER	2	-	2	1,267	-	1,267
FAR VISION TECHNOLOGY CO., LTD	(4,362)	-	(4,362)	-	-	-
HUGE	(186)	-	(186)	2,846	-	2,846
E-LEAD(BVI)	(82,461)	(13,005)	(95,466)	95,012	5,284	100,296
Total	$54,878	$(6,308)	$48,570	$230,234	$49,647	$279,881

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(1) Investments in subsidiaries

Investments in subsidiaries were expressed as “Investments accounted for using the equity method” in the parent company only financial statements, and the necessary valuation adjustments were made.

(2) Investments in associates

The Company's investment in RUTER ELASTOMER CO., LTD. is not material to the Company. The long-term investment evaluation and recognition of investment gains and losses are based on the unaudited accounts of the investee company. The aggregated financial information is shown below based on the total shareholdings:

	For the years ended 31 December	
	2023	2022
Net profit from continuing operations for the period	$2	$1,267
Other comprehensive income (net of tax)	-	-
Total comprehensive income	$2	$1,267

As at 31 December 2023 and 31 December 2022, the aforementioned investment in associates had no contingent liabilities or capital commitments, and was not pledged

The Company and the Company's senior executives have a consolidated shareholding of more than 20% in RUTER ELASTOMER CO., LTD. and therefore have material impact.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

7. Property, plant and equipment

	As at	
	31 December 2023	31 December 2022
Owner occupied property, plant and equipment	$684,670	$674,005
Property, plant and equipment leased out under operating leases	-	-
Total	$684,670	$674,005

There were no additions and disposals of property, plant and equipment leased out under operating leases in 2023 and 2022. The consolidated owner occupied property, plant and equipment and those leased out under operating leases are presented below.

	1 January 2023 to 31 December 2023			
	1 January 2023	Additions	Disposals	31 December 2023
Cost:				
Land and land improvements	$385,656	$ -	$ -	$385,656
Buildings	329,914	-	-	329,914
Machinery and equipment	476,382	58,607	(100,058)	434,931
Transportation equipment	3,687	1,683	-	5,370
Office equipment	20,364	153	(105)	20,412
Other equipment	131,568	1,967	(190)	133,345
Construction in progress	500	625	(1,125)	-
Total	$1,348,071	$63,035	$(101,478)	$1,309,628
Depreciation and impairment:				
Land and land improvements	$ -	$ -	$ -	$ -
Buildings	182,061	7,036	-	189,097
Machinery and equipment	381,790	33,322	(97,469)	317,643
Transportation equipment	2,645	202	-	2,847
Office equipment	19,075	445	(105)	19,415
Other equipment	88,495	7,651	(190)	95,956
Total	$674,066	$48,656	$(97,764)	$624,958
Net book value:	$674,005			$684,670

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	1 January 2022 to 31 December 2022			
	1 January 2022	Additions	Disposals	31 December 2022
Cost:				
Land and land improvements	$385,656	$ -	$ -	$385,656
Buildings	329,914	-	-	329,914
Machinery and equipment	414,366	68,191	(6,175)	476,382
Transportation equipment	3,508	179	-	3,687
Office equipment	19,510	854	-	20,364
Other equipment	117,222	14,491	(145)	131,568
Construction in progress	-	500	-	500
Total	$1,270,176	$84,215	$(6,320)	$1,348,071
Depreciation and impairment:				
Land and land improvements	$ -	$ -	$ -	$ -
Buildings	174,170	7,891	-	182,061
Machinery and equipment	349,876	33,539	(1,625)	381,790
Transportation equipment	2,474	171	-	2,645
Office equipment	18,648	427	-	19,075
Other equipment	80,385	8,110	-	88,495
Total	$625,553	$50,138	$(1,625)	$674,066
Net book value:	$644,623			$674,005

No interest was capitalized on additions of fixed assets in both 2023 and 2022.

Components of building that have different useful lives are the main building, hydroelectric construction and structural reinforcement construction, which are depreciated over the useful lives of 50 years, 10 years and 15 years respectively.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

8. Other non-current assets

	As at	
Items	31 December 2023	31 December 2022
Advance payments in equipment	$12,877	$20,048
Refundable deposits	213	233
Total	$13,090	$20,281

9. Short-term loans

	As at	
Items	31 December 2023	31 December 2022
Unsecured bank loans	$190,000	$150,000
Secured bank loans	110,000	30,000
Total	$300,000	$180,000

	As at	
Items	31 December 2023	31 December 2022
Unused short-term lines of credits	$779,000	$663,695

	1 January 2023 to 31 December 2023	1 January 2022 to 31 December 2022
Interest rate band	1.83%~1.90%	1.81%~1.82%

Please refer to Note 8 for more details on assets pledged as security for short-term borrowings.

10. Other payables

	As at	
Items	31 December 2023	31 December 2022
Salaries and bonuses payable	$101,544	$92,187
Others	67,807	68,175
Total	$169,351	$160,362

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

11. Bonds payables

	As at	
	31 December 2023	31 December 2022
Liability component:		
Value of domestic convertible bonds payable	$300,000	$300,000
Discount on domestic convertible bonds payable	(7,170)	(11,902)
Subtotal	292,830	288,098
Less: current portion	-	-
Total	$292,830	$288,098
Embedded derivative financial instrument	$(30)	$(540)
Equity component	$26,931	$26,931

The Company issued second domestic secured convertible bonds with a coupon rate of 0% on 7 July 2022. The convertible bonds, evaluated in accordance with the contractual terms, consist of a bond principal, an embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer’s ordinary shares). The terms of the bonds are as follows:

Issue amount: NT$300,000 thousand, issued at 104.97% of par value and the total amount raised was NT$314,901 thousand.

Period of issue: 7 July 2022 to 7 July 2025

Important redemption clauses:

A. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (8 October 2022) and 40 days prior to the maturity date (28 May 2025), at the principal amount of the bonds (the “early redemption conversion price”) if the closing price of the Company’s ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 30% (inclusive) of the conversion price.

B. The Company may redeem the bonds after 3 months of the issuance (8 October 2022) and 40 days prior to the maturity date (28 May 2025), in whole or in part, at the early redemption conversion price if the outstanding balance of the convertible bonds is less than 10% of the original issue amount.

C. If the creditor does not reply in writing to the Company's securities agent (effective upon delivery and postmarked by the postmark date) by the date set out in the “Notice of Call for Bonds”, the Company may redeem the bonds in cash at their face value within 5 business days after the call date.

Terms of Exchange:

A. Underlying Securities: Common shares of the Company.

B. Exchange Period: The bonds holders may request conversion into common shares of the Company from 8 October 2022 until 7 July 2025 in lieu of cash repayment from the Company.

C. Exchange Price and Adjustment: The exchange price was originally NT$85 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. The exchange price as of 31 December 2023 was NT$83.8 per share.

D. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

The Company assessed the aforementioned financial instruments in accordance with IFRS 9 compound financial instrument, and therefore allocated the purchase price to the liability component and the equity component. The allocation is made to the equity component at the fair value of the compound financial instrument less the amount of the separately measured liability component. The difference between the amount apportioned to the liability component and its carrying amount is recognized in profit or loss, and the difference between the amount apportioned to the equity component and its carrying amount is recognized as “additional paid in capital - stock options”. As at 31 December 2023, the amount of financial assets at fair value through profit or loss for convertible bonds issued was NT$30 thousand.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

12. Long-term borrowings

(1) As at 31 December 2023:

Lenders	Loan type	Maturity date and terms of repayment	Amount
Hua Nan Commercial Bank	Secured loans	Repayment in installments from 9 March 2022 to 15 February 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	$80,000
Mega International Commercial Bank	Secured loans	Repayment in installments from 15 March 2022 to 15 February 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	80,000
Taipei Fubon Commercial Bank	Secured loans	Repayment in installments from 10 May 2022 to 15 May 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	50,000
Less: current portion			
Total			$210,000
Interest rate band			1.25%~1.35%

(2) As at 31 December 2022:

Lenders	Loan type	Maturity date and terms of repayment	Amount
Hua Nan Commercial Bank	Secured loans	Repayment in installments from 9 March 2022 to 15 February 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	$80,000
Mega International Commercial Bank	Secured loans	Repayment in installments from 15 March 2022 to 15 February 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	80,000
Taipei Fubon Commercial Bank	Secured loans	Repayment in installments from 10 May 2022 to 15 May 2029. The first 3 years are grace period and interest is payable monthly on the remaining balance of the principal. The first instalment is due on the expiry date of the grace period and a monthly instalment is due thereafter, for a total of 48 instalments of principal repayment.	50,400
Less: current portion			-
Total			$210,400
Interest rate band			1.13%~1.23%

Certain land and buildings are pledged as first priority security for secured bank loans, please refer to Note 8 for more details.

13. Post-employment benefits

Defined contribution plan

The Company adopts a defined benefit plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were NT$18,217 thousand and NT$16,667 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15 year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount based on actuarial reports on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$1,006 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

As at 31 December 2023, the Company's defined benefit plans are expected to expire after 9 years.

Pension costs under defined benefit plans recognized in profit or loss are as follows:

	For the years ended 31 December	
	2023	2022
Current period service costs	$ -	$ -
Net interest on net defined benefit liability (asset)	1,006	520
Total	$1,006	$520

Reconciliation of the present value of the defined benefit obligation to the fair value of plan assets is as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As at		
	31 December 2023	31 December 2022	1 January 2022
Present value of defined benefit obligation	$113,896	$122,657	$115,755
Plan assets at fair value	(44,337)	(45,311)	(41,412)
Net defined benefit liabilities - non-current	$69,559	$77,346	$74,343

Reconciliation of liability (asset) of the defined benefit plan:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
As at 1 January 2022	$115,755	$(41,412)	$74,343
Interest expense (income)	810	(290)	520
Subtotal	116,565	(41,702)	74,863
Remeasurements of the net defined benefit liability/ asset:			
Actuarial gains and losses arising from changes in financial assumptions	(6,389)	(3,107)	(9,496)
Experience adjustments	12,481	-	12,481
Subtotal	122,657	(44,809)	77,848
Contributions by employer	-	(502)	(502)
As at 31 December 2022	$122,657	$(45,311)	$77,346
Interest expense (income)	1,595	(589)	1,006
Subtotal	124,252	(45,900)	78,352
Remeasurements of the net defined benefit liability/ asset:			
Actuarial gains and losses arising from changes in financial assumptions	949	(176)	773
Experience adjustments	2,186	-	2,186
Subtotal	127,387	(46,076)	81,311
Payments from the plan	(2,704)	2,704	-
Contributions by employer	(10,787)	(965)	(11,752)
As at 31 December 2023	$113,896	$(44,337)	$69,559

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The following key assumptions are used to determine the defined benefit plan of the Company:

	As at	
	31 December 2023	31 December 2022
Discount rate	1.20%	1.30%
Expected rate of salary increases	2.50%	2.50%

Sensitivity analysis for each significant actuarial assumption:

	For the years ended 31 December			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increases by 0.25%	$ -	$(2,349)	$ -	$(2,502)
Discount rate decreases by 0.25%	2,432	-	2,594	-
Future salary increases by 0.25%	2,144	-	2,310	-
Future salary decreases by 0.25%	-	(2,085)	-	(2,243)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

14. Equities

(1) Common stock

	As at	
	31 December 2023	31 December 2022
Number of shares (in thousands)	200,000	200,000
Authorized share capital	$2,000,000	$2,000,000
Number of shares issued and received in full (in thousands)	122,798	122,798
Share capital issued	$1,227,985	$1,227,985

On 4 May 2022, the Board of Directors resolved to issue 4,000,000 new shares of NT$10 each in cash at NT$80 per share. In accordance with Section 267 of the Company Act, 15% of the total number of new shares issued, amounting to 600,000 shares, are reserved for subscription by the Company's employees on a preferential basis. Due to market changes and fluctuations in stock prices, the actual price of the cash capital increase and the employee stock option price of NT$60 per share were measured based on the fair value of the stock options on the date of issuance, and remuneration costs and additional paid-in capital of NT$5,304 thousand were recognized, resulting in a paid-in capital of NT$1,227,985 thousand after the capital increase. The above cash capital increase was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on 8 June 2022, and the Board of Directors has authorized the Chairman to determine 19 August 2022 as the base date for the capital increase and to complete the registration of the change on 6 September 2022. The ordinary shares in issue have a par value of NT$10 each and carry a right to vote and receive dividends.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Additional paid-in capital

	As at	
	31 December 2023	31 December 2022
Issue premium	$209,175	$209,175
Conversion premium on conversion of corporate bonds	207,397	207,397
Convertible bonds - stock options	26,931	26,931
Cash capital increase – Employee stock options	5,304	5,304
Gain on disposal of assets	215	215
Total	$449,022	$449,022

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(3) Retained earnings and dividend policies

According to the Company’s Articles of Incorporation, current year’s earnings, if the Company has a surplus after the annual final accounts, the Company shall, in addition to paying income tax, first make up for the deficit of previous years and then set aside 10% of the remaining amount as a legal reserve and set aside or reverse a special reserve in accordance with the law, and the Board of Directors shall prepare a proposal for the distribution of the remaining amount together with the accumulated undistributed earnings at the beginning of the period and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. The total amount of dividends distributed shall not be less than 10% of the distributable earnings for the year. However, dividends may be withheld if the accumulated distributable earnings are less than 10% of the total paid-in capital. Additionally, the proportion of cash dividends distributed shall not be less than 10% of the total shareholder dividends.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

The FSC on 31 March 2021 issued Order No. Financial – Supervisory – Securities – Corporate – 1090150022, which sets out the following provisions for compliance. On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. The Company has not made any first-time adoption that would require a provision for special reserve and therefore this letter order has no impact on the Company.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on 6 March 2024 and 16 June 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$23,022	$18,345		
Special reserve	6,129	20,420		
Common stock -cash dividend	122,798	85,959	1	0.7

Please refer to Note 6.18 for details on employees' remuneration and remuneration to directors and supervisors.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

15. Operating revenue

	For the years ended 31 December	
	2023	2022
Revenue from contracts with customers		
Sale of goods	$2,017,641	$1,951,909
Other revenue	175,996	221,364
Total	$2,193,637	$2,173,273

Information regarding the Company's revenue from contracts with customers for 2023 and 2022 is as follows:

Revenue from contracts with customers is recognized at a point in time.

(1) Contract balance

A. Contract asset - current

The Company has no contract assets as at 31 December 2023 and 31 December 2022.

B. Contract liability - current

	As at		
	31 December 2023	31 December 2022	1 January 2022
Sale of goods	$4,203	$9,302	$7,701

The significant changes in the Company’s balances of contract liabilities for the year ended 31 December 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
The opening balance transferred to revenue	$(7,838)	$(2,821)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	2,739	4,422

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Transaction price allocated to unsatisfied performance obligations

For the years ended 31 December 2023 and 2022, the Company was not required to provide information regarding unsatisfied performance obligations as the Company's contracts with customers for the sale of goods were less than one year.

(3) Assets recognized from costs to fulfil a contract

None.

16. Expected credit losses

	For the years ended 31 December	
	2023	2022
Operating expenses – Expected credit losses		
Accounts receivable	$740	$450

Please refer to Note 12 for more details on credit risk.

The Company's notes receivable and accounts receivable are measured as an allowance for loss using the lifetime expected credit losses, considering the credit rating of the counterparties and other factors, and using an allowance matrix to measure the allowance for loss. The assessment of the Company’s loss allowance as at 31 December 2023 and 2022 is as follows:

As at 31 December 2023		Past due					
	Undue	<30 days	31-60 days	61-90 days	91-180 days	>181 days	Total
Gross carrying amount	$646,105	$23	$127	$ -	$780	$ -	$647,035
Loss rate	0.05%	82.61%	100%	-	100%	-	
Lifetime expected credit losses	(301)	(20)	(127)	-	(780)	-	(1,228)
Total	$645,804	$3	$ -	$ -	$ -	$ -	$645,807

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at 31 December 2022		Past due					
	Undue	<30 days	31-60 days	61-90 days	91-180 days	>181 days	Total
Gross carrying amount	$796,783	$15	$212	$ -	$3	$4	$797,017
Loss rate	0.03%	83.18%	100%	-	100%	100%	
Lifetime expected credit losses	(257)	(12)	(212)	-	(3)	(4)	(488)
Total	$796,526	$3	$ -	$ -	$ -	$ -	$796,529

The movement in the provision for impairment of account receivables during the years ended 31 December 2023 and 2022 is as follows:

	Account receivables
As at 1 January 2023	$488
Addition for the current period	740
As at 31 December 2023	$1,228
As at 1 January 2022	$38
Addition for the current period	450
As at 31 December 2022	$488

17. Leases

(1) Company as a lessee

The Company leases various properties, including real estate such as land, machinery and equipment and transportation equipment. The lease terms range from 2 to 10 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The carrying amount of right-of-use assets

	As at	
	31 December 2023	31 December 2022
Land	$2,227	$3,341
Total	$2,227	$3,341

During the years ended 31 December 2023 and 2022, the Company's additions to right-of-use assets amounting to NT$0 thousand.

(b) Lease liabilities

	As at	
	31 December 2023	31 December 2022
Lease liabilities		
Current	$1,148	$1,131
Non-current	1,166	2,315
Total	$2,314	$3,446

Please refer to Note 6.19(4) for the interest on lease liabilities recognized during the years ended 31 December 2023 and 2022 and refer to Note 12.5 Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2023	2022
Land	$1,114	$1,114
Machinery and equipment	-	444
Transportation equipment	-	57
Total	$1,114	$1,615

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2023	2022
The expenses relating to short-term leases	$1,803	$1,056

D. Cash outflow relating to lessee and leasing activities

During the years ended 31 December 2023 and 2022, the Company's total cash outflows for leases amounting to NT$1,177 thousand and NT$1,683 thousand, respectively.

(2) Company as a lessor

Leases of owned investment properties are classified as operating leases by the Company as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended 31 December	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments	$1,232	$1,141

For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at 31 December 2023 are as follow:

	As at	
	31 December 2023	31 December 2022
Not later than one year	$1,191	$567
Later than one year but not later than two years	1,191	-
Later than two years but not later than three years	695	-
Total	$3,077	$567

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

18. Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

Function / Expense type	For the years ended 31 December					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$162,362	$266,065	$428,427	$149,411	$249,333	$398,744
Labor and health insurance	18,980	23,157	42,137	16,554	20,552	37,106
Pension	7,724	11,499	19,223	7,086	10,101	17,187
Remuneration to directors	-	7,091	7,091	-	6,638	6,638
Other employee benefits expense	4,623	7,059	11,682	3,985	6,254	10,239
Depreciation	44,130	5,640	49,770	46,230	5,523	51,753
Amortization	212	9,016	9,228	232	12,907	13,139

(1) The number of employees of the Company for the year and the previous year were 576 and 554 respectively, of which the numbers of directors who were not concurrently employees were 8 and 6.

A. For the years ended 31 December 2023 and 2022, the average of employee benefit expenses of the Company were NT$871 thousand and NT$836 thousand, respectively
B. For the years ended 31 December 2023 and 2022, the average of salaries of the Company were NT$744 thousand and NT$720 thousand, respectively
C. Change in average salaries adjustment is 3.33%
D. The Company has a policy on directors' remuneration and employees' remuneration as set out in the Articles of Incorporation and has established a Remuneration Committee to evaluate and supervise the remuneration system of the directors and managers of the Company. In addition to the Company's operational performance, future risks, strategic development and industry trends, the Company also considers the individual's contribution to the Company's performance and provides reasonable remuneration.

The Company complies with legal requirements and the needs of each region and has developed a comprehensive staff welfare system to provide good remuneration and benefits to its employees. Employee compensation consists of a monthly salary and employee remuneration based on annual profitability and the provisions of the Articles. The company conducts regular performance appraisals for all staff every year to ensure that the performance of staff is understood and used as a basis for promotion, training and development and salary payment.

The Company's policy on directors' and employees' remuneration as set out in the Articles of Association is that no less than 1% of employees' remuneration and no more than 5% of directors' remuneration shall be paid in the event of the Company making a profit in a year. However, where the Company has accumulated losses, the amount of the indemnity should be retained in advance. The profit for the year referred to in the preceding paragraph means the profit before taxation for the year before the distribution of remuneration to employees and directors. The distribution of remuneration to employees and directors shall be made by a resolution of the Board of Directors passed with the presence of at least two-thirds of the directors and the concurrence of a majority of the directors present and reported to the shareholders' meeting.

Based on the profit of the year ended 31 December 2023, the Company estimated the amounts of the employees’ compensation and remuneration to directors for the year ended 31 December 2023 to be 3% and 1.5% of profit of the current year, respectively, recognized as employee benefits expense. A resolution was passed at a Board of Directors meeting held on 6 March 2024 to distribute NT$9,535 thousand and NT$4,768 thousand in cash as employees’ compensation and remuneration to directors and of 2023, respectively. The Company records employees’ compensation and remuneration to directors at NT$9,247 thousand and NT$4,624 thousand, respectively. A resolution was passed at a Board of Directors meeting held on 15 March 2023 to distribute employees’ compensation and remuneration to directors in cash. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended 31 December 2022.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

19. Non-operating income and expenses

(1) Interest income

	For the years ended 31 December	
	2023	2022
Financial assets measured at amortized cost	$11,072	$530
Other interest income	3,211	1,653
Total	$14,283	$2,183

(2) Other income

	For the years ended 31 December	
	2023	2022
Government grant income	$3,327	$13,013
Rental income	1,232	1,141
Other income	35,265	61,057
Total	$39,824	$75,211

(3) Other gains and losses

	For the years ended 31 December	
	2023	2022
Foreign exchange gains, net	$6,896	$35,557
Gains (losses) on disposal of intangible assets	4,246	(123)
Gains on disposal of property, plant and equipment	810	1,924
Loss of financial assets /liabilities at fair value through profit or loss	(391)	(79)
Miscellaneous expenses	(810)	(366)
Total	$10,751	$36,913

(4) Finance costs

	For the years ended 31 December	
	2023	2022
Interest on borrowings from bank	$(10,115)	$(9,248)
Interest on bonds payable	(4,732)	(2,308)
Interest on lease liabilities	(45)	(65)
Total	$(14,892)	$(11,621)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

20. Components of other comprehensive income

(1) The components of other comprehensive income for the year ended 2023 are as follows:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss :					
Remeasurements of defined benefit plans	$(2,959)	$ -	$(2,959)	$592	$(2,367)
Unrealized gain or loss from equity instruments investments measured at fair value through other comprehensive income	(1,082)	-	(1,082)	-	(1,082)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(6,308)	-	(6,308)	1,261	(5,047)
Total	$(10,349)	$ -	$(10,349)	$1,853	$(8,496)

(2) The components of other comprehensive income for the year ended 2022 are as follows:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss :					
Remeasurements of defined benefit plans	$(2,985)	$ -	$(2,985)	$597	$(2,388)
Unrealized gain or loss from equity instruments investments measured at fair value through other comprehensive income	(1,821)	-	(1,821)	-	(1,821)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	49,647	-	49,647	(9,929)	39,718
Total	$44,841	$ -	$44,841	$(9,332)	$35,509

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

21. Income tax

The major components of income tax expense (income) for the year ended 31 December 2023 and 2022 are as follows:

(A) Income tax expense (income) recognized in profit or loss

	For the years ended 31 December	
	2023	2022
Current income tax expense:		
Current income tax charge	$27,099	$18,224
Adjustments in respect of current income tax of prior periods	1,154	-
Deferred tax expense (income):		
Deferred tax (income) expense relating to origination and reversal of temporary differences	(23,007)	46,267
Deferred tax expense relating to origination and reversal of tax loss and tax credit	65,694	44,041
Total income tax expense	$70,940	$108,532

(B) Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2023	2022
Deferred tax expense (income):		
Exchange differences resulting from translating the financial statements of a foreign operation	$(1,261)	$9,929
Remeasurements of defined benefit plans	(592)	(597)
Income tax relating to components of other comprehensive income	$(1,853)	$9,332

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2023	2022
Accounting profit before tax from continuing operations, net	$303,532	$455,103
Tax at the domestic rates applicable to profits in the country concerned	$60,706	$91,021
Tax effect of revenues exempt from taxation	(103)	(6,560)
Tax effect of deferred tax assets/liabilities	6,247	23,973
Undistributed earnings subject to 5% income tax	2,936	-
Adjustments in respect of current income tax of prior periods	1,154	-
Other adjustments in respect of current income tax	-	98
Total income tax expense recognized in profit or loss	$70,940	$108,532

(D) Deferred tax assets (liabilities) relate to the following:

(1) For the year ended 31 December 2023

Item	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Allowance for exchange gain or loss	$800	$2,340	$ -	$3,140
Allowance for loss on inventories	5,491	100	-	5,591
Gain or loss on investments accounted for under the equity method	(87,160)	22,764	-	(64,396)
Remeasurements of defined benefit plans	9,626	-	592	10,218
Net defined benefit liability – non-current	5,690	(2,149)	-	3,541
Translation of the financial statements of a foreign operation	(1,501)	-	1,261	(240)
Valuation of financial assets	16	(22)	-	(6)
Valuation of financial liabilities	-	(26)	-	(26)
Unused tax losses	65,694	(65,694)	-	-
Deferred tax (expense)/ income		$(42,687)	$1,853	
Net deferred tax assets/(liabilities)	$(1,344)			$(42,178)
Reflected in balance sheet as follows:				
Deferred tax assets	$87,317			$22,490
Deferred tax liabilities	$(88,661)			$(64,668)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) For the year ended 31 December 2022

Item	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Allowance for exchange gain or loss	$(26)	$826	$ -	$800
Allowance for loss on inventories	12,720	(7,229)	-	5,491
Gain or loss on investments accounted for under the equity method	(47,277)	(39,883)	-	(87,160)
Remeasurements of defined benefit plans	9,029	-	597	9,626
Net defined benefit liability – non-current	5,687	3	-	5,690
Translation of the financial statements of a foreign operation	8,428	-	(9,929)	(1,501)
Valuation of financial assets	-	16	-	16
Unused tax losses	109,735	(44,041)	-	65,694
Deferred tax (expense)/ income		$(90,308)	$(9,332)	
Net deferred tax assets/(liabilities)	$98,296			$(1,344)
Reflected in balance sheet as follows:				
Deferred tax assets	$137,171			$87,317
Deferred tax liabilities	$(38,875)			$(88,661)

(3) The following table contains information of the unused tax losses of the Company:

	Unused balance		
Year	31 December 2023	31 December 2022	Expiration year
2018	$ -	$12,257	2029
2019	-	122,091	2030
2020	-	134,203	2031
2021	-	59,922	2032

(4) Unrecognized deferred tax assets

None.

(E) The assessment of income tax returns

For the year ended 31 December 2023, the Company's income tax returns have been approved up to 2021.

22. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2023	2022
(1) Basic earnings per share		
Net profit for the period	$232,592	$346,571
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	122,798	120,278
Basic earnings per share (NT$)	$1.89	$2.88
(2) Diluted earnings per share		
Net profit for the period	$232,592	$346,571
Interest expense from convertible bonds	3,785	1,846
Net profit for the period after dilution	$236,377	$348,417
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	122,798	120,278
Effect of dilution:		
Employee compensation－stocks (in thousands)	171	132
Convertible bonds (in thousands)	3,546	1,729
Weighted average number of ordinary shares outstanding after dilution (in thousands)	126,515	122,139
Diluted earnings per share (NT$)	$1.87	$2.85

There have been no material transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Sub-subsidiary
E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Subsidiary
HUGE PROFIT CO., LTD.	Subsidiary
FAR VISION TECHNOLOGY CO., LTD.	Subsidiary
OKAY ENTERPRISE CO., LTD.	The person in charge is the Chairman of the Company
SUZHOU FAR HORIZON TRADING CO., LTD.	The Chairman of the Company is first degree relatives to the person in charge
Hsi-Hsun Chen	Chairman of the Company
Hsi-Yao Chen (Note 1)	Deputy Chairman of the Company
Hsi-Tsang Chen (Note 2)	Deputy Chairman of the Company

Note 1: Hsi-Yao Chen was dismissed on 16 June 2023.
Note 2: Hsi-Tsang Chen, former Director-General of the Company, assumed the position of Deputy Chairman on 16 June 2023.

1. Sales

	For the years ended 31 December	
	2023	2022
E-LEAD ELECTRONIC (THAILAND) CO., LTD.	$441,421	$540,294
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	498,951	437,499
FAR VISION TECHNOLOGY CO., LTD.	14,505	-
OKAY ENTERPRISE CO., LTD.	(584)	8,030
Total	$954,293	$985,823

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Note: The sales revenue and sales returns of OKAY ENTERPRISE CO., LTD. amounted to NT$113 thousand and NT$ 697, respectively, for the year ended 31 December 2023.

The sales price to the related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was based on normal sales terms.

2. The technical services and licensing contracts, management and development services contracts for specific products entered into between the Company and its related parties, E-LEAD Jiangsu and E-LEAD THAILAND. The technical services revenue is to be received in accordance with the contracts for the years ended 31 December 2023 and 2022. The accounts receivable as of 31 December 2023 and 2022, are as follows:

	For the years ended 31 December			
	2023		2022	
Name of related parties	Revenue from technical service	Uncollected amount (Note)	Revenue from technical service	Uncollected amount (Note)
E-LEAD ELECTRONIC (THAILAND) CO., LTD.	$161,511	$24,424	$166,905	$32,396
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	-	-	33,955	29,756
Total	$161,511	$24,424	$200,860	$62,152

Note: Excluding adjustments for gains and losses on foreign currency translation.

3. Purchases

	For the years ended 31 December	
	2023	2022
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	$299,735	$124,829
E-LEAD ELECTRONIC (THAILAND) CO., LTD.	103,080	154,557
OKAY ENTERPRISE CO., LTD.	88,805	119,495
SUZHOU FAR HORIZON TRADING CO., LTD.	20,264	16,657
Total	$511,884	$415,538

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The purchase price to the related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are 60 days per months.

4. Account receivables - related parties

	As at	
	31 December 2023	31 December 2022
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	$323,772	$343,606
ELECTRONIC (THAILAND) CO., LTD.	110,889	181,183
FAR VISION TECHNOLOGY CO., LTD.	15,044	-
OKAY ENTERPRISE CO., LTD.	26	45
Total	$449,731	$524,834

5. Other receivables - related parties

	As at	
	31 December 2023	31 December 2022
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	$2,239	$160,541
OKAY ENTERPRISE CO., LTD.	1,407	1,163
E-LEAD ELECTRONIC (THAILAND) CO., LTD.	1,035	4,981
Total	$4,681	$166,685

Please refer to Note 13.1.(1) for information on other receivables - related parties, which are mainly loaning of funds, from E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Account payables - related parties

	As at	
	31 December 2023	31 December 2022
OKAY ENTERPRISE CO., LTD.	$33,596	$12,020
SUZHOU FAR HORIZON TRADING CO., LTD.	3,184	3,087
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	1,835	504
E-LEAD ELECTRONIC (THAILAND) CO., LTD	325	141
Total	$38,940	$15,752

7. Other payables - related parties

	As at	
	31 December 2023	31 December 2022
OKAY ENTERPRISE CO., LTD.	$2,141	$7,335
SUZHOU FAR HORIZON TRADING CO., LTD.	235	747
Total	$2,376	$8,082

8. The details of the lease transactions between the Company and its related parties are as follows:

		For the years ended 31 December	
Related parties	Type	2023	2022
OKAY ENTERPRISE CO., LTD.	Rental income	$1,063	$972

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Related parties	Type	For the years ended 31 December 2023	2022
Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Depreciation expense	$528	$714
Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Interest expense	22	40

Related parties	Type	For the years ended 31 December 2023	2022
Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Right-of-use asset	$1,027	$2,141
Hsi-Hsun Chen, Hsi-Yao Chen and Hsi-Tsang Chen	Lease liability	1,067	2,208

The rentals are determined and collected based on the general market conditions.

9. Property transaction

The details of intangible assets sold to related parties for the year ended 31 December 2023 are as follows:

Related parties	Intangible assets	Total transaction price	Outstanding receivable amount
SUZHOU FAR HORIZON TRADING CO., LTD.	Patent	$4,366	$ -

10. Other

The details of other significant transactions with related parties for the years ended 31 December 2023 and 2022 are as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

		For the years ended 31 December	
Related parties	Type	2023	2022
OKAY ENTERPRISE CO., LTD.	Miscellaneous income	$16,433	$23,386
OKAY ENTERPRISE CO., LTD.	Research materials expenses	15,688	19,733
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Interest income	3,211	1,653
Other	Miscellaneous income	4,484	2,962
Hsi-Hsun Chen	Miscellaneous expense - Guarantee fee	-	73

11. Remuneration for key management of the Company

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	$22,264	$23,332

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

	Carrying amount as at		
Items	31 December 2023	31 December 2022	Secured liabilities
Property, plant and equipment - land	$385,656	$385,656	Long-term and short-term borrowings
Property, plant and equipment - buildings (Net book value)	134,288	140,229	Long-term and short-term borrowings
Total	$519,944	$525,885	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. Significant contingencies and unrecognized contractual commitments

1. Please refer to Note 13.1 for the information on endorsements/ guarantees provided by the Company for others for the year ended 31 December 2023.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

1. Categories of financial instruments

Financial assets	As at	
	31 December 2023	31 December 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$3,230	$3,621
Financial assets at fair value through other comprehensive income	906	-
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	511,919	225,869
Account receivables	645,807	796,529
Other receivables	12,882	174,217
Subtotal	1,170,608	1,196,615
Total	$1,174,744	$1,200,236

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial liabilities	As at	
	31 December 2023	31 December 2022
Financial liabilities at amortized cost:		
Short-term borrowings	$300,000	$180,000
Payables	217,591	221,195
Other payables	169,351	160,362
Bonds payable	292,830	288,098
Long-term borrowings (including current portion with maturity less than 1 year)	210,000	210,400
Lease liabilities	2,314	3,446
Total	$1,192,086	$1,063,501

2. Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for RMB and USD. The information of the sensitivity analysis is as follows:

(1) When NTD strengthens/weakens against RMB by 1%, the profit for the years ended 31 December 2023 and 2022 is increased/decreased by NT$4,280 thousand and NT$5,046 thousand, respectively.

(2) When NTD strengthens/weakens against USD by 1%, the profit for the years ended 31 December 2023 and 2022 is increased/decreased by NT$6,016 thousand and NT$5,043 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended 31 December 2023 and 2022 to increase/decrease by NT$510 thousand and NT$390 thousand, respectively.

4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As at 31 December 2023 and 2022, accounts receivables from the top ten customers both represent 99% of the total accounts receivables of the Company. The credit concentration risk of accounts receivables is insignificant.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

5. Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	< 1 year	2-3 years	4-5 years	> 5 years	Total
As at 31 December 2023					
Borrowings	$304,748	$98,237	$107,220	$11,915	$522,120
Payables	217,591	-	-	-	217,591
Convertible bonds	-	300,000	-	-	300,000
Lease liabilities (Note)	1,176	1,176	-	-	2,352
Other payables	169,351	-	-	-	169,351

	< 1 year	2-3 years	4-5 years	> 5 years	Total
As at 31 December 2022					
Borrowings	$184,482	$47,630	$108,265	$65,212	$405,589
Payables	221,195	-	-	-	221,195
Convertible bonds	-	300,000	-	-	300,000
Lease liabilities (Note)	1,176	2,352	-	-	3,528
Other payables	160,362	-	-	-	160,362

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term borrowings	Long-term borrowings	Bonds payables	Leases liabilities	Total liabilities from financing activities
As at 1 January 2023	$180,000	$210,400	$288,098	$3,446	$681,944
Cash flows	120,000	(400)	-	(1,177)	118,423
Non-cash changes	-	-	4,732	45	4,777
As at 31 December 2023	$300,000	$210,000	$292,830	$2,314	$805,144

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term borrowings	Long-term borrowings	Bonds payables	Leases liabilities	Total liabilities from financing activities
As at 1 January 2022	$310,000	$301,083	$ -	$5,064	$616,147
Cash flows	(130,000)	(90,683)	314,901	(1,683)	92,535
Non-cash changes	-	-	(26,803)	65	(26,738)
As at 31 December 2022	$180,000	$210,400	$288,098	$3,446	$681,944

7. Fair values of financial instruments

(1) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, account receivables, account payables and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

D. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

E. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(2) Fair value of financial instruments measured at amortized cost

The carrying amounts of the Company's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.8 for fair value measurement hierarchy for financial instruments of the Company.

8. Fair value measurement hierarchy

(1) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Fair value measurement hierarchy

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 31 December 2023:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	$3,200	$ -	$ -	$3,200
Redeemable bonds	-	30	-	30
Measured at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	-	-	906	906

As at 31 December 2022:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	$3,081	$ -	$ -	$3,081
Redeemable bonds	-	540	-	540

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Movements of fair value measurements in Level 3 of the fair value hierarchy

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
As at 1 January 2023	$ -
Acquisition for the year ended 31 December 2023	906
Total gains (losses) recognized for the year ended 31 December 2023:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-
As at 31 December 2023	$906

As at 31 December 2022: None.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

For the years ended 31 December 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks and other	Market approach	Discount for lack of marketability and minority shareholdings	30%	The higher the volatility, the lower the estimation of fair value	10% increase (decrease) in the discount for lack of marketability and minority shareholdings would result in decrease/ increase in the Group’s profit or loss by NT$91 thousand.

For the years ended 31 December 2022: None.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company’s Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company’s accounting policies at each reporting date.

(3) Fair value measurement hierarchy not measured at fair value but for which the fair value is disclosed

None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at 31 December 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items			
USD	$21,881	30.7100	$671,977
RMB	101,277	4.3290	438,427
Financial liabilities	$2,292	30.7100	$70,397
Monetary items	2,398	4.3290	10,379
USD			
RMB			

	As at 31 December 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items			
USD	$19,051	30.7000	$584,852
RMB	115,918	4.4090	511,081
Financial liabilities			
Monetary items			
USD	$2,623	30.7000	$80,521
RMB	1,476	4.4090	6,507

Due to the variety of the Company's functional currencies, disclosure of information on exchange gains and losses on monetary financial assets and financial liabilities by significant impact foreign currency would not be possible. The Company recognized gains (losses) on foreign currency exchange of NT$6,896 thousand and NT$35,557 thousand for the years ended 31 December 2023 and 2022, respectively.

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10. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

1. Information at significant transactions

(1) Lending funds to others:

No. (Note 1)	Lender	Loan recipients	Related Party	Financial statement account	Cumulative highest balance through the month	Ending balance	Actual amount provided	Interest rate band	Loan type	Amount of transaction	Reason for short-term financing	Allowance for doubtful debts	Collateral		Limit on the amount of funds to be lent to individual recipients (Note 2)	Total Limits (Note 3)
													Item	Value		
0	The Company	E-LEAD ELECTRONIC TECHNOLOGY (JIANGSU) CO., LTD.	Y	Other receivables	$265,260	$259,740	$ -	-	Short-term financing funds	$ -	Operating needs	$ -	-	$ -	$874,842	$874,842
0	The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Y	Other receivables	64,820	61,420	-	-	Short-term financing funds	-	Operating needs	-	-	-	874,842	874,842

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

(1) Enter 0 for issuer.

(2) The investee companies are numbered sequentially by company, starting with the Arabic numeral 1.

Note 2: In accordance with the Company's capital lending procedures, loans to a single enterprise are limited to a maximum of 40% of the Company's latest net financial statements.

Note 3: In accordance with the Company's procedures for the lending of funds, the maximum lending of funds is limited to a maximum of 40% of the most recent net financial statements.

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(2) Endorsement/Guarantee provided to others:

No. (Note 1)	Guarantor (company name)	Recipient		Ceilings of guarantee/ endorsement provided to a single entity (Note 3)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of assets pledged	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Ceilings of total guarantee/ endorsement (Note 4)	Guarantee/ Endorsement provided by parent to subsidiaries	Guarantee/ endorsement provided by subsidiaries to parent	Guarantee/ endorsement in China
		Company name	Relation (Note 2)										
0	The Company	E-LEAD ELECTRONIC TECHNOLOGY (JIANGSU) CO., LTD.	3	$1,093,553	$451,685	$380,952	$165,428	$ -	17.42%	$1,093,553	Y	N	Y

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

(1) Enter 0 for issuer.

(2) The investee companies are numbered sequentially by company, starting with the Arabic numeral 1.

Note 2: There are seven types of relations between the endorser and the person to whom the guarantee/ endorsement is made, as indicated by the following types:

(1) A company with which it does business.

(2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.

(3) A company in which more than 50% of the voting shares are held, directly or indirectly, by the company.

(4) A company in which the Company directly and indirectly holds more than 90% of the voting shares.

(5) A company guaranteed by all contributing shareholders in proportion to their shareholding by virtue of a joint investment relationship.

(6) A company which is mutually insured under a contract between peers or co-founders for the purposes of touting.

(7) Inter-operators are bound by the Consumer Protection Act to guarantee the performance of contracts for the sale of pre-sale properties.

Note 3: In accordance with the Company's endorsement and guarantee procedures, the limit of endorsement and guarantee for a single enterprise shall not exceed 50% of the net value of the Company's latest financial statements

Note 4: In accordance with the Company's endorsement and guarantee procedures, the maximum endorsement and guarantee shall not exceed 50% of the net value of the most recent financial statements.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and jointly controlled entities)

Company	Types and names of marketable securities	Relation with the issuer of marketable securities	Financial statement account	Period end				Note
				Units/ shares	Carrying amount	%	Fair value	
The Company	Funds Yuanta 0-2 Year Investment Grade Corporate Bond Fund	-	Financial assets at fair value through profit or loss-current	10,000.00 unit	$3,200	-	$3,200	
The Company	Stocks NURO TECHNOLOGY INC.	-	Financial assets at fair value through other comprehensive income-non-current	859,950 shares	906	5.98%	906	

(4) Cumulative purchases or sales of the same marketable securities amounting to at least NT$300 million or 20% of the paid-in capital: None.

(5) Acquisition of fixed assets amounting to at least NT$300 million or 20% of the paid-in capital: None.

(6) Disposal of fixed assets amounting to at least NT$300 million or 20% of the paid-in capital: None.

(7) The value of transactions with related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Company name	Counterparty name	Relation	Intercompany transactions				Circumstances under which the terms of the transaction differ from those of a normal transaction and the reasons		Notes and accounts receivable (payables)		Note
			Purchases (sales)	Amount	Percentage of total purchase (Sales)	Terms	Unit price	Description	Balance	Percentage of total accounts and notes receivables (payables)	
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Parent and subsidiary	Sales	$441,421	20.12%	Within 60 days	Same as general trading condition	Same as general trading condition	$110,889	17.17%	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Company name	Counterparty name	Relation	Intercompany transactions				Circumstances under which the terms of the transaction differ from those of a normal transaction and the reasons		Notes and accounts receivable (payables)		Note
			Purchases (sales)	Amount	Percentage of total purchase (Sales)	Terms	Unit price	Description	Balance	Percentage of total accounts and notes receivables (payables)	
The Company	E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Parent and subsidiary	Sales	498,951	22.75%	Within 120 days	Same as general trading condition	The Company's 100% owned subsidiary required a longer period of time to develop the automotive electronics market in China therefore a more lenient collection policy was granted	323,772	50.13%	
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Parent and subsidiary	Purchases	103,080	8.47%	Within 105 days	Same as general trading condition	Same as general trading condition	325	0.15%	
The Company	E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Parent and subsidiary	Purchases	299,735	24.62%	Within 75 days	Same as general trading condition	Same as general trading condition	1,835	0.84%	

(8) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of the paid-in capital:

Company name	Counterparty name	Relation	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery of amounts due from related parties in subsequent period	Allowance for doubtful debts
					Amount	Handling method		
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	Parent and subsidiary	$110,889	3.02 times	-	-	$87,917	-
The Company	E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Parent and subsidiary	323,772	1.05 times	113,539	Coordinate payment arrangements and subsequently recover partial payments	55	-

(9) Traders in derivatives: None.

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2. Information on investments

(1) Information on the name of investee company, location, main business activities, amount of original investment, shareholding as at the end of the period, profit or loss for the period and recognized gains or loss on investment: (excluding investees in China)

Company name	Name of investees	Location	Main business activities	Amount of original investment		Shareholding at the period end			Profit (loss) of investee companies for the period	Investment income (loss) recognized by the Company	Note
				Ending balance	Beginning balance	Number of shares	%	Carrying amount			
The Company	E-LEAD TECHNOLOGY CO., LTD. (BVI)	3rd Floor,Yamraj Building, Market Square, Road Town, Tortola,British Virgin Islands.	Financial investment business	$773,628	$472,763	23,938,736 shares	100%	$488,268	$(86,154)	$(82,461)	Subsidiary (Note 1) (Note 2)
The Company	HUGE PROFIT CO., LTD.	No. 21 Regent Street, Belize City, Belize	Trading operations	1,642	1,642	50,000 shares	100%	6,965	(240)	(186)	Subsidiary (Note 2)
The Company	E-LEAD ELECTRONIC (THAILAND) CO., LTD.	888/4 Moo 7 Sukhumvit Rd., Tambon bangpoomai ,Amphur muang , Samutprakarn 10280 Thailand	In-car audio and video navigation, rear seat entertainment systems and other car electronic accessories.	370,901	207,715	4,000,000 shares	100%	836,847	143,168	141,885	Subsidiary (Note 2)
The Company	FAR VISION TECHNOLOGY CO., LTD.	4F.-9, No. 186, Shizheng N. 7th Rd., Xitun Dist., Taichung City	Far Vision eye protection product	30,000	-	3,000,000 shares	100%	21,402	(3,789)	(4,362)	Subsidiary (Note 2)
The Company	RUTER ELASTOMER CO., LTD.	2/F, No. 262, Sec. 2, Jianguo N. Road, Zhongshan District, Taipei City	Manufacturing and wholesaling of electronic materials, hardware and moulds	14,359	14,359	190,000 shares	19%	6,041	14	2	Investee accounted for under the equity method
The Company	NURO TECHNOLOGY INC.	4F., No. 28, Chenggong 12th St., Zhubei City, Hsinchu County	Wholesale of electronic equipment and electronic devices	906	-	859,950 shares	5.98%	906	-	-	Equity instrument measured at fair value through other comprehensive income

Note 1: The profit or loss of the investee company is included in the recognized investment income of the investee company, E-LEAD TECHNOLOGY CO., LTD.(BVI).

Note 2: The investment income (loss) recognized in the current period includes the effect of downstream and upstream transactions between related companies.

(2) Information on significant transactions of investee companies over which the Company has control:

① Loaning of funds: None

② Guarantee/endorsement for others: None.

③ Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and jointly controlled entities): None.

④ The cumulative amount of purchases or sales of the same marketable securities during the period amounted to at least NT$300 million or 20% of the paid-in capital: None

⑤ Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.

⑥ Disposal of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None

⑦ Purchase from or sale to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

⑧ Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

⑨ Traders in derivatives: None.

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3.Information on investments in China

(1) The information on the Company's investment in China through E-LEAD TECHNOLOGY CO., (BVI) is as follow:

Investee company name	Main business activities	Paid-in capital	Method of investment	Beginning balance of the accumulated outflow of investment from Taiwan	Investment Flows		Closing balance of the accumulated outflow of Investment from Taiwan	Net income (loss) of investee company	Percentage of the Company's shareholding in direct or indirect investments	Gains or losses on investments recognized during the period (Note)	Carrying Value of the ending balance	Investment income remitted for the period
					Outflow	Inflow						
E-LEAD ELECTRONIC TECHNOLOGY(JIANGSU) CO., LTD.	Head-up displays and other automotive electronic accessories	$706,330 (USD 23 million)	Investment in China through remittance from a subsidiary in third region, E-LEAD TECHNOLOGY CO,LTD(BVI).	$414,585 (USD 13.5 million)	$291,745 (USD 9.5 million)	$ -	$706,330 (USD 23 million)	$(85,114)	100%	$(86,097)	$606,641	$ -

Cumulative amount of remittances from Taiwan to China at the end of the period	Amount of investment approved by the Investment Commission of the Ministry of Economic Affairs	Investment quota in China in accordance with the Investment Commission of the Ministry of Economic Affairs
$715,082 (USD 23.285 million)	$734,860 (USD 23.929 million)	$1,312,264 (Note 2)

Note 1: The above amounts in foreign currencies are translated into NTD using the exchange rate as at the balance sheet date.

Note 2: The ceiling for the Company's investment in China is 60% of the net value.

Note 3: The investment gains and losses recognized in this period are based on the financial statements of the Parent Company audited by the CPA for the corresponding period.

(2) Significant transactions with China investees occurred directly or indirectly through third regions: Please refer to Note 13.1.

4. Information of major shareholders

For the year ended 31 December 2023

Shareholdings / Name of the shareholders	Number of shareholdings	%
Hsi-Tsang Chen	10,578,041	8.61%
Hsi-Hsun Chen	9,868,149	8.03%
Hsi-Yao Chen	6,266,158	5.10%

E-LEAD Electronic Co., Ltd.

Chairman, Hsi-Hsun Chen