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tpt TAIWAN PRINTED CIRCUIT
BOARD TECHVEST CO., LTD.

2023
Annual Report

Printed on May 13, 2024

Company's website: <http://www.tpt-pcb.com.tw>

For information about the Annual Report, visit <http://mops.twse.com.tw>

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Name: Hu, Hsiu-Hsing

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IV. Name of CPA and name, address, website, and telephone of the accounting firm for the financial statement(s) of the past year:

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Name of Firm: KPMG

Address: 68F, No. 7, Xinyi Road Section 5, Taipei City

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Website: www.kpmg.com.tw

V. Name of the trading site for securities listed overseas and how to search for the said overseas securities: Not applicable.

VI. Company website:

www.tpt-pcb.com.tw

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One. Letter to Shareholders

Dear Shareholders and Ladies and Gentlemen,

The Company's consolidated revenue for the fiscal year of 2023 was NTD18,933,840,000, representing a decline of 14% compared to the previous year. In 2023, impacted by the tight monetary policy and high-interest rates in the United States, the market was sluggish; geopolitical risks, coupled with continuous high inflation worldwide, led to weak global demand for end products, resulting in a slowdown in manufacturing activities in various countries.

Starting from March 2023, the monthly revenue of the Company showed slight improvement, but there was no significant growth in end demand, and revenue remained in the correction stage. The Group continued to cut costs and expenses, with a consolidated net income of NTD 1,635,102,000 for the whole year, representing only a 3% decline from the previous year. However, due to smaller fluctuations in the USD to TWD exchange rate in 2023, reduced foreign exchange gains and increased interest expenses had an impact, resulting in a profit after tax attributable to the owners of the parent company of NTD 1,094,091,000 for the current period, a decrease of NTD 378,232,000 from the previous year, with earnings per share of NTD4.03.

I. 2023 Business Report

(I) Accomplishments in the Implementation of the Operation Plan

Unit: NTD thousand

Items	2023	2022	Increased (Decreased) value	%
Operating revenues	18,933,840	21,977,467	(3,043,627)	(13.85)
Cost of sales	16,067,641	18,585,626	(2,517,985)	(13.55)
Gross operating profit	2,866,199	3,391,841	(525,642)	(15.50)
Operating expenditure	1,231,097	1,713,510	(482,413)	(28.15)
Profit from operations	1,635,102	1,678,331	(43,229)	(2.58)
Net non-operating income (expenditure)	19,512	324,195	(304,683)	(93.98)
Pre-tax profit	1,654,614	2,002,526	(347,912)	(17.37)
Profit after tax	1,131,120	1,524,192	(393,072)	(25.79)
Net profit of current term attributable to the owner of the parent company	1,094,091	1,472,323	(378,232)	(25.69)

(II) Budget Implementation Status: This is not applicable as the Company does not disclose to the public its financial forecast.

(III) Income and Expenditure and Profitability Analysis

Unit: NTD thousand

Items		2023	2022
Financial income and expenditure	Operating revenues	18,933,840	21,977,467
	Gross operating profit	2,866,199	3,391,841
	Profit after tax	1,131,120	1,524,192
Profitability	Return on Assets (%)	4.45	5.29
	Return on Shareholder Equity (%)	7.37	10.18
	Operating Profit to Paid-in Capital Size (%)	60.28	61.88
	Pre-tax Net Profit to Paid-in Capital Size (%)	61.00	73.83
	Net profit rate (%)	5.97	6.94
	Basic earnings per share (\$)	4.03	5.44
	Diluted earnings per share (\$)	3.98	5.24

(IV) Research and Development Status

To meet customer demands and develop products and technologies that align with market trends, the company has always been committed to researching and developing new technologies. Our main achievements in this area are as follows:

1. The Company aims to develop high-frequency circuit boards with ultra-low signal loss, low DK (dielectric constant) materials, low-roughness copper foil, and advanced surface treatment processes to achieve high-quality low-roughness surface management.
2. Additionally, in response to the characteristics of high-speed circuits, which require a high aspect ratio and high-level requirements, the Company will optimize relevant process capabilities and assess high-speed materials to meet customer demands. Moreover, it will continue to enhance its capabilities in HDI manufacturing and quality control.
3. Implementing AI to construct a visual inspection model facilitates surface inspection, reducing the volume of data requiring human interpretation. This approach minimizes the incidence of overlooking defective appearances, thereby enhancing inspection quality.

II. Overview of the 2024 Business Plan

Looking ahead to 2024, various economic forecasting agencies are more conservative about the world economic outlook compared to last year. Geopolitical risks are escalating, with conflicts arising continuously. Additionally, the European and American Central Banks, in their efforts to combat inflation, are deferring interest rate cuts. Consequently, global economic indicators are expected to be subdued compared to 2023, with only the IMF offering a relatively optimistic view, estimating economic growth to remain at 3.1%, on par with the previous year.

The Taiwan Printed Circuit Association (TPCA) believes that the imbalance of supply and demand during the pandemic in 2021 and 2022 led to global consumption overheating. After the pandemic, the industry faced pressure to clear out inventory and raise interest rates to curb inflation. Therefore, in 2023, the global PCB industry experienced a significant decline. According to estimates from the Industry, Science and Technology International Strategy Center (ITRI), the global PCB production value in 2023 was US\$73.9 billion, a decline of 15.6%. However, due to the lower base period in 2023, the overall electronic industry is expected to experience higher growth momentum in 2024.

In 2024, the Company's operational objectives include striving to maintain its existing market share and increase revenue growth. Additionally, it aims to continue cultivating the Automotive market and the emerging AI PC market. Furthermore, the new factory in Vietnam commenced operations in the fourth quarter of 2023, enabling the Company to cater to local demand and develop new customers in the vicinity, which is also one of the key focuses for the year.

(I) Operation Policy

1. In response to the impact of the aging population on the supply of industrial labor, as well as the trend of small and light products, investing in equipment to enhance automation and intelligence has become an established direction for our company.
2. In reaction to global sustainable development initiatives and to fulfill our corporate social responsibility, we not only create benefits for shareholders, but also improve employee working environment and welfare, and strive for long-term development in our products and services. Additionally, we continue to give back to the community and work towards the goal of energy saving, water conservation and waste reduction in the aspect of environmental sustainability.

(II) Important Production and Distribution Policies

1. By developing new materials and introducing new equipment, we aim to enhance the manufacturing capabilities of high-end products. Increasing automation in production reduces reliance on manpower, thereby improving product quality and competitiveness. We focus on controlling manpower and costs, managing lead times, and enhancing yield in our production strategy to meet customer demands.
2. The new factory in Vietnam commenced operations in the fourth quarter of 2023, enabling us to supply local demand in Vietnam promptly.
3. In response to the increasingly stringent environmental regulations imposed by various countries on the printed circuit board (PCB) industry, the Company will continue to invest in process improvement to comply with government regulations and ensure sustainability.

III. Impacts from External Competition, Regulatory Environment, and Overall Operational Setting

Outlook for 2024: Due to the reflection of high interest rates and low productivity, overall economic growth will still be below historical levels. The shipment volume of major end products is expected to show a slight increase, mainly due to inventory replenishment rather than

a significant rebound in demand. Therefore, the turnover of technology and product generation will become the driving force for growth. Our company will continue to research and develop Automotive PCBs and AI application products. Additionally, in response to the global supply chain shifts caused by international political unrest, our Vietnam factory will increase its capacity utilization this year.

Finally, we would like to sincerely thank our shareholders for their support over the years. Moving forward, we will continue to achieve our operational goals, create better results, and live up to the expectations of our shareholders and all investors, sharing the fruits of our business operations.

Chairman: Hsu, Cheng-Min

Two. Company Profile

I. Established on April 21, 1998

II. Company History

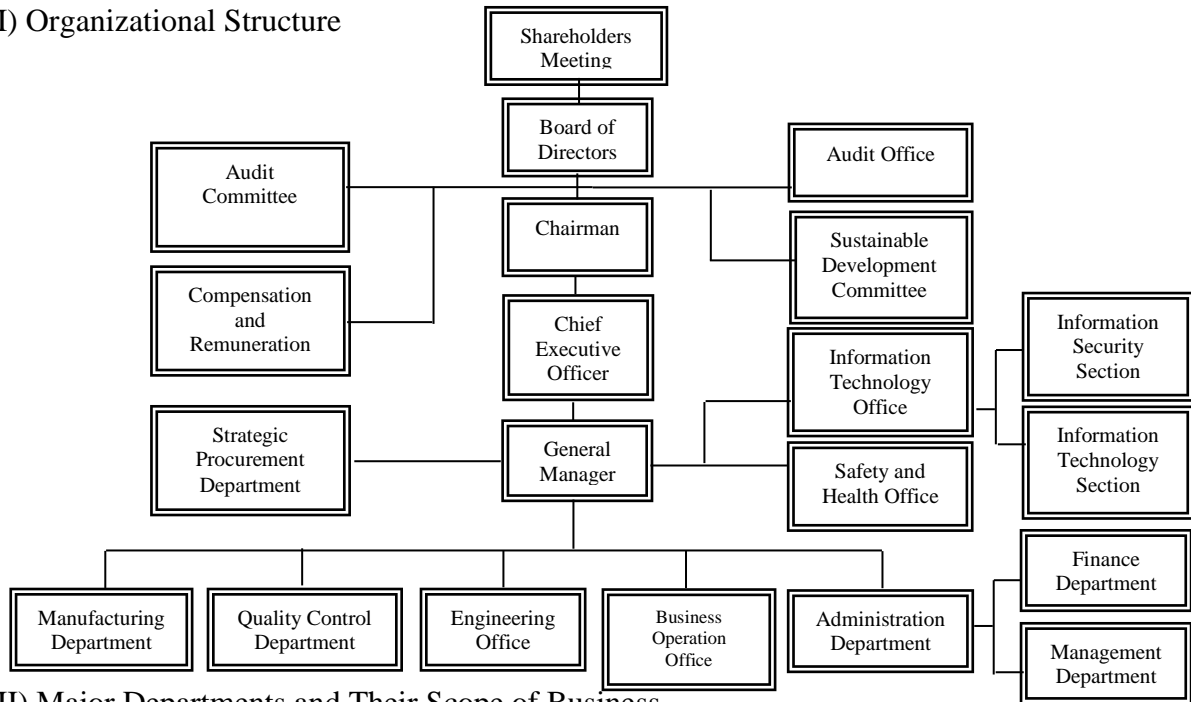
- April 1998 TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. was established, with a capital size of NTD 500,000,000, to begin with the production of mainly motherboards.
- June 1998 Acquired the land and premises and machinery/equipment of Zhiqin Electronics Corporation at No. 12, Gongye Second Road, Pingzhen Industrial Park and rebuilt and added machinery/equipment.
- December 1998 Official mass production began.
- April 1999 The nominal capital size was increased to NTD 1,000,000,000 and a public offering was additionally embarked on.
- April 1999 ISO-9002 certified.
- September 1999 Public offering was approved by the Securities and Futures Institute.
- October 1999 Organized capital increase in cash; the paid-in capital size was NTD 800,000,000.
- April 2000 First mass production of telecommunication mobile phone boards began.
- November 2001 First mass production of TFT- LCD boards began.
- July 2002 ISO-14000 certified.
- October 2002 Organized capital reduction; the capital size was reduced by NTD 150,000,000 and the paid-in capital size was changed to NTD 650,000,000.
- October 2003 ISO-9001 certified.
- September 2004 Registered as emerging stock and for trading.
- August 2005 Organized earnings transferred capital increase; the paid-in capital size was NTD 682,500,000.
- January 2006 Invested indirectly in Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. in Mainland China through an invested business in a third region.
- July 2006 Organized earnings transferred capital increase; the paid-in capital size was NTD 757,575,000.
- August 2006 QC 080000 IECQ certified.
- September 2006 Organized capital increase in cash; the paid-in capital size was NTD 900,000,000.
- September 2007 Organized earnings transferred capital increase; the paid-in capital size was NTD 1,057,500,000.
- March 2008 Organized capital increase in cash; the paid-in capital size was increased to NTD 1,157,500,000.
- June 2008 Invested in the listed company T-MAC Techvest PCB Co., Ltd.
- July 2008 New shares were issued on employee share subscription warrants; the paid-in capital size was NTD 1,175,550,000.
- September 2008 Organized earnings and capital reserve transferred capital increase; the paid-in capital size was NTD 1,401,175,000.
- January 2009 New shares were issued on employee share subscription warrants; the paid-in capital size was NTD 1,409,675,000.
- July 2009 New shares were issued on employee share subscription warrants; the paid-in capital size was NTD 1,427,225,000.
- September 2009 Organized earnings and capital reserve transferred capital increase; the paid-in capital size was NTD 1,662,508,470.
- December 2009 The Company's stock was listed and traded on the Taiwan Stock Exchange.

- January 2010 Organized capital increase in cash and issued new shares on employee share subscription warrants; the paid-in capital size was NTD 1,942,548,470.
- July 2010 Organized earnings transferred capital increase and after that, the paid-in capital size was NTD 1,136,803,310.
- July 2010 Invested indirectly in CATAC Electronic (Zhongshan) Co., Ltd. in Mainland China through an invested business in a third region.
- September 2010 Organized capital increase in cash; the paid-in capital size was NTD 2,316,803,310.
- September 2010 Invested in the listed company T-Flex Techvest PCB Co., Ltd.
- May 2011 Invested indirectly in Chi Chau Printed Circuit Board (Suining) Co., Ltd. in Mainland China through an invested business in a third region.
- December 2011 Organized earnings transferred capital increase; the paid-in capital size was NTD 2,363,139,380.
- August 2012 Organized capital increase in cash; the paid-in capital size was NTD 2,513,139,380.
- August 2013 Organized capital increase in cash; the paid-in capital size was NTD 2,750,139,380.
- January 2015 Organized treasury stock capital reduction; the paid-in capital size was NTD 2,712,429,380.
- November 2015 Invested in Taiwan Ri Li Chemical Co., Ltd.; the name of the company was changed to tgt Techvest Co., Ltd.
- August 2016 Invested indirectly in Sin Siang (Xiamen) Technology Co., Ltd. in Mainland China through an invested business in a third region.
- January 2017 Issued unsecured convertible corporate bonds, for the first time, worth NTD 800,000,000 in total.
- March 2019 For the sake of integrating resources throughout the Group, using stock swap, 100% shares of T-Mac Techvest PCB Co., Ltd. were obtained.
- June 2019 For the sake of expanding the presence of the Group, Chi Chau (Thailand) Co., Ltd. was established.
- December 2023 To align with the Group's business expansion, diversification of production bases, and long-term business development needs, the Company made a direct investment in Vietnam and established the Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.

Three. Corporate Governance Report

I. Organizational System

(I) Organizational Structure



(II) Major Departments and Their Scope of Business

Department		Main Duties
Audit Office		Regular and irregular audits of respective operations and systems.
Sustainable Development Committee		Responsible for the formulation of sustainable development (including Ethical Corporate Management) policies, executive plans, and strategic directions, tracking and reviewing the implementation status and effectiveness, and making decisions on other sustainable development-related matters.
Information Technology Office	Information Security Section	Comprehensive management of the factory's information security policy, standards, and planning. Increased awareness of information security, implemented control mechanisms, and verified the results of the implementation.
	Information technology Section	Maintenance and management of computer hardware and software.
Safety and Health Office		Stipulation, planning, supervision, and promotion of safety and health management matters and guidance over implementation provided to related departments.
Strategic Procurement Department		Centralized planning and procurement of primary raw materials and supplies and equipment throughout the Group and overall planning of premises, construction engineering, and mechanical and electrical engineering.
Manufacturing Department		Production and manufacturing management, scheduling and tracking of purchase orders-related production, outsourcing, and inventory management.
Quality Control Department		Quality control, after-sales service, handling of abnormal quality, and providing feedback on customers' demand for quality.
Engineering Office		Equipment maintenance and care, process improvement, and production of substrates and samples, including CAM, LPG substrates, drilling program, forming program, various production substrates, templates, and samples.
Business Operation Office		Marketing and distribution, customer credit checking and development, collections, etc.
Administration Department	Management Department	Procurement of raw materials and supplies and office stationery, public safety and environment, environmental protection, security, logistics, personnel, payroll, educational training, etc.
	Finance Department	Planning and controlling financial, accounting, and tax administration resources, preparation of financial statements, allocation of funds, arrangement of stock affairs, and implementation of related projects.

II. Information of Directors, General Manager, Vice General Manager, Assistant Vice General Manager, and Heads of Various Departments and Branches

(I) Director Information

April 14, 2024 Unit: Share: %

Job Title	Nationality or Registered Location	Name	Gender / Age	Date Elected	Tenure	Date First Elected	Shares held upon inauguration		Shares currently held		Shares currently held by the spouse and minor child		Shares held in someone else's name		Main experience/education	Current positions served at the Company and other companies	Other supervisors or directors who are the spouse or a relative within the second degree of kinship		
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation
Chairman	R.O.C.	Hsu, Cheng-Min (Note)	Male 71	July 1, 2021	3	November 5, 1999	1,486,183	0.55	1,486,183	0.55	147	0.00	—	—	Department of Mechanical Engineering, Feng Chia University Deputy Manager of Manufacturing Department, Compeq Manufacturing Co., Ltd. General Manager of Pacific Technology Co., Ltd. General Manager of Precision Industry, Vertex Precision Electronics INC. General Manager of T-Flex Techvest PCB Co., Ltd. General Manager of tgt Techvest Co., Ltd. Chairman of Sin Siang (Xiamen) Technology Co., Ltd.	CEO of Taiwan Printed Circuit Board Techvest Co., Ltd. Chairman of Chi Yang Investment Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) Chairman of T-Flex Techvest PCB Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) Chairman of tgt Techvest Co., Ltd. (Representative of T-Flex Techvest PCB Co., Ltd.) CEO of tgt Techvest Co., Ltd. Chairman of T-Mac Techvest PCB Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) CEO of T-Mac Techvest PCB Co., Ltd. Director of Chang Tai International Limited Director of Yang An International (Samoa) Co. Ltd. Chairman of T-Mac Techvest (Wuxi) PCB Co., Ltd. Chairman of Chi Chau International Co. Ltd. Chairman of Chi Yao Limited Chairman of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. Chairman of Brilliant Star Holdings Limited Chairman of CATAC Electronic (Zhongshan) Co., Ltd. Chairman of Chi Chen Investment Co., Ltd. Chairman of Chi Chau Printed Circuit Board (Suining) Co., Ltd. Chairman of TPT International Co., Ltd. Director of Chi Chau (Thailand) Co., Ltd. Director of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	Director	Hsu, Ming-Chieh / Hsu, Ming-Hung	Son

Job Title	Nationality or Registered Location	Name	Gender / Age	Date Elected	Tenure	Date First Elected	Shares held upon inauguration		Shares currently held		Shares currently held by the spouse and minor child		Shares held in someone else's name		Main experience/education	Current positions served at the Company and other companies	Other supervisors or directors who are the spouse or a relative within the second degree of kinship		
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation
Director	R.O.C.	Lee, Ming-Hsi	Male 60	July 1, 2021	3	April 27, 2012	1,506,189	0.55	1,756,189	0.65	—	—	—	—	Department of Chemical Engineering, Tatung Institute of Technology Manager of Pacific Technology Co., Ltd. General Manager of Chi Chau Printed Circuit Board (Suining) Co., Ltd. General Manager of T-Mac Techvest (Wuxi) PCB Co., Ltd. General Manager of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	General Manager of Taiwan Printed Circuit Board Techvest Co., Ltd. Director of T-Flex Techvest PCB Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) General Manager of T-Flex Techvest PCB Co., Ltd. Director of tgt Techvest Co., Ltd. (Representative of T-Flex Techvest PCB Co., Ltd.) General Manager of tgt Techvest Co., Ltd. Director of T-Mac Techvest (Wuxi) PCB Co., Ltd. Director of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. General Manager of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. Director of CATAC Electronic (Zhongshan) Co., Ltd. Director of Chi Chau Printed Circuit Board (Suining) Co., Ltd. Director of Chi Chau (Thailand) Co., Ltd.	—	—	—
Director	R.O.C.	Chiang, Rong-Kuo	Male 69	July 1, 2021	3	May 29, 2006	720,000	0.27	720,000	0.27	—	—	—	—	Bachelor of Science in Mechanics, Taiwan University of Science and Technology Master's Degree of Business Administration, National Cheng Chi University Chairman of Linkwell Opto-Electronics Corporation	Chairman of Jing Fa Technology Consultant Co., Ltd. Chairman of Minshen (Xiamen) Electronics Technology Inc.	—	—	—
Director	R.O.C.	Hsu, Ming-Chieh	Male 42	July 1, 2021	3	June 8, 2018	1,181,226	0.44	1,930,226	0.71	200,000	0.07	—	—	Department of Journalism, Shih Hsin University Manager of Sales Department, T-Flex Techvest PCB Co., Ltd. Manager of Manufacturing Department, T-Flex Techvest PCB Co., Ltd. Head of Manufacturing Department, tgt Techvest Co., Ltd. Director of T-Mac Techvest PCB Co., Ltd.	Executive Assistant of the Financial, Taiwan Printed Circuit Board Techvest Co., Ltd. Director of T-Flex Techvest PCB Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) Head of T-Mac Techvest (Wuxi) PCB Co., Ltd.	Chairman / Director	Hsu, Cheng-Min / Hsu, Ming-Hung	Son / Brother
Director	R.O.C.	Hsu, Ming-Hung	Male 38	July 1, 2021	3	June 12, 2015	1,087,592	0.40	1,817,592	0.67	—	—	—	—	Master's Degree, Golden Gate University Executive Assistant of the General Manager Office, Taiwan Printed Circuit Board Techvest Co., Ltd.	Director of tgt Techvest Co., Ltd. (Representative of T-Flex Techvest PCB Co., Ltd.) Executive Assistant of the General Manager Office, tgt Techvest Co., Ltd.	Chairman / Director	Hsu, Cheng-Min / Hsu, Ming-Chieh	Son / Brother

Job Title	Nationality or Registered Location	Name	Gender / Age	Date Elected	Tenure	Date First Elected	Shares held upon inauguration		Shares currently held		Shares currently held by the spouse and minor child		Shares held in someone else's name		Main experience/education	Current positions served at the Company and other companies	Other supervisors or directors who are the spouse or a relative within the second degree of kinship		
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation
Director	R.O.C.	Lin, Chen-Min	Male 59	July 1, 2021	3	September 11, 2007	485,550	0.18	485,550	0.18	184	0.00	—	—	Department of Accounting, Chinese Culture University Rong Tsong United CPA & Associates Section Manager of Fortune Motors Co., Ltd. Assistant Manager of Fairway Synthetic Fibers Co., Ltd. Financial and Accounting Supervisor of Taiwan Printed Circuit Board Techvest Co., Ltd. Director of T-Flex Techvest PCB Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) Director of tgt Techvest Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) Director of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. Director of CATAC Electronic (Zhongshan) Co., Ltd. Director of Chi Chau Printed Circuit Board (Suining) Co., Ltd. Director of T-Mac Techvest (Wuxi) PCB Co., Ltd. Director of Chi Yao Limited Director of Sin Siang (Xiamen) Technology Co., Ltd.	Director of Chi Chau (Thailand) Co., Ltd. Director of Chi Chen Investment Co., Ltd.	—	—	—
Director	R.O.C.	Lan, Iing-Iing	Female 61	July 1, 2021	3	June 10, 2009	400,709	0.15	400,709	0.15	2,520	0.00	—	—	Sacred Heart Commercial Vocational High School Marketing Executive of KW Co. Ltd. Purchasing Executive of Yi Hsin Computer Co., Ltd.	—	—	—	
Director	R.O.C.	Lee, Jen-Shin	Male 81	July 1, 2021	3	May 29, 2006	518,330	0.19	383,330	0.14	—	—	—	—	Department of Agricultural Economics, Chung Hsing University Manager of Chang Hwa Commercial Bank, Ltd.	—	—	—	
Director	R.O.C.	Hou, Shang-Wen	Female 64	July 1, 2021	3	September 11, 2007	38,216	0.01	38,216	0.01	—	—	—	—	Ph.D. in Accounting, Renmin University of China Master of Statistics of Arizona University, USA MBA/Accounting Finance of Northrop University, USA CEO of Hipro Financial Consulting Co., Ltd. Lecturer at Chihlee University of Technology	Director of High Density Lithium Electricity Co., Ltd.	—	—	—
Director	R.O.C.	Hocheng Corporation	—			June 15, 2005	6,575,315	2.42	6,575,315	2.42	—	—	—	—	Not applicable	Not applicable	Not applicable		

Job Title	Nationality or Registered Location	Name	Gender / Age	Date Elected	Tenure	Date First Elected	Shares held upon inauguration		Shares currently held		Shares currently held by the spouse and minor child		Shares held in someone else's name		Main experience/education	Current positions served at the Company and other companies	Other supervisors or directors who are the spouse or a relative within the second degree of kinship		
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation
	R.O.C.	Representative Chiu, Chi-Hsin	Male 59	July 1, 2021	3	June 12, 2015	—	—	—	—	—	—	—	—	Master of Business Administration, Columbia University (USA) CFO of Premier Capital Management Corp. CFO of HOCHENG Corporation.	Vice-Chairman of HOCHENG Corporation. Director of HOCHENG Corporation. (Representative of Fu Ho Investment Co., Ltd.) Director of Ruby Tech Corporation (Representative of Fu Ho Investment Co., Ltd.) Supervisor of He Hung Investment Co., Ltd. Supervisor of Fu He Investment Co., Ltd. Supervisor of Bearinmind Corporation Director of New Swift Enterprises Co., Ltd. Director of Yuhuang Co., Ltd. (Representative of New Swift Enterprises Co., Ltd.) Supervisor of Bao Long Interior Crafts Co., Ltd. Supervisor of Lianan Wellness Management Co., Limited Supervisor of Hoceng Service Co., Ltd. Director of Dongqi Co., Ltd. (Representative of New Swift Enterprises Co., Ltd.)	—	—	—
Director	R.O.C.	YADA Investment Ltd.	—	July 1, 2021	3	April 27, 2012	680,936	0.25	805,936	0.30	—	—	—	—	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative Chiu, Ting-Wen	Female 53			April 27, 2012	133,967	0.05	133,967	0.05	—	—	—	—	Qiang Shu High School Purchasing Executive of Ocean Glory International Co. Ltd. Supervisor of T-Flex Techvest PCB Co., Ltd.	—	—	—	
Independent Director	R.O.C.	Huang, Leei-May	Female 65	July 1, 2021	3	June 12, 2015	124,546	0.05	124,546	0.05	—	—	—	—	Department of Accounting, Fu Jen Catholic University Assistant Vice General Manager of Financing Department, Chih Lien Industrial Co., Ltd. Assistant Manager of Underwriting Department, Full Long Securities Co., Ltd. Accounting Manager of CMC Magnetics Co., Ltd. Director of T-Mac Techvest PCB Co., Ltd. Director of Linkwell Opto-Electronics Corporation	—	—	—	

Job Title	Nationality or Registered Location	Name	Gender / Age	Date Elected	Tenure	Date First Elected	Shares held upon inauguration		Shares currently held		Shares currently held by the spouse and minor child		Shares held in someone else's name		Main experience/education	Current positions served at the Company and other companies	Other supervisors or directors who are the spouse or a relative within the second degree of kinship		
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation
Independent Director	R.O.C.	Hsiao, Shyh-Chyi	Male 78	July 1, 2021	3	June 8, 2018	—	—	—	—	—	—	—	—	Department of Chemical Engineering, National Chenggong University Vice General Manager of Overseas Investment Department, China Development Industrial Bank Vice President of Overseas Investment Department, Hong Kong HSBC Bank Executive Director of SERES CAPITAL (SINGAPORE) PTE LTD Representative Director of ASEM CAPITAL CO., LTD. KOREA Independent Director of T-Flex Techvest PCB Co., Ltd.	—	—	—	
Independent Director	R.O.C.	Lin, Chiu-Lien	Female 63	July 1, 2021	3	July 1, 2021	—	—	—	—	—	—	—	—	Master of Management Science, National Chiao Tung University Independent Director of T-Mac Techvest PCB Co., Ltd. Independent Director of HH Leasing & Financial Corporation Assistant Vice General Manager of Department of Financial Transactions, China Development Industrial Bank Fund Manager of China Securities Investment Trust Corp. Manager of Research Department, Da Shun Consolidated Securities Co., Ltd.	Supervisor of Yu-Song Investment Co, Ltd. Independent Director of Qisda Corporation Supervisor of Yu-Song Investment Co, Ltd.	—	—	—
Independent Director	R.O.C.	Chung, Yi-Fang	Female 61	June 9, 2023	1	June 9, 2023	210,000	0.08	210,000	0.08	—	—	—	—	Department of Sociology, NTU. Group Counseling with Juvenile Delinquents, Juvenile Affairs Division, Taipei City Police Department. Taipei Veterans General Hospital Department of Social Work Office's working group.	—	—	—	

Note : Our company needs to rely on the professional guidance of Mr. Hsu, Cheng-Min, who has many years of experience in the Printed Circuit Board (PCB) industry. As of 2023, we have increased the number of Independent Director seats to four.

1. Professional Qualifications of Directors and Independent Information of Independent Directors

Title	Name	Professional Qualifications and Work Experience	Independent Facts	Number of independent directors concurrently serving in other public companies	Number of independent directors concurrently serving on Compensation and Remuneration Committees in other public companies	Notes
Chairman	Hsu, Cheng-Min	<p>1. Served as General Manager for Pacific Technology Co., Ltd., General Manager of Precision Industry, Vertex Precision Electronics INC. Has more than five years of work experience in management, commercial and corporate business.</p> <p>2. None of the circumstances in Article 30 of the Company Act.</p>	Not Applicable	0	0	—
Director	Lee, Ming-Hsi	<p>1. Served as Manager for Pacific Technology Co., Ltd. Has more than five years of work experience in management, commercial and corporate business.</p> <p>2. None of the circumstances in Article 30 of the Company Act.</p>		0	0	—
Director	Chiang, Rong-Kuo	<p>1. Previously served as Chairman of Linkwell Optoelectronics Corporation, with more than five years of work experience in management, commercial and corporate business.</p> <p>2. None of the circumstances in Article 30 of the Company Act.</p>		0	0	—
Director	Hsu, Ming-Chieh	<p>1. Served as the Manager of the Sales Department of T-Flex Techvest PCB Co., Ltd and the Head of the Manufacturing Department of tgt Techvest Co., Ltd., with more than five years of work experience in management and corporate business.</p> <p>2. None of the circumstances in Article 30 of the Company Act.</p>		0	0	—

Title	Name	Professional Qualifications and Work Experience	Independent Facts	Number of independent directors concurrently serving in other public companies	Number of independent directors concurrently serving on Compensation and Remuneration Committees in other public companies	Notes
Director	Hsu, Ming-Hung	<p>1. Graduated from Golden Gate University with a Master's degree and served as a special assistant in the General Manager's Office of Taiwan Printed Circuit Board Techvest Co., Ltd. with more than five years of work experience in management, commercial and corporate business.</p> <p>2. None of the circumstances in Article 30 of the Company Act.</p>	Not Applicable	0	0	—
Director	Lin, Chen-Min	<p>1. Served as Assistant Manager of Rong Tsong United CPA & Associates and Fairway Synthetic Fibers Co., Ltd. with more than five years of work experience in management, finance and accounting.</p> <p>2. None of the circumstances in Article 30 of the Company Act.</p>		0	0	—
Director	Lan, ling-ling	<p>1. Served as Marketing Executive at KW Co., Ltd. and Purchasing Executive at Yi Hsin Computer Co., Ltd. and has more than five years of work experience in management, commercial and corporate business.</p> <p>2. None of the circumstances in Article 30 of the Company Act.</p>		0	0	—
Director	Lee, Jen-Shin	<p>1. Served as Manager of Chang Hwa Commercial Bank and has more than five years of work experience in management and commerce.</p> <p>2. None of the circumstances in Article 30 of the Company Act.</p>		0	0	—

Title	Name	Professional Qualifications and Work Experience	Independent Facts	Number of independent directors concurrently serving in other public companies	Number of independent directors concurrently serving on Compensation and Remuneration Committees in other public companies	Notes
Director	Hou, Shang-Wen	1. Served as the CEO of Hipro Financial Consulting Co., Ltd. and has been a lecturer at Chihlee University of Technology. Has more than five years of work experience in management, commerce, finance and accounting. None of the circumstances in Article 30 of the Company Act.	Not Applicable	0	0	—
Director	Hocheng Corporation Representative: Chiu, Chi-Hsin	1. Served as Chief Financial Officer for Premier Capital Management Corp. and Hocheng Corporation, with more than five years of work experience in management and commerce. 2. None of the circumstances in Article 30 of the Company Act.		0	0	—
Director	YADA Investment Ltd. Representative: Chiu, Ting-Wen	1. Served as Purchasing Executive at Ocean Glory International Co., Ltd with more than five years of work experience in management and commerce. 2. None of the circumstances in Article 30 of the Company Act.		0	0	—
Independent Director	Huang, Leei-May	1. Served as Assistant Vice General Manager of Financing Department, Chih Lien Industrial Co., Ltd. and Assistant Manager of Underwriting Department, Full Long Securities Co., Ltd., with more than five years of work experience in finance and commerce. 2. None of the circumstances in Article 30 of the Company Act.		1. There are no cases in which I, my spouse or relatives within the second degree of kinship are directors, supervisors or employees of the Company or the Company's subsidiaries. 2. No shares of the Company are held by me, my spouse, or my relatives within the	0	0

Title	Name	Professional Qualifications and Work Experience	Independent Facts	Number of independent directors concurrently serving in other public companies	Number of independent directors concurrently serving on Compensation and Remuneration Committees in other public companies	Notes
Independent Director Has been a member of the Audit Committee and the Compensation & Remuneration Committee of the Company.	Hsiao, Shyh-Chyi	<ol style="list-style-type: none"> Served as Vice General Manager of the Overseas Investment Departments of China Development Industrial Bank and Vice President of HSBC Bank, with more than five years of work experience in management, finance and commerce. Special examination for Customs Officer. None of the circumstances in Article 30 of the Company Act. 	<p>second degree of kinship, (or in the name of others).</p> <ol style="list-style-type: none"> Do not hold a position as director, supervisor or employee of a company that has a specific relationship with the Company. During the past two years, there has not been any case where the Company or its subsidiary received compensation for commercial, legal, financial, accounting or related services provided. 	0	0	—
Independent Director Has been a member of the Audit Committee and the Compensation & Remuneration Committee of the Company.	Lin, Chiu-Lien	<ol style="list-style-type: none"> Served as Assistant Vice General Manager of Department of Financial Transactions, China Development Industrial Bank and Fund Manager at China Securities Investment Trust Corp., with more than five years of work experience in finance and commerce. None of the circumstances in Article 30 of the Company Act. 	<p>second degree of kinship, (or in the name of others).</p> <ol style="list-style-type: none"> Do not hold a position as director, supervisor or employee of a company that has a specific relationship with the Company. During the past two years, there has not been any case where the Company or its subsidiary received compensation for commercial, legal, financial, accounting or related services provided. 	1	1	—
Independent Director Has been a member of the Audit Committee of the Company.	Chung, Yi-Fang	<ol style="list-style-type: none"> Served as Group Counseling with Juvenile Delinquents, Juvenile Affairs Division, Taipei City Police Department and Taipei Veterans General Hospital Department of Social Work Office's working group., with more than five years of work experience in finance and commerce. None of the circumstances in Article 30 of the Company Act. 	<p>second degree of kinship, (or in the name of others).</p> <ol style="list-style-type: none"> Do not hold a position as director, supervisor or employee of a company that has a specific relationship with the Company. During the past two years, there has not been any case where the Company or its subsidiary received compensation for commercial, legal, financial, accounting or related services provided. 	0	0	—

2. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

According to Chapter 3 of the Company's "Corporate Governance Best Practice Principles", Directors should generally possess the knowledge, skills and qualities necessary for the execution of their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following competencies:

- | | |
|-----------------------------------------------------------|---------------------------------------|
| (A) Ability to make operational judgments. | (E) Knowledge of the industry. |
| (B) Ability to perform accounting and financial analysis. | (F) International market perspective. |
| (C) Ability to conduct management administration. | (G) Ability to lead. |
| (D) Ability to conduct crisis management. | (H) Ability to make policy decisions. |

The Company attaches importance to gender equality in the composition of the Board of Directors, and the percentage of female directors is targeted to be over 30%, while the current percentage of female directors is 40%. The current members of the Board of Directors have extensive experience and expertise in the fields of finance, business and management, and guide the Company's various businesses. Additionally, in 2023, we conducted a by-election to appoint an Independent Director who has been engaged in social charity work for many years, aiming to utilize his experience to enhance the company's social sustainability. The following table shows the implementation of the diversity of the Board of Director

Title	Name	Nationality	G*	AE*	Age					Tenure of Service of Independent Directors			Industry Experience					Professional Competencies					
					31-40	41-50	51-60	61-70	71 and above	Less than 3 years	4 to 6 years	7 to 9 years	Bank, Securities	Man*	SCW*	Edu*	AS*	FA*	FC*	P*	SS*	BM*	
Director	Hsu, Cheng-Min	Republic of China	M*	✓					✓					✓								✓	
Director	Lee, Ming-Hsi		M*	✓			✓							✓									✓
Director	Chiang, Rong-Kuo		M*					✓					✓						✓				
Director	Hsu, Ming-Chieh		M*	✓		✓								✓									✓
Director	Hsu, Ming-Hung		M*		✓									✓									✓
Director	Lin, Chen-Min		M*				✓							✓			✓	✓					✓
Director	Lan, Iing-Iing		F*				✓							✓						✓			
Director	Lee, Jen-Shin		M*						✓				✓							✓			

Title	Name	Nationality	G*	AE*	Age					Tenure of Service of Independent Directors			Industry Experience					Professional Competencies					
					31-40	41-50	51-60	61-70	71 and above	Less than 3 years	4 to 6 years	7 to 9 years	Bank, Securities	Man*	SCW*	Edu*	AS*	FA*	FC*	P*	SS*	BM*	
Director	Hou, Shang-Wen	Republic of China	F*				✓									✓		✓					
Director	Chiu, Chi-Hsin		M*			✓								✓									✓
Director	Chiu, Ting-Wen		F*			✓								✓						✓			
Independent Director	Huang, Leei-May		F*				✓				✓		✓	✓				✓	✓				
Independent Director	Hsiao, Shyh-Chyi		M*					✓			✓		✓						✓				
Independent Director	Lin, Chiu-Lien		F*				✓			✓			✓						✓				
Independent Director	Chung, Yi-Fang		F*							✓												✓	

Abbreviations

G*: Gender

AE*: Adjunct Employee

Man*: Manufacture

SCW*: Social Charity Work

SS*: Social Services

AS*: Accounting Services

FA*: Financial Accounting

FC*: Financial Control

Edu*: Education

M*: Male

F*: Female

P*: Purchasing

BM*: Business Management

(2) Independence of the Board of Directors

(A) The Board of Directors of the Company has 15 directors, including four independent directors, and the proportion of independent directors is 27%. Not more than one-half of the directors are adjunct employees, and not more than half of the directors are spouses or relatives within the second degree of kinship. Given the foregoing, the Board of Directors should be independent in exercising its functions and powers. This fiscal year, we propose to nominate Ms. Huang, Leei-Mei, to serve as an Independent Director of our company. Although she has already served three terms, her extensive experience as a Finance Supervisor in a listed company makes her a valuable source of advice for our company. She can provide important insights to the Board and offer professional opinions. Therefore, we intend to continue nominating her as an Independent Director of our company. It is anticipated that starting from the fiscal year 2027, the tenure of Independent Directors of our company will not exceed three terms.

(B) There is no direct relationship among the directors of the Company as stipulated in Paragraph 3 of Article 26-3 of the Securities and Exchange Act. In addition, the Company has established an Audit Committee in place of the Supervisors, therefore, the provisions of Paragraph 4 of Article 26-3 of the Securities and Exchange Act are not applicable.

3. Major shareholders of institutional shareholders

Name of institutional shareholder	Major shareholders of institutional shareholders	Shareholding Ratio
Hocheng Corporation	Kaipo Corporation	4.94%
	Yuhuang Co., Ltd.	3.81%
	Chiu, Li-Jian	3.48%
	Chiu, Lin-Cui	2.65%
	Li, Kai-Ping	2.65%
	Chiu, Jun-Jie	2.41%
	Chiu, Hong-You	2.34%
	Po Shie Investment Co., Ltd	2.03%
	Chiu-Chen, Hui-Mei	1.96%
	Yi Shui Tang Investment Co., Ltd	1.81%
YADA Investment Ltd.	Chiu, Yi-Ning	90.00%
	Chiu, Ting-Wen	10.00%

4. Primary shareholder of major shareholders of institutions that are legal entities

Name of legal entity	Major shareholders of the legal entity	Shareholding Ratio
Kaipo Corporation	Chiu, Shih-Kai	25.00%
	Chiu, Bo-Jiun	25.00%
	Chiu, Ma-Ge	20.83%
	Li, Kai-Ping	16.67%
	Chiu, Hong-Mao	12.50%
Yuhuang Co., Ltd.	New Swift Enterprises Co., Ltd.	99.57%
	Wu, Yue-Fong	0.07%
	Chiu, Chi-Hsin	0.07%
	Chiu, Hong-Mao	0.07%
	Chiu, Jun-Jie	0.07%
	Chiu, Li-Jian	0.07%
	Chiu, Bi-Chuan	0.07%
Yi Shui Tang Investment Co., Ltd	Lin, Jyun-Yao	99.99%
Po Shie Investment Co., Ltd	Kaipo Corporation	100%

(II) Profile of General Manager, Vice General Manager, Assistant Vice General Manager, and Heads of Various Departments and Branches

April 14, 2024 Unit: Share: %

Job Title	Nationality	Name	Gender	Date Effective	Shares Held		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Main experience/education	Current positions at other companies	Managerial officer who is the spouse or relative within the second degree of kinship		
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation
Chief Executive Officer	R.O.C.	Hsu, Cheng-Min	Male	June 8, 2017	1,486,183	0.55	147	0.00	—	—	Department of Mechanical Engineering, Feng Chia University Vice General Manager of Manufacturing Department, Compeq Manufacturing Co., Ltd. General Manager of Pacific Technology Co., Ltd. General Manager of Precision Industry, Vertex Precision Electronics INC. General Manager of T-Flex Techvest PCB Co., Ltd. General Manager of tgt Techvest Co., Ltd. Chairman of Sin Siang (Xiamen) Technology Co., Ltd.	Chairman of Chi Yang Investment Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) Chairman of T-Flex Techvest PCB Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) Chairman of tgt Techvest Co., Ltd. (Representative of T-Flex Techvest PCB Co., Ltd.) CEO of tgt Techvest Co., Ltd. Chairman of T-Mac Techvest PCB Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) CEO of T-Mac Techvest PCB Co., Ltd. Director of Chang Tai International Limited Director of Yang An International (Samoa) Co. Ltd. Chairman of T-Mac Techvest (Wuxi) PCB Co., Ltd. Chairman of Chi Chau International Co. Ltd. Chairman of Chi Yao Limited Chairman of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. Chairman of Brilliant Star Holdings Limited Chairman of CATAC Electronic (Zhongshan) Co., Ltd. Chairman of Chi Chen Investment Co., Ltd. Chairman of Chi Chau Printed Circuit Board (Suining) Co., Ltd. Chairman of TPT International Co., Ltd. Director of Chi Chau (Thailand) Co., Ltd. Director of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	—	—	—
General Manager	R.O.C.	Lee, Ming-Hsi	Male	September 1 2007	1,756,189	0.65	—	—	—	—	Department of Chemical Engineering, Tatung Institute of Technology Manager of Pacific Technology Co., Ltd. General Manager of Chi Chau Printed Circuit Board (Suining) Co., Ltd. General Manager of T-Mac Techvest (Wuxi) PCB Co., Ltd. General Manager of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	Director of T-Flex Techvest PCB Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) General Manager of T-Flex Techvest PCB Co., Ltd. Director of tgt Techvest Co., Ltd. (Representative of T-Flex Techvest PCB Co., Ltd.) General Manager of tgt Techvest Co., Ltd. Director of T-Mac Techvest (Wuxi) PCB Co., Ltd. Director of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. General Manager of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. Director of CATAC Electronic (Zhongshan) Co., Ltd. Director of Chi Chau Printed Circuit Board (Suining) Co., Ltd. Director of Chi Chau (Thailand) Co., Ltd.	—	—	—

Job Title	Nationality	Name	Gender	Date Effective	Shares Held		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Main experience/education	Current positions at other companies	Managerial officer who is the spouse or relative within the second degree of kinship		
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation
General Manager	R.O.C.	Lin, Ching-Yao	Male	November 12, 2014	—	—	316,000	0.12	—	—	Department of Mechanical Engineering, Tatung University Assistant Vice General Manager at the Manufacturing Department of Kinsus Interconnect Technology Corporation Vice General Manager of Phoenix Precision Technology Corporation General Manager of T-Flex Techvest PCB Co., Ltd. General Manager of tgt Techvest Co., Ltd. General Manager of CATAC Electronic (Zhongshan) Co., Ltd.	—	—	—	
General Manager	R.O.C.	Danny, Lin (Note)	Male	October 1, 2019	350,000	0.13	538,357	0.20	—	—	Department of Chemical Engineering, Tatung University Section Head of Compeq Manufacturing Co., Ltd. Vice General Manager at the Sales Department of Pacific Technology Corporation General Manager of Kunshan Yuanmao Electronics Technology Co., Ltd. General Manager of HannStar Board Corp.	General Manager of Chi Chau Printed Circuit Board (Suining) Co., Ltd. General Manager of T-Mac Techvest (Wuxi) PCB Co., Ltd.	—	—	—
Vice General Manager	R.O.C.	Song, Pei-Yi	Male	August 1, 2017	316,693	0.12	—	—	—	—	Department of Mechanical Engineering, National Taiwan University Section Head of Pacific Technology Corporation	—	—	—	
Vice General Manager	R.O.C.	George, Chao	Male	August 1, 2017	63,000	0.02	—	—	—	—	Master of Business Administration, Yuan Ze University Vice General Manager at the Sales Department of T-Mac Techvest PCB Co., Ltd. Vice General Manager at the Sales Department of T-Flex Techvest PCB Co., Ltd.	—	—	—	
Vice General Manager	R.O.C.	Jackson, Chen	Male	October 1, 2019	68,354	0.03	107	0.00	—	—	Department of Aeronautics & Astronautics, National Cheng Kung University Section Head of Guosheng Enterprise Vice General Manager at the Sales Department of HannStar Board Corp. Vice General Manager at the Sales Department of Kunshan Yuanmao Electronics Technology Co., Ltd.	—	—	—	
Vice General Manager	R.O.C.	Hu, Hsiu-Hsing	Female	September 4, 2017	350,000	0.13	—	—	—	—	Graduate Institute of Business Administration, National Taiwan University Senior Assistant Vice General Manager at the Department of Direct Investment, China Development Industrial Bank Vice General Manager of Hui Hong Consulting Corporation Vice General Manager of WT Microelectronics Co., Ltd. Supervisor of WT Microelectronics Co., Ltd. Representative of the institutional director of Techmosa International Inc.	Director of T-Flex Techvest PCB Co., Ltd. Supervisor of Corporate Governance, T-Flex Techvest PCB Co., Ltd. Director of tgt Techvest Co., Ltd. (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.) Director of Chi Yao Limited Director of CATAC Electronic (Zhongshan) Co., Ltd. Director of Chi Chau Printed Circuit Board (Suining) Co., Ltd. Director of T-Mac Techvest (Wuxi) PCB Co., Ltd. Director of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	—	—	—
Head of the Manufacturing Department	R.O.C.	Pan, Tai-Feng	Male	October 7, 2022	53,600	0.02	—	—	—	—	Vanung University Department of Industrial Management. Manager of the Engineering Department of T-Mac Techvest PCB Co., Ltd.	Director of Manufacturing Office, tgt Techvest Co. Ltd.	—	—	—
Head of Engineering Office	R.O.C.	Kao, Mao-Sheng	Male	January 1, 2012	50,500	0.02	—	—	—	—	Department of Chemical Engineering, Tunghai University Section Head of Engineering of Unitech Printed Circuit Board Corporation Supervisor of Sin Siang (Xiamen) Technology Co., Ltd.	Supervisor of Chi Chau Printed Circuit Board (Suining) Co., Ltd. Supervisor of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. Supervisor of CATAC Electronic (Zhongshan) Co. Ltd.	—	—	—

Job Title	Nationality	Name	Gender	Date Effective	Shares Held		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Main experience/education	Current positions at other companies	Managerial officer who is the spouse or relative within the second degree of kinship		
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation
Head of the Management Department	R.O.C.	Chiang, Chih-Cheng (Note)	Male	October 1, 2014	280,560	0.10	—	—	—	—	Specialized Course, Financial Administration School of the Armed Forces Factory Head of Huagu Enterprise	—	—	—	
Head of the Administration Department	R.O.C.	Chen, Hao-Jen	Male	November 13, 2023	1,000	0.00	204	0.00	—	—	Department of Medical Technology, Jenteh Junior College of Medicine, Nursing and Management	Vice General Manager of CATAC Electronic (Zhongshan) Co., Ltd.	—	—	—
Head of the Manufacturing Department	R.O.C.	Tien, Huan-Sheng	Male	November 13, 2023	5,000	0.00	—	—	—	—	Department of Chemical Engineering, Chung Yuan Christian University Head of the Manufacturing Department of tgt Techvest Co., Ltd.	Head of the Manufacturing Department of CATAC Electronic (Zhongshan) Co., Ltd.	—	—	—
Head of the Business Operation Office	R.O.C.	Chiu, Ling-Kai	Male	November 13, 2023	45,000	0.02	—	—	—	—	Electronic Engineering Section, Paul Hsu Senior High School Manager of the Business Operation Office of Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Head of the Business Operation Office of T-Mac Techvest (Wuxi) PCB Co., Ltd.	—	—	—

Note : General Manager Danny Lin and Head of the Management Department Chiang Chih-Cheng were dismissed due to changes in their positions on April 22, 2024 and May 1, 2024 respectively.

III .Remuneration for Directors, General Manager, and Vice General Manager

(I) Remuneration for the Director and Independent Director

Unit: NTD 000's

Position	Name	Remuneration for directors								Total and Ratio of the sum of A, B, C, and D to after-tax net profit (Note 9)		Related remuneration to those who are also employees								Total and Ratio of the sum of A, B, C, D, E, F, and G to after-tax earnings (Note 9)		Claim of remuneration from re-invested businesses other than subsidiaries (Note 10)
		Reward (A) (Note 1)		Retirement and pension fund (B)		Remuneration for directors (C) (Note 2)		Operational expenditure (D) (Note 3)				Salary, bonus, and special expenditure (E) (Note 4)		Retirement and pension fund (F)		Remuneration for employees (G) (Note 5)						
		The Company	The Group (Note 6)	The Company	The Group (Note 6)	The Company	The Group (Note 6)	The Company	The Group (Note 6)	The Company	The Group (Note 6)	The Company	The Group (Note 6)	The Company	The Group (Note 6)	The Company (Note 6)		The Group (Note 6)		The Company	The Group (Note 6)	
Chairman	Hsu, Cheng-Min	—	—	—	—	4,564	4,564	86	134	4,650	4,698	35,182	44,192	0	0	18,600	0	18,640	0	58,432	67,530	None
Director	Lee, Ming-Hsi	—	—	—	—	1,179	1,179	61	97	1,240	1,276	14,752	15,324	108	108	7,200	0	7,200	0	23,300	23,908	
Director	Chen, Chih-Hung (Note 11)	—	—	—	—	514	514	61	61	575	575	0	0	0	0	0	0	0	0	575	575	
Director	Chiang, Rong-Kuo	—	—	—	—	1,179	1,179	86	86	1,265	1,265	0	0	0	0	0	0	0	0	1,265	1,265	
Director	Hsu, Ming-Chieh	—	—	—	—	1,179	1,179	86	110	1,265	1,289	8,738	8,738	87	87	5,400	0	5,400	0	15,490	15,514	
Director	Hsu, Ming-Hung	—	—	—	—	1,179	1,179	86	104	1,265	1,283	6,308	7,678	0	44	5,400	0	5,400	0	12,973	14,405	
Director	Lin, Chen-Min	—	—	—	—	1,179	1,179	86	86	1,265	1,265	0	0	0	0	0	0	0	0	1,265	1,265	
Director	Lan, Iing-Iing	—	—	—	—	1,179	1,179	86	86	1,265	1,265	0	0	0	0	0	0	0	0	1,265	1,265	
Director	Lee, Jen-Shin	—	—	—	—	1,179	1,179	86	86	1,265	1,265	0	0	0	0	0	0	0	0	1,265	1,265	
Director	Hou, Shang-Wen	—	—	—	—	1,179	1,179	86	86	1,265	1,265	0	0	0	0	0	0	0	0	1,265	1,265	
Director	Hocheng Corporation	—	—	—	—	1,179	1,179	0	0	1,179	1,179	0	0	0	0	0	0	0	0	1,179	1,179	
	Representative: Chiu, Chi-Hsin	—	—	—	—	0	0	86	86	86	86	0	0	0	0	0	0	0	0	86	86	
Director	YADA Investment Ltd.	—	—	—	—	1,179	1,179	0	0	1,179	1,179	0	0	0	0	0	0	0	0	1,179	1,179	
	Representative: Chiu, Ting-Wen	—	—	—	—	0	0	86	86	86	86	0	0	0	0	0	0	0	0	86	86	
Independent Director	Huang, Leei-May	—	—	—	—	1,179	1,179	110	110	1,289	1,289	0	0	0	0	0	0	0	0	1,289	1,289	None
Independent Director	Hsiao, Shyh-Chyi	—	—	—	—	1,179	1,179	110	110	1,289	1,289	0	0	0	0	0	0	0	0	1,289	1,289	
Independent Director	Lin, Chiu-Lien	—	—	—	—	1,179	1,179	110	110	1,289	1,289	0	0	0	0	0	0	0	0	1,289	1,289	
Independent Director	Chung, Yi-Fang	—	—	—	—	665	665	39	39	704	704	0	0	0	0	0	0	0	0	704	704	

1. The remuneration of Independent Directors of our company is governed by the regulations outlined in the 'Directors' Emoluments and Remuneration Distribution Method'. This includes a fixed remuneration not exceeding NTD10,000 per month, transportation expenses of not more than NTD15,000 per attendance for personal appearances, and directors' emoluments revenue which shall be appropriated following the company's Articles of Incorporation. Distribution is calculated based on the incumbency ratio and individual contribution rate. All aforementioned remuneration is subject to review by the Remuneration Committee and approval by the Board of Directors.

2. Except as disclosed in the table above, did the Directors of the Company provide services to all companies in the financial statement for the most recent year: None.

- Note 1: Remuneration to directors for the past year (including salaries for directors, differential pays, severance pays, various types of bonuses, and rewards, etc.)
- Note 2: The remuneration to directors approved by the Board of Directors and distributed in the past year.
- Note 3: Related operational expenditure incurred by directors in the most recent year (including transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in-kind)
- Note 4: The salaries for directors, differential pays, severance pays, various types of bonuses, rewards, transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind, among others to directors who are also employees in the most recent year (including the General Manager, Vice General Managers, other managerial officers, and employees).
- Note 5: For directors who were also employees in the past year (including the General Manager, Vice General Managers, other managerial officers, and employees) and received the remuneration to employees (including stock and cash), it is the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year.
- Note 6: The total value of various types of remunerations paid to the Company's directors by all companies (including the Company) in the consolidated statement.
- Note 7: The total value of various remunerations paid to each director by the Company; disclose the name of the director in the respective bracket.
- Note 8: The total value of various types of remunerations paid to each of the Company's directors by all companies (including the Company) in the consolidated statement; disclose the name of the director in the respective bracket.
- Note 9: After-tax net profit refers to that shown in the individual financial statement of the past year.
- Note 10: a. The value of related remunerations from re-invested businesses other than the subsidiaries that the Company's directors received.
- b. If the Company's directors received related remunerations from re-invested businesses other than the subsidiaries, such remunerations shall be consolidated in Field J of the bracket table.
- c. Remuneration is the compensation, rewards, employee remuneration, and payments from performing tasks received by the Company's directors for serving as director, supervisor, or managerial officer in a re-invested business other than the subsidiaries.
- Note 11: Director Chen, Chih-Hung resigned from his position and submitted his resignation letter on March 14, 2023. His resignation was effective on June 9, 2023.

(II) Remuneration for the General Manager and Vice General Managers

Unit: NTD 000's

Job Title	Name	Salary (A) (Note 1)		Retirement and pension fund (B)		Prize and special expenditure (C) (Note 2)		Employee remuneration (D)(Note 3)				Total and Ratio of the sum of A, B, C, and D to after-tax earnings (%) (Note 6)		Claim of remuneration from re-invested businesses other than subsidiaries (Note 7)
		The Company	The Group (Note 4)	The Company	The Group (Note 4)	The Company	The Group (Note 4)	The Company		The Group (Note 4)		The Company	The Group (Note 4)	
								Cash value	Stock value	Cash value	Stock value			
Chief Executive Officer	Hsu, Cheng-Min	3,314	12,315	0	0	31,868	31,877	18,600	0	18,640	0	53,782 4.92%	62,832 5.74%	—
General Manager	Lee, Ming-Hsi	1,848	2,420	108	108	13,305	13,305	7,200	0	7,200	0	22,461 2.05%	23,033 2.11%	
General Manager	Lin, Ching-Yao	2,434	2,434	108	108	9,432	9,432	5,400	0	5,400	0	17,374 1.59%	17,374 1.59%	
General Manager	Danny, Lin (Note 9)	2,379	3,047	108	108	8,189	8,189	5,400	0	5,400	0	16,076 1.47%	16,744 1.53%	
Vice General Manager	George, Chao	1,513	1,666	106	106	4,219	4,219	2,200	0	2,200	0	8,038 0.73%	8,191 0.75%	
Vice General Manager	Song, Pei-Yi	1,674	1,674	106	106	4,235	4,235	1,800	0	1,800	0	7,815 0.71%	7,815 0.71%	
Vice General Manager	Jackson, Chen	1,480	1,480	106	106	4,339	4,339	2,000	0	2,000	0	7,925 0.72%	7,925 0.72%	
Vice General Manager	Hu, Hsiu-Hsing	1,769	1,769	108	108	3,583	3,583	2,200	0	2,200	0	7,660 0.70%	7,660 0.70%	

Note 1: The salaries, differential pays, and severance pays of the General Manager and Vice General Managers in the past year.

Note 2: The various types of bonuses, rewards, transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind paid to the General Manager and Vice General Managers in the past year and other remunerations.

Note 3: The remuneration to the General Manager and Vice General Managers expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. (including stock and cash).

Note 4: The total value of various types of remunerations paid to the Company's General Manager and Vice General Managers by all companies (including the Company) in the consolidated statement.

Note 5: Total value of various remunerations paid to each General Manager and Vice General Manager by the Company; disclose the name of the General Manager and Vice General Managers in the respective bracket.

Note 6: The total value of various types of remunerations paid to each of the Company's president and vice president by all companies (including the Company) in the consolidated statement; disclose the name of the president and vice president in the respective bracket.

Note 7: After-tax hand net profit refers to that shown in the individual financial statement of the past year.

Note 8: a. The value of related remunerations from re-invested businesses other than the subsidiaries that the Company's General Manager and Vice General Managers.

b. If the Company's General Manager and Vice General Managers received related remunerations from re-invested businesses other than the subsidiaries, such remunerations shall be consolidated in Field E of the bracket table.

c. Remuneration is the compensation, rewards, employee remunerations, and payments from performing tasks received by the Company's General Manager and Vice General Managers for serving as directors, supervisors, or managerial officers in a re-invested business other than the subsidiaries.

Note 9 : General Manager Danny Lin was dismissed due to changes in their positions on April 22, 2024.

(III) Remuneration to the five highest remunerated management personnel

職稱	姓名	薪資(A) (註 1)		退職退休金 (B)		獎金及特支費等 (C) (註 2)		員工酬勞金額(D) (註 3)				A、B、C 及 D 等四項總額及占 稅後純益之比例 (%) (註 7)		有無領取 來自子公司 以外轉 投資事業 酬金(註 8)
		本 公 司	合 併 公 司 (註 4)	本 公 司	合 併 公 司 (註 4)	本 公 司	合 併 公 司 (註 4)	本公司		合併公司 (註 4)		本 公 司	合 併 公 司 (註 4)	
								現 金 金 額	股 票 金 額	現 金 金 額	股 票 金 額			
Chief Executive Officer	Hsu, Cheng-Min	3,314	12,315	0	0	31,868	31,877	18,600	0	18,640	0	53,782 4.92%	62,832 5.74%	None
General Manager	Lee, Ming-Hsi	1,848	2,420	108	108	13,305	13,305	7,200	0	7,200	0	22,461 2.05%	23,033 2.11%	
General Manager	Lin, Ching-Yao	2,434	2,434	108	108	9,432	9,432	5,400	0	5,400	0	17,374 1.59%	17,374 1.59%	
General Manager	Danny, Lin	2,379	3,047	108	108	8,189	8,189	5,400	0	5,400	0	16,076 1.47%	16,744 1.53%	
Vice General	George, Chao	1,513	1,666	106	106	4,219	4,219	2,200	0	2,200	0	8,038 0.73%	8,191 0.75%	

(IV) Names of managerial officers assigned with employee remuneration and the distribution

Unit: NTD 000's; %

	Job Title	Name	Stock value	Cash value	Total	Ratio of sum to after-tax net profit
Manager	Chief Executive Officer	Hsu, Cheng-Min	0	18,600	18,600	1.70%
	General Manager	Lee, Ming-Hsi	0	7,200	7,200	0.66%
	General Manager	Lin, Ching-Yao	0	5,400	5,400	0.49%
	General Manager	Danny, Lin	0	5,400	5,400	0.49%
	Vice General Manager	George, Chao	0	2,200	2,200	0.20%
	Vice General Manager	Song, Pei-Yi	0	1,800	1,800	0.16%
	Vice General Manager	Jackson, Chen	0	2,000	2,000	0.18%
	Vice General Manager	Hu, Hsiu-Hsing	0	2,200	2,200	0.20%
	Manager of the Manufacturing Department	Pan, Tai-Feng	0	900	900	0.08%
	Director of Engineering Office	Kao, Mao-Sheng	0	1,400	1,400	0.13%
	Manager of the Management Department	Chiang, Chih-Cheng	0	700	700	0.06%
	Director of the Administration Department	Chen, Hao-Jen	0	1,300	1,300	0.12%
	Director of the Manufacturing Department	Tien, Huan-Sheng	0	1,300	1,300	0.12%
	Director of the Business Operation Office	Chiu, Ling-Kai	0	900	900	0.08%

Note 1: Employee remuneration (including stock bonus and cash bonus) distributed to managerial officers proposed to be distributed to managers this year based on the actual distribution amount last year. After-tax net profit refers to that shown in the individual financial statement of the past year.

Note 2: The scope of application for managerial officers is based on the Taiwan Finance Certificate III No. 0920001301 letter dated March 27, 2003. It is as follows:

- (1) General Manager and equivalent;
- (2) Vice General Manager and equivalent;
- (3) Assistant Vice General Manager and equivalent;
- (4) Head of Finance;
- (5) Head of Accounting;
- (6) Other people taking care of the management and with the right to give a signature.

3. Analysis of ratios of total remunerations paid to Directors, the General Manager, and the Vice General Managers of the Company for the past two years to the after-tax net profit and information on the policy, criteria, and combination of remunerations paid, the procedure to define the remuneration, and the correlation with business performance

(1) Analysis of ratios of total remunerations paid to directors, the General Manager, and the Vice General Managers of the Company for the past two years to the after-tax net profit

Payee	Year	2023		2022	
		The Company	The Group	The Company	The Group
Director (Including Independent Director)		11.35	12.37	16.88	17.60
General Manager and Vice General Manager		12.90	13.85	17.23	18.12

Note : In the fiscal year 2023, the total remuneration of Directors, General Manager, and Vice General Manager of our company decreased compared to the fiscal year 2022, in terms of the proportion to the profit after-tax ratio. This reduction is attributed to the decrease in profit after tax in the fiscal year 2023, leading to a decrease in the appropriation for Directors' remuneration and the remuneration of the General Manager and Vice General Manager.

(2) Correlation between the remuneration payment policy, criteria, and combination, remuneration establishment procedures and management efficacy

(A) For the remuneration of directors of the Company, the Board of Directors is authorized to determine the remuneration of directors of the Company based on their participation level in the operation of the Company and contribution value along with the common standard adopted in the same industry. Accordingly, the remunerations specified in the “Regulations for Remuneration of Directors and Remuneration Distribution” reviewed by the Remuneration Committee and approved by the Board of Directors of the Company are as follows:

- ◆ Fixed remuneration: Only independent directors of the Company execute works independently according to their job duties and participates in the corporate governance. Are entitled to receive remuneration within the range of not higher than NT\$10,000, as a fixed remuneration for execution of job duties. However, regular directors shall not collect fixed remuneration.
- ◆ Transportation allowance: It refers to the traffic and transportation fee collected by directors for proceeding to the Company for meeting. Only directors attending meetings in person may collect transportation allowance within the range not higher than NT\$15,000 in principle.
- ◆ Remuneration of directors: When the Company has a surplus earning for a fiscal year, according to Article 32 of the Articles of Incorporation of the Company, an amount less than 3% of the surplus earning is appropriated as the remuneration of directors. The Company periodically assesses the remuneration of directors according to the “Rules for Performance Evaluation of Board of Directors”, and relevant performance evaluation and salary reasonableness are reviewed by the Remuneration Committee and the Board of Directors.

(B) The salary structure for the Presidents and Vice Presidents of the Company includes the base salary, allowance for job positions, allowance for job duties, difference determined according to individual educational background, experience, performance and seniority, along with the consideration of the standard adopted in the same industry and the “Regulations for Managerial Officer Salary Standard, Year-End Bonus and Employee Remuneration Distribution” in

order to pay salaries to Presidents and Vice Presidents on a monthly basis. In addition, when the Company has a surplus earning for a fiscal year, an amount of 5%~15% of the surplus earning is appropriated as the remuneration of employees according to Article 32 of the Articles of Incorporation of the Company. For any adjustment of the Regulations for Managerial Officer Salary Standard, Year-End Bonus and Employee Remuneration Distribution, the Remuneration Committee shall propose evaluation recommendation, and the approval of the Board of Directors shall be obtained, the same requirement is applied to adjustment thereof.

- (C) The combination of remuneration payment of the Company is specified according to the Remuneration Committee Charter and includes cash remuneration, stock option, profit sharing and stock ownership, pension welfare and severance pay, various allowances and other measures for substantial rewards. Its scope is consistent with the remuneration of directors and managerial officers specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies. For the fiscal year 2023, the Company's net profit after tax decreased by 25.69% compared to the same period last year. The appropriation ratio for directors' emoluments and employee remuneration decreased compared to the previous year, resulting in a decrease in remuneration for directors, general managers, and deputy general managers compared to the fiscal year 2022.
- (D) Procedure for remuneration establishment:
- ◆ To periodically evaluate the remuneration of directors and managerial officers, the evaluation results performed according to the “Rules for Performance Evaluation of Board of Directors” and the “Evaluation and Performance Management Regulations” applicable to managerial officers and employees are used as the determination basis.
 - ◆ Relevant performance evaluation and remuneration reasonableness of directors and managerial officers of the Company are periodically evaluated and reviewed by the Remuneration Committee and the Board of Directors annually. In addition to the review of individual performance achievement rate and contribution to the Company, the overall operation performance, industry future risk and development trend of the Company are also considered. Furthermore, the actual operation status and relevant laws and regulations are reviewed timely with respect to the remuneration system, and the current corporate governance trend is comprehensively considered, in order to provide reasonable remuneration, thus achieving balance between sustainable operation and risk control of the Company. The actual issuance amount of the 2023 remuneration of directors and managerial officers, are reviewed by the Remuneration Committee, followed by submitting to the Board of Directors for resolution.
- (E) Correlation between business performance and future risk:
- ◆ The review of the remuneration policy related payment standard and system of the Company is mainly based on the overall operation status of the Company, and the payment standard is determined according to the performance achievement rate and contribution level, in order to improve the performance of the Board of Directors and management. In addition, the remuneration standard adopted in the industry is also considered, in order to ensure that the remuneration for the management of the Company is competitive, thus retaining outstanding management talents.
 - ◆ The managerial officer performance goal of the Company is linked to each relevant human resource and relevant remuneration policy according to the rating result of actual performance evaluation. For important decisions made by the

management of the Company, various risk factors are considered in advance, and the performance of relevant decisions reflect in the profit status of the Company.

IV. Implementation of Corporate Governance

(I) Operational Status of the Board of Directors

Seating and attendance of directors in the 11 meetings of the Board of Directors in the past year up to the date the Annual Report was printed are as follows:

Job Title	Name	Attendance in person	Attendance through proxy	Ratio of attendance in person	Remarks
Chairman	Hsu, Cheng-Min	11	0	100.00	—
Director	Lee, Ming-Hsi	9	2	81.82	—
Director	Chen, Chih-Hung	5	0	100.00	Note
Director	Lin, Chen-Min	11	0	100.00	—
Director	Chiang, Rong-Kuo	11	0	100.00	—
Director	Hsu, Ming-Chieh	11	0	100.00	—
Director	Hsu, Ming-Hung	11	0	100.00	—
Director	Lan, Iing-Iing	11	0	100.00	—
Director	Lee, Jen-Shin	11	0	100.00	—
Director	Hou, Shang-Wen	11	0	100.00	—
Director	Hocheng Corporation Representative: Chiu, Chi-Hsin	11	0	100.00	—
Director	YADA Investment Ltd. Representative: Chiu, Ting-Wen	11	0	100.00	—
Independent Director	Huang, Leei-May	11	0	100.00	—
Independent Director	Hsiao, Shyh-Chyi	11	0	100.00	—
Independent Director	Lin, Chiu-Lien	11	0	100.00	—
Independent Director	Chung, Yi-Fang	6	0	100.00	Note

Note : Director Chen, Chih-Hung resigned from his position and submitted his resignation letter on March 14, 2023. His resignation was effective on June 9, 2023. Our company held a by-election on June 9th, 2023 to appoint an Independent Director, and Ms. Chung, Yi-Fang assumed the position of Independent Director.

Other details to be documented:

1. Matters listed in Article 14-3 of the Securities and Exchange Act:

Since we have established an Audit Committee, therefore, the provisions of Article 14-3 of the Securities and Exchange Act do not apply. Please refer to pages 34-40 for relevant information.

2. Besides the foregoing, other resolutions reached in Board of Directors' meetings objected to or with reservations expressed by independent directors that are recorded or documented in written statements: None.

3. Recusal of directors/independent directors upon conflicts of interest in proposals being discussed:
- (1) Fourteenth Meeting of the 10th Session of the Board of Directors on January 11, 2023
Proposal: Lifting of the Non-Competition Restriction on Directors.
Directors who recused themselves from the discussion and voting: Lee, Ming-Hsi.
Reasons for recusal and participation in voting: Following Article 206 of the Company Act, the resolution was approved unanimously by the Chairman after consultation with the other directors present, except for Director Lee, Ming-Hsi, who recused himself and did not participate in the voting.
 - (2) Fourteenth Meeting of the 10th Session of the Board of Directors on January 11, 2023
Proposal: Lifting of the Non-Competition Restriction on Managerial Officers.
Directors who recused themselves from the discussion and voting: Lee, Ming-Hsi.
Reasons for recusal and participation in voting: Following Article 206 of the Company Act, the resolution was approved unanimously by the Chairman after consultation with the other directors present, except for Director Lee, Ming-Hsi, who recused himself and did not participate in the voting.
 - (3) Fourteenth Meeting of the 10th Session of the Board of Directors on January 11, 2023
Proposal: 2022 Managerial Officer's Year-End Bonus Payment Criteria.
Directors who recused themselves from the discussion and voting: Hsu, Cheng-Min, Lee, Ming-Hsi, Hsu, Ming-Chieh and Hsu, Ming-Hung.
Reasons for recusal and participation in voting: Following Article 206 of the Company Act, the resolution was approved unanimously by the Acting Chairman after consultation with the other directors present, except for four directors, namely, Hsu, Cheng-Min, Lee, Ming-Hsi, Hsu, Ming-Chieh and Hsu, Ming-Hung, who recused themselves and did not participate in the voting.
 - (4) Fifteenth Meeting of the 10th Session of the Board of Directors on March 14, 2023
Proposal: Lifting of the Non-Competition Restriction on Directors.
Directors who recused themselves from the discussion and voting: Lee, Ming-Hsi.
Reasons for recusal and participation in voting: Following Article 206 of the Company Act, the resolution was approved unanimously by the Chairman after consultation with the other directors present, except for Director Lee, Ming-Hsi, who recused himself and did not participate in the voting.
 - (5) Fifteenth Meeting of the 10th Session of the Board of Directors on March 14, 2023
Proposal: Lifting of the Non-Competition Restriction on Managerial Officers.
Directors who recused themselves from the discussion and voting: Lee, Ming-Hsi.
Reasons for recusal and participation in voting: Following Article 206 of the Company Act, the resolution was approved unanimously by the Chairman after consultation with the other directors present, except for Director Lee, Ming-Hsi, who recused himself and did not participate in the voting.

- (6) Seventeenth Meeting of the 10th Session of the Board of Directors on May 12, 2023
Proposal: The company has proposed revisions to certain sections of the "Regulations Governing the Managerial Officers' Remuneration Criteria, Year-End Bonuses and Employee Remuneration Payment".
Directors who recused themselves from the discussion and voting: Hsu, Cheng-Min, Lee, Ming-Hsi, Hsu, Ming-Chieh and Hsu, Ming-Hung.
Reasons for recusal and participation in voting: Following Article 206 of the Company Act, the resolution was approved unanimously by the Acting Chairman after consultation with the other directors present, except for four directors, namely, Hsu, Cheng-Min, Lee, Ming-Hsi, Hsu, Ming-Chieh and Hsu, Ming-Hung, who recused themselves and did not participate in the voting.
- (7) Seventeenth Meeting of the 10th Session of the Board of Directors on May 12, 2023
Proposal: 2022 Employee Remuneration Distribution Plan.
Directors who recused themselves from the discussion and voting: Hsu, Cheng-Min, Lee, Ming-Hsi, Hsu, Ming-Chieh and Hsu, Ming-Hung.
Reasons for recusal and participation in voting: Following Article 206 of the Company Act, the resolution was approved unanimously by the Acting Chairman after consultation with the other directors present, except for four directors, namely, Hsu, Cheng-Min, Lee, Ming-Hsi, Hsu, Ming-Chieh and Hsu, Ming-Hung, who recused themselves and did not participate in the voting.
- (8) Twentieth Meeting of the 10th Session of the Board of Directors on November 13, 2023
Proposal: Lifting of the Non-Competition Restriction on Directors.
Directors who recused themselves from the discussion and voting: Lee, Ming-Hsi.
Reasons for recusal and participation in voting : Except for directors who were required to abstain from discussion and voting according to the law, the remaining attending directors, after consultation with the Chairman, unanimously agreed to pass the resolution.
- (9) Twentieth Meeting of the 10th Session of the Board of Directors on November 13, 2023
Proposal: Lifting of the Non-Competition Restriction on Managerial Officers.
Directors who recused themselves from the discussion and voting: Lee, Ming-His.
Reasons for recusal and participation in voting : Except for directors who were required to abstain from discussion and voting according to the law, the remaining attending directors, after consultation with the Chairman, unanimously agreed to pass the resolution.
- (10) Twenty-first Meeting of the 10th Session of the Board of Directors on February 2, 2024
Proposal: 2023 Managerial Officer's Year-End Bonus Payment Criteria.
Directors who recused themselves from the discussion and voting: Hsu, Cheng-Min, Lee, Ming-Hsi, Hsu, Ming-Chieh and Hsu, Ming-Hung.
Reasons for recusal and participation in voting: Following Article 206 of the Company Act, the resolution was approved unanimously by the Acting

Chairman after consultation with the other directors present, except for four directors, namely, Hsu, Cheng-Min, Lee, Ming-Hsi, Hsu, Ming-Chieh and Hsu, Ming-Hung, who recused themselves and did not participate in the voting.

4. The evaluation of the Board of Directors and functional committees' performance (has been submitted to the Board of Directors on March 15th, 2024)

Evaluation cycle	Evaluated period	Evaluation scope	Evaluation method	Evaluation content Assessment Result	Evaluation content Assessment Result
Once a year	January 1, 2023~ December 31, 2023	Entirety of board of directors	Internal self-evaluation of board of directors	Measurement items for the performance evaluation of board of directors include 1. Participation in the operation of the company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; and 5. Internal control.	The evaluation result score of 88 points is higher than the standard score, indicating that the board of directors bears the responsibilities for providing proper guidance and supervising strategies, major business and risk management of the Company, and is also able to establish proper internal control system, to improve overall operation status and to comply with the requirements of corporate governance.
Once a year	January 1, 2023~ December 31, 2023	Individual board member	Board member selfevaluation	Measurement items for the self-performance evaluation of board members include 1. Alignment of the goals and mission of the company; 2. Awareness of the duties of a director; 3. Participation in the operation of the company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; and 6. Internal control.	The evaluation result score of 89.93 points (average) is higher than the standard score, indicating that each director receives positive evaluation result in the operational efficiency and outcome for all indicators.
Once a year	January 1, 2023~ December 31, 2023	Functional committees (Compensation and Remuneration Committee)	Internal selfevaluation of board of directors	Measurement items for the performance evaluation of functional committee include 1. Participation level in the operation of the company; 2. Awareness of the duties of the functional committee; 3. Improvement of quality of decisions	The evaluation result score of 89 points is higher than the standard score, indicating that the functional committee overall operation status is complete and complies with the requirements of corporate governance, such that it is able to effectively enhance the

Evaluation cycle	Evaluated period	Evaluation scope	Evaluation method	Evaluation content Assessment Result	Evaluation content Assessment Result
				made by the compensation and remuneration committee; 4. Composition of the functional committee and election of its members; 5. Internal control	functions of the board of directors.
Once a year	January 1, 2023~ December 31, 2023	Functional committees (Audit Committee)	Internal self-evaluation of board of directors	Measurement items for the performance evaluation of functional committee include 1. Participation level in the operation of the company; 2. Awareness of the duties of the functional committee; 3. Improvement of quality of decisions made by the audit committee; 4. Composition of the functional committee and election of its members; 5. Internal control	The evaluation result score of 89 points is higher than the standard score, indicating that the functional committee overall operation status is complete and complies with the requirements of corporate governance, such that it is able to effectively enhance the functions of the board of directors

(II) Operation of the Audit Committee

Seating of members in the 11 meetings held by the Audit Committee in the past year up to the date the Annual Report was printed is as follows:

Job Title	Name	Attendance in person	Attendance through proxy	Ratio of attendance in person	Remarks
Convener	Huang, Leei-May	11	0	100.00	—
Member	Hsiao, Shyh-Chyi	11	0	100.00	—
Member	Lin, Chiu-Lien	11	0	100.00	—
Member	Chung, Yi-Fang	6	0	100.00	Note

Note: The Company held a by-election on June 9th, 2023, to appoint an Independent Director. Ms. Chung, Yi-Fang assumed the position on June 9th, 2023.

Other details to be documented:

1. Matters listed in Article 14-5 of the Securities and Exchange Act: Refer to Pages 35-40 for details.
2. Besides those mentioned in the foregoing, other resolutions with approval by two-thirds and more of all directors despite the failure to be approved by the Audit Committee: None.
3. Recusal of independent directors upon conflicts of interest in proposals being discussed: This did not happen.
4. The Company's Audit Committee was established on June 8, 2018 to replace the function of existing supervisors. Each Independent Director serves as an ex officio

member. For the current term, the Convener and Chairman of the Audit Committee from July 1st, 2021 to June 30th, 2024 shall be Ms. Huang, Leei-Mei.

5. The Company's Board of Directors approved on March 16, 2018 the Organic Rules of the Audit Committee to be followed. The Audit Committee shall, as defined in the Organic Rules, aim primarily to supervise adequate expressions in the Company's financial statements, the selection (dismissal) of CPAs and their independence and performance, effective implementation of internal control, compliance with applicable laws and regulations, control with existing or potential risks.

The Company's Audit Committee met a total of 12 times in the past year up to the Date the Annual Report was printed primarily to deliberate on:

- (1) Audit of financial statements
- (2) Internal control system and related policies and procedures
- (3) Major asset transactions, loaning of funds and making endorsements/guarantees.

6. Important decisions of the Audit Committee:

Date	Meeting Session	Summary of Contents		Opinions from audit members and how the Company addresses them	Matters specified under Article 14-5 of the Securities and Exchange Act
2023.01.11	2 nd Session 12 th meeting	1.	Proposal to change the Head of the Audit Office	To accommodate the operational needs of the group, all members have agreed to withdraw the case temporarily, research and discuss it further before submitting an alternative proposal.	Yes
		2.	Review of lifting the non-competition restriction on Directors.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		3.	Review of lifting the non-competition restriction on Managerial Officers.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		4.	Review of the continued injection of USD10 million of capital into Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		5.	Review of borrowings of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. from Taiwan Printed Circuit Board Techvest Co., Ltd. for purpose of financing.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2023.03.14	2 nd Session 13 th meeting	1.	Review of the remuneration for employees and that for directors are distributed for 2022.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	No
		2.	Review of the Company's 2022 Financial Statements.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		3.	Review of the 2022 Internal Control System Declaration.	The resolution was approved by all members without objection and was submitted for approval by the	Yes

Date	Meeting Session	Summary of Contents	Opinions from audit members and how the Company addresses them	Matters specified under Article 14-5 of the Securities and Exchange Act
			directors who participated in the discussion and voting.	
		4. Review of borrowings of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. from Taiwan Printed Circuit Board Techvest Co., Ltd. for purpose of financing.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		5. Review the company's proposed revisions to certain articles of the "Rules of Procedure for Shareholders Meetings".	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	No
		6. Review the company's proposed revisions to certain articles of the "Standard Operating Procedures for Handling Requests From Directors".	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		7. Review the company's proposed revisions to certain articles of the "Corporate Governance Best Practice Principles".	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	No
		8. Review the company's reappointment of the CPA for the fiscal year 2023.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		9. Review of lifting the non-competition restriction on Directors.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		10. Review of lifting the non-competition restriction on Managerial Officers.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2023.04.25	2 nd Session 14 th meeting	1. Review of the Company's 2022 Business Report.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		2. Review of the distribution of earnings for 2022.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		3. Review the company's proposed revisions to certain articles of the "Articles of Incorporation".	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	No

Date	Meeting Session	Summary of Contents	Opinions from audit members and how the Company addresses them	Matters specified under Article 14-5 of the Securities and Exchange Act
		4. Review the company's proposal to remove the "Audit of Procedure for Lending Funds to Guarantee" and "Management of Loans to Others" sections from the 'Implementation Rules for Internal Audit - Financing Cycle'.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		5. Review the proposal to change the Head of the Audit Office	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2023.04.25	2 nd Session 14 th meeting	6. Review of lifting the non-competition restriction on Managerial Officers.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	No
2023.05.12	2 nd Session 15 th meeting	1. Review of the Company's Consolidated Financial Statement for the first quarter of 2023.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	No
		2. Review the company's endorsement and guarantee as well as the credit facility for Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2023.05.26	2 nd Session 16 th meeting	1. Review the endorsement and guarantee provided by our Company to Chi Chau Printed Circuit Board (Vietnam) Co., Ltd., as well as their credit checking proposal.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		2. Review our Company's procurement of equipment on behalf of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2023.08.11	2 nd Session 17 th meeting	1. Review of the Company's Consolidated Financial Statement for the second quarter of 2023.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	No
		2. Review the financing loan proposal where Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. seeks funding from our Company.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		3. Review the amendment proposal to the capital increase for Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes

Date	Meeting Session	Summary of Contents	Opinions from audit members and how the Company addresses them	Matters specified under Article 14-5 of the Securities and Exchange Act
		4. Review amending our Company's internal control system regarding the "Labor and Wage Cycle".	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		5. Review the amendment proposal of our Company's Measures for Handling the Reports on Illegal, Unethical, and Dishonest conduct.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2023.11.13	2 nd Session 18 th meeting	1. Review of the Company's Consolidated Financial Statement for the third quarter of 2023.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2023.11.13	2 nd Session 18 th meeting	2. Review of the proposal for the professional fees paid by the company to the CPA for auditing in fiscal year 2023.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		3. Review the cancellation of our Company's endorsement guarantee and credit checking proposal for Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		4. Review the appropriation proposal of net income for TPT International Co., Ltd.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		5. Review of the liquidation proposal of TPT International Co., Ltd.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		6. Review the addition of measures for the administration of the operation of the Audit Committee and Remuneration Committee, as well as the internal control system and implementation rules for internal audits. Additionally, it includes the amendment of the internal audit implementation rules for the Remuneration Committee.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		7. Review and propose amending certain articles of our Company's internal control system related to the procedures for handling material inside information.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		8. Review of the 2024 Audit Plan.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the	Yes

Date	Meeting Session	Summary of Contents	Opinions from audit members and how the Company addresses them	Matters specified under Article 14-5 of the Securities and Exchange Act
			discussion and voting.	
		9. Review of lifting the non-competition restriction on Directors.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		10. Review of lifting the non-competition restriction on Managerial Officers.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2024.02.02	2 nd Session 19 th meeting	1. Review the financing loan proposal where Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. seeks funding from our Company.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2024.03.15	2 nd Session 20 th meeting	1. Review of the Company's 2023 Financial Statements.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		2. Review the assessment of the effectiveness of the internal control system for the fiscal year 2023, as well as the Internal Control System Statement proposal for the same period.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		3. Review proposed amendments to certain articles of our Company's " Handling Procedures for Providing Endorsements and Guarantees for Third Parties.".	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		4. Review proposed amendments to certain articles of our Company's " Handling Procedures for Capital Lending.".	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		5. Review the company's reappointment of the CPA for the fiscal year 2024.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
2024.04.22	2 nd Session 21 st meeting	1. Review of the Company's 2023 Business Report.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes
		2. Review of the distribution of earnings for 2023.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes

Date	Meeting Session	Summary of Contents		Opinions from audit members and how the Company addresses them	Matters specified under Article 14-5 of the Securities and Exchange Act
2024.05.13	2 nd Session 22 nd meeting	1.	Review of the Company's Consolidated Financial Statement for the first quarter of 2024.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	No
		2.	Review the company's endorsement and guarantee as well as the credit facility for Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	The resolution was approved by all members without objection and was submitted for approval by the directors who participated in the discussion and voting.	Yes

7. Communication between independent directors and internal audit heads and CPAs:

- (1) The head of internal audit, after the audit report and the follow-up report have been submitted for approval, delivers them to each independent director by the end of the month following completion of the audits for the latter's review. If independent directors need further information about how the audit is implemented and the follow-up outcome, they may contact the head of the audit at any time. The head of internal audit is also seated in the Board of Directors' meeting to report the audit operation and answer questions and take part in discussions.
- (2) The independent directors communicated with the head of the audit regarding the implementation status of the audit plan for each quarter of 2023 and some of the implementation details on March 14, 2023, April 28, 2023, May 12, 2023, August 11, 2023, November 13, 2023, and March 15, 2024, April 22, 2024, May 13, 2024, respectively. While performing the audits in 2022, the audit unit did not find major anomalies or violations and matters that should be reported to the independent directors immediately.
- (3) The independent directors communicated and discussed the update of important laws and regulations (including the TIFRS) and key matters being inspected with the CPA(s) on March 8, 2024.

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

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance principles following the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the Corporate Governance Best Practice Principles to govern the protection of shareholder equity, reinforcement of the Board of Directors' function, respect of the rights of the stakeholders, and improvement of information transparency. For the Company's Corporate Governance Best Practice Principles, visit the Company's website.	No difference
II. Shareholding Structure and Shareholder Equity				No difference
1. Does the company establish internal operating procedures for addressing suggestions from, concerns of, disputes, and lawsuits involving shareholders and implement the procedures?	✓		1. The Company has a spokesperson and acting spokespersons to address suggestions from or disputes involving shareholders.	
2. Does the Company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	✓		2. The Company has an agency to take care of its stock affairs and someone is assigned to take charge of staying in touch with shareholders, keeping track of the list of major shareholders that control the Company, and maintaining optimal relations with major shareholders.	
3. Has the Company established and implemented risk management and firewall mechanisms with its affiliates?	✓		3. The Company has established the Operating Procedure for Transactions with Related Parties, Specific Companies, and Group Businesses and has enforced risk control between the Company and its affiliates and the appropriate firewall mechanisms as required by law.	
4. Has the Company established internal rules against insider trading with undisclosed information?	✓		4. The Company has established the Operating Procedure for Handling Major Internal Information to prevent against insider trading.	
III. Composition and Responsibilities of the Board of Directors				No difference
1. Has the Board of Directors developed a diversification policy, specific management objectives, and implemented them	✓		1. The diversification policy is defined under Chapter 3 "Reinforced Function of Board of Directors" of the Company's Corporate Governance Best Practice Principles. The nomination of the Board of Directors members and their screening is based on the requirements of the Company's Articles of	

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1.Has the Board of Directors developed a diversification policy, specific management objectives, and implemented them	✓		<p>Incorporation. The candidate nomination system is adopted. Besides the education and experience of each candidate, opinions from stakeholders are taken into consideration and the Directors' Election Regulations and the Corporate Governance Best Practice Principles are followed to ensure the diversification and independence of members of the Board of Directors.</p> <p>The company's 10th Board of Directors includes 15 Directors, including 4 Independent Directors. Among them, 6 directors are female and possess strong leadership, business judgment, operation and management skills, crisis management, industry knowledge, and decision-making abilities, such as Chen, Chih-Hung, Li, Ming-Hsi, Hsu, Cheng-Min, Chiang, Jung-Kuo, and Chiu, Chi-Hsin. Directors with accounting and financial analysis skills include Lin, Chen-Min, Hou, Hsiang-Wen, Huang, Li-Mei; Hsu, Ming-Chieh and Hsu, Ming-Huang specialize in administrative management and marketing respectively. Lan, Ying-Ying, Chiu, Ting-Wen have experience in procurement management. Chung, Yi-Fang have experience in social service affairs. Li, Cheng-Hsin, Hsiao, Shih-Chi and Lin, Chiu-Lien are well-versed in investment and financial matters.</p> <p>Our company's independent directors account for 27%, female directors account for 40%, and directors who are also employees of the company account for 20%. Two independent director has served for less than three years, one for 4-6 years, and one for 7-9 years. Three directors are over 70 years old, six are between 61-70 years old, four are between 51-60 years old, one is between 41-50 years old, and one is between 31-40 years old. Our company attaches importance to gender equality in the composition of the Board of Directors, with a target of over 30% female directors.</p> <p>The diversification policy for the composition of the Board of Directors has been disclosed on the Company's website.</p>	No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
2. Does the Company voluntarily establish other functional committees in addition to the Compensation and Remuneration Committee and the Audit Committee that are established as required by laws?	✓		2. Besides the Compensation and Remuneration Committee that has been established as required by law, the Company set up the Sustainable Development Committee in 2018. The Committee is run by respective departments reflective of their function.	No difference
3. Has the Company established standards and methods for evaluating the performance of the Board of Directors, and does the Company implement the performance evaluation periodically and submit results of the performance evaluation to the Board of Directors, and use them for reference while deciding compensation and rewards for individual directors and nominating them for a second term in office?	✓		3. The Company periodically reflects upon the efficacy of the Board of Directors and is gradually enhancing corporate governance and has established the Board of Directors Performance Evaluation Guidelines and its evaluation method that is being reviewed and revised every year. The Remuneration Committee and the Board of Directors determine the remuneration of directors and consider nominations for reelection based on the company's operating performance and director performance evaluation results. The performance evaluation of the 2023 Board of Directors and the functional committees were submitted to the Board of Directors on March 15, 2013. Please refer to page 33-34 for details of the evaluation results.	
4. Does the Company regularly evaluate the independence of CPAs?	✓		3. Our company's Finance Department evaluates the independence and suitability of the signing accountant once a year, by the end of January. This evaluation includes consideration of the audit quality indicators (AQIs) provided by KPMG for the fiscal year 2022. The assessment results for Accountants Chen Yi-Chun and Lien Shu-Ling were satisfactory, meeting the Company's standards for independence and suitability as signing accountants. The evaluation outcomes were reported to the Board of Directors on March 15th, 2024. For more details on the evaluation criteria, please refer to page 49-50.	

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
IV. Has the Company appointed a competent and appropriate number of personnel responsible for corporate governance matters, and delegated the company's corporate governance supervisors to be in charge of such matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors in complying with laws and regulations, handling matters related to Board meetings and shareholders meetings according to the law, and producing minutes of the Board meetings and shareholders meetings)	✓		<p>1. The Company set up its head of corporate governance on May 11, 2021 to be the highest-ranking official and to take charge of corporate governance-related affairs and competent people are configured to handle corporate governance-related affairs.</p> <p>2. The head of corporate governance is responsible for the supervision. The stock affairs unit is responsible for performing tasks concerning corporate governance, including matters related to each Board of Directors' meeting and general shareholders meeting, producing the minutes of the Board of Directors' meeting and shareholders meeting, applying for change of registration, providing directors with materials required for them to perform duties, and periodically providing directors with information on continuing education, regular reports to the Board of Directors include the examination results of the qualifications of Independent Directors during nomination, appointment, and tenure, as well as other matters stipulated in the Company's Articles of Incorporation or contracts.</p> <p>3. At present, the head of corporate governance is Hu, Hsiu-Hsing, who is also the Vice Manager of the Finance Department and is known for her abundant financial background and prior practical experience working as a professional manager.</p> <p>4. Continuing education for the head of corporate governance, please refer to page 49.</p>	No difference
V. Has the Company established a communication channel and set up a designated section on its website for stakeholders (including, without limitation, shareholders, employees, customers, suppliers, etc.) and properly respond to corporate social responsibility issues that stakeholders are concerned about?	✓		For corresponding financial institutions and creditors of the Company, there are related departments and staff to be responsible for providing sufficient information. There are also smooth communications with employees so that stakeholders have sufficient information to make a judgment and protect their rights.	No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VI. Does the Company designate a professional shareholder service agency to deal with affairs relating to shareholders meetings?	✓		The Company authorizes the Registrar of KGI Securities Corporation to deal with shareholders meetings-related affairs.	No difference
VII. Disclosure of Information				No difference
1. Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance status?	✓		Information about the financial operation and corporate governance have been disclosed on the Company's website (http://www.tpt-pcb.com.tw).	
2. Does the Company adopt other ways of disclosing information (e.g., maintaining an English website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conferences on the company website)?	✓		There is a specialist to take charge of collecting and disclosing corporate information and the spokesperson system has been enforced as required.	
3. Does the Company announce and declare its Annual Financial Statement within two months after a fiscal year ends and announce and declare the financial statements for the first, second, and third quarters and operational status of each month earlier than the required deadline?	✓		The Company announces and declares its financial statements by the given deadline for each quarter now and announces the operational status of each month on time.	

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VIII. Is there any other important information available to facilitate a better understanding of the Company's corporate governance operational status (including without limitation employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>1. Employee benefits and employee care: The Employee Welfare Committee is established. The members are elected among the employees. The Committee takes care of various welfare matters. Meanwhile, the pension fund is allocated and set aside as required by the Labor Standards Act and the Labor Pension Act.</p> <p>2. Investor relations: The Company holds the shareholders meeting according to the Company Act and applicable laws and regulations yearly and shareholders are given sufficient opportunities to ask questions and introduce proposals. There are also spokespersons to address suggestions from, concerns of, and disputes involving shareholders. The Company also takes care of announcing and declaring related information as required by the competent authority and provides various on-time information that may impact investors' decisions.</p> <p>3. Supplier relations: Attention is paid to the legitimacy of pricing. Unit prices, specifications, payment terms, lead time, product and service quality, or other data are sufficiently compared before a decision is made. The Company also forms a long-term close relationship with suppliers, coordinates and works with them, and trust and benefit each other while jointly pursuing sustainability, a win-win situation, and mutual growth.</p> <p>4. Rights of stakeholders: The Company keeps smooth communications with corresponding banks, employees, customers, and suppliers and respect and protects the legal rights they are entitled to. There are also spokespersons to answer questions from investors to that investors and stakeholders are provided with highly transparent information about the financial standing of the Company.</p> <p>5. Continuing Education of Directors: The Company provides directors with information on suitable continuing education courses from time to time.</p>	No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VIII. Is there any other important information available to facilitate a better understanding of the Company's corporate governance operational status (including without limitation employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>6. Implementation of the Risk Management Policy and Risk Evaluation Criteria: The Company has established the Procedure for the Acquisition or Disposal of Assets, the Operational Procedures for Endorsements and Guarantees and Guarantees, and the Operational Procedures for Loaning of Company Funds, among others, to serve as the criteria for risk control and risk evaluation while the implementation unit and the audit unit of the Company performs the above-mentioned tasks.</p> <p>7. Implementation of Customer Policy: To provide customers with comprehensive service and protection, the Company communicates in real-time with customers and sufficiently on their complaints to know what they need and to boost the interaction between the Company and the customers and their complaints are reflected upon in production and distribution meetings from time to time to seek improvements.</p> <p>8. The Company has had directors covered by liability insurance.</p>	No difference
IX. Improvements already made by the Company according to the governance evaluation results released in the past year by the corporate governance center of Taiwan Stock Exchange and matters and measures to be prioritized are as follows.				
Evaluation item	Actual improvements in 2023		Priorities in 2024	
Protection of shareholder equity and fair treatment of shareholders	Have hired internal auditors who hold international certifications in internal auditing to continuously strengthen our company's internal control and supervisory procedures.		Record the significant content of shareholders' inquiries and the company's responses during the proceedings of the Regular Meeting of Shareholders in the minutes.	
Enhanced Information Transparency	Have strengthened the disclosure of corporate governance information on the company's website.		Prepare the Sustainability Report under the GRI Universal Standards and upload it to the Taiwan Stock Exchange Market Observation Post System and the company's website for public access.	
Reinforce Board of Directors' Structure and Operation	—		To disclose the assessment process used by the Board of Directors to regularly (once annually) reference Audit Quality Indicators that assess the independence and capability of the Certified Public Accountants (CPAs).	

Continuing education for directors of the Company:

Job Title	Name	Date of inauguration	Date		Organizer	Course title	Hours involved	Remarks
			Start	End				
Director	Chiu, Ting-Wen	2021.07.01	2023.05.30	2023.05.30	Taiwan Corporate Governance Association	Enterprise emerging risk: climate change	3	—
Director	Chiu, Ting-Wen	2021.07.01	2023.07.11	2023.07.11	Taiwan Corporate Governance Association	Risks are everywhere, how to manage them effectively?	3	
Director	Chiu, Chi-Hsin	2021.07.01	2023.06.02	2023.06.02	Taiwan Corporate Governance Association	Enterprise Innovation Best Practice	3	—
Director	Chiu, Chi-Hsin	2021.07.01	2023.12.01	2023.12.01	Taiwan Corporate Governance Association	Trend and risk management of digital technology and artificial intelligence	3	—
Director	Hou, Shang-Wen	2021.07.01	2023.04.28	2023.04.28	Taiwan Corporate Governance Association	Board members' response practice to the information technology wave	3	—
Director	Lan, ling-ling	2021.07.01	2023.05.30	2023.05.30	Taiwan Corporate Governance Association	Enterprise emerging risk: climate change	3	—
Director	Lan, ling-ling	2021.07.01	2023.07.11	2023.07.11	Taiwan Corporate Governance Association	Risks are everywhere, how to manage them effectively?	3	
Independent Director	Huang, Leei-May	2021.07.01	2023.05.30	2023.05.30	Taiwan Corporate Governance Association	Enterprise emerging risk: climate change	3	—
Independent Director	Huang, Leei-May	2021.07.01	2023.07.11	2023.07.11	Taiwan Corporate Governance Association	Risks are everywhere, how to manage them effectively?	3	—
Independent Director	Hsiao, Shyh-Chyi	2021.07.01	2023.03.24	2023.03.24	Securities and Futures Institute	Financial information most easily overlooked by Directors	3	—
Independent Director	Hsiao, Shyh-Chyi	2021.07.01	2023.04.27	2023.04.27	Taiwan Stock Exchange	The Sustainable Development Action Plan for Listed and OTC-traded Companies	3	—
Independent Director	Lin, Chiu-Lien	2021.07.01	2023.04.14	2023.04.14	Taiwan Corporate Governance Association	Legal Risks and Responses to Enterprise Investment and Financing - From the Viewpoint of Corporate Directors' Responsibilities	3	—
Independent Director	Lin, Chiu-Lien	2021.07.01	2023.06.01	2023.06.01	Taiwan Investor	Establishment and key of enterprise	3	—

Job Title	Name	Date of inauguration	Date		Organizer	Course title	Hours involved	Remarks
			Start	End				
					Relations Institute	intellectual property management system		
Independent Director	Lin, Chiu-Lien	2021.07.01	2023.12.01	2023.12.01	Independent Director Association Taiwan	Tax Governance in the New Tax Environment	3	—
Independent Director	Chung, Yi-Fang	2023.06.09	2023.07.14	2023.07.14	Securities and Futures Institute	On the Director's Responsibility of Corporate Governance 3.0 Sustainable Development Roadmap	3	
Independent Director	Chung, Yi-Fang	2023.06.09	2023.09.23	2023.09.23	Taiwan Corporate Governance Association	Net Zero Sustainable Talents Training Class [Central Taiwan]-Carbon Sinks, Carbon Rights, and Carbon Trading	9	

Continuing education for the head of corporate governance:

Name	Date		Organizer	Course title	Hours involved	Remarks
	Start	End				
Hu, Hsiu-Hsing	2023.05.29	2023.05.29	Accounting Research And Development Foundation	The competent authority requires the establishment of audit and compliance practices for corporate governance personnel	6	—
Hu, Hsiu-Hsing	2023.06.20	2023.06.20	Accounting Research And Development Foundation	Internal control and audit practice of enterprise employee reward system	6	—

Relevant certifications for personnel involved in financial information transparency and designated by the competent authorities:

Certification	Department	No. of person
Institute of Internal Auditors – Chinese Taiwan	Audit Office	1
Certified Internal Auditor	Audit Office	1

Assessment criteria and results for the independence and competence of Certified Public Accountants:

Evaluation item	Assessment outcome	Independence and competence Yes or No
Whether or not the CPA has direct or significant indirect financial interests with the Company?	Y	Y
Whether or not the CPA has engaged in financing or guarantee activities with the Company or the Company's directors?	Y	Y
Whether or not the CPA has close business relationships with the Company and potential employment relationships?	Y	Y
Whether or not the CPA and members of the audit team have served as directors, managers, or personnel with significant	Y	Y

Evaluation item	Assessment outcome	Independence and competence Yes or No
influence on audit work in the Company within the past two years?		
Whether or not the CPA has provided non-audit services items to the Company that could directly influence audit work?	Y	Y
Whether or not the CPA has acted as an intermediary for the issuance of stocks or other securities by the Company?	Y	Y
Whether or not the CPA has acted as a defender for the Company or represented the Company in coordinating conflicts with third parties?	Y	Y
Whether or not the CPA has relatives in significant influence positions, such as directors, managers, or personnel with significant influence on audit cases within the Company?	Y	Y
Whether or not the Company has retained the same CPA without replacement for seven consecutive years, or if the CPA has been subject to disciplinary action or other circumstances prejudicial to his/her independence?	Y	Y
Whether or not there have been disciplinary actions from the Competent Authority, the CPA Association, or disciplinary actions taken under Paragraph 3 Article 37 of the Securities and Exchange Act?	Y	Y
Whether or not the quality and timelines of audit and tax services meet the requirements?	Y	Y
Whether or not the CPA maintains good communication with the Company's management and directors?	Y	Y
Whether or not the CPA provides proactive recommendations on the company's systems and internal control audits and maintains records of such recommendations?	Y	Y
Whether or not the CPA regularly updates the Company on tax affairs, securities regulations, and newly revised International Financial Reporting Standards?	Y	Y
Whether or not the members of the Audit Services Team demonstrate stability?	Y	Y
Whether or not the CPA assesses and supervises various risks existing or potentially present in the Company?	Y	Y

(IV) Compensation and Remuneration Committee

1. Membership of Compensation and Remuneration Committee :

Please refer to page 15-16 for information on the professional qualifications of directors and the independence of independent directors

2. Information on the Operational Status of the Compensation and Remuneration Committee

- (1) The Company's Compensation and Remuneration Committee consists of 3 members in total; each of them serves a term in office from July 1, 2021 to June 30, 2024.
- (2) Attendance of members in the 7 meetings held by the Compensation and Remuneration Committee in the past year up to the date the Annual Report was printed is as follows:

Job Title	Name	Attendance in person	Attendance through proxy	Attendance in person (%)	Remarks
Convener	Huang, Leei-May	7	0	100.00	—

Job Title	Name	Attendance in person	Attendance through proxy	Attendance in person (%)	Remarks
Member	Hsiao, Shyh-Chyi	7	0	100.00	—
Member	Lin, Chiu-Lien	7	0	100.00	—

Other details to be documented:

- ① The Board of Directors does not adopt or modify the advice provided by the Compensation and Remuneration Committee: This did not happen.
- ② For decisions made by the Compensation and Remuneration Committee, as long as members are objecting or having their reservations that are recorded or stated in writing, the date of the Compensation and Remuneration Committee meeting, the session number, contents of the proposal, and how opinions from all members and opposing members are handled should be described: This did not happen.
- ③ Meeting minutes of the Compensation and Remuneration Committee Meeting:

Date	Meeting Session	Summary of Contents	Opinions from the compensation members and how the Company addresses them
2023.01.11	5 th Session 5 th meeting	1. Expected release criteria for the year-end bonus for managerial officers of 2022.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.
2023.03.14	5 th Session 6 th meeting	1. Proposal of the Company's Employee and Director Remuneration for the Fiscal Year 2022.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.
2023.05.12	5 th Session 7 th meeting	1. Proposed Revisions to the Company's "Regulations Governing the Managerial Officer Remuneration Criteria, Year-End Bonuses and Employee Remuneration Payment" Policies.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.
		2. Distribution of the remuneration to directors for 2022.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.
		3. Distribution of the remuneration to employees for 2022.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.
2023.11.13	5 th Session 8 th meeting	1. Proposal for the Company's appointment of managerial officers.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.
2024.02.02	5 th Session 9 th meeting	1. Expected release criteria for the year-end bonus for managerial officers of 2023.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.
2024.03.15	5 th Session 10 th meeting	1. Proposal of the Company's Employee and Director Remuneration for the Fiscal Year 2023.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.
2024.05.13	5 th Session	1. Distribution of the remuneration	The proposal was approved

Date	Meeting Session	Summary of Contents	Opinions from the compensation members and how the Company addresses them
	11 st meeting	to directors for 2023.	as is by all members and was submitted to the Board of Directors for a decision.
		2. Distribution of the remuneration to employees for 2023.	The proposal was approved as is by all members and was submitted to the Board of Directors for a decision.

(V) The state of the Company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such variance

Implementation Items	Implementation Status			The Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance						
	Y	N	Summary Description							
1. Whether the company has established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, which is delegated by the Board of Directors to senior management, and supervised by the Board of Directors	✓		<p>1. The Company established the Sustainability Committee on August 8, 2017 through the enactment of the "Organizational Regulations of the Sustainability Committee" by the Board of Directors. The Committee comprises four groups, namely the Corporate Governance Group, the Social Good Group, the Environmental Sustainability Group and the Management and Promotion of Integrity Group.</p> <p>2. The Sustainable Development Committee is a push unit delegated by the Board of Directors and is required to report annually to the Board of Directors on economic, environmental and social issues arising from its operations.</p> <p>3. Currently, the Sustainable Development Committee is responsible for the planning and implementation of the Sustainable Development policy, systems and management guidelines, as well as their implementation by the Chairman, who convenes the relevant Department Heads or designated staff.</p> <p>4. The Sustainable Development Committee reported its execution status for the fiscal year 2023 to the Board of Directors on March 15th, 2024, and the Board of Directors is fully aware of the results of the execution. In addition, the Board of Directors further confirmed with the Sustainable Development Committee the progress of the ESG report preparation and any issues identified during the preparation process, to ensure that the company complies with the submission requirements and to understand the company's direction for strengthening its ESG efforts.</p>	No significant difference						
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations under the materiality principle, and formulates relevant risk management policies or strategies?	✓		<p>1. The group has evaluated its major areas of operations, which include the Taiwan Printed Circuit Board Techvest Co., Ltd.'s plants located in Pingzhen, Kaohsiung, Wuxi, Zhongshan, Suining, and T-Flex Techvest PCB Co.,Ltd., (Note)in accordance with the materiality principle. These areas account for 99% of the net revenue disclosed in our consolidated financial statements. Note: T-Flex Techvest PCB CO., LTD. only discloses social aspects.</p> <p>2. Base on the materiality principle of ESG report, the relevant risk management policies or strategies for the risks after the group conducting risk assessments on important issues as follows. Please refer to the company's ESG report for specific implementation.</p> <table border="1" data-bbox="643 1848 1305 2016"> <thead> <tr> <th>Important Issues</th> <th>Risk Assessment Items</th> <th>Risk Management Policy or Strategy</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Energy and Greenhouse Gas Management</td> <td>TPT prioritize energy and greenhouse gas management, committing to more effectively control energy usage and</td> </tr> </tbody> </table>	Important Issues	Risk Assessment Items	Risk Management Policy or Strategy	Environmental	Energy and Greenhouse Gas Management	TPT prioritize energy and greenhouse gas management, committing to more effectively control energy usage and	No significant difference
Important Issues	Risk Assessment Items	Risk Management Policy or Strategy								
Environmental	Energy and Greenhouse Gas Management	TPT prioritize energy and greenhouse gas management, committing to more effectively control energy usage and								

Implementation Items	Implementation Status			The Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance		
	Y	N	Summary Description			
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations under the materiality principle, and formulates relevant risk management policies or strategies?	✓		Important Issues	Risk Assessment Items	Risk Management Policy or Strategy	No significant difference
			Environmental	Energy and Greenhouse Gas Management	reduce carbon emissions in our daily operations and processes. We will adopt energy-efficient technologies, optimize energy efficiency, and adhere to relevant air pollution management regulations to minimize harmful emissions.	
				Product Lifecycle Management	We are committed to reducing resource consumption during the manufacturing, usage, and disposal stages in our lifecycle management. We also handle hazardous substances and environmental impacts responsibly. Improve manufacturing processes, reuse materials, and implement circular economy.	
			Corporate Governance	Operational Performance	Continuously enhancing corporate competitiveness, providing high-quality products and services to increase revenue, and creating maximum benefits for stakeholders such as employees and shareholders.	
				Procurement Practices and Management	We strictly adhere to relevant domestic and international procurement regulations to ensure legality and compliance. We eliminate the use of conflict minerals and prioritize local and green procurement to reduce our impact on the environment and society. We require suppliers to comply with the same standards and establish an audit system, and conduct regular evaluations and audits to ensure that suppliers meet standards in terms of environmental friendliness and labor safety, and continue to improve relevant performance to create a more sustainable and responsible supply chain.	
Society	Human Rights	TPT is committed to safeguarding the fundamental human rights of all its employees and non-employees, following internationally recognized human rights standards such as the United Nations				

Implementation Items	Implementation Status			The Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance								
	Y	N	Summary Description									
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations under the materiality principle, and formulates relevant risk management policies or strategies?	✓		<table border="1"> <thead> <tr> <th>Important Issues</th> <th>Risk Assessment Items</th> <th>Risk Management Policy or Strategy</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Society</td> <td>Human Rights</td> <td>Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the conventions of the International Labor Organization. We are dedicated to preventing any actions that would violate or infringe upon human rights and ensuring the protection of the rights and interests of all individuals associated with our company.</td> </tr> <tr> <td>Talent Cultivation and Recruitment</td> <td>Prioritizing talent cultivation, implementing comprehensive education and training programs, and enhancing employee skills, we have designed a complete promotion and compensation and remuneration system. We provide equal employment opportunities regardless of gender or age, allowing our employees to showcase their talents and progress continuously within our company.</td> </tr> </tbody> </table>	Important Issues	Risk Assessment Items	Risk Management Policy or Strategy	Society	Human Rights	Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the conventions of the International Labor Organization. We are dedicated to preventing any actions that would violate or infringe upon human rights and ensuring the protection of the rights and interests of all individuals associated with our company.	Talent Cultivation and Recruitment	Prioritizing talent cultivation, implementing comprehensive education and training programs, and enhancing employee skills, we have designed a complete promotion and compensation and remuneration system. We provide equal employment opportunities regardless of gender or age, allowing our employees to showcase their talents and progress continuously within our company.	No significant difference
			Important Issues	Risk Assessment Items	Risk Management Policy or Strategy							
Society	Human Rights	Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the conventions of the International Labor Organization. We are dedicated to preventing any actions that would violate or infringe upon human rights and ensuring the protection of the rights and interests of all individuals associated with our company.										
	Talent Cultivation and Recruitment	Prioritizing talent cultivation, implementing comprehensive education and training programs, and enhancing employee skills, we have designed a complete promotion and compensation and remuneration system. We provide equal employment opportunities regardless of gender or age, allowing our employees to showcase their talents and progress continuously within our company.										
3. Environmental Issues (1) Does the Company establish proper environmental management systems based on the characteristics of their industries? (1) Does the Company establish proper environmental management systems based on the characteristics of their industries? (2) Does the company endeavor to utilize all resources more	✓		<p>1. The Company adheres to the principle of "industrial development and environmental protection both" and considers the best technology for all production processes and environmental protection equipment. It insists on the use of RoHS and Halogen Free materials to comply with environmental protection and to protect the earth's ecological resources. In addition, the Company has implemented an effective environmental management system by setting the air conditioning at a suitable temperature and introducing an electronic signature.</p> <p>2. The group has obtained ISO14001 certification (The company: deadline July 23,2026) , the company and Factories in China has obtained QC080000 certification. We will continue to implement environmental protection and fulfill its corporate responsibility.</p> <p>The group's waste is disposed of per the Waste Disposal Act and the flow direction is declared online following the regulations. Hazardous industrial waste like acid</p>	<p>No significant difference</p> <p>No significant difference</p>								

Implementation Items	Implementation Status			The Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance												
	Y	N	Summary Description													
efficiently and use renewable materials which have a low impact on the environment?			<p>etching solution, which is generated during the production process, is an important recycled material for other industries through comprehensive recycling operations.</p> <p>In addition, most of the raw materials used in the company's production - copper foil is also 100% recycled low-carbon environmentally friendly raw materials. By reusing materials, waste generation was reduced, and in 2023, TPT achieved a waste recycling rate of 87.21%.</p> <p>The group actively promotes various energy reduction measures, and selects energy-efficient and environmentally friendly lighting equipment with energy-saving labels. They also regularly replace and maintain internal equipment to enhance energy usage efficiency.</p>													
(3) Does the company assess the potential risks and opportunities of climate change in its present and future operations, and take measures to respond to climate-related issues?	✓		The company's assessment and response measures of climate change-related risks and opportunities. Please refer to page 60-63 for climate-related information implementation status.													
(4) Has the company conducted an assessment on greenhouse gas, water consumption and waste for the last two years, and established company strategies for energy conservation and carbon reduction, greenhouse gas reduction, water-saving and waste management?	✓		<p>1. The group's greenhouse gas inventory results, assurances, and reduction policies. Please refer to page 63 for details on greenhouse gas inventory and confirmation status.</p> <p>2. Water consumption (Megaliters)</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Net operating revenue of NTD1M</td> <td>21,977</td> <td>18,934</td> </tr> <tr> <td>Water consumption</td> <td>4,633.58</td> <td>4,310.75</td> </tr> <tr> <td>Water Resource Intensity (water consumption/net operating revenue)</td> <td>0.21</td> <td>0.23</td> </tr> </tbody> </table> <p>Water consumption decreased by 6.97% compared with the previous year. The Wuxi factory uses reclaimed water treated by urban sewage plants instead of tap water as a source of water. It was also awarded the 2022 Provincial Water-saving company.</p>	Item	2022	2023	Net operating revenue of NTD1M	21,977	18,934	Water consumption	4,633.58	4,310.75	Water Resource Intensity (water consumption/net operating revenue)	0.21	0.23	
Item	2022	2023														
Net operating revenue of NTD1M	21,977	18,934														
Water consumption	4,633.58	4,310.75														
Water Resource Intensity (water consumption/net operating revenue)	0.21	0.23														
(4) Has the company conducted an assessment on greenhouse gas, water consumption and waste for the last	✓		<p>3. Wastes</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Hazardous wastes</td> <td>43,749.1</td> <td>38,794.2</td> </tr> <tr> <td>Non-hazardous wastes</td> <td>8,996.5</td> <td>8,491.4</td> </tr> <tr> <td>Circular Recycling</td> <td>89.47</td> <td>89.21</td> </tr> </tbody> </table>	Item	2022	2023	Hazardous wastes	43,749.1	38,794.2	Non-hazardous wastes	8,996.5	8,491.4	Circular Recycling	89.47	89.21	No significant difference
Item	2022	2023														
Hazardous wastes	43,749.1	38,794.2														
Non-hazardous wastes	8,996.5	8,491.4														
Circular Recycling	89.47	89.21														

Implementation Items	Implementation Status			The Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance			
	Y	N	Summary Description				
two years, and established company strategies for energy conservation and carbon reduction, greenhouse gas reduction, water-saving and waste management?			<table border="1"> <tr> <td>Rate (%)</td> <td></td> <td></td> </tr> </table> <p>Note: Circular Recycling Rate (%) = Total recovery reuse amount / total waste amount x 100%</p> <p>In various factories across China, we have implemented a process for recycling acidic etching waste liquids. Through internal treatment, we ensure the safe disposal of waste liquids within the factory premises and reuse them for production and other purposes, replacing external transportation. This approach not only reduces transportation costs but also minimizes the impact of hazardous waste on the external environment. Total recovery of Acid Etching Waste Liquids in China Factory Area in 2023 was 11,622.3 m³.</p>	Rate (%)			
Rate (%)							
<p>4. Social Issues</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p> <p>(2) Does the company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employee compensation?</p> <p>(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>The Group agrees to and voluntarily follows the internationally recognized human rights standards of the "UN Universal Declaration of Human Rights", "UN Global Compact", "United Nations Guiding Principles on Business and Human Rights" and "United Nations International Labor Organization". We have formulated and implemented a Human Rights Policy, which includes workplace diversity, reasonable working hours, a healthy workplace, labor-management communication, privacy protection, and human rights education and training. In 2023, a total of 2,147 employees received human rights protection training and awareness programs, amounting to 2,315 hours.</p> <p>1. Please refer to the Labor Relations chapter for details of our employee welfare measures.</p> <p>2. The Company has been a Top 100 high-wage company for many years, providing market-competitive salaries and employee welfare measures, and its operating performance or results are appropriately reflected in employee compensation.</p> <p>3. Depending on the operation and talent retention situation, the Company will provide treasury stocks to transfer employee benefits so that the interests of employees can be aligned with the long-term development of the Company.</p> <p>1. Please refer to the Labor Relations chapter for details of our workplace safety and health measures and the relevant certification.</p> <p>2. The Company has an Occupational Safety and Health Committee with 14 members who are appointed for a two-year term and meet every three months to review safety and health matters at the plant. The</p>	No significant difference			

Implementation Items	Implementation Status			The Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Y	N	Summary Description	
regularly?			<p>meetings are chaired by a representative of the management, with the capital side being the Chairman of the Committee, and manages the Committee's affairs in an integrated manner. The Committee is assisted by a secretary appointed by the Chairman who is responsible for the overall management of the Committee's affairs. The representatives from the labor side of the Occupational Safety and Health Committee are six in total, representing 42.86% of the total number of representatives according to the regulations</p> <p>4. The Group's in the fiscal year 2023, there were a total of 6,376 Occupational Safety and Health Education and Training participants for a total of 32,433 man-hours.</p> <p>4. The Company conducts monthly statistics on occupational accidents and reports them following the regulations of the competent authority. In fiscal year 2023, excluding cases related to commuting and personal health factors, there were only 3 cases of occupational accidents. The Company will continue to review the work environment and strengthen the promotion of occupational safety to ensure the safety of employees.</p> <p>5. The Company conducts two fire drills annually. In fiscal year 2023, there were no fire incidents reported, resulting in zero casualties or injuries due to fire and no related improvement measures in response to fires.</p> <p>6. The group has obtained ISO45001 certification (The company: deadline November 10,2024).</p>	
(4) Does the company provide its employees with career development and training sessions?	✓		<p>The Group has established a "Rank and Position System" to encourage employees to learn in multiple areas. In the fiscal year 2023, there were a total of 20,746 internal and external training participants for a total of 162,795 man-hours.</p>	
(5) Does the company comply with relevant regulations and international standards on the health and safety of customers, customer privacy, marketing and labeling of products and services, and formulate relevant policies and procedures to protect consumer rights and	✓		<p>1. The Group has obtained ISO9001, QC080000 and IATF16949 certifications to ensure the safety of our customers and to provide them with a full range of product quality. In addition, our company has established an Ethical Corporate Management Best Practice Principles, which requires that the process of developing, purchasing, manufacturing, providing or selling products and services should follow relevant regulations and international standards to ensure the transparency and safety of information about products and services.</p> <p>2. The Company has set up a stakeholder area on its website so that customers can contact the Company at any time if they have a complaint.</p>	

Implementation Items	Implementation Status			The Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Y	N	Summary Description	
handling complaints? (6) Does the company formulate and implement supplier management policy, requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights?	✓		The Group's suppliers must pass the ISO 9001 Quality Management System third-party certification and provide a certificate within the validity period; if they are unable to obtain verification of the quality management system, they must be audited annually by the Company's management department. In addition, our company also conducts audits on suppliers from time to time, including risk evaluation, surveillance for the supplier, development of supplier quality management system, audit, manufacturing process audit, etc.	No significant difference
6. Does the company prepare non-financial disclosure reports such as sustainability reports in accordance with international reporting standards or guidelines? Has the report obtained validation or assurance from a third-party verification unit?	✓		Although the Company has not yet obtained the accreditation or assurance statement of a third-party verification organization taking into account the interests of stakeholders. However, we have established and implemented the "Code of Practice for Sustainable Development" to consider the interests of our stakeholders, treat our customers fairly and reasonably, and require our suppliers to comply with the norms of the Social Environment Responsibility agreement, etc.	No significant difference
7. If the Company makes its own corporate social responsibilities principles according to the Best Practice Principles for Sustainable Development of TWSE/TPEX Listed Companies, please state the differences: No difference.				
Any other important information that helps to understand the implementation of sustainable development:				
(1) Sponsorship expenses: Provided funding for weekend meals and teaching equipment for donations to junior high and elementary schools in the Taoyuan area; provided funding for baseball training expenses for schools of all levels.				
(2) Community participation: Continuously maintained and organized public spaces and sidewalk trees outside the factory; promoted cultural and artistic activities and sponsor-related expenses irregularly; fulfilled social responsibilities by making irregular donations to underprivileged groups. The company's public welfare contributions over the past two years are as follows:				
Unit: NTD 000's				
	Item	2022	2023	
	Care for vulnerable groups	4,200	2,920	
	Educational Assistance	1,895	1,457	
	Art and Cultural Activities Sponsorship	1,000	0	
	Sports Promotion	1,900	1,698	

Execution status of climate-related information

Item	Execution Status
<p>1. Describe the oversight and governance by the Board of Directors and management regarding climate-related risks and opportunities.</p> <p>2. Describe how the identified climate-related risks and opportunities impact the business, strategy, and finances of the Company (short-term, medium-term, long-term).</p> <p>3. Describe the financial impact of extreme weather events and transition actions on the company.</p> <p>4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.</p>	<p>TPT, convened by the Sustainable Development Committee, is responsible for environmental-related risks. They discuss various issues periodically to understand potential impacts on both internal and external aspects of the organization, including identifying and assessing climate change risks and addressing climate impacts. After identifying climate-related impacts, meetings with senior executives are held to discuss climate-related risks and opportunities. Suggestions and measures for improvement are proposed to mitigate financial climate risks and identify corresponding financial opportunities. The Sustainable Development Committee reports the full-year ESG performance and climate-related issues to the Board of Directors annually. For more information, please refer to our Sustainability Report.</p> <p>According to the methodology for assessing climate change risks and opportunities, short-term is defined as within the next 1-3 years, medium-term as within the next 3-5 years, and long-term as 5 years or more. The Company has developed response plans for identified major risks and opportunities. For more information on related risks and opportunities, please refer to our Sustainability Report.</p> <p>For the identified climate risks and opportunities, potential financial impacts have been considered in terms of revenue, costs, assets, etc. In terms of annual temperature, Taoyuan City and Kaohsiung City where the factory is located may reach a 2°C increase before mid-century in various scenarios, it could still have potential impacts such as increased air conditioning costs, reduced lifespan of instruments and equipment, accelerated depreciation of existing assets, increased infrastructure costs, and the possibility of reduced production for certain goods. The increase in the average maximum daily rainfall in the century in various locations in Taiwan has not exceeded the disaster standard of the "3D Disaster Potential Map": 650 mm of rainfall in 24 hours, so there is no immediate risk of flooding, but there is still a chance that it will be caused by typhoons and surrounding areas. Flooding and other situations may cause work stoppage at the case site, transportation difficulties, supply chain interruption, and personnel absences. For more information, please refer to our Sustainability Report.</p> <p>To identify and evaluate significant impacts or risks related to operations, the Sustainable Development Committee will regularly assess climate change risks in the future to understand specific potential financial influences. This will serve as the basis for policy formulation and goal setting, establishing climate management procedures, and continuously monitoring the effectiveness of climate risk management and implementation.</p>

Item	Execution Status
<p>5. When utilizing a situation analysis to assess resilience to climate change risk, it should detail the context, parameters, assumptions, analysis factors, and main financial impacts involved.</p> <p>6. If there is a transformation plan to manage climate-related risks, describe the plan's content, as well as the indicators and objectives used to identify and manage physical risks and transition risks.</p> <p>7. If using Internal Carbon Pricing (ICP) as a planning tool, the basis for price formulation should be explained.</p> <p>8. If climate-related targets are set, it should explain the covered activities, greenhouse gas emissions categories, planning schedule, progress achieved annually, etc. If using carbon offsets or Renewable Energy Certificates (RECs) to achieve the targets, it should explain the carbon reduction quantity of the offsets, the source and quantity of certified emission reductions (CERs), or the quantity of RECs.</p> <p>9. Greenhouse gas verification and assurance of reduction targets, strategies, and specific action plans (also fill in sections 1-1 and 1-2).</p>	<p>TPT's climatic risk analysis considers various situation scenarios, including National Determined Contributions (NDCs) and Science Based Targets (SBT) for transition situations, as well as entity situations such as RCP 2.6 and RCP 8.5. The Company conducts risk and opportunity analysis for each situation, considering potential changes in policies, regulations, markets, and technologies, as well as business reputation and physical risks. For more information on related parameters, assumptions, analysis factors, and major financial impacts, please refer to our Sustainability Report.</p> <p>To mitigate the impact of climate change risks and achieve our goals in energy conservation and carbon reduction, we implement indicator management to address climate-related risks and opportunities. TPT is committed to long-term promotion of energy-saving and carbon reduction measures. For more details, please refer to our Sustainability Report.</p> <p>TPT does not utilize Internal Carbon Pricing (ICP) as a planning tool.</p> <p>Please refer to sections 1-1 and 1-2 for further explanation.</p> <p>Please refer to sections 1-1 and 1-2 for further explanation."</p>

10. Other implementation situations that contribute to climate-related information

A. Climate-Related Risks and Financial Impact

Type	Climate-Related Risks	Impact Period	Risk Content Description	Potential Financial Impact	Adaptation and Coping Measures
Transition Risks	Legal Standards for Energy-Efficient Products	Long-term	<ul style="list-style-type: none"> According to the Renewable Energy Development Act, which came into effect in 2021, electricity consumers with contract capacities of 5,000 kW (kilowatts) or more are required to self-generate 10% of their electricity from green sources within five years. The emission standards for natural gas boilers in Zhongshan City, Guangdong Province, have been adjusted to NO_x<50mg/m³. 	<ul style="list-style-type: none"> Increased energy costs Potential fines 	<ul style="list-style-type: none"> Implemented energy-efficient carbon reduction equipment in the factories, such as high-efficiency air compressors, and chillers, and the addition and replacement of energy-saving lighting fixtures. Zhongshan Factory In April 2023, NT\$4.76 million was invested to replace the thermal boiler for pressing and the hot water boiler for process heating with low-carbon burners. NO_x emissions were reduced to <30mg/m³, achieving emission reduction benefits.
			Local Regulations	Mid-term	New "Climate Change Response Act" in Taiwan

Item			Execution Status		
Physical risks	Immediate				
	Typhoons, floods, and other extreme weather events	Short-term	<ul style="list-style-type: none"> ● Potential production line shutdowns. ● Impact on employee attendance. ● Disruption in transportation and potential loss of goods. ● Typhoons may lead to water and power outages, which could result in production interruptions and impact equipment functionality. 	<ul style="list-style-type: none"> ● Annual budget allocation for insurance premiums. ● Project timelines affected. ● Equipment and personnel losses. ● If there is a water shortage, emergency water needs to be purchased 	<ul style="list-style-type: none"> ● Properly plan for product insurance to mitigate losses from extreme weather events. ● Increase safety stock levels to address delivery delays and default risks resulting from logistics disruptions or production stoppages. ● Implement adequate safety measures for critical equipment to reduce financial losses due to damage from wind and water. ● Other information please refer to our Sustainability Report.
	Long-term				
	Increase in annual average temperature	Long-term	<ul style="list-style-type: none"> ● Reduced lifespan of equipment and machinery. ● Increased demand for air conditioning due to higher cooling requirements. ● Summer peak electricity demand causes factory power outages, leading to production stoppages and product wastage. 	<ul style="list-style-type: none"> ● Increased equipment procurement expenses. ● Higher electricity costs. ● Reduced production capacity. 	<ul style="list-style-type: none"> ● Replace air conditioning equipment with more energy-efficient units to reduce energy consumption. ● Improve insulation in newly constructed buildings to lower energy consumption by air conditioning systems. ● Regularly inspect and maintain equipment to extend its lifespan. ● Prepare backup power generation equipment to address power limitations and outages.

B. Climate-Related Occurrences and Financial Impacts

Type	Climate-Related Occurrences	Potential Financial Impacts	Coping Measures
Resource Efficiency	<ul style="list-style-type: none"> ● Recycling and reusing of paper and waste ● Transition to more efficient electrical equipment ● Circular economy ● Laws and standards for energy-efficient products 	<ul style="list-style-type: none"> ● Reducing expenditure on consumables ● Reducing electricity consumption and carbon emissions ● Implementing a circular economy for more sustainable products ● Subsidies for purchasing energy-efficient appliances 	<ul style="list-style-type: none"> ● Using green building materials for new factories and purchasing energy-efficient equipment with government subsidies to improve energy and resource efficiency in the manufacturing process. <p>The Group executed nine energy-saving and carbon-reduction projects, with the primary goal of reducing electricity, steam, and natural gas consumption to reduce carbon emissions. These nine measures resulted in a total reduction of 27,060.14 GJ of energy consumption and approximately 5,885.32 metric tons of CO₂e. The total cost was approximately NTD40,597,000 .</p>
Product and Service	<ul style="list-style-type: none"> ● Providing real-time updates and improving service quality in response to climate change risks. ● Developing and/or increasing the availability of low-carbon products and services. ● Investing in research and innovation for the development of new products and services. 	<ul style="list-style-type: none"> ● Offering diverse services and products that meet market demands to enhance the company's reputation and visibility. ● Creating opportunities for new products or services, leading to increased revenue. 	<ul style="list-style-type: none"> ● Utilizing design modifications to streamline processes and reduce production steps, resulting in lower energy consumption during manufacturing. ● WPNL deploys large typesetting operations to reduce production frequency and minimize energy usage in the manufacturing process.

Item		Execution Status	
Resilience	<ul style="list-style-type: none"> Consolidating climate change risks and response strategies to enhance the company's resilience. 	<ul style="list-style-type: none"> Strengthening corporate resilience to reduce losses from climate change and mitigate customer losses as well. 	<ul style="list-style-type: none"> We plan to incorporate TCFD into our annual sustainability reports to effectively identify climate risks and coping strategies, enhancing the resilience of our operations. We will continue to invest in climate change mitigation measures at various stages of our internal value chain, such as adopting energy-efficient equipment, energy-efficient design, and carbon reduction processes. We will also require our suppliers to meet relevant environmental-friendly standards, working together with partners to create a sustainable supply chain.

1-1 Greenhouse Gas Inventories and Assurance Situation in the Past Two Years

1-1-1 Greenhouse Gas Inventory Information:

The table of values for greenhouse gas emissions is as follows, covering the following locations: Taiwan Printed Circuit Board Techvest Co., Ltd.'s Pingzhen plant, Kaohsiung plant (TGT TECHVEST CO., LTD), Wuxi plant, Zhongshan plant, Suining plant. T-Flex Techvest PCB CO., LTD. and Vietnam plant have not yet been verified.

Item	2022				2023			
	Emissions (metric tons CO ₂ e)		Intensity (metric tons CO ₂ e/ NTD M of revenue)		Emissions (metric tons CO ₂ e)		Intensity (metric tons CO ₂ e/ NTD M of revenue)	
	The Company	The Group	The Company	The Group	The Company	The Group	The Company	The Group
Direct emissions (Category 1)	1,257.692	13,591.795	0.057	0.618	1,099.557	12,218.526	0.058	0.645
Indirect emissions (Category 2)	16,597.548	237,294.823	0.755	10.797	14,689.620	232,472.215	0.776	12.278
Other indirect emissions (Category 3)	Detailed information is disclosed in the Sustainability Report t							
Revenue (NTD M)	21,977				18,934			

1-1-1 Greenhouse gases assurance information: The Company expects to complete the external authentication of greenhouse gases by 2026, while its subsidiaries are expected to complete it by 2027.

Assurance Agency	2022	2023
The Company	AFNOR Asia Ltd.	—
tft & twt	—	SGS-CSTC Standard Technical Service Co.,Ltd.
Tmt(Wuxi)	—	Hangshou WIT Assessment Co.,Ltd.
tgt	—	—

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans:

Per the regulations set forth by the Financial Supervisory Commission in document no. JIN-GUAN-ZHENG-FA-ZI-No.11203852314 dated November 13, 2024, the Company will not disclose.

(VI) Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
<p>I. Establishment of Ethical Corporate Management Policy and Proposal</p> <p>1. Has the Company defined ethical corporate management policies approved by the Board of Directors and declared its ethical corporate management policies and procedures as well as the commitment of its Board of Directors and high-ranking management to implementing the management policies in its rules and external documents?</p> <p>2. Has the Company established an evaluation mechanism for unethical behavioral risks that helps periodically analyze and evaluate business activities of relatively high unethical behavioral risks within the scope of operation and defined a solution to prevent unethical behaviors accordingly that covers at least the preventive measures against respective acts under Article 7 Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>3. Has the Company specified the operating procedures, behavioral guide, punishment for violators, and the disciplinary and complaint-filing system in case of violation in the proposal to prevent unethical behaviors, enforced them, and periodically reflected upon and amended the foregoing solution?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>1. The Company's Board of Directors has defined the ethical corporate management principle and related operating procedures and included related ethical corporate management policies in explicit words and as part of its system. Related operating procedures are released on the Company's website for the investors' information.</p> <p>2. The Company has established the "Operating Procedure for Ethical Corporate Management" to help periodically analyze and evaluate business activities at relatively high risk of unethical behaviors within the scope of its operation to prevent each of the said unethical behaviors.</p> <p>3. The Company has defined the guidelines for reporting illegal and immoral or unethical behaviors and provides new hires with educational training to remind them of precisely following the ethical behavioral guide. In case of any violation of the ethical behavioral guide, the employee will be subject to punishment that varies in extent reflective of the severity of the circumstance according to the disciplinary measure and will be discussed internally.</p>	No difference

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
<p>II. Consolidation of Ethical Corporate Management</p> <p>1. Has the Company evaluated the ethical records of parties it does business with and specified terms about ethical behavior in business contracts?</p> <p>2. Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and report its ethical management policy and solution to prevent unethical behaviors and the status of implementation to the Board of Directors periodically (at least once a year)?</p>	<p>✓</p> <p>✓</p>		<p>1. The Company fulfills contracts on business activities fairly and ethically and in compliance with applicable regulatory requirements and contract provisions. In case of unethical behavior, contract provisions may be terminated or dismissed at any time.</p> <p>2. It is specified in the Company's Operational Procedures and Behavioral Guide of Ethical Corporate Management Best Practice that the Sustainable Development Committee belongs to the Board of Directors and the Company as established the Organic Rules of the Sustainable Development Committee. The Committee is configured with one chairman, one Vice-Chairman, and at least three additional members. The chairmanship is served by the Chairman of the Company and the Vice-Chairman (General Manager) and other members (Vice General Manager of Administration, Head of the Manufacturing Department, and Vice General Manager of the Finance Department) are to be assigned by the Chairman of the Company.</p> <p>The Committee meets at least once a year and is to take charge of establishing and supervising the implementation of the ethical corporate management policy and preventive solutions and to report the compliance to the Board of Directors once a year. It met on March 13, 2024 and reported the implementation of ethical corporate management of 2023 to the tenth Session of the Board of Directors when the latter met for the 22th time on March 15, 2024.</p>	No difference

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
2. Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and report its ethical management policy and solution to prevent unethical behaviors and the status of implementation to the Board of Directors periodically (at least once a year)?	✓		<p>Related implementation in 2023 of the ethical corporate management policy enforced by the Company:</p> <p>A. To help combine honesty and moral values as part of the Company's operational strategy and to prepare related preventive measures to ensure honest operations as required by law.</p> <p>B. To establish solutions to prevent unethical behaviors and to thereof establish task-related standard operating procedures and behavioral guides within respective solutions.</p> <p>C. To plan internal organization, configuration, and job responsibilities and to have mutual check and balance mechanisms in place for operational activities at relatively high risks of dishonest acts within the scope of operation.</p> <p>D. To promote and coordinate communication and training on the integrity policy.</p> <p>E. To plan a reporting system that helps ensure effective implementation.</p> <p>F. To help the Board of Directors and the management inspect and evaluate whether preventive measures were established to ensure honest operations have been working effectively and to evaluate related operating procedures periodically for compliance, with a report produced.</p>	No difference

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
2. Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and report its ethical management policy and solution to prevent unethical behaviors and the status of implementation to the Board of Directors periodically (at least once a year)?	✓		Discipline for violations of the ethical corporate management principles in 2023 of the Company: Cases filed: 0; cases through the reporting box: 0; corruption and fraud: 0. The Company organized internal and external educational training on ethical corporate management throughout 2023 (including courses on compliance with ethical corporate management laws and regulations, environmental safety and health management, accounting system, and internal control system), which were attended by a headcount of 1,472 people in total and consisted of 13,899.5 hours in total.	No difference
3. Has the Company established policies to prevent conflicts of interest, provided appropriate channels for filing related complaints and implemented the policies accordingly?	✓		3. Spontaneous recusal is expected for matters involving conflicting interests that require a recusal. This is specified in Article 28 of the Corporate Governance Best Practice Principles, the Ethical Code of Conduct, and Article 15 of the Rules of Procedure for Board of Directors' Meetings. In the event that any director or managerial officer violates the Ethical Code of Conduct, the Company shall address it according to the disciplinary measures specified in the Ethical Code of Conduct and disclose in real-time the title and name of the violator, date of violation, cause of the violation, the guidelines involved in the violation, and management in the Market Observation Post System.	

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
<p>4. Has the Company created effective accounting and internal control systems to consolidate ethical corporate management and does the internal audit unit stipulates related audit plans according to the evaluation results of unethical behavioral risks and inspect compliance with the solution to prevent unethical behaviors or authorize the CPAs to perform inspections?</p> <p>5. Does the Company hold internal and external educational training on ethical corporate management regularly?</p>	<p>✓</p> <p>✓</p>		<p>4. The Company has set up the Audit Office to take charge of investigating and evaluating the deficiencies of the internal control system and evaluating the operating efficiency and adequately providing improvement advice to ensure that the internal control system gets to be effectively enforced continuously and to help the Board of Directors and the management precisely fulfill their duties. No incidents of corruption have occurred in the Company.</p> <p>5. The implementation is defined in the employee Ethical Code of Conduct and related disciplinary measures are defined in the Work Rules, too. They are communicated to new hires during educational training as well.</p>	No difference
<p>III. Whistle-blowing System of the Company</p> <p>1. Does the Company have substantial reporting and incentive systems in place, provide convenient whistle-blowing channels, and assign appropriate specialists to investigate reported matters?</p> <p>2. Has the company established any standard operating procedures, subsequent measures to be adopted after the investigation is completed, or confidentiality mechanisms for handling reported matters?</p>	<p>✓</p> <p>✓</p>		<p>1. The Company has established the “Guidelines for Reporting Illegal and Immoral or Unethical Behaviors”. Stakeholders can report such behaviors “in person”, “by phone”, or “by sending a letter”, based on the cause to the spokesperson, the General Manager’s Office or the head of the audit. Employees are encouraged to report illegal behaviors. The Company will offer incentives according to the Work Rules reflective of the severity involved in the violation and will protect the safety of the whistle-blower against retaliation.</p> <p>2. The Company has an employee complaint system in place. There is a supervisor to take charge of addressing complaints and someone is assigned to be responsible for the investigation. All cases are treated confidentially.</p>	No difference

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
3. Does the Company assure employees who reported on malpractices that they will not be improperly treated for making such reports?	✓		3. It is strictly prohibited to disclose information to irrelevant parties. Even if it is required to discuss the case with related parties for the sake of investigation, such discussions are limited to the portion where the specific party is involved. Those disclosing information to irrelevant parties and failing to keep the case confidential as required will be turned in for discipline.	No difference
IV. Reinforced Information Disclosure Has the company disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS.?	✓		The Company discloses the content, relevant regulations, and implementation status of Ethical Corporate Management Best Practice Principles on its corporate website and the TSE Market Observation Post System (MOPS). Additionally, information related to Ethical Corporate Management is also provided in the TPT Sustainability report.	No difference
V. If the company has its own ethical corporate management principles established according to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the differences between its implementation and the defined principles: no significant differences were found.				
VI. Other important information that will help understand ethical corporate management in the Company: The Company negotiates with customers and fulfills contract requirements in honor of integrity and honesty and seeks, negotiates, and fulfills all contracts fairly and morally.				

(VII) Under “Disclosure of Information” on the Company’s website is the section devoted to “corporate governance” where investors can search for and download related regulations on corporate governance, important matters for which decisions are made by the Board of Directors and important information, among others. The website is <http://www.tpt-pcb.com.tw/governan.htm>.

(VIII) Other important information that is sufficient to boost knowledge of corporate governance

1. The Company continues to devote resources to boosting corporate governance. Members of the Board of Directors were originally exclusively members of the management and now are gradually replaced by external representatives. Currently, there are a total of three independent directors and the independent directors form the Compensation and Remuneration Committee.
2. Staff of the Company shall follow laws and regulations and the internal requirements of the Company and prevent unethical behaviors.

3. On the Company's website is also a devoted section where corporate governance is detailed and regulations on corporate governance are provided for download and review by internal and external people.

(IX) Implementation of Internal Control System

1. Internal Control System Declaration: Refer to Appendix I for details.
2. The Company did not authorize the CPAs to exceptionally review the internal audit system so there is no CPA Review Report available.

(X) Any legal sanctions against the Company or its internal personnel, or any disciplinary action taken by the Company against its personnel for violating internal control requirements in the past year and up to the date the Annual Report was printed: None.

(XI) Important decisions reached in shareholders meetings and made by the Board of Directors in the past year up to the date the Annual Report was printed

1. General shareholders meeting

Date	Type of meeting	Important matters for a decision	Decision and implementation status
2023.06.09	General Shareholders meeting	Ratification of 2022 Business Report and Financial Statements.	The case was put up for a vote. Affirmative votes accounted for 88.26% of all votes of attending shareholders. This proposal was approved as is.
		Ratification of Distribution of 2022 Earnings.	The case was put up for a vote. Affirmative votes accounted for 88.57% of all votes of attending shareholders. This proposal was approved as is. The distribution reference date was set on July 3, 2023, and was fully paid on July 19, 2023 (NTD2.50 cash dividend per share).
		Revised certain articles of the "Articles of Incorporation".	After a vote was taken, with 88.18% of the votes in favor of the proposal, the resolution was passed as originally proposed. It was approved by the Ministry of Economic Affairs on July 11th, 2023, and uploaded onto the company's website.
		Revised certain articles of the " Rules of Procedure of the Shareholders Meeting ".	After a vote was taken, with 88.11% of the votes in favor of the proposal, the resolution was passed as originally proposed. It was uploaded onto the company's website.
		Revocation of Director Non-Competition Agreement.	After a vote was taken, with 88.17% of the votes in favor of the proposal, the resolution was passed as originally proposed. The announcement was released on June 9th, 2023, via the Announcement of Material Information.
		Proposal for by-election of an independent director.	List of elected Independent Director: Chung, Yi-Fang.

Date	Type of meeting	Important matters for a decision	Decision and implementation status
			The change of registration was approved by the Ministry of Economic Affairs on July 11, 2023.

2. Board of Directors

Date	Session Meeting	Important matters for a decision	
2023.01.11	10 th Session 14 th meeting	1.	Approval of the application for a credit line from financial institutions.
2023.01.11	10 th Session 14 th meeting	2.	Approval of the company's revised "Organizational Chart".
		3.	Proposal to change the Head of the Audit Office Note: To accommodate the operational needs of the group, the case will be withdrawn temporarily to research and discuss it further before submitting an alternative proposal.
		4.	Approval for the proposal of lifting the non-competition restriction on Directors.
		5.	Approval for the proposal of lifting the non-competition restriction on Managerial Officers.
		6.	Approval of expected release criteria for the year-end bonus for managerial officers of 2022.
		7.	Approval of the continued injection of USD10 million of capital into Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.
		8.	Approval of borrowings of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. from Taiwan Printed Circuit Board Techvest Co., Ltd. for purpose of financing.
		2023.03.14	10 th Session 15 th meeting
2.	Approval of the Company's 2022 Financial Statements		
3.	Approval of 2022 Internal Control System Declaration.		
4.	Approval of the application for a credit line from financial institutions.		
5.	Approval of borrowings of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. from Taiwan Printed Circuit Board Techvest Co., Ltd. for purpose of financing.		
6.	Approval of the company's proposed revisions to certain articles of the "Rules of Procedure for Shareholders Meetings".		
7.	Approval of the company's proposed revisions to certain articles of the "Standard Operating Procedures for Handling Requests From Directors".		
8.	Approval of the company's proposed revisions to certain articles of the "Corporate Governance Best Practice Principles".		
9.	Approval of the company's reappointment of the CPA for the fiscal year 2023.		
10.	Approval of 2023 Operational Budget.		
11.	Approval of change of acting spokesperson of the Company.		
12.	Approval for the proposal of lifting the non-competition restriction on Directors.		
13.	Approval for the proposal of lifting the non-competition restriction on Managerial Officers.		
14.	Approval of the appointment of an independent director through a supplementary election.		

Date	Session Meeting	Important matters for a decision	
		15.	Approval of related matters such as the date, location, and cause of the 2023 general shareholders meeting, and book closure duration, etc.
		16.	Approval of accepting shareholder proposals and independent director nominations for the 2023 Annual Shareholders Meeting of the company.
2023.04.28	10 th Session 16 th meeting	1.	Approval of the application for a credit line from financial institutions.
		2.	Approval of the Company's 2022 and Business Report.
		3.	Approved the Company's 2022 disposition of net earnings.
2023.04.28	10 th Session 16 th meeting	4.	Approval of the company's proposed revisions to certain articles of the "Articles of Incorporation".
		5.	Approval of the company's proposal to remove the "Audit of Procedure for Lending Funds to Guarantee" and "Management of Loans to Others" sections from the 'Implementation Rules for Internal Audit - Financing Cycle".
		6.	Approval of the proposal to change the Head of the Audit Office.
		7.	Approval for the proposal of lifting the non-competition restriction on Managerial Officers.
		8.	Approval of the report on the status of shareholder proposals and independent director nominations received for the 2023 Annual Shareholders Meeting of the company.
		9.	Approval of the addition of an item to the agenda for the 2023 Annual Shareholders Meeting of the company.
		10.	Approval of the list of nominees for the supplementary election of independent directors of the company, as proposed by the Board of Directors.
2023.05.12	10 th Session 17 th meeting	1.	Approval of the Company's Consolidated Financial Statement for the first quarter of 2023.
		2.	Approval of the revisions to the Company's "Regulations Governing the Managerial Officer Remuneration Criteria, Year-End Bonuses and Employee Remuneration Payment" Policies.
		3.	Approval of distribution of remuneration to directors for 2022.
		4.	Approval of distribution of remuneration to employees for 2022.
		5.	Approval of the company's endorsement and guarantee as well as the credit facility for Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.
2023.05.26	10 th Session 18 th meeting	1.	Approval of the application for a credit line from financial institutions.
		2.	Approval of the company's endorsement and guarantee as well as the credit facility for Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.
		3.	Approval of the procurement of equipment by the Company on behalf of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.
2023.08.11	10 th Session 19 th meeting	1.	Approval of the Company's Consolidated Financial Statement for the second quarter of 2023.
		2.	Approval of the application for a credit line from financial institutions.
		3.	Approval of borrowings of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. from the company for purpose of financing.
		4.	Approval of capital increase for Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.

Date	Session Meeting	Important matters for a decision	
		5.	Amendment to the internal control system for "Labor and Wage Cycle" within the Company.
		6.	Approval for the revision of the measures for handling cases of "Illegal, Unethical, and Dishonest Conducts" reporting.
2023.11.13	10 th Session 20 th meeting	1.	Approval of the Company's Consolidated Financial Statement for the third quarter of 2023.
		2.	Approval of the application for a credit line from financial institutions.
		3.	Approval of the proposal for the professional fees paid by the company to the CPA for auditing in fiscal year 2023.
		4.	Approval of the cancellation of the endorsement guarantee and credit extension to Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.
		5.	Approval of the profit distribution proposal of TPT International Co., Ltd.
		6.	Approval of the liquidation proposal of TPT International Co., Ltd.
		7.	Approval of the revision of certain provisions of the Company's "Code of Sustainability Practice.
		8.	Approval of the addition of internal control "Measures for the operation of the Audit Committee and the Remuneration Committee", as well as "Internal Audit Implementation Rules for the Operation of the Audit Committee". Additionally, approved the revision of the internal audit "Implementation Rules for the Operation of the Remuneration Committee".
		9.	Approval of the revision of certain provisions of the "Procedures for Handling Material Inside Information Internal Control System".
		10.	Approval of the 2023 Audit Plan.
		11.	Approval of the Company's appointment of managerial officers.
		12.	Approval for the proposal of lifting the non-competition restriction on Directors.
		13.	Approval for the proposal of lifting the non-competition restriction on Managerial Officers.
2024.02.02	10 th Session 21 st meeting	1.	Approval of the application for a credit line from financial institutions.
		2.	Approval of expected release criteria for the year-end bonus for managerial officers of 2023.
		3.	Approval of borrowings of Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. from the company for purpose of financing.
2024.03.15	10 th Session 22 nd meeting	1.	Approved of how the remuneration to the employees and that to the directors shall be distributed for 2023.
		2.	Approval of the Company's 2023 Financial Statements
		3.	Approval of the assessment of the effectiveness of the internal control system for the fiscal year 2023, as well as the Internal Control System Statement for the same period.
		4.	Approval of the proposed revision of certain provisions of the company's "Handling Procedures for Providing Endorsements and Guarantees for Third Parties."
		5.	Approval of the proposed revision of certain provisions of the company's "Handling Procedures for Capital Lending."
		6.	Approval of the company's reappointment of the CPA for the fiscal year 2024.
		7.	Approval of related matters such as the date, location, and cause of the 2024 general shareholders meeting, and book closure duration, etc.

Date	Session Meeting	Important matters for a decision	
		8.	Approval of the election of Directors and Independent Directors.
		9.	Approval of the matters regarding the acceptance of proposals from shareholders and nominations of Director (including Independent Director) candidates for the 2024 Annual General Meeting of Shareholders.
2024.04.22	10 th Session 23 rd meeting	1.	Approval of the application for a credit line from financial institutions.
		2.	Approval of the Company's 2023 and Business Report.
		3.	Approved of the Company's 2023 disposition of net earnings.
		4.	Approved of the board of directors nominates candidates for the eleventh term of directors (including independent directors) of the company.
		5.	Approved of General Manager Denny Lin's position changes.
2024.05.13	10 th Session 24 th meeting	1.	Approval of the Company's Consolidated Financial Statement for the first quarter of 2024.
		2.	Approval of resolution to Lift Non-competition Restrictions on Newly Appointed Independent Directors, Directors, or Their Representatives.
		3.	Approval of distribution of remuneration to directors for 2023.
		4.	Approval of the company's endorsement and guarantee as well as the credit facility for Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.

(XII) Different opinions of directors that are recorded and stated in writing on important decisions made by the Board of Directors in the past year up to the date the Annual Report was printed: None.

(XIII) Summary of resignations and dismissals of parties involved in financial statements (including the Chairman, General Manager, head of accounting, and head of internal control, etc.) in the past year up to the date the Annual Report was printed:

Job Title	Name	Appointment date	Resignation date	Reasons for resignation or dismissal
Head of Audit	Yu, Ying-Li	2013.08.09	2023.04.28	Internal job rotation within the Group.
General Manager	Danny, Lin	2019.10.01	2024.04.23	Internal job rotation adjustments within the Company.

V. Certified Public Accountant (CPA) Fee Information

Unit: NTD thousands

Name of Accounting Firm	Name of CPA		Duration of Inspection	Audit-oriented public expenditure	Non-audit-oriented public expenditure	Total
KPMG	Chen, Yi-Chun	Lien, Shu-Ling	January 1, 2023~ December 31, 2023	7,490	480	7,970

Note: Non-audit fee are tax audit services, preparing inspections for scrapped items and the checklist of information limited to full-time employees who do not hold a managerial position.

- (I) When the accounting firm is changed and the audit public expenditure in the year of replacement is reduced compared to that in the preceding year, the audit public expenditures before and after the replacement and the reasons shall be disclosed: Not applicable.
- (II) When the audit public expenditure is reduced by more than 15% from the preceding year, the value reduced, the ratio, and the cause shall be disclosed: Not applicable.

VI. Information on Replacement of CPAs: None.

VII. Disclosure of the name, position, and duration of service at firms or their associated enterprises in the past year of Company Chairman, General Manager, and Managerial Officers in charge of financial or accounting affairs: None.

VIII. Changes in the transfer and pledge of equity among directors, managerial officers, and shareholders with a holding ratio exceeding 10% in the past year and up to the date the Annual Report was printed

(I) Changes in the Equity of Directors, Managerial Officers, and Major Shareholders

Unit: Share

Job Title	Name	2023		As of April 14, 2024	
		Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged	Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged
General Manager	Lin, Ching-Yao	(314,000)	—	0	—
Vice General Manager	Song, Pei-Yi	(9,000)	—	(69,009)	—
Vice General Manager	George, Chao	(45,000)	—	0	—
Vice General Manager	Hu, Hsiu-Hsing	0	—	20,000	—
Head of the Manufacturing Department	Pan, Tai-Feng	13,000	—	0	—
Director of the Engineering Office	Kao, Mao-Sheng	250	—	0	—

(II) Information on Transfer of Equity: No equity was transferred to related parties.

Name	Stock Transfer Reason	Transaction Date	Trading Counterpart	Trading counterpart has more than 10% investor relations with the company, Directors, Supervisor, and shareholding ratio	No. of Shares	Transaction Price
Lin, Ching-Yao	Disposal (Gift)	March 2023	Chang, Kuei-Ting	Spouse	314,000 Shares	—

(III) Information on Pledge of Equity: No equity was pledged to related parties.

IX. Information on the relationship among Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship

April 14, 2024; Unit: Share; %

Name	Shares held in person		Shares held by spouse and minor child(ren)		Shares held in someone else's name		The title or name and relationship among shareholders in the Top shareholding list who are related, spouse to each other, or relatives within the second degree of kinship		Remarks
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name	Relation	
HSBC (Taiwan) Bank entrusts custody of investment funds to Macquarie Group Limited	13,210,000	4.87	—	—	—	—	—	—	—
Hui Min Investment Co., Ltd.	10,702,177	3.95	—	—	—	—	Hsu, Cheng-Min	The person in charge is the spouse	—
Chen, Hui-Yao	147	0.00	1,486,183	0.55	—	—	Hui Min Investment Co., Ltd.	Person in charge	—
Hocheng Corporation	6,575,315	2.42	—	—	—	—	—	—	—
Chiu, Chi-Hsin	—	—	—	—	—	—	Hocheng Corporation	Vice-Chairman	—
Prosperity Tieh Enterprise Co., Ltd	3,650,000	1.35	—	—	—	—	—	—	—
JPMorgan Chase Bank N.A., Taipei Branch is entrusted custody of Vanguard Stock Index Fund account	3,608,000	1.33	—	—	—	—	—	—	—
Capital Securities Corp. in entrusted custody for CSC Securities(HK), Capital Securities Nominee Ltd.	3,534,000	1.30	—	—	—	—	—	—	—
Rensheng Investment Co., Ltd	3,426,102	1.26	—	—	—	—	—	—	—
CHASE Bank in entrusted custody for Vanguard Total International Stock Index Fund, Vanguard Star Funds	3,381,549	1.25	—	—	—	—	—	—	—
Lin,Gao-Huang	3,000,000	1.11	—	—	—	—	Prosperity Tieh Enterprise Co., Ltd	Person in charge	—
Chieh Hung Investment Co., Ltd.	2,973,783	1.10	—	—	—	—	Hsu, Cheng-Min	The person in charge is the spouse	—
Chen, Hui-Yao	147	0.00	1,486,183	0.55	—	—	Chieh Hung Investment Co., Ltd.	Person in charge	—

X. Number of shares held by the Company, the Company's directors, managerial officers, and directly or indirectly controlled businesses and the consolidated general holding ratio

Unit: Share; %

Re-invested business (Note 1)	Investments made by the Company		Directors, managerial officers, and directly or indirectly controlled businesses (Note 2)		Comprehensive investment	
	Shares	Holding ratio	Shares	Holding ratio	Shares	Holding ratio
Chi Yang Investment Ltd.	—	100.00	—	—	—	100.00
T-Mac Techvest PCB Co., Ltd.	307,906,633	100.00	—	—	307,906,633	100.00
T-Flex Techvest PCB Co., Ltd.	30,821,897	44.21	123,000	0.18	30,944,897	44.39
tgt Techvest Co.,Ltd.	9,680,606	20.70	28,484,540	60.91	38,165,146	81.61
Chi Chau International Co., Ltd.	1,153,524	96.13	46,476	3.87	1,200,000	100.00
Brilliant Star Holdings Ltd.	68,126,618	97.28	—	—	68,126,618	97.28
Chi Chen Investment Co., Ltd.	35,600,000	80.73	8,500,000	19.27	44,100,000	100.00
Chi Chau (Thailand) Co., Ltd.	14,850,000	99.00	150,000	1.00	15,000,000	100.00
Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.	—	100.00	—	—	—	100.00

Note 1: It is the investment of the Company applying the equity method.

Note 2: The information documented in the roster of shareholders from the most recent book closure date of each company to the date the Company's Annual Report was printed.

Four. Fund-raising

I. Capital and Shares

(I) Source of Capital Stock

Unit: NTD thousand; Thousand Shares

Date	Issue price (NTD)	Approved capital stock		Paid-in capital stock		Remarks		
		Quantity	Amount	Quantity	Amount	Source of capital stock	Using properties other than cash to write off the stock value	Others
January 2009	10	200,000	2,000,000	140,967	1,409,675	Employee share subscription warrants exercised 8,500	—	January 6, 2009 Jing-Shou-Shang No. 09701331690
July 2009	10	200,000	2,000,000	142,722	1,427,225	Employee share subscription warrants exercised 17,550	—	July 15, 2009 Jing-Shou-Shang No. 09801155160
September 2009	10	200,000	2,000,000	166,250	1,662,508	Earnings-transferred capital increase and capital reserve transferred capital increase 235,283	—	September 4, 2009 Jing-Shou-Shang No. 09801203490
January 2010	10	250,000	2,500,000	194,255	1,942,548	Capital increase in cash 228,550; Employee share subscription warrants exercised 51,490	—	January 13, 2010 Jing-Shou-Shang No. 09901005630
July 2010	10	250,000	2,500,000	213,680	2,136,803	Earnings transferred capital increase 194,255	—	July 1, 2010 Jing-Shou-Shang No. 09901140030
September 2010	10	300,000	3,000,000	231,680	2,316,803	Capital increase in cash 180,000	—	September 16, 2010 Jing-Shou-Shang No. 09901211780
December 2011	10	300,000	3,000,000	236,314	2,363,139	Earnings transferred capital increase 46,336	—	December 12, 2011 Jing-Shou-Shang No. 10001275880
August 2012	10	300,000	3,000,000	251,314	2,513,139	Capital increase in cash 150,000	—	August 6, 2012 Jing-Shou-Shang No. 10101159440
August 2013	10	300,000	3,000,000	275,014	2,750,139	Capital increase in cash 237,000	—	August 15, 2013 Jing-Shou-Shang No. 10201165000
January 2015	10	300,000	3,000,000	271,243	2,712,429	Treasury stock-based capital reduction 37,710	—	January 22, 2015 Jing-Shou-Shang No. 10401013620
August 2019	10	300,000	3,000,000	271,242	2,712,425	Treasury stock-based capital reduction 450	—	April 14, 2019 Jing-Shou-Shang No. 10801101390

April 14, 2024; Unit: Unit: Thousand Shares

Type of share	Approved capital stock			Remarks
	Circulating shares	Shares yet to be issued	Total	
Registered common stock	271,242	78,758	350,000	None

(II) Shareholder Structure

April 14, 2024; Unit: Person; Share; %

Shareholder structure Quantity	Government agency	Financial institution	Other corporations	Individual	Foreign institution and outsider	Total
Number of people	—	7	314	48,914	179	49,414
Number of shares held	—	1,723,000	47,354,461	162,547,752	59,617,275	271,242,488
Shareholding ratio	0.00	0.64	17.45	59.93	21.98	100.00

(III) Diversification of Equity

April 14, 2024; Denomination of NTD10 per share; Unit: Person; Share: %

Shareholding classification	Number of shareholders	No. of shares held	Holding ratio
1 To 999	29,618	682,130	0.25
1,000 To 5,000	14,851	31,842,079	11.74
5,001 To 10,000	2,527	20,186,771	7.44
10,001 To 15,000	673	8,642,679	3.19
15,001 To 20,000	494	9,278,668	3.42
20,001 To 30,000	411	10,576,228	3.90
30,001 To 40,000	194	6,948,977	2.56
40,001 To 50,000	139	6,480,802	2.39
50,001 To 100,000	239	17,548,198	6.47
100,001 To 200,000	120	17,090,035	6.30
200,001 To 400,000	69	19,781,632	7.29
400,001 To 600,000	23	10,939,592	4.03
600,001 To 800,000	9	6,403,800	2.36
800,001 To 1,000,000	13	11,414,276	4.21
1,000,001 and more	34	93,426,621	34.45
Total	49,414	271,242,488	100.00

(VI) List of Major Shareholders

Shareholders that hold at least 5% of the equity or those whose holding ratio is one of the Top 10, their names, the number of shares held, and the holding ratio

April 14, 2024; Unit: Share: %

Name of major shareholder	Shares	No. of shares held	Holding ratio
Macquarie Bank Limited - MAIN		13,210,000	4.87
Hui Min Investment Co., Ltd.		10,702,177	3.95

Name of major shareholder	Shares	No. of shares held	Holding ratio
Hocheng Corporation		6,575,315	2.42
Prosperity Tieh Enterprise Co., Ltd.		3,650,000	1.35
JPMorgan Chase Bank N.A., Taipei Branch Is entrusted custody for Vanguard Stock Index Fund account		3,608,000	1.33
Capital Securities Corp. in entrusted custody for CSC Securities (HK) Limited, Capital Securities Nominee Limited		3,534,000	1.30
Rensheng Investment Co., Ltd.		3,426,102	1.26
CHASE Bank is entrusted custody for Vanguard Total International Stock Index Fund, Vanguard Star Funds		3,381,549	1.25
Lin, Gao-Huang		3,000,000	1.11
Jie-Hong Investment Co., Ltd.		2,973,783	1.10

(V) Related information on the market price per share, net value, earnings, and dividends for the past two years

Unit: NTD; 000 shares

Item	Year		2022	2023	For the year up to May 13, 2024 (Note 5)
	Market value per share	Maximum		54.20	46.80
	Minimum		31.50	35.80	39.20
	Average		42.19	41.84	41.96
Net value per share	Before distribution		53.98	54.35	56.21
	After distribution		51.48	Note 4	Not applicable
Earnings per share	Weighted mean shares		270,771	271,242	271,242
	Net profit per share (NTD)	Before retroactive adjustment	5.44	4.03	0.41
		After retroactive adjustment	Not applicable	Not applicable	Not applicable
Dividend per share (Note 4)	Cash dividend		2.50	1.00	Not applicable
	Free share assignment	Earnings share assignment	—	—	Not applicable
		Capital reserve share assignment	—	—	Not applicable
	Accumulated unpaid dividend		—	271,242,488	Not applicable
Analysis of return on investment	Price to earnings ratio (Note 1)		7.76	10.38	Not applicable
	Price to dividend ratio (Note 2)		16.88	41.84	Not applicable
	Cash dividend yield (Note 3)		0.06	0.02	Not applicable

Note 1: Price to Earnings ratio = Mean closing price per share of the year/Earnings per share.

Note 2: Price to Dividend ratio = Mean closing price per share of the year/Cash dividend per share.

Note 3: Cash dividend yield = Cash dividend per share/Mean closing price per share of the year.

Note 4: The distribution of 2023 earnings was approved by the Board of Directors on April 22, 2024. Once the dividend payout base date is approved, the shareholder dividend distribution ratio will be adjusted according to the actual outstanding shares of the Company.

Note 5: The net value per share and earnings per share are the data reviewed by approved by CPAs for the first quarter of 2024.

(VI) Company's Dividend Policy and Implementation

1. Dividend policy defined in the Articles of Incorporation

The Company's net profit for each year's General Financial Statement should first be used to offset previous years' losses and then allocate 10% of the remaining balance to the legal reserve fund, except when the legal reserve fund has reached the total amount of the capital stock. Additionally, according to laws, regulations, or instructions from the competent authority, a special reserve fund may need to be set aside or reversed. If there is still a profit remaining after these allocations, the Board of Directors may propose a plan for the distribution of dividends for that amount, along with the previous year's earnings, and submit it to the Shareholders Meeting for approval.

In light of steady developments and a sound financial structure, the distribution of surpluses of the Company is not to be below 10% of distributable surpluses after prior surpluses are subtracted. When it is below 1% of the paid-in capital size, however, it may be decided that all the remaining surpluses will continue to be retained and not be distributed.

Upon distribution of surpluses, the cash dividend may not be below 10% of the overall dividends.

2. Current distribution of of dividends

The Company's surplus earnings distribution plan for the year 2023 has been approved by the Board of Directors on April 22th, 2024. After adjusting for gains (losses) on remeasurements of defined benefit plans and setting aside 10% for statutory surplus reserve and special reserve fund, as well as adding the accumulated undistributed retained earnings from the beginning of the period, the remaining distributable profit is as follows:

- (1) NTD 0 distributed as a share dividend for shareholders.
- (2) NTD 271,242,488 distributed as cash dividends for shareholders.
- (3) Cash dividend distributed with the earnings (NTD/Share): NTD1.00.
- (4) Information on expected major changes to the dividend policy: This did not happen.

(VII) Impacts of free share assignment intended through the current shareholders' meeting on the Company's operational performance and earnings per share

No free share assignment was proposed in the current shareholders' meeting and the Company does not need to disclose its 2023 Financial Forecast; therefore, there is no need to disclose the annual forecast information.

(VIII) Remuneration for employees and that for directors

1. Percentage or range of remuneration for the employees and that for the directors as stated in the Company's Articles of Incorporation

After the pre-tax net profit of the current term before the remuneration for directors and that for employees are subtracted from the profit for the current year of the Company, less than 3% shall be set aside to be the remuneration for directors and 5% to 15% shall be that for employees. In cases of pending cumulative deficits borne by the Company (including adjustment of the value of undistributed earnings), the value sufficient to offset the deficits shall be retained first.

2. Accounting measures adopted in case of any difference between the basis for estimating the amount of remuneration for employees and that for directors and the basis for calculating the number of shares included in the distribution of share bonus, and the actual value distributed and their estimates of the current term:

- (1) The Company estimates the amount of remuneration for employees and that for directors based on the policy defined in the Company's Articles of Incorporation and with reference to how it was distributed in prior years.

- (2) The basis for estimating the amount of remuneration for employees and that for directors in 2023 is to multiply the pre-tax net profit by 7.5% which is expected for employees and 1.5% for directors. The basis for calculating the number of shares for the distribution of stock bonus is the closing price on the day before the Board of Directors' meeting. In 2023, however, the employee stock bonus was not distributed.
- (3) Differences between the actual values decided to be distributed by the Board of Directors and the estimate, if any, are considered variations in accounting estimates and will be recognized as the profit or loss of 2024.
3. Information on the distribution of remuneration for employees and that for directors of 2023 as decided by the Board of Directors

(1) Amount of remuneration for employees and that for directors

Item	Remuneration for employees	Remuneration for directors
Cash	105,349,000	21,070,000
Share	—	—

There is no difference between the amount of remuneration for employees and that for directors distributed for 2023 as determined by the Board of Directors and the annual estimate recognized.

- (2) Ratio of the amount of remuneration for employees as determined to the sum of after-tax net profit and the total employee bonus of the current term: Not applicable.
4. The Company's Board of Directors decided on March 15, 2024 that NTD105,349,000 would be assigned as the remuneration for employees and NTD21,070,000 as the remuneration for directors in 2023. The actual distribution was identical to the original decision and the originally recognized value. There is no difference.

(IX) Buyback of the Company's Shares: None.

- II. Corporate Bonds: None.
- III. Preferred Stock: None.
- IV. Global Depositary Receipt: None.
- V. Employee Stock Options: None.
- VI. Employee Restricted Stock: None.
- VII. New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.
- VIII. Implementation of Capital Utilization Plan: None.

Five. Operational Status

I. Scope of Operation

(I) Scope of Operation

1. Main contents of the business

- (1) CC01080 Electronics Components Manufacturing
- (2) F219010 Retail Sale of Electronic Materials
- (3) F401010 International Trade
- (4) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Sales weight and current products

Main products	2023	2022
Printed Circuit Board	100.00%	100.00%

3. New products to be developed

- (1) Develop high-frequency circuit boards with low signal loss, low DK materials, low roughness copper foil, and low roughness surface treatment processed.
- (2) Research and develop high-speed circuit boards with HDI, back drill, high aspect ratio circuits, and low roughness copper foil processes.

(II) Industry Overview

The Group primarily engages in the manufacturing and sales of Printed Circuit Boards (PCBs). The main application products include LCD TVs, monitors, laptops, Public Information Displays (PIDs), touch panels, solid-state drives (SSDs), and automotive boards. PCBs are substrates that carry electronic components, while the core material of the inner layer acts as an insulator (e.g. glass fiber) the outer layer is supplemented with a conductor (e.g. copper foil). According to the circuit design of the end product, the circuit pattern is applied to the substrate by chemical etching and electroplating. Given that the electrical circuit (wiring) connects the various electronic component and provides electrical conductivity to transmit power and signals, this enables the function of each component to be performed. PCBs are regarded as one of the most essential components of electronic products. In general, PCBs are categorized into rigid circuit boards (R-PCB), flexible printed circuits (FPC), high-density interconnect boards (HDI), and IC carrier boards. If classified under the number of conductive layers, these can be divided into single-sided, double-sided and multi-layer panels. The downstream applications for these types of PCBs are as follows:

Classification	Terminal Products	Characteristics
R-PCB	Automotive electronics, servers/storage, desktop computers, notebooks, displays, hard drives, TVs, game consoles, and so on.	Non-flexible, wide range of board thickness, and can carry large currents.
FPC	Wearable devices, mobile phones, tablet PCs, notebooks, digital cameras, TFT-LCD panels, touch panels, and so on.	Flexible, easy to bend, lightweight and thin.
HDI	Wearable devices, mobile phones, tablet PCs, ultra-thin notebooks, digital single-lens reflex cameras, handheld game consoles, data cards, and so on.	Small in size, high density of circuit distribution, and excellent transmission performance.
IC Carrier Board	Application processors, baseband chips, power management chips, NFC chips, RF chips, graphics chips, power amplifiers, flash memory, MEMS, and so on.	Lighter, smaller in size, and has excellent quality stability and information channels.

In summary, PCBs can be applied to an extensive range of products, hence the name “mother of all electronic products”. PCBs can be used in almost everything in terms of electronic components. Their applications include wearable devices, communications, tablet PCs, automotive electronics, servers/storage, networking, personal computers, various consumer electronics products, and so on. Therefore, the prosperity in the terminal electronics market directly affects the market demand for PCBs.

1. Global industry status and development trends

During the pandemic years of 2021 and 2022, there was an imbalance of supply and demand, leading to excessive global overexpansion. However, after the pandemic, there was pressure to reduce inventory closeout and curb inflation by raising interest rates. Consequently, the global printed circuit board (PCB) industry encountered a huge recession in 2023. The Taiwan Printed Circuit Board Association (TPCA) issued a press release stating that according to estimates from the Industrial Technology Research Institute’s International Strategy Center, the global PCB output value in 2023 was USD73.9 billion, a decline of 15.6%.

Looking ahead to 2024, according to recent data released by the International Monetary Fund (IMF), global economic growth forecasts have been revised upwards. This adjustment is attributed to strong economic growth in the United States and stimulus measures implemented by China. The new estimate suggests a growth rate of 3.1% for this year, an increase of 0.2 percentage points from the previous forecast. The growth rate for 2025 is expected to see a slight increase to 3.2%. In addition to the world's two largest economies, the IMF also singled out large emerging economies such as India, Russia, and Brazil, noting stronger-than-expected performance.

According to the Industrial Technology Research Institute’s International Strategy Center, the estimated global PCB production value is expected to rebound to USD78.2 billion in 2024, representing a growth of 6.3% compared to 2023. As the overall momentum of the consumption market gradually approaches global economic performance, the growth rate of global PCB production value is also expected to return to the long-term average level of 4% to 5%.

2. Current status and development trend of Taiwan industry

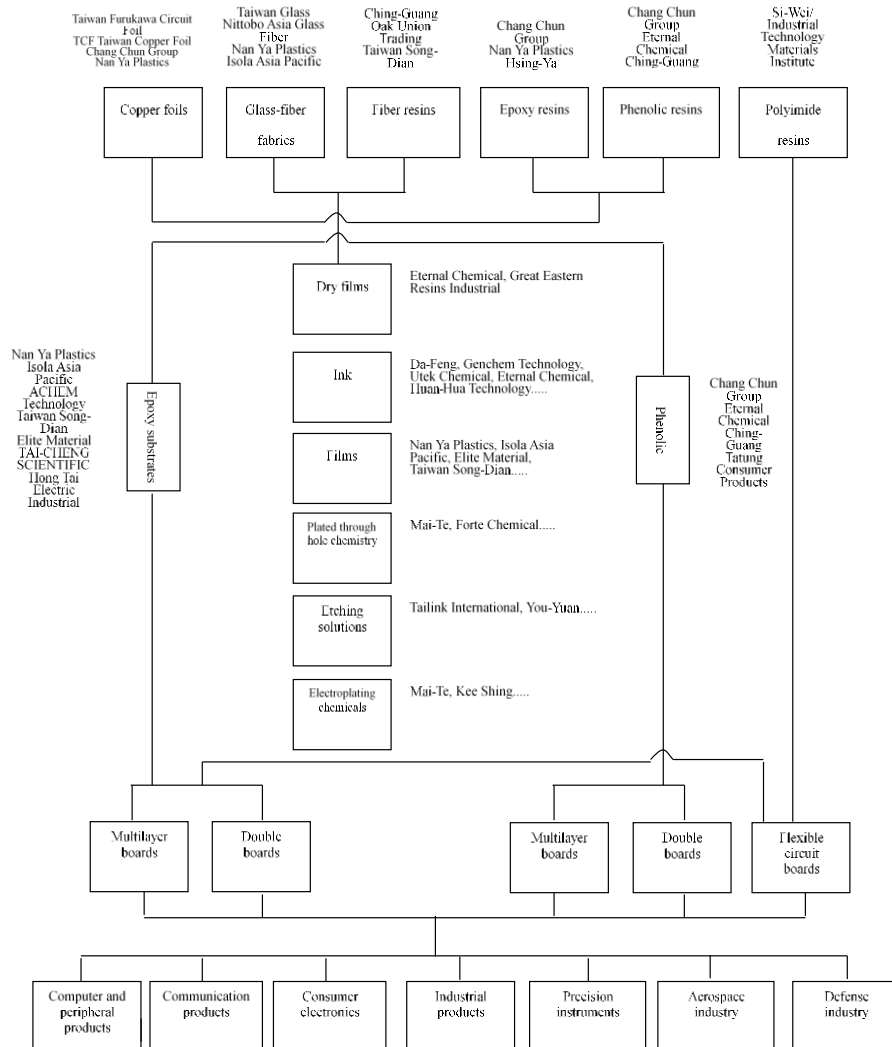
Affected by the disappearance of pandemic-related advantages, the PCB industry of Taiwanese businesspeople finally saw a glimmer of hope in the third quarter of 2023 after a year of adjustment. The decline in the electronic parts and components industry is nearing its end. Influenced by negative factors such as weak end demand, international conflicts, high inflation, and high inventory, according to data released by the Taiwan Printed Circuit Board Association (TPCA), the cross-Straits PCB manufacturing industry of Taiwanese businesspeople recorded an output value of NTD778.3 billion in 2023, a year-on-year decline of 15.8%. With the terminal inventory closeout, the Taiwanese PCB industry is poised for a new growth cycle. TPCA estimates that the full-year output value of Taiwanese business people's PCBs in 2024 could reach NTD837.7 billion, representing a year-on-year increase of 7.6%.

3. Linkage between upstream, midstream, and downstream industries

Chi Chau is engaged mainly in the manufacturing and sales of PCBs as a bridge for carrying electronic components and connecting circuits. Upstream industries include chemical raw materials such as: substrates, copper foil, glass cloth, dry film, ink, film and etching solution, covering petrochemicals, metal and electronic component industries. Downstream industries include computer peripherals, communication products, consumer electronics, industrial products, precision instruments, the aerospace industry, and the

defense industry. The main raw materials for upstream industries can be developed and supplied by domestic manufacturers, while the applications for downstream industries are more diverse and are likely to be affected by the general economy, market performance, and consumption. Given the above, both upstream and downstream systems of the PCB industry have been reasonably developed. Structural links between the upstream, midstream and downstream industries are as follows:

PCB vertical structure system



Information source: Industrial Technology Materials Institute

4. Competition situation

Due to the wide range of applications and varying laminates and characteristics of printed circuit board (PCB) products, there is intense competition both domestically and internationally. The Group primarily focuses on manufacturing PCBs for photovoltaic panels, NB boards, circuit boards for information products, and automotive boards. We strive to enhance production efficiency management and meet customer demands with stable quality and competitive pricing, ensuring customer satisfaction.

In the global PCB industry, China's PCB industry holds a significant position due to its comprehensive global supply chain and large market, making it difficult for other countries to replicate its success quickly. It is estimated to have a market share of over half of the industry. Moreover, with strong support from the Chinese government and the backing of the capital market, its influence cannot be underestimated. Since the end of 2022, spurred by the need to diversify risks and expand into new markets, there has been a wave of Southern Policy Investment, with Thailand, Vietnam, and Malaysia emerging as the primary options. With the announcement of numerous new investment projects, Thailand

has solidified its position as an emerging PCB cluster. While mainland China remains a major production hub for PCB globally, the influx of investment into Southeast Asia is expected to squeeze the resources available for foreign traders to develop their presence in China. Moreover, with more than ten benchmark mainland enterprises shifting their investments to Thailand, it is projected that China's share of global PCB production value will decline annually.

(III) Technology, R&D and Patent Overview

1. R&D expenses during the most recent fiscal year and as they stood on the date of publication of the annual report:

Not applicable as PCBs are the basic components of the electronic industry, and the production technology is relatively mature. Also, related product lines and specifications are provided according to the design of the customer, the Company has not invested in R&D since 2013.

2. Whether there is any infringement of patent rights, trademark rights and copyright in the currently registered or attained patent rights, trademark rights and copyright rights, and whether the actions taken are reasonable and effective:

The Company has no registered patent rights, trademark rights and copyrights, and has not been involved in any infringement of patent rights, trademark rights and copyrights during the most recent fiscal year and as they stood on the date of publication of the annual report.

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

1. Short-term plans

- (1) In response to geopolitical conflicts and in line with the strategic layout of the international supply chain. The Company's new factory in Vietnam commenced operations in the fourth quarter of 2022, aimed at providing services to local customers in proximity.
- (2) To stay ahead in the future of the LCD panel and PCB for NB applications, the Company is actively pursuing the development of niche products related to these sectors, and closely monitoring industry and technological advancements to identify emerging opportunities and trends.
- (3) The automotive electronics industry is being driven by the increasing trend of smart vehicle systems and ADAS technologies, as well as the continuous growth in sales of electric vehicles (EVs). According to industry experts, the compound annual growth rate of the automotive PCB industry output value is estimated to reach 12% from 2022 to 2026. The Group is actively investing in marketing strategies and advancing production technologies to capitalize on this growth in the automotive board sector.

2. Long-term plans

- (1) Continue to cultivate quality and professional technologies as well as management elites. Not only will the yield rates of production lines in Taiwan be improved, but they will also serve as the basic cadre of production lines in future locations outside Taiwan.
- (2) To address the task of manpower shortage in the manufacturing industry in Taiwan, China and Vietnam, we will continue to increase automation to reduce manpower demand in the plan, while also stabilizing manufacturing quality.
- (3) Establish a comprehensive information system for information integration and analysis to shorten operation times. Computer connections with key customers will also be set up to provide real-time service.
- (4) Continue to expand product range and their distribution channels in response to market trends and product diversification to reduce the impact of fluctuating economic conditions.

- (5) In line with future product trends, new materials will be strengthened, new technologies collected, and correct products planned to shorten the development and introduction of mass production time to meet future product demand.

II. Market, production and sales overview

(I) Market Analysis

1. Major product sales regions

The Company's main products are PCBs, and they are sold in Taiwan, China, Korea, Singapore and Hong Kong.

Unit: NTD thousands

Area \ Year	2022		2023	
	Amount	%	Amount	%
Domestic sales	3,020,635	13.74	2,313,296	12.22
Export	18,956,832	86.26	16,620,544	87.78
Total	21,977,467	100.00	18,933,840	100.00

Information source: Consolidated financial report audited by the CPAs.

2. Market share

According to TPCA's estimation, the global printed circuit board (PCB) production value for 2023 was USD73.9billion. In comparison, the merged company's consolidated sales amounted to approximately USD 616.6 million, accounting for approximately 0.83% of the global PCB market.

3. Future market supply and demand situation and growth

In discussing the trends in the PCB industry, there is a continuous technological shift towards high precision, high integration, and lightweight designs to meet the downstream electronics industry's demand for smaller, thinner, and shorter products. In terms of application areas, there has been a structural transformation in recent years driven by emerging markets such as 5G, mobile internet, IoT (Internet of Things), cloud computing, artificial intelligence, and autonomous driving vehicles. This transformation is rooted in the generation, processing, and application of big data, and the short, medium, and long-term structures are still being adjusted. To seek new growth momentum, Taiwanese manufacturers will continue to focus on the deployment of servers, 5G, network communications, and automotive electronics applications. They will adjust their product structures, actively introduce automation and intelligent equipment, optimize process efficiency, and seek revenue and profit growth. In addition to providing competitive products and services in the existing LCD photovoltaic panels and NB board segments, the Group is actively cultivating new areas in 5G applications and automotive boards.

4. Competitive niche

(1) Continuous innovation of professional technology

The Group is actively improving its production technology and processes to develop niche products with advantages in technology and quality. This includes catering to the needs of 5G IoT applications and transmission. Furthermore, there is a continuous expansion of the utilization of fine circuit processes and the enhancement of HDI (High-Density Interconnect) multilayer board manufacturing capabilities. Implementing AI to construct a visual inspection model for exterior examination aims to reduce the amount of data interpretation required by personnel, thereby lowering the rate of overlooking defective appearances and enhancing inspection quality.

(2) Steady business operation

The management of the Company is committed to the business it operates in and upholds the business philosophy of sustainability, innovation and service, which allows the Company to maintain its performance while maintaining its profitability under fierce competition.

(3) Good management system

PCB manufacturing is an industry with complex manufacturing processes and made-to-order production, having precise and effective management is the foundation for maintaining competitiveness and generating profits. Not only does the Company's management team constantly strive for meeting the objectives of effective management, but with years of professional production experience, alongside the application of integrated computer systems, short delivery times, reduction of costs and continuous quality standard improvement are also achieved, further increasing the Company's competitiveness.

5. Advantageous and disadvantageous factors for future development and policies for dealing with them

(1) Advantageous factors for future development and policies

① Establish positive and stable supply relationships with major raw material suppliers to grasp the source of raw materials.

② The main members are elites from various industries, with technologies reaching international standards and capabilities to grasp the technology of niche products of optoelectronics and information.

③ Thanks to satisfactory communication and a comprehensive management system, the relationship between labor and management is congruent. Each member of the Company strives for one goal - to do their utmost for the best interests of the Company.

(2) Disadvantageous factors for future development and policies for dealing with them

① Global environmental awareness is increasing.

Policies for tackling the issue: The Company has invested heavily in pollution prevention equipment so that emissions comply with exhaust and wastewater laws and regulations. General and hazardous business waste is entrusted to a treatment body approved by the competent authorities.

② Labor shortage and high liquidity.

Policies for tackling the issue: We hire foreign workers through legal agencies to increase productivity. We also enhance employees' on-the-job training to improve their quality and productivity, while at the same time increasing employee benefits to reduce the employee turnover rate.

③ Competitive market makes reasonable profits difficult to maintain.

Policies for tackling the issue: The Company has introduced high-tech production equipment to improve production capacity and quality, reduce production costs and proactively develop new products, adjust sales portfolios, and establish market segmentation.

④ Changes in exchange rates affect profitability.

Policies for tackling the issue: When purchasing raw materials, we quote in U.S. dollars and pay in U.S. dollars, and reduce exchange risks through a forward exchange and U.S. dollars loan.

⑤ Price fluctuation of international raw materials:

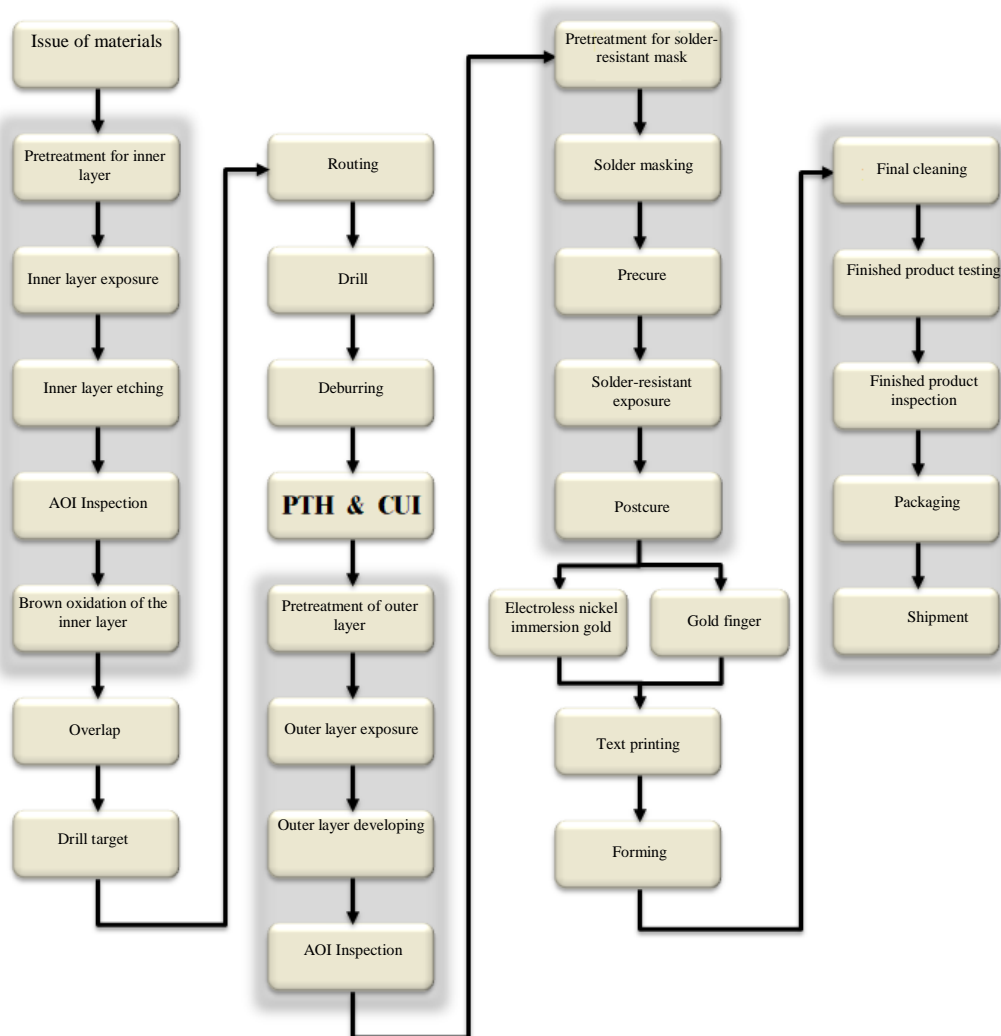
Policies for tackling the issue: Our procurement personnel keep a close eye on the market price trend of raw materials at all times to reduce the adverse impact of price fluctuation. We also maintain a good relationship with raw material suppliers to ascertain the best procurement timing.

(II) Purchasing personnel keeps an eye on the market price trend of raw materials to reduce the negative impact of price fluctuation and maintain a good relationship with raw material suppliers to ascertain the best timing of purchase.

1. Usage for the Company's main products

TFT-LCD monitors, desktop computers, notebook computers, automotive PCBs, consumer electronics, etc.

2. Manufacturing processes for the Company's main products



(III) Supply situation for the company's major raw materials.

The Group is a professional manufacturer of printed circuit boards. The main raw materials are substrates, copper foil, prepreg and gold salts, which are sourced from major domestic and foreign suppliers. The main suppliers of laminates and prepreg are Elite Material Co., Ltd., Ventec Electronics Corporation and Nan Ya Plastics Corporation, all of which are well-known manufacturers in Taiwan and abroad. They have established a good and stable long-term supply-demand relationship with the Group, and the prices reflect the market conditions in the information electronics industry.

As of the date of publication of the annual report, the supply of major raw materials is good and there is no occurrence of cessation of work or other disputes.

(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 in the above figures

1. Main suppliers

Unit: NTD thousands; %

Item	Name	Relationship with the Issuer	2022		2023		First Quarter of 2024	
			Amount	As a percentage of net imports for the year	Amount	As a percentage of net imports for the year	Amount	As a percentage of net imports for the year
1	Nan Ya Plastics Hong Kong Corp Ltd.	None	1,283,555	11.57	1,062,730	10.86	222,343	9.55
2	Hua Zheng New Material (Hong Kong) Limited.	None	810,602	7.31	665,756	6.80	251,460	10.80
3	Others	None	9,001,542	81.12	8,056,087	82.34	1,853,469	79.65
	Total		11,095,699	100.00	9,784,573	100.00	2,327,272	100.00

Change in increase/decrease:

The Group primarily procures raw materials such as substrates, copper foils, films, and chemicals. The overall amount of procurement has decreased, resulting in a roughly 13.85% reduction in sales revenue compared to the previous year (2022). This decrease in sales revenue has led to a corresponding decrease in related materials. There were no significant changes in the suppliers in 2023, and apart from the mentioned suppliers, the remaining suppliers did not account for more than 10% of the total procurement amount.

2. Main customers

Unit: NTD thousands; %

Item	Name	Relationship with the Issuer	2022		2023		First Quarter of 2024	
			Amount	As a percentage of net sales for the year	Amount	As a percentage of net sales for the year	Amount	As a percentage of net sales for the year
1	Tech Front (Chongqing) Computer Co., Ltd.	None	2,729,161	12.42	2,341,499	12.37	565,064	13.54
2	Dell Global BV (Singapore Branch)	None	2,434,766	11.08	2,194,883	11.59	486,946	11.66

Item	Name	Relationship with the Issuer	2022		2023		First Quarter of 2024	
			Amount	As a percentage of net sales for the year	Amount	As a percentage of net sales for the year	Amount	As a percentage of net sales for the year
3	Others	None	16,813,540	76.50	14,397,458	76.04	3,122,470	74.80
	Total		21,977,467	100.00	18,933,840	100.00	4,174,480	100.00

Change in increase/decrease:

The decrease in the Group's revenue in 2023 was attributed to negative factors such as weak end demand, international conflicts, high inflation, and elevated inventory levels. Overall, there were no significant changes in the customer base and sales products for the Group in 2023. The Group will continue to focus on diversifying its customer base and sales product range, expanding into overseas markets, and mitigating the risk of concentrated sales.

(V) An indication of the production volume for the 2 most recent fiscal years

Unit: square feet / NTD thousand

Major product	Year	2022			2023		
		Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Printed Circuit Board		64,098,170	59,891,881	18,125,602	57,257,454	58,639,389	16,202,148

(VI) An indication of the volume of units sold for the 2 most recent fiscal years

Unit: square feet / NTD thousand

Major product	Sales Volume/ Value	Year	2022				2023			
			Domestic sales		Export		Domestic sales		Export	
			Volume	Value	Volume	Value	Volume	Value	Volume	Value
Printed Circuit Board			4,614,434	2,526,921	56,727,118	19,450,527	4,856,920	2,387,583	54,099,928	16,546,180
Others			—	—	3,450	19	—	3	20,508	74
Total			4,614,434	2,526,921	56,730,568	19,450,546	4,856,920	2,387,586	54,120,436	16,546,254

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)

Year		2022	2023	As of the first quarter of 2024
Number of employees	Direct labor	2,415	3,055	2,959
	Indirect labor	1,466	1,009	994
	Total	3,881	4,064	3,953
Average age		36	36	36
Average years of service		5.38	5.42	5.41
Education distribution rate (%)	PhD	0.03	0.00	0.00
	Master	0.18	0.27	0.28
	College	18.60	17.22	18.39
	Senior high school	54.96	53.74	44.75
	Below senior high school	26.23	28.76	36.58

IV. Information on Environmental Protection Expenditure

Environmental fines for the most recent year and up to the printing date of the Annual Report :

Company	Disposition Date	Disposition Reference Number	Legal Provision Violated	Details of the Provision Violated	Details of Disposition	Possible expenses that could be incurred currently and in the future and measures being or to be taken
tgt	2023.12.13	GAO-SHI-HUAN-JU-TU-ZI-No.11242761300	Article 12 of the Water Pollution Control Act, and Article 4 of the Water Pollution Control Measures and Test Reporting Management Regulations states that "Enterprises or sewage systems shall take the water pollution control measures approved by the municipality ..., and shall operate in compliance with the approved Pollution Control Measures. "	Using ferrous chloride as the primary raw material for the polymer coagulant in wastewater treatment, the operation is not in compliance with the approved Plan of Waste Pollution Prevention Measures (ferric chloride content).	A fine of NTD10,500 was imposed and attendance at a 2-hour Environmental Education Lecture was required.	The permit for the change in the Plan of Waste Pollution Prevention Measures was approved on March 28, 2024. The fine was paid in full on December 28, 2023.
	2024.01.19	GAO-SHI-HUAN-JU-TU-ZI-No.11330719100	Paragraph 2, Article 12 of the Soil and Groundwater Pollution Remediation Act states that "... If the site in the preceding paragraph has a clear source of soil or groundwater pollution, and the concentrations of pollutants exceed the soil or groundwater pollution control standards, the special municipality, county, or city competent authority shall publicly announce that it is a soil or groundwater pollution control site."	Soil Pollution Remediation Site and Soil Pollution Control Zone	A fine of NTD100,000 was imposed and attendance at a 4-hour Environmental Education Lecture was required (no improvement was made before the deadline).	We have currently commissioned a business firm to develop an improvement plan. The fine was paid in full on April 10, 2024.

V. Labor-Management Relations

(I) 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

1. Welfare system

- (1) Take out labor insurance for employees as required.
- (2) Provide national health insurance for employees as required.
- (3) Take out group insurance for employees and provide periodic health examinations.
- (4) Provide employees with special leave, maternity leave and parental leave as required.
- (5) Provide year-end bonuses and performance bonuses according to the Company's operating conditions.
- (6) Distribution of remuneration to employees as required by the Company.
- (7) The Company provides meals to employees in its canteen.
- (8) Employee welfare funds are allocated, and Employee Welfare Committee is established as required by the law. Various employee benefits are provided, such as: money/gifts for 3 major festivals, birthday gifts, maternity allowance, child care subsidy, wedding and funeral subsidy, hospitalization compensation and employee trips.

2. Continuing education and training

To strengthen the professional capabilities of our employees to improve their work efficiency and improve product quality, we not only send our employees to take part in training courses organized by external agencies to boost their professional capabilities, but we also hold internal management and professional training courses from time to time. Meanwhile, we also encourage our employees to obtain professional licenses. In 2023, the Company conducted a total of 2,294 education training sessions (including internal and external training) with a total of 17,306.5 hours of training. The total cost for education and training was approximately NTD184,000.

3. Retirement system and implementation status

- (1) As required by the "Labor Standards Act", the Company has formulated Labor Retirement Management Measures applicable to all official employees before the "Labor Pension Act" became effective on July 1, 2005. The Company has established a Labor Pension Fund Supervisory Committee and 2%-15% of the employee's monthly wages are allocated to the retirement fund. The pension funds are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan.
- (2) From July 1, 2005, the new labor pension system was enforced. The Company has formulated the Labor Retirement Management Measures following the "Labor Pension Act". 6% of the monthly wages will be allocated as pension for employees opting for the "Labor Pension Act"

4. The status of labor-management agreements and measures for preserving employees' rights and interests

The Company thinks highly of the welfare of its employees and abides by the provisions stipulated in the Labor Standards Act. At Chi Chau, we provide reasonable wages and comprehensive systems and carry out communication meetings as well as Welfare Committee meetings to exchange opinions with our employees. Our employees and the Company have sound communication

5. Work environment and employee safety protection measures (ISO45001 attained, deadline: November 10, 2024).

In terms of labor safety and health, the Company has formulated a Safety and Health Work Handbook for employees to follow as required by the competent authorities.

(1) Safety and health management unit and personnel

- ① As required by the Health and Safety Act, a Labor Safety and Health Management Unit has been set up as an enforcement unit for safety and health under the General Manager's Office. In addition, an A-type of Occupational Safety and Health Business Manager, Safety Manager, and Safety and Health Officer have also been set up.
- ② On-site safety and healthy supervisors and first aid facilities have been put in place in workplaces as required by the law.
- ③ A safety and health report is provided in the monthly meeting.
- ④ An automatic inspection of safety and health is carried out as required.

(2) Facility Safety

- ① Formulate the protection and management regulations for machinery and equipment.
- ② Carry out regular maintenance and repair of machinery and equipment.
- ③ As required by the competent authorities, dangerous machinery requires an annual inspection by an inspection agency. Dangerous machinery may only be used once it passes the inspection.
- ④ Upon the signing of a construction contract with the contractor, he/she must be informed in writing of safety and environmental precautions.

(3) Environmental Health

- ① Under the regulatory requirements set by the competent authority, we regularly conduct operational environmental monitoring and have obtained the ISO 14001 certificate (valid until July 23, 2026).
- ② Employees receive an annual full-body health examination.

(4) Fire safety

- ① Install a comprehensive fire-fighting system as required by the Fire Services Act.
- ② Drills and training are carried out every 6 months.

(5) Building Safety

- ① As required by Article 77 of the Building Act, an annual inspection report on the safety of buildings is issued and shall be filed with the local competent building authorities.

(6) Safety

- ① Set up access control and monitoring system.
- ② Night patrol security services.

(II) Labor disputes during the current fiscal year up to the date of publication of the annual report: The Company did not incur any losses due to labor disputes. Through the establishment and continuous improvement of labor relations systems, it should be possible to prevent any potential losses from labor disputes in the future.

VI. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

A. Information Security Risk Management Framework

In fiscal year 2023, the Company established a Cybersecurity Team (consisting of one cybersecurity manager and one cybersecurity specialist), that is responsible for coordinating and implementing security policies, disseminating security information, raising employees' awareness of information security, and collecting and improving the effectiveness and integrity of the organization's information security system. The Audit Office conducts annual information security audits on the internal control system - Cyber

Security Management Regulations and evaluates the effectiveness of the internal control of the Company's information operations. Furthermore, to prevent computer network security crises from happening and facilitate the sharing of cyber threat intelligence, the Company joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) in the year 2022.

B. Cyber Security Policy

- (1) Strengthen personnel awareness of information security
- (2) Implement the effectiveness and integrity of daily maintenance operations
- (3) Perform Information Security Audit Operation to ensure information security is implemented
- (4) Ensure operational sustainability

C. Specific management solutions

Item	Contents
Cybersecurity management and control	<ul style="list-style-type: none"> ● Firewall erection ● The antivirus software automatically performs virus scanning on the computer system and data storage media when the system launches a file ● The use of each network service should be implemented under the Information Security Policy ● Monthly review of the System Log of each network service item to track irregularities
Information access control	<ul style="list-style-type: none"> ● Computer equipment should be kept by a person with an account and password to be set up ● Different access authority is assigned according to competency ● Access authority will be adjusted in time when personnel leave ● Review the user's authority once a year
Response restoration mechanism	<ul style="list-style-type: none"> ● Review emergency procedures once a year ● Revision of annual drill practice system recovery once a year ● Establish a system backup mechanism
Dissemination and verification	<ul style="list-style-type: none"> ● Annual review of computer network security control measures ● Promote information security information at least once a month to raise employees' awareness of cyber security ● Evaluate information security policies once a year to respond to legal, technical, and business developments

D. Input resources for cyber security management

The Company is responsible for handling the establishment and assessment of information security cyber threat-related matters, which is managed by the Cybersecurity Team. In 2023, the Company upgraded its resources to a Next-Generation Firewall to enhance network security.

(II) Significant cybersecurity incidents for the most recent year and up to the date of publication of the Annual Report: None.

VII. Important contracts (up to the date of publication of the annual report)

Company	Contractual nature	Counterparty	Date of contract	Main content	Restricted Terms
The Company	Mid-term loan	Bank of Taiwan	2024.01.12 - 2029.01.12	Medium and long-term working capital	None
	Mid-term loan	Chang Hwa Bank	2023.12.18 - 2027.12.18	Medium and long-term working capital	None
	Mid-term loan	First Bank	2024.02.06 - 2029.02.06	Medium and long-term working capital	None
	Mid-term loan	KGI Bank	2023.05.19 - 2026.05.19	Medium and long-term working capital	None
tgt	Mid-term loan	KGI Bank	2022.08.01 - 2027.08.01	Medium and long-term working capital	Plant and equipment guarantee
	Land lease	Export Processing Zone Administration, Kaohsiung Branch	2016.02.01 - 2030.01.31	Land lease	None

Six. Financial Overview

I. Condensed Financial Data for the Past Five Years

(I) Condensed Balance Sheet (Consolidated)

Unit: NTD thousand

Item	Year	Financial Data of the Past Five Years					2024 First Quarter
		2019	2020	2021	2022	2023	
Current assets		19,925,899	22,997,341	23,817,611	19,551,029	20,049,858	19,674,720
Property, plant and equipment		8,172,377	7,524,906	7,460,367	8,278,089	8,579,794	8,916,497
Intangible assets		377,464	376,586	376,165	374,944	372,703	375,342
Other assets		530,381	546,153	526,680	525,522	694,041	564,871
Total assets		29,006,121	31,444,986	32,180,823	28,729,584	29,696,396	29,531,430
Current liabilities	Before distribution	12,832,831	13,138,754	16,264,283	13,140,550	13,525,429	12,407,597
	After distribution	13,498,132	14,053,103	17,620,495	13,818,656	13,796,671	Not applicable
Non-current liabilities		4,429,810	5,278,361	1,270,160	298,556	774,284	1,221,280
Total liabilities	Before distribution	17,262,641	18,417,115	17,534,443	13,439,106	14,299,713	13,628,877
	After distribution	17,927,942	19,331,464	18,890,655	14,117,212	14,570,955	Not applicable
The equity that belongs to the client of the parent company		11,246,923	12,533,316	14,042,562	14,642,133	14,741,396	15,247,228
Share capital		2,712,425	2,712,425	2,712,425	2,712,425	2,712,425	2,712,425
Capital reserve		3,119,032	3,119,032	3,282,591	2,875,694	2,875,694	2,875,694
Retained earnings	Before distribution	6,612,116	7,905,807	9,248,456	9,773,328	10,188,296	10,298,230
	After distribution	5,946,815	6,991,458	7,892,244	9,095,222	9,917,054	Not applicable
Other equities		(1,133,730)	(875,899)	(974,884)	(719,314)	(1,035,019)	(639,121)
Treasury stocks		(62,920)	(328,049)	(226,026)	0	0	0
Non-controlling interests		496,557	494,555	603,818	648,345	655,287	655,325
Total equities	Before distribution	11,743,480	13,027,871	14,646,380	15,290,478	15,396,683	15,902,553
	After distribution	11,078,179	12,113,522	13,290,168	14,612,372	15,125,441	Not applicable

Note: The above financial data have all been audited/ reviewed and approved and certified by the CPAs.

(II) Condensed Income Statement (Consolidated)

Unit: NTD thousand

Item \ Year	Financial Data of the Past Five Years					2024 First Quarter
	2019	2020	2021	2022	2023	
Operating revenue	21,701,863	22,847,267	27,500,178	21,977,467	18,933,840	4,174,480
Gross operating profit	3,216,105	3,346,001	4,323,991	3,391,841	2,866,199	401,416
Operating loss and profit	1,413,930	1,657,127	2,190,358	1,678,331	1,231,097	103,460
Non-operating revenue and expenditure	58,460	1,168,858	892,929	324,195	19,512	42,503
Profit before tax	1,472,390	2,825,985	3,083,287	2,002,526	1,654,614	145,963
Current net profit of the continuing operating department	1,039,799	1,911,734	2,324,434	1,524,192	1,131,120	100,290
Losses from discontinued units	—	—	—	—	—	—
Net profit (loss) of the current term	1,039,799	1,911,734	2,324,434	1,524,192	1,131,120	100,290
Other comprehensive income recognized for the period (After-tax net value)	(552,363)	303,090	(96,215)	265,682	(327,364)	405,580
Total comprehensive income in the current period	487,436	2,214,824	2,228,219	1,789,874	803,756	505,870
Net profit attributable to the owner of the parent company	1,070,440	1,918,861	2,258,929	1,472,323	1,094,091	109,934
Net profit attributable to non-controlling interests	(30,641)	(7,127)	65,505	51,869	37,029	(9,644)
The sum of comprehensive income attributable to the owner of the parent company	483,543	2,216,826	2,161,036	1,729,791	777,369	505,832
The sum of comprehensive income attributable to non-controlling interests	3,893	(2,002)	67,183	60,083	26,387	38
Earnings per share (NTD)	4.08	7.28	8.60	5.44	4.03	0.41

Note: The above financial data have all been audited/ reviewed and approved and certified by the CPAs.

(III) Condensed Balance Sheet (Parent Company Only)

Unit: NTD thousand

Item	Year	Financial Data of the Past Five Years					2024 First Quarter
		2019	2020	2021	2022	2023	
Current assets		8,947,955	10,917,083	11,998,815	8,623,821	8,492,223	Not applicable
Property, plant and equipment		528,183	539,245	887,572	878,355	843,294	
Intangible assets		1,356	885	536	1,079	554	
Other assets		14,010,951	16,192,410	16,749,144	17,251,563	18,894,459	
Total assets		23,488,445	27,649,623	29,636,067	26,754,818	28,230,530	
Current liabilities	Before distribution	9,109,517	10,716,538	14,561,539	12,052,298	12,911,568	
	After distribution	9,774,818	11,630,887	15,917,751	12,730,404	13,182,810	
Non-current liabilities		3,132,005	43,99,769	1,031,966	60,387	577,566	
Total liabilities	Before distribution	12,241,522	15,116,307	15,593,505	12,112,685	13,489,134	
	After distribution	12,906,823	16,030,656	16,949,717	12,790,791	13,760,376	
Equity attributable to the owner of the parent company		11,246,923	12,533,316	14,042,562	14,642,133	14,741,396	
Share capital		2,712,425	2,712,425	2,712,425	2,712,425	2,712,425	
Capital reserve		3,119,032	3,119,032	3,282,591	2,875,694	2,875,694	
Retained earnings	Before distribution	6,612,116	7,905,807	9,248,456	9,773,328	10,188,296	
	After distribution	5,946,815	6,991,458	7,892,244	9,095,222	9,917,054	
Other equities		(1,133,730)	(875,899)	(974,884)	(719,314)	(1,035,019)	
Treasury stocks		(62,920)	(328,049)	(226,026)	0	0	
Total equities	Before distribution	11,246,923	12,533,316	14,042,562	14,642,133	14,741,396	
	After distribution	10,581,622	11,618,967	12,686,350	13,964,027	14,470,154	

Note: The above financial data have all been audited and certified by the CPAs.

(IV) Condensed Income Statement (Parent Company Only)

Unit: NTD thousand

Item	Year	Financial Data of the Past Five Years					2024 First Quarter
		2019	2020	2021	2022	2023	
Operating revenue		15,372,140	17,995,054	21,127,953	17,163,285	14,473,736	Not applicable
Gross operating profit		1,219,774	1,073,381	1,660,655	1,494,135	888,715	
Profit from operations		497,247	123,890	307,386	484,008	323,639	
Non-operating revenue and expenditure		675,976	1,946,852	2,200,545	1,117,345	954,592	
Profit before tax		1,173,223	2,070,742	2,507,931	1,601,353	1,278,231	
Current net profit of the continuing operating department		1,070,440	1,918,861	2,258,929	1,472,323	1,094,091	
Losses from discontinued units		—	—	—	—	—	
Net profit (loss) of the current term		1,070,440	1,918,861	2,258,929	1,472,323	1,094,091	
Other comprehensive income of current term (after-tax net profit)		(586,897)	297,965	(97,893)	257,468	(316,722)	
Total comprehensive income in the current period		483,543	2,216,826	2,161,036	1,729,791	777,369	
Earnings per share (NTD)		4.08	7.28	8.60	5.44	4.03	

Note: The above financial data have all been audited and certified by the CPAs.

(V) Names of CPAs of the Past Five Years and Their Audit Feedback

Year	Name of Accounting Firm	Name of CPA	Opinion
2019	KPMG	Chiang, Chung-Yi, Lien, Shu-Ling	Unqualified opinion
2020	KPMG	Chen, Yi-Chun, Chiang, Chung-Yi	Unqualified opinion
2021	KPMG	Chen, Yi-Chun, Chiang, Chung-Yi	Unqualified opinion
2022	KPMG	Chen, Yi-Chun, Lien, Shu-Ling	Unqualified opinion
2023	KPMG	Chen, Yi-Chun, Lien, Shu-Ling	Unqualified opinion

II. Financial Analysis of the Past Five Years

(I) Financial Analysis (IFRSs) - Consolidated

Item		Year	Financial Analysis of the Past Five Years					2024
		2019	2020	2021	2022	2023	First Quarter	
Financial structure	Debts to assets ratio	59.51	58.57	54.49	46.78	48.15	46.15	
	Long-term capital to property, plant and equipment ratio	197.90	243.28	213.35	188.32	188.48	192.05	
Solvency	Current ratio	155.27	175.03	146.44	148.78	148.24	158.57	
	Quick ratio	136.64	156.15	128.00	132.48	134.55	143.26	
	Interest coverage ratio	9.54	17.56	28.32	14.30	7.59	3.38	
Management ability	Receivable turnover ratio (frequency)	2.50	2.51	2.56	2.29	2.64	2.47	
	Average collection days	146.00	145.41	142.57	159.38	138.25	147.77	
	Inventory turnover ratio (frequency)	7.97	8.28	8.63	7.40	8.32	8.39	
	Payable turnover ratio (frequency)	5.14	5.22	5.04	4.61	5.28	4.86	
	Average sales days	45.79	44.08	42.29	49.32	43.87	43.50	
	Property, plant and equipment turnover ratio (frequency)	2.62	2.91	3.67	2.79	2.25	1.91	
	Total asset turnover ratio (frequency)	0.76	0.76	0.86	0.72	0.65	0.56	
Profitability	Return on assets (%)	4.13	6.66	7.53	5.29	4.45	1.97	
	Return on equity (%)	8.59	15.44	16.80	10.18	7.37	2.56	
	Pre-tax net profit to paid-in capital size ratio (%)	54.28	104.19	113.67	73.83	61.00	21.53	
	Net profit rate (%)	4.79	8.37	8.45	6.94	5.97	2.40	
	Earnings per share (NTD)	4.08	7.28	8.60	5.44	4.03	0.41	
Cash flows	Cash flow ratio (%)	14.30	15.75	9.32	36.60	16.91	5.13	
	Cash flow adequacy ratio (%)	121.02	107.70	96.01	104.52	104.40	118.66	
	Cash reinvestment ratio (%)	5.02	4.98	2.27	12.71	5.71	2.16	
Leverage	Operating leverage	1.92	1.81	1.58	1.68	1.65	3.76	
	Financial leverage	1.13	1.08	1.04	1.07	1.15	2.21	

Reasons for the changes in respective financial ratios of 20% and above over the past two years are provided as follows:

1. The fluctuation in the interest coverage ratio is primarily due to the decline in demand for electronic terminal products post-pandemic, resulting in a decrease in earnings before interest and taxes by 11.66% compared to the previous year. Furthermore, during this period, the increase in borrowing is attributed to investments in Chi Chau Printed Circuit Board (Vietnam) Co., Ltd and its subsidiary, Chi Chau Printed Circuit Board (Suining) Co., Ltd., for hedging against receivables from the sale of equipment in USD. This has led to an increase in interest expenses, resulting in changes in the related ratios.
2. The variations in the return on equity (ROE) and earnings per share (EPS) are mainly attributed to the slowdown in demand from terminal customers, leading to a decrease in overall profit after tax, thereby impacting the related financial ratios.
3. Changes in the cash flow ratio and cash re-investment ratio are primarily influenced by the reduction in post-pandemic dividends, resulting in a decrease in revenue and consequently reducing accounts receivable compared to the previous year. The impact factors decreased by approximately 88% in 2023, leading to changes in the related ratios.

(II) Financial Analysis (IFRSs) – Parent Company Only

Item		Year	Financial Analysis of the Past Five Years					2024 First Quarter
		2019	2020	2021	2022	2023		
Financial structure	Debts to assets ratio	52.12	54.67	52.62	45.27	47.78	Not applicable	
	Long-term capital to property, plant and equipment ratio	2,722.34	3,140.15	1,698.40	1,673.87	1,816.56		
Solvency	Current ratio	98.23	101.87	82.40	71.55	65.77		
	Quick ratio	92.16	96.49	77.97	67.15	60.47		
	Interest coverage ratio	10.33	22.03	39.18	18.34	8.29		
Management ability	Receivable turnover ratio (frequency)	2.73	2.83	2.83	2.59	2.93		
	Average collection days	133.86	128.92	129.14	140.92	124.57		
	Inventory turnover ratio (frequency)	30.09	32.18	34.43	29.02	24.00		
	Payable turnover ratio (frequency)	3.48	3.62	3.26	3.04	3.23		
	Average sales days	12.13	11.34	10.60	12.57	15.20		
	Property, plant and equipment turnover ratio (frequency)	36.35	35.49	31.15	20.49	17.62		
	Total asset turnover ratio (frequency)	0.81	0.74	0.78	0.64	0.55		
Profitability	Return on Assets (%)	5.18	7.80	8.07	5.51	4.49		
	Return on equity (%)	10.06	16.14	17.00	10.27	7.45		
	Pre-tax net profit to paid-in capital size ratio (%)	43.25	76.34	92.46	59.04	47.13		
	Net profit rate (%)	5.84	10.13	10.17	8.14	7.21		

Item		Year	Financial Analysis of the Past Five Years					2024 First Quarter
		2019	2020	2021	2022	2023		
	Earnings per share (NTD)	4.08	7.28	8.60	5.44	4.03	Not applicable	
Cash flows	Cash flow ratio (%)	(4.89)	10.66	0.72	4.80	4.50		
	Cash flow adequacy ratio (%)	10.30	13.98	14.74	18.99	25.09		
	Cash reinvestment ratio (%)	(6.75)	2.67	(5.06)	(4.95)	(0.60)		
Leverage	Operating leverage	1.13	1.59	1.24	1.20	1.29		
	Financial leverage	1.32	4.43	1.27	1.27	2.17		
Reasons for the changes in respective financial ratios of 20% and above over the past two years are provided as follows:								
<ol style="list-style-type: none"> The variation in the interest coverage ratio is primarily due to the pressure of inventory closeout and the rise in interest rates to curb inflation post-pandemic. The decline in demand for electronic terminal products has resulted in a 14.70% decrease in earnings before interest and taxes compared to the previous year. Additionally, increased borrowing for investment in Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. has led to higher interest expenses, thereby causing changes in the related ratios. The fluctuation in the average days for the sale of goods is mainly attributed to the decrease in revenue and the reduction in the cost of goods sold compared to the previous year. This has led to a 17.30% decrease in inventory turnover, resulting in changes in the related ratio. The variation in return on equity and earnings per share is primarily due to the slowdown in terminal demand, resulting in a decrease in overall net income by 25.69%. This has consequently affected the related financial ratios. The variation in the ratio of earnings before tax to paid-up capital is mainly due to the decrease in revenue, resulting in a 20.18% decrease in overall pre-tax profit. This, in turn, has affected the related financial ratios. The fluctuation in the cash flow adequacy ratio is primarily attributed to a 54.42% increase in net cash flow from operating activities over the past five years. This is due to a 40.67% increase in cash inflows from accounts receivable compared to 2018, leading to changes in the related ratio. The variation in the cash reinvestment ratio is mainly due to a 50% decrease in cash dividends compared to the previous year, resulting in changes in the related ratio. The fluctuation in financial leverage is primarily attributed to the decrease in revenue, leading to a 33.13% decrease in operating profit. Consequently, the related ratio has changed. 								

Note: 1. Financial structure

(1) Liability-to-asset ratio = Total liabilities/Total assets

(2) Long-term capital to property, plant and equipment ratio = (Total equities + Non-current liabilities)/Net value of the property, plant and equipment

2. Solvency

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

(2) Quick ratio = (Current assets – Inventory – Advance payments)/Current liabilities.

(3) Interest coverage ratio = Income tax and net profit before interest/Interest expenditure of current term

3. Management ability

(1) Receivable (including accounts receivable and receivable notes from operations) turnover ratio = Net sales value/ mean balance of receivables of each term (including accounts receivable and receivable notes from operations).

(2) Average collection days = 365/Receivable turnover ratio

(3) Inventory turnover ratio = Sales cost/mean inventory

(4) Payables (including accounts payable and payable notes from operations) turnover ratio = Net sales value/ mean balance of payables of each term (including accounts payable and payable notes from operations).

(5) Average sales days = 365/Inventory turnover ratio

(6) Property, plant and equipment ratio = Net sales value/Mean net value of the property, plant and equipment

(7) Total asset turnover ratio = Net sales value/Mean total assets

4. Profitability

(1) Return on assets = [After-tax gains and losses + Interest \times (1-tax rate)]/Gross assets on average

(2) Return on equity = After-tax gains and losses/Mean total equity

(3) Net profit rate = After-tax profits and losses/Net sales value

(4) Earnings per share = (Profits and losses that belong to clients of the parent company – Preferred stock dividend)/Weighted average number of shares

5. Cash flow

(1) Cash flow ratio = Net cash flow from business activities/Current liabilities

(2) Net cash flow adequacy ratio = Net cash flow of operating activities over the past five years/(Capital expenditure + Increase in inventory + Cash dividend) over the past five years.

(3) Cash reinvestment ratio = (Net cash flow from business activities - Cash dividends)/(Net value of real estate, manufacturing facilities, and equipment + Long-term investment + Other non-current assets + Working capital)

6. Leverage:

(1) Operating leverage = (Net operating income – Change in operating costs and expenses)/Operating profit.

(2) Financial leverage = Operating profit/(Operating profit - interest).

III. Audit Committee's Audit Report of Financial Statements of the Past Year: Refer to Appendix II for details.

IV. Consolidated Financial Statement of the Company of the Past Year Audited and Certified by CPAs: Refer to Appendix IV for details.

V. Individual Financial Statements of the Company of the Past Year Audited and Certified by CPAs: Refer to Appendix V for details.

VI. No financial difficulties occurred to the Company in the past year up to the date the Annual Report was printed.

Seven. Discussion and Analysis of Financial Standing and Performance Achievements and Evaluation of Risk Matters

I. Financial Standing

Main reasons for the variation in the assets, liabilities, and shareholders' equity in the past two years and their impacts

Unit: NTD thousand

Item	Year	2022	Variation between two terms	
	2023		Amount	%
Current assets	20,049,858	19,551,029	498,829	2.55
Property, plant and equipment	8,579,794	8,278,089	301,705	3.64
Intangible assets	372,703	374,944	(2,241)	(0.60)
Other assets	694,041	525,522	168,519	32.07
Total assets	29,696,396	28,729,584	966,812	3.37
Current liabilities	13,525,429	13,140,550	384,879	2.93
Non-current liabilities	774,284	298,556	475,728	159.34
Total liabilities	14,299,713	13,439,106	860,607	6.40
Share capital	2,712,425	2,712,425	0	0.00
Capital reserve	2,875,694	2,875,694	0	0.00
Retained earnings (Note)	10,188,296	9,773,328	414,968	4.25
Other equity	(1,035,019)	(719,314)	(315,705)	43.89
Non-controlling interests	655,287	648,345	6,942	1.07
Total equity	15,396,683	15,290,478	106,205	0.69

Note: Retained earnings include the special reserve, legal reserve, and undistributed earnings.

Main reasons and impacts of change between two terms of 20% and above are described as follows:

1. The increase in other assets is primarily due to the increase in prepaid deposits for equipment purchases by the subsidiary, Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.
2. The increase in non-current liabilities is mainly attributed to the Company's acquisition of long-term borrowings for investment by Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.
3. The increase in other equity interest is primarily due to the depreciation of the New Taiwan Dollar against the US Dollar in 2023, decreasing the foreign exchange differences arising from the translation of financial statements of overseas operating entities.

II. Financial Performance

(I) Main reasons for the major changes in the operating income, operating net profit, and pre-tax net profit over the past two years

Unit: NTD thousand

Item	Year		Variation between two terms	
	2023	2022	Amount	%
Operating revenue	18,933,840	21,977,467	(3,043,627)	(13.85)
Gross profit	2,866,199	3,391,841	(525,642)	(15.50)
Operating profit and loss	1,635,102	1,678,331	(43,229)	(2.58)
Non-operating revenue and expense	19,512	324,195	(304,683)	(93.98)
Profit before tax	1,654,614	2,002,526	(347,912)	(17.37)
Net profit (loss) for the period	1,131,120	1,524,192	(393,072)	(25.79)
Other comprehensive income of current term (net income after tax)	(327,364)	265,682	(593,046)	(223.22)
Total comprehensive income in the current period	803,756	1,789,874	(986,118)	(55.09)
Net profit attributable to the owner of the parent company	1,094,091	1,472,323	(378,232)	(25.69)
Net profit attributable to non-controlling interests	37,029	51,869	(14,840)	(28.61)
The sum of comprehensive income attributable to the owner of the parent company	777,369	1,729,791	(952,422)	(55.06)
The sum of comprehensive income attributable to non-controlling interests	26,387	60,083	(33,696)	(56.08)
Earnings per share	4.03	5.44	(1.41)	(25.92)
Main reasons and impacts of change between two terms of 20% and above are described as follows:				
<ol style="list-style-type: none"> 1. The decrease in profit after tax ,net income (loss) attributable to owners of the parent company, net income (loss) attributable to non-controlling interests, and earnings per share is primarily attributable to sluggish end-market demand, international conflicts, high inflation, and high overstock levels. Affected by negative factors such as a high inventory. This has led to a decrease in overall revenue. Due to smaller fluctuations in the USD to TWD exchange rate in 2023, reduced foreign exchange gains and increased interest expenses had an impact. 2. The significant decrease in non-operating income, other comprehensive income/loss (profit after tax) for the current period, the increase in total comprehensive income, net profit or loss attributable to owners of the parent, and net profit or loss attributable to non-controlling interests is primarily due to the significant appreciation of the US dollar in 2022, resulting in gains from foreign exchange translation gain, which generated gains from the disposal in the previous year. 				

(II) Possible impacts of expected sales quantities and their bases on the future financial operations of the Company and the response plan

The Group expects a slight increase in the shipment volume of its main terminal products in 2024. However, the primary reason for this increase is inventory replenishment rather than a significant resurgence in demand. Therefore, technological advancements and product iteration become the driving force for growth. The Group's plans are as follows:

1. Adapting to market trends and product diversification: The Group will continue to expand its product categories and sales channels to cater to evolving market demands.
2. Leveraging technological and process advantages: The Group will actively develop thin panels, high-level products, and fine-line routing to enhance product value-addition and differentiation.

III. Cash Flow

(1) Information on the Analysis of Changes in Cash Flows of the Past Years and Insufficient Liquidity Improvement Plan

Unit: NTD thousands

Item \ Year	2023	2022	Changed	
			Amount	%
Operating activities	2,480,484	4,809,222	(2,328,738)	(48.42)
Investing activities	(1,898,727)	(1,773,007)	(125,720)	7.09
Financing activities	892,516	(2,246,069)	3,138,585	(139.74)
Net cash flow	1,276,491	974,862	301,629	30.94

Analysis of Changes in Cash Flows:

1. Operating activities: The decrease in cash flows from operating activities is primarily due to a reduction in accounts receivable resulting from declining revenue. The impact factor related to this decrease decreased by approximately 88% in 2023.
2. Investment activities: The increase in cash flows from investment activities is mainly attributable to an increase in the prepayment of equipment deposits by the subsidiary, Chi Chau Printed Circuit Board (Vietnam) Co., Ltd., leading to an increase in other non-current assets.
3. Financing activities: The increase in cash flows from financing activities is mainly due to the Company's increase in working capital turnover and hedging of accounts receivable from the sale of equipment by its subsidiary, Chi Chau Printed Circuit Board (Suining) Co., Ltd., increasing short-term borrowings. Repayments of long-term debt in 2022 decreased by approximately 98% in 2023 due to the impact factor.

Improvement Plan for Insufficient Liquidity: Not applicable

(II) Analysis of Cash Liquidity for the Coming Year (2023)

Unit: NTD thousands

Balance of cash at the start of the term	Scheduled Net cash flows from operating activities throughout the year	Expected annual cash In (Out)-flow	Expected cash balance (shortage)	Remedy for expected cash shortage	
				Investment plan	Wealth management plan
10,988,053	1,331,998	1,675,839	12,663,889	—	—
Cash liquidity analysis:					
1. Operating activities: Mainly due to an increase in depreciation expenses related to the establishment expenditure of the subsidiary, Chi Chau Printed Circuit Board (Vietnam) Co., Ltd., net cash flows increased.					
2. Investment activities: Mainly due to the gradual delivery and acceptance of payments for the construction of the subsidiary, Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.					
3. Financing activities: Mainly to issue cash dividends.					

IV. Impacts of the Latest Major Capital Expenditure on Financial Operation:

In 2023, the main capital expenditures were incurred for the delivery and acceptance of equipment for the Vietnam plant. These expenses were funded through internal sources, resulting in no significant impact on the financial operations of the Group.

V. Main Reasons for Profits or Losses of Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year

(I) Main reasons for profits or losses and the improvement plan

Unit: NTD thousands

Investee	Re-investment Policy	Recognition of profits or losses from 2023	Main reasons for profits or losses	Improvement Plan
Chi Yang	General investment	5,339	Recognition of the investment gains (losses) from indirect investment in Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Not applicable
T-MAC	General investment	390,371	Recognition of profits and losses from investments of Chang Tai.	Not applicable
tht	General investment and distribution of various types of circuit boards	24,235	Recognition of profits and losses from investments of Chi Chen and tgt.	Not applicable
tgt	Production and distribution of various types of circuit boards	(3,717)	Caused by declining demand for consumer electronics	Actively develop new customers and new products

Investee	Re-investment Policy	Recognition of profits or losses from 2023	Main reasons for profits or losses	Improvement Plan
TPT	General investment	(1,511)	The remittance of liquidated capital by Sin Siang resulted in exchange rate differences.	Note
Chi Chau	General investment	153,838	Recognition of profits and losses from investments of Chi Yao.	Not applicable
Brilliant Star	General investment	390,550	Recognition of profits and losses from investments of tft.	Not applicable
Chi Chen	General investment	193,103	Recognition of profits and losses from investments of twt.	Not applicable
Chi Yao	General investment and international trade	159,389	Recognition of profits and losses from investments of tpts.	Not applicable
Chang Tai	General investment	404,978	Recognition of profits and losses from investments of Yang An.	Not applicable
Yang An	General investment	404,986	Recognition of profits and losses from investments of tmt.	Not applicable
tft	Production and distribution of various types of circuit boards	389,941	Stable quality and yield, as well as proactive development of customers in mainland China.	Not applicable
twt	Production and distribution of various types of circuit boards	375,571	Quality and yield are stable, and cost control is well managed.	Not applicable
tmt	Production and distribution of various types of circuit boards	404,943	Quality and yield are stable, and cost control is well managed.	Not applicable
Sin Siang	Distribution of various types of circuit boards	(7)	Difference in exchange rate arising from liquidation expenses and capital remittance.	Note
tpts	Distribution of various types of circuit boards	160,009	Continuously developing customer base in mainland China.	Not applicable
CCT	Production and distribution of various types of circuit boards	14	Interest revenue.	Not applicable
txt	Production and distribution of various types of circuit boards	(53,001)	The Production Pilot Run Loss and operating expenses were incurred as the production pilot run	Increase the utilization rate availability

Investee	Re-investment Policy	Recognition of profits or losses from 2023	Main reasons for profits or losses	Improvement Plan
			commenced in the fourth quarter.	

Note: TPT Company and Sin Siang (Xiamen) Technology CO., Ltd. have completed liquidation in 2023.

- (II) Investment Plans for the Coming Year: Depending on the capacity improvement, the Vietnam factory will proceed with equipment expansion to increase production capacity. For the Chinese factories, in response to the need for equipment automation and new product requirements, old equipment is being replaced and new equipment is being purchased.

VI. Risk Matters

- (I) Impacts of changes in the interest rate and exchange rate and inflation on the Company's gains and losses and countermeasures in the future:
1. Change in interest rate: The net interest income/expenditure of 2023 accounted for around -0.03% and -0.54%, respectively, of the revenue and profit after tax of the Group. The ratios are relatively small. Therefore, a change in interest rate does not impact the revenue and profitability of the Group much.
 2. Change in the exchange rate: Around 80% and more of the products sold by the Group are valued in US Dollars and some of the purchases, raw materials and supplies, machinery and equipment are also valued in US Dollars. With foreign currency assets and liabilities mutually offsetting, in case of remaining difference, the Group will apply hedging transactions (such as a forward foreign exchange) if necessary to balance the exchange difference between payables and receivables in foreign currencies and will manage its foreign currency positions properly regularly to reduce the impacts brought about by the change in the exchange rate.
 3. Inflation: The recent annual inflation has not had a significant impact on the Group's income. The Group closely monitors fluctuations in raw material market prices and maintains good relationships and bargaining power with suppliers and customers to mitigate the impact of rising raw material prices.
- (II) Policy on engaging in high-risk and high-leverage investments, lending of funds to others, endorsement and guarantee, and transactions of derivatives, main gain or loss factors, and countermeasures in the future:
1. The Group focuses on its mainstream business. Based on robustness, the Group does not engage itself in high-risk and high-leverage investments, among other transactions.
 2. The Group endorses/guarantees and lends funds only to its subsidiaries and related parties and the Operational Procedures for Endorsements and Guarantees and the Operational Procedures for Loaning of Company Funds have been established as required and respective operating procedures are precisely followed and enforced.
 3. The derivative transaction that the Group is engaged in now is forward foreign exchange. Forward foreign exchange contracts are signed with banks reflective of the difference between the receivables and the payables of foreign currency positions. Applicable transaction limits and ceilings of losses are handled according to the Procedure for the Acquisition or Disposal of Assets.
- (III) Future research and development plans and R&D expenses expected to be devoted: None.

(IV) Impacts of important domestic and international policies and regulatory changes on the Company's financial performance and the countermeasures:

Besides following applicable domestic and international laws and regulations in its daily operations, the Group is paying attention to developmental trends of domestic and international policies and changes to laws and regulations at all times and collects related information for the management's reference during the decision-making process to adjust related operational strategies of the Group. The Group's financial operations had not been impacted significantly as a result of important changes to policies and laws domestically and internationally as of the date the Annual Report was printed.

(V) The impact of technological changes, including information security risks, and industry dynamics on the Company's financial operations can be significant:

As the Group's PCBs are widely used in current technology and 3C products, it is crucial to continuously enhance production technology, strengthen production and process management, improve productivity and product yield, and develop niche products. The Group also needs to adjust its product strategies based on changes in the end-product market supply and demand to mitigate the impact of technological changes and industry dynamics on its financial operations.

In terms of information security control, the Group has established and implemented an information security management system. It has formulated information security policy documents to regulate information security practices. Additionally, regular information security risk assessments and internal and external information security cycle audits are conducted to ensure the effectiveness of the management system and compliance with legal requirements.

(VI) Impacts of changes in the corporate image on the management of corporate risks and the countermeasures:

The Group has been adhering to its management beliefs of "sustainability, innovation, and service". It pursues sustainable corporate operation and growth and values its business image and risk control. As such, no change in its business image that required corporate crisis management occurred in the past year.

The Group is highly concerned about the prevention and control of sudden or manned disasters and has established a comprehensive response plan that helps reduce personal injuries and impacts on the operation and finance to a minimum in case of a crisis and ensures smooth operations.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures:
None.

(VIII) Expected benefits and possible risks of the expansion of plants and countermeasures:

Regarding the investment and factory construction plan in Vietnam, the primary objective is to cater to the existing customer orders in Vietnam by providing localized supply. Additionally, the plan aims to attract new customers within the local market in Vietnam. These efforts are expected to have a positive impact on the overall operations of the Company.

(IX) Risks associated with focused purchases or sales and countermeasures:

To avoid the risk of over-concentrated purchases and to improve the stability in sources of purchases, the Group purchases from different suppliers and builds steady collaborative relationships with them. The Group consistently maintains at least two suppliers for its primary raw materials. Therefore, no shortage in the supply of materials to result in interrupted production has occurred. Meanwhile, the ratio of purchases from a single supplier does not exceed 15%. The sources of purchases are generally decentralized. As such, there shall be no

risk associated with overly concentrated purchases or unsteady sources of supply for the Group. In addition, since there are both domestic and international customers, concentrated sales shall not be an issue.

(X) Impacts and risks of transfer or exchange of stock options in large quantities by directors, or heavyweight shareholders holding more than 10% of all shares of the Company and countermeasures: None.

(XI) Impacts and risks of the change in the management on the Company, risks, and response measures: None.

(XII) Litigation or Non-litigation incidents:

1. Major lawsuits and non-lawsuits or administrative disputes with a finalized verdict or ongoing proceedings that involve the Group over the past year up to the date the Annual Report was printed with a confirmed verdict or ongoing ones whose results may have significant impacts on the shareholders' equity or prices of securities: None.

2. Major lawsuits and non-lawsuits or administrative disputes with a finalized verdict or ongoing proceedings that involve the Group's directors, President, shareholders holding more than 10% of all shares, and the associated companies over the past year up to the date when the Annual Report was printed with a confirmed verdict or ongoing ones whose results may have significant impacts on the shareholders' equity or prices of securities: None.

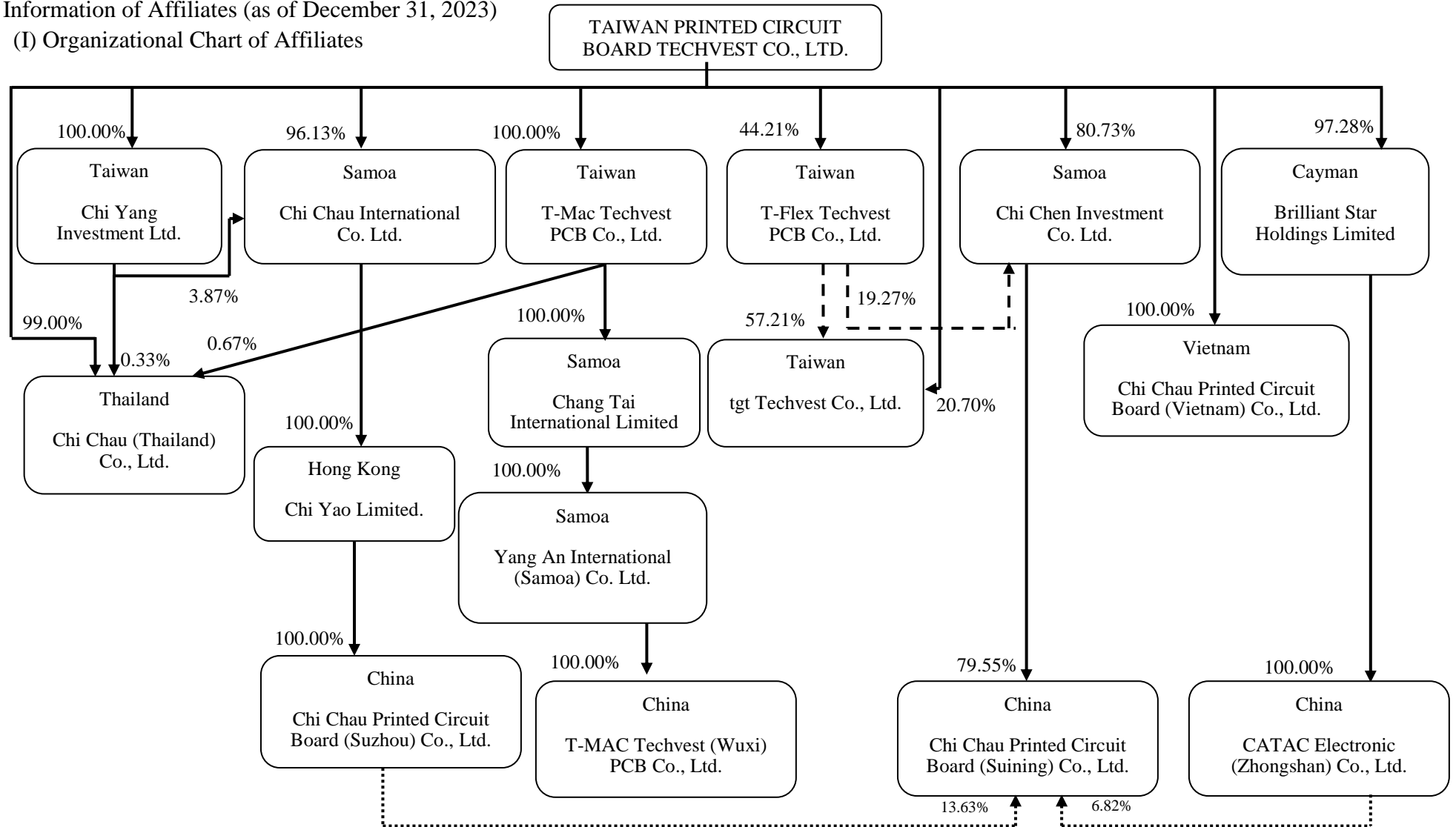
(XIII) Other important risks and countermeasures: None.

VII. Other important matters: None.

Eight. Special Notes

I. Information of Affiliates (as of December 31, 2023)

(I) Organizational Chart of Affiliates



(II) Name, Date Established, Address, Paid-in Capital, and Main Scope of Operation of Each Affiliate

Unit: NTD 000's

Name of affiliate	Date established	Address	Paid-in Capital	Main Businesses and Products
Chi Yang Investment Ltd. (Chi Yang)	2006.05.12	No. 12, Gongye 2nd Rd., Pingzhen Dist., Taoyuan City	85,000	General investment
T-Mac Techvest PCB Co., Ltd. (T-Mac)	1987.06.29	No. 12, Gongye 2nd Rd., Pingzhen Dist., Taoyuan City	3,079,066	General investment
T-Flex Techvest PCB Co., Ltd. (tht)	1999.12.29	No. 12, Gongye 2nd Rd., Pingzhen Dist., Taoyuan City	697,127	General investment and distribution of various types of circuit boards
tgt Techvest Co., Ltd. (tgt)	1970.01.29	No. 4, South Second Road, Kaohsiung Export Processing Zone, Qianzhen District, Kaohsiung City	467,680	Production and distribution of various types of circuit boards
Chi Chau International Co., Ltd. (Chi Chau)	2004.06.24	Portcullis TrustNet Chambers P. O. Box 1225 Apia, Samoa	284,552	General investment
Brilliant Star Holdings Ltd. (Brilliant Star)	2000.03.16	4th Floor, Monaco Towers, 11 Dr Roy's Drive, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands	2,538,101	General investment
Chi Chen Investment Co., Ltd. (Chi Chen)	2011.05.13	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	1,331,816	General investment
Chi Yao Limited. (Chi Yao)	2007.11.02	Tower 2 23/F Enterprise Square Five 38 Wang Chiu Road Kowloon Bay KL, Hong Kong	36,489	General investment and international trade
Chang Tai International Limited (Chang Tai)	2007.03.12	Offshore Chambers, P.O.Box 217, Apia, Samoa	2,292,370	General investment
Yang An International (Samoa) Co., Ltd. (Yang An)	2001.10.23	Offshore Chambers, P.O.Box 217, Apia, Samoa	2,335,422	General investment
CATAC Electronic (Zhongshan) Co., Ltd. (tft)	2000.07.26	Yanjiang East Second Road, Torch Hi-Tech Industrial Development Zone, Zhongshan, Province of Guandong	2,087,940	Production and distribution of various types of circuit boards
Chi Chau Printed Circuit Board (Suining) Co., Ltd. (twf)	2012.01.09	No. 1, Zhichao Road, Star Boulevard, China National Economic and Technical Development Zone, Suining,	1,698,246	Production and distribution of various types of circuit boards

Name of affiliate	Date established	Address	Paid-in Capital	Main Businesses and Products
		Province of Sichuan		
T-Mac Techvest (Wuxi) PCB Co., Ltd. (tmt)	2001.11.05	No. 160, Furong Central Third Road, Xishan Economic Development Zone, Wuxi, Province of Jiangsu	2,947,680	Production and distribution of various types of circuit boards
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. (tpts)	2006.03.03	Suite 3024, 3F, Building C of Dongfang Knowledge & Innovation Community at No. 18, Jinfang Road, Suzhou Industrial Park, Suzhoupian District, Pilot Free Trade Zone, Jiangsu	153,525	Distribution of various types of circuit boards
Chi Chau (Thailand) Co., Ltd. (CCT)	2019.06.06	234/1 Latprao Soi 84 Latprao Rd. Wangthonglang Bangkok, Thailand.	38,037	Production and distribution of various types of circuit boards
Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. (txt)	2022.12.21	Lot II-CN-06.3, Thanh Liem Industrial Park phase 2, Thanh Tuyen Ward, Phu Ly City, Ha Nam Province, Vietnam	1,251,541	Production and distribution of various types of circuit boards

(III) Data of parties with control or in a subordinate relationship as inferred according to Article 369-3 of the Company Act: None.

(IV) Industries covered in the scope of operation of affiliates as a whole: manufacturing, investment, and international trade.

(V) Names of directors, supervisors, and the President of respective affiliates and their shareholding or sponsorship status in the specific affiliate Unit: Thousand Shares

Abbreviated Name of Business	Position	Name of Representative	Shares Held	
			Shares	Holding ratio
Chi Yang	Director	Hsu, Cheng-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	—	100.00%
T-Mac	Chairman	Hsu, Cheng-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	307,907	100.00%
tht	Chairman	Hsu, Cheng-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	30,822	44.21%
tht	Director	Lee, Ming-Hsi (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	—	0.00%
	Director	Hsu, Ming-Chieh (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	—	0.00%
	Director	Hu, Hsiu-Hsing	—	0.00%
	Independent	Wu, Ya-Chuan	—	0.00%

Abbreviated Name of Business	Position	Name of Representative	Shares Held	
			Shares	Holding ratio
	Director			
	Independent Director	Tseng, Hsiu-Min	—	0.00%
	Independent Director	Hu, Chia-Li	—	0.00%
tgt	Chairman	Hsu, Cheng-Min (Representative of T-Flex Techvest PCB Co., Ltd.)	26,757	57.21%
	Director	Lee, Ming-Hsi (Representative of T-Flex Techvest PCB Co., Ltd.)	—	0.00%
	Director	Hsu, Ming-Hung (Representative of T-Flex Techvest PCB Co., Ltd.)	—	0.00%
	Director	Hu, Hsiu-Hsing (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	9,681	20.70%
	Director	Ting, Qiu-Fu	150	0.32%
	Director	Pan, Tai-Feng	10	0.02%
	Director	Lee, Yenh-Sien	264	0.56%
	Supervisor	Su, Xing-Hua	—	0.00%
	Supervisor	Yi, Xuan-Yun	—	0.00%
	Supervisor	Chiu, Wen-Shin	—	0.00%
Chi Chau	Director	Hsu, Cheng-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	1,154	96.13%
Brilliant Star	Director	Hsu, Cheng-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	68,127	97.28%
Chi Chen	Director	Hsu, Cheng-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	35,600	80.73%
Chi Yao	Director	Hsu, Cheng-Min (Representative of Chi Chau International Co. Ltd.)	1,188	100.00%
	Director	Hu, Hsiu-Hsing (Representative of Chi Chau International Co. Ltd.)	—	—
Chang Tai	Director	Hsu, Cheng-Min (Representative of T-Mac Techvest PCB Co., Ltd.)	73,580	100.00%
Yang An	Director	Hsu, Cheng-Min (Representative of Chang Tai International Limited)	76,060	100.00%
tft	Director	Hsu, Cheng-Mi (Representative of Brilliant Star Holdings Limited)	—	100.00%
	Director	Lee, Ming-Hsi (Representative of Brilliant Star Holdings Limited)	—	—
	Director	Hu, Hsiu-Hsing (Representative of Brilliant Star Holdings Limited)	—	—

Abbreviated Name of Business	Position	Name of Representative	Shares Held	
			Shares	Holding ratio
twt	Director	Hsu, Cheng-Min (Representative of Chi Chen Investment Co., Ltd.)	—	79.55%
	Director	Lee, Ming-Hsi (Representative of Chi Chen Investment Co., Ltd.)	—	—
	Director	Hu, Hsiu-Hsing (Representative of Chi Chen Investment Co., Ltd.)	—	—
	Supervisor	Kao, Mao-Sheng	—	—
tmt	Director	Hsu, Cheng-Min (Representative of Yang An International (Samoa) Co. Ltd.)	—	100.00%
	Director	Lee, Ming-Hsi (Representative of Yang An International (Samoa) Co. Ltd.)	—	—
	Director	Hu, Hsiu-Hsing (Representative of Yang An International (Samoa) Co. Ltd.)	—	—
tpts	Director	Hsu, Cheng-Min (Representative of Chi Yao Limited.)	—	100.00%
	Director	Lee, Ming-Hsi (Representative of Chi Yao Limited.)	—	—
	Director	Hu, Hsiu-Hsing (Representative of Chi Yao Limited.)	—	—
	Supervisor	Kao, Mao-Sheng	—	—
CCT	Director	Hsu, Cheng-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	14,850	99.00%
	Director	Lee, Ming-Hsi (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	—	—
	Director	Lin, Chen-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	—	—
txt	Director	Hsu, Cheng-Min (Representative of Taiwan Printed Circuit Board Techvest Co., Ltd.)	—	100.00%

(VI) Overview of Operation of Affiliates

Unit: NTD 000's; Earnings per share: NTD

Abbreviated Name of Business	Capital	Total assets	Total liabilities	Total equity	Operating revenues	Net operating income	Net Income (Loss)	Earnings per Share
Chi Yang	85,000	200,471	2,816	197,655	6,198	6,054	5,339	—
T-Mac	3,079,066	6,296,851	2,534	6,294,317	404,978	398,164	415,565	—
tht	697,127	929,926	132,218	797,708	96,035	2,165	54,815	0.79
tgt	467,680	996,446	659,654	336,792	1,193,622	(21,189)	(18,473)	—
TPT(Note)	0	0	0	0	0	(175)	1,511	—
Chi Chau	284,552	2,936,473	0	2,936,473	159,389	159,389	160,036	—
Brilliant Star	2,538,101	4,976,990	0	4,976,990	400,837	400,115	402,277	—
Chi Chen	1,331,816	3,365,034	0	3,365,034	327,394	327,394	327,417	—
Chi Yao	36,489	2,957,993	37,422	2,920,571	309,965	(620)	159,389	—
Chang Tai	2,292,370	6,187,405	0	6,187,405	404,986	404,942	404,978	—
Yang An	2,335,422	6,184,731	0	6,184,731	404,943	404,901	404,986	—
tft	2,087,940	5,822,482	896,928	4,925,554	3,754,835	389,299	400,836	—
twt	1,698,246	6,167,108	1,939,412	4,227,696	5,225,165	429,309	411,537	—
tmt	2,947,680	7,683,891	1,506,902	6,176,989	6,358,649	518,698	404,943	—
Sin Siang(Note)	0	0	0	0	0	(12)	(7)	—
tpts	153,525	3,426,837	509,407	2,917,430	1,683,812	83,453	160,009	—
CCT	38,037	33,843	5	33,838	0	(95)	14	—
txt	1,251,541	3,070,701	1,894,737	1,175,964	17,626	(37,126)	(53,001)	—

Note: TPT Company and Sin Siang Xiamen Company completed liquidation in 2023.

(VII) Consolidated Financial Statement of Affiliates: Refer to Appendix 3 for details.

(VIII) Affiliation Report: Not applicable.

II. Management of private placement securities in the most recent year and up to the date the Annual Report was printed: None.

III. Holding or disposal of the Company's shares by its subsidiaries in the past year up to the date the Annual Report was printed: None.

IV. Other matters requiring supplementary information: None

Nine. Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Securities and Exchange Act in the past year up to the date the Annual Report was printed

- I. Rejected checks due to insufficient balance in the account, blacklisted, or other loss-of-credit circumstances: None.
- II. Lawsuits, non-lawsuits, administrative penalties, administrative disputes, security procedures, or compulsory enforcement incidents with major impacts on the Company's finance and operation: Refer to "Seven. Discussion and Analysis of Financial Standing and Operational Achievements and Evaluation of Risk Matters - VI. Risk Matters".
- III. Seriously reduced production or complete or partial downtime, subletting of the Company's premises or major equipment, pledge of all or some major assets with impacts on the Company's operation: None.
- IV. One of the conditions under each subparagraph of Article 185 Paragraph 1 of the Company Act: None.
- V. Shares determined as non-negotiable by the Court according to Article 287 Paragraph 1 Sub-paragraph 5 of the Company Act: None.
- VI. Change of the Chairman, President, or one-third or more of the directors: None.
- VII. Change of the CPA(s), unless the change is a result of the internal adjustment of the accounting firm: None.
- VIII. Important memorandums, strategic alliances or other business cooperation plans or important contracts that are signed, changed, terminated, or dismissed, important contents of business plans that are changed, completion of new product development, successful development of tested products and entrance into official mass production, merger and acquisition of someone else's enterprise, acquisition or assignment of patent rights, trademark exclusive user rights, copyrights, or other intellectual property rights with major impacts on the Company's finance or operation: None.
- IX. Other significant conditions sufficient to impact the Company's continuous operations: None.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.
Internal Control System Declaration

Date: March 15, 2024

For the Company's internal control system of 2023, we would like to declare as follows according to the results of spontaneous inspections:

- I. The Company knows that establishing, enforcing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and has such a system in place already. It is meant to reasonably ensure fulfillment of the operational efficacy and efficiency (including profits, performance, and protection of asset security), financial reporting reliability, and compliance with applicable laws and regulations, among other goals.
- II. The internal control system has its inherited restrictions that cannot be overcome with improved design. An effective internal control system can also only reasonably ensure the fulfillment of the three goals stated above and its effectiveness may change as the environment or situation changes. There is a self-surveillance mechanism, however, built inside the internal control system of the Company that helps the Company take corrective action against deficiencies confirmed.
- III. The Company determines the effectiveness of the design and implementation of its internal control system following the items in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. Please refer to "Governing Regulations" for details.
- IV. The Company has already adopted the aforesaid items to check the effectiveness in the design and implementation of its internal control system.
- V. Based on the results of the check-in in the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2023, covers awareness of operational effectiveness and efficiency in accomplishing the goals, financial reporting reliability, and compliance with applicable laws and regulations can reasonably ensure fulfillment of the above-mentioned goals given its design and implementation.
- VI. This declaration constitutes a major part of the Company's Annual Report and the Company's Prospectus that are made available to the public. If the aforesaid published contents are found to be false, or fraudulent in any way, the Company and its management shall be legally liable under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This declaration was approved at the meeting of the Company's Board of Directors on March 15, 2024 without dissenting opinions expressed by any of the 15 directors attending the meeting. All agreed on the contents of this Declaration. Please take note of it.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Chairman: Hsu, Cheng-Min

President: Lee, Ming-Hsi

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.
Audit Committee Report**

The Company's financial statements for the year ending 2023 have been prepared by the Board of Directors, and have been audited and certified by the CPAs of KPMG. The Audit Committee has conducted its review and found it to be free from material misstatement. As per Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the Committee hereby submits the aforementioned reports.

Sincerely,

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Convener of Audit Committee: Huang, Leei-May

(Signature or Stamp)

March 15, 2024

Representation Letter

The entities that are required to be included in the combined financial statements of Taiwan Printed Circuit Board Techvest Co., Ltd. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No.10 endorsed by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Taiwan Printed Circuit Board Techvest Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements for affiliated companies.

Very truly yours,

HSU, CHENG-MIN
Chairman
TAIWAN PRINTED CIRCUIT BOARD
TECHVEST CO., LTD.

March 15, 2024

Independent Auditor's Report

To the Board of Directors and Shareholders of Taiwan Printed Circuit Board Techvest Co., Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Printed Circuit Board Techvest Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits following the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China as commissioned. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Timing of revenue recognition

Please refer to Note 4(14) "Revenue recognition", and Note 6(20) "Revenue disclosures" of the consolidated financial statements.

Description of key audit matter:

The TPT Group is a listed company, sales revenue is the leading indicator for investors, wherein the management assesses the Group's financial performance. The timing for the recognition of revenue is significant to the financial statements. Therefore, the test of the timing for recognition of revenue was the key audit matters for the audit of the TPT Group's consolidated statements.

How the matter was addressed in our audit:

Our principal audit procedures for the above key audit matters included: Testing the effectiveness of internal controls within the sales and cash receipt cycles and conducting detailed testing; Understanding the revenue recognition accounting treatment of the TPT Group and assessing compliance with relevant standards; Selecting a sample of sales transactions before and after the financial reporting date, verifying relevant documentation to evaluate the accuracy of revenue recognition timing and additionally, investigating whether significant returns occurred after the reporting period.

Other Matter

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Group as of and for the years ended December 31, 2023 and 2022.

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

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

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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Group's financial reporting process.

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 following the generally accepted auditing standards in the Republic of

China will always detect a material misstatement when it exists in the consolidated financial statements. Misrepresentation may be the result of fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on base on these consolidated financial statements.

As part of an audit under the auditing standards in the Republic of China, we exercised professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

We 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 identified during our audit.

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

related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yi-Chun and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2024

Notes to Readers

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

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

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheet

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1))	\$ 10,988,053	37	9,711,562	34	2100	Short-term debt (Note 6(10))	\$ 7,186,615	24	5,856,274	20
1110	Financial assets at fair value through profit or loss, current (Note 6(2))	60,123	-	34,817	-	2111	Short-term notes and bills payable (Note 6(11))	-	-	199,843	1
1170	Notes and accounts receivable, net (Note 6(4))	6,856,722	24	7,327,310	25	2120	Financial liabilities at fair value through profit or loss, current (Note 6(2))	-	-	1,627	-
1200	Other receivables (Note 6(5))	142,188	-	166,252	1	2170	Notes and accounts payable	3,035,673	10	3,046,282	11
1310	Inventories (Note 6(6))	1,778,864	6	2,082,610	7	2200	Other payables	2,551,941	9	3,122,715	11
1476	Other financial assets, current (Note 8)	49,951	-	70,559	-	2230	Current tax liabilities	274,274	1	387,234	1
1479	Other current assets, others	173,957	1	157,919	1	2250	Provisions for liabilities, current (Note 6(12))	74,127	-	146,658	1
	Total current assets	20,049,858	68	19,551,029	68	2280	Lease liabilities, current (Note 6(13))	30,188	-	30,557	-
Non-current assets:						2322	Current portion of long-term debt (Note 6(15))	53,815	-	28,065	-
1510	Financial assets measured at fair value through profit or loss, non-current (Note 6(2))	42,000	-	24,000	-	2365	Refund liabilities, current (Note 6(14))	304,174	1	299,268	1
1517	Financial assets measured at fair value through other comprehensive income, non-current (Note 6(3))	4,150	-	4,683	-	2399	Other current liabilities	14,622	-	22,027	-
1600	Property, plant and equipment (Note 6(7) and 8)	8,579,794	29	8,278,089	29		Total current liabilities	13,525,429	45	13,140,550	46
1755	Right-of-use assets (Note 6(8))	423,986	1	270,058	1		Non-current liabilities:				
1780	Intangible assets (Note 6(9))	372,703	1	374,944	1	2540	Long-term debt (Note 6(15))	575,420	2	93,235	-
1980	Other financial assets, non-current (Note 8)	33,762	-	21,717	-	2580	Lease liabilities, non-current (Note 6(13))	22,814	-	35,553	-
1995	Other non-current assets	190,143	1	205,064	1	2600	Other non-current liabilities	176,050	1	169,768	1
	Total non-current assets	9,646,538	32	9,178,555	32		Total non-current liabilities	774,284	3	298,556	1
							Total liabilities	14,299,713	48	13,439,106	47
							Equity attributable to owners of parent company: (Note 6(18))				
						3110	Ordinary shares	2,712,425	9	2,712,425	9
						3200	Capital reserve	2,875,694	10	2,875,694	10
							Retained earnings:				
						3310	Legal reserve	1,877,180	6	1,729,758	6
						3320	Special reserve	719,314	2	974,883	3
						3350	Unappropriated retained earnings	7,591,802	26	7,068,687	25
							Others:				
						3410	Exchange differences on translation of foreign financial statements	(1,027,719)	(3)	(712,249)	(2)
						3420	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	(7,300)	-	(7,065)	-
							Subtotal	14,741,396	50	14,642,133	51
						36XX	Non-controlling interests	655,287	2	648,345	2
							Total equity	15,396,683	52	15,290,478	53
							Total liabilities and equity	\$ 29,696,396	100	\$ 28,729,584	100
	Total assets	\$ 29,696,396	100	28,729,584	100						

See accompanying notes to consolidated financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(20))	\$ 18,933,840	100	21,977,467	100
5110	Cost of sales (Note 6(6))	16,067,641	85	18,585,626	85
	Gross profit	2,866,199	15	3,391,841	15
	Operating expenses:				
6100	Sales and marketing expenses	562,284	3	884,117	4
6200	General and administrative expenses	703,937	3	921,880	4
6450	Expected credit loss reversal profit Note 6(4))	(35,124)	-	(92,487)	-
	Total operating expenses	1,231,097	6	1,713,510	8
	Net operating income	1,635,102	9	1,678,331	7
	Non-operating income and expenses: (Note 6(22))				
7100	Interest revenue	204,734	1	146,182	1
7010	Other income	77,550	-	117,596	1
7020	Other gains and losses	(51,886)	-	169,510	1
7050	Finance costs	(210,886)	(1)	(109,093)	(1)
	Total non-operating income and expenses	19,512	-	324,195	2
7900	Income before income tax	1,654,614	9	2,002,526	9
7951	Less: Income tax expense (Note 6(17))	523,494	3	478,334	2
	Net income in the period	1,131,120	6	1,524,192	7
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified into profit or loss				
8311	Remeasurements of defined benefit plans	(2,211)	-	4,127	-
8316	Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(533)	-	(900)	-
8349	Less: Income tax related to items that will not be reclassified	-	-	-	-
	Total	(2,744)	-	3,227	-
8360	Items that may be reclassified subsequently into profit or loss				
8361	Exchange differences on translation of foreign financial statements	(324,620)	(2)	262,455	1
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	Total	(324,620)	(2)	262,455	1
8300	Other comprehensive income (loss), net of income tax	(327,364)	(2)	265,682	1
8500	Total comprehensive income (loss) in the period	\$ 803,756	4	1,789,874	8
	Net profit attributable to:				
8610	Owners of the parent company	\$ 1,094,091	6	1,472,323	7
8620	Non-controlling interests	37,029	-	51,869	-
		\$ 1,131,120	6	1,524,192	7
	Total comprehensive income (loss) attributable to:				
8710	Owners of the parent company	\$ 777,369	4	1,729,791	8
8720	Non-controlling interests	26,387	-	60,083	-
		\$ 803,756	4	1,789,874	8
	Basic earnings per share (NTD) (Note 6(19))				
9750	Basic earnings per share (Unit: NTD)	\$	4.03	\$	5.44
9850	Diluted earnings per share (Unit: NTD)	\$	3.98	\$	5.24

See accompanying notes to consolidated financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES

**Consolidated Statement of Changes in Equity
For the years ended December 31, 2023 and 2022**

(Amounts in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent company										Non-controlling interests	Total equity
	Share capital		Retained earnings				Others			Equity attributable to owners of parent company		
	Ordinary shares	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Treasury shares				
Balance on January 1, 2022	\$ 2,712,425	3,282,591	1,504,059	875,898	6,868,499	(968,217)	(6,667)	(226,026)	14,042,562	603,818	14,646,380	
Net income in 2022	-	-	-	-	1,472,323	-	-	-	1,472,323	51,869	1,524,192	
Other comprehensive income (loss) in 2022	-	-	-	-	1,898	255,968	(398)	-	257,468	8,214	265,682	
Total comprehensive income (loss) in 2022	-	-	-	-	1,474,221	255,968	(398)	-	1,729,791	60,083	1,789,874	
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	225,699	-	(225,699)	-	-	-	-	-	-	
Special reserve	-	-	-	98,985	(98,985)	-	-	-	-	-	-	
Cash dividends on ordinary shares	-	(406,863)	-	-	(949,349)	-	-	-	(1,356,212)	-	(1,356,212)	
Conversion of treasury shares	-	(34)	-	-	-	-	-	226,026	225,992	-	225,992	
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(15,556)	(15,556)	
Balance on December 31, 2022	2,712,425	2,875,694	1,729,758	974,883	7,068,687	(712,249)	(7,065)	-	14,642,133	648,345	15,290,478	
Net income in 2023	-	-	-	-	1,094,091	-	-	-	1,094,091	37,029	1,131,120	
Other comprehensive income (loss) in 2023	-	-	-	-	(1,017)	(315,470)	(235)	-	(316,722)	(10,642)	(327,364)	
Total comprehensive income (loss) in 2023	-	-	-	-	1,093,074	(315,470)	(235)	-	777,369	26,387	803,756	
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	147,422	-	(147,422)	-	-	-	-	-	-	
Reversal of special reserve	-	-	-	(255,569)	255,569	-	-	-	-	-	-	
Cash dividends on ordinary shares	-	-	-	-	(678,106)	-	-	-	(678,106)	-	(678,106)	
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(19,445)	(19,445)	
Balance on December 31, 2023	\$ 2,712,425	2,875,694	1,877,180	719,314	7,591,802	(1,027,719)	(7,300)	-	14,741,396	655,287	15,396,683	

See accompanying notes to consolidated financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 1,654,614	2,002,526
Adjustments for:		
Adjustments to reconcile net income (loss)		
Depreciation expense	935,663	1,040,437
Amortization expense	4,746	5,639
Expected credit loss reversal profit	(35,124)	(92,487)
Net gain from financial assets and liabilities measured at fair value through profit or loss	(60,123)	(33,190)
Interest expense	210,886	109,093
Interest revenue	(204,734)	(146,182)
Loss on disposal of property, plant and equipment	(4,858)	9,244
Loss on disposal of investments	18,436	-
Others	(3)	(6)
Total adjustments	864,889	892,548
Changes in assets and liabilities relating to operating activities:		
Net changes in assets relating to operating activities:		
Financial assets that are forced to be measured at fair value through profit or loss	34,817	34,384
Notes and accounts receivable	505,868	4,377,012
Other receivables	7,062	85,622
Inventories	307,891	850,098
Other current assets	(16,038)	30,111
Total net changes in assets relating to operating activities	839,600	5,377,227
Net changes in liabilities relating to operating activities:		
Financial liabilities held for trading	(1,627)	(197)
Notes and accounts payable	(10,609)	(1,965,807)
Other payables	(419,245)	(735,265)
Refund liabilities, current	4,906	(102,071)
Other current liabilities	(7,405)	(10,728)
Total net changes in liabilities relating to operating activities	(433,980)	(2,814,068)
Total net changes in assets and liabilities relating to operating activities	405,620	2,563,159
Total adjustments	1,270,509	3,455,707
Cash provided by operations	2,925,123	5,458,233
Interest received	221,352	170,287
Interest paid	(245,713)	(147,655)
Income taxes paid	(613,511)	(671,643)
Net cash provided by operating activities	2,287,251	4,809,222
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through profit or loss	(18,000)	(24,000)
Acquisition of property, plant, and equipment	(1,526,413)	(1,520,565)
Disposal of property, plant, and equipment	7,930	5,864
Acquisition of intangible assets	(2,573)	(4,314)
Other financial assets	8,563	14,990
Other non-current assets	(136,803)	(194,012)
Provisions for liabilities	(72,531)	(50,970)
Net cash used in investing activities	(1,739,827)	(1,773,007)
Cash flows from financing activities:		
Short-term debt	1,330,341	105,137
Short-term notes and bills payable	(199,843)	19,954
Proceeds from long-term debt	540,000	183,000
Repayment of long-term debt	(32,065)	(1,353,342)
Repayment of the principal portion of lease liabilities	(32,743)	(36,561)
Other non-current liabilities	(15,622)	(18,481)
Distribution of cash dividends	(678,106)	(1,356,212)
Treasury shares purchased by employees	-	225,992
Changes in non-controlling interests	(19,445)	(15,556)
Net cash provided by (used in) financing activities	892,517	(2,246,069)
Effect of exchange rate changes on cash and cash equivalents	(163,450)	184,716
Increase in cash and cash equivalents in the period	1,276,491	974,862
Cash and cash equivalents at beginning of year	9,711,562	8,736,700
Cash and cash equivalents at end of year	\$ 10,988,053	9,711,562

See accompanying notes to consolidated financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. HISTORY AND ORGANIZATION

Taiwan Printed Circuit Board Techvest Co., Ltd. (“the Company”) was incorporated as a company limited by shares on April 21, 1998 under the approval of the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 12, Gongye 2nd Rd., Pingzhen Dist., Taoyuan City. On December 25, 2009, the Company’s shares were listed on the Taiwan Stock Exchange (TWSE). The Company and its subsidiaries (hereinafter referred to as “the Group”) are primarily involved in the business of producing and selling electronic components and printed circuit boards.

2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue by the Board of Directors on March 15, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The Group has been applicable for the following new standards, interpretations, and amendments effective from January 1, 2023, which would not have a significant effect on its consolidated financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendment to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”

The Group has been applicable for the following new standards, interpretations, and amendments effective from May 23, 2023, which would not have a significant effect on its consolidated financial statements.

- Amendment to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(2) Effect of new standards and amendments to IFRSs as endorsed by the FSC

The Group has assessed the application of the following new amendments which is effective since January 1, 2024, would not have a significant effect on its consolidated financial statements.

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
 - Amendments to IAS 1 “Non-current Liabilities with Covenants”
 - Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
 - Amendment to IFRS 16 “Lease Liabilities in a Sale and Leaseback”
- (3) IFRSs issued by International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

The Group does not expect the following newly issued and amended standards, which have yet to be endorsed, to have a significant impact on its consolidated financial statements.

- Amendment to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures”
- Amendment to IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendment to IAS 21 “Lack of Exchangeability”

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Statement of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Preparation Guidelines"), as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations and interpretation notices that have been approved and issued by the Financial Supervisory Commission (referred to as FSC-Approved Accounting Standards Approved and Aligned with IFRS).

(2) Basis of preparation

A. Basis of measurement

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

- (a) Financial instruments at fair value through profit or loss are measured at fair value;
- (b) Financial assets at fair value through other comprehensive income are measured at fair value;
- (c) The net interest on the net defined benefit obligation (or asset) is measured as the fair value of the pension fund assets less the present value of the defined benefit obligation and the effect of the cap as described in Note 4(16).

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

B. Functional and presentation currency

The functional currency of the Group is determined based on the primary economic environment. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information is presented in thousands of NTD.

(3) Basis of Consolidation

A. Preparation principle of consolidated financial statements

The entities for which consolidated financial statements are prepared include the Company and entities controlled by the Company (i.e., subsidiaries). The Company controls an investee when it is exposed to or has rights to variable compensation from its participation in the investee and can affect such compensation through its power over the investee.

The financial statements of a subsidiary are included in the consolidated financial statements from the date control is acquired until the date control is lost. Inter-company transactions, balances and any unrealized gains and losses have been eliminated upon the preparation of the consolidated financial statements. The total consolidated income or loss of the subsidiaries is attributed to the Company's owners and non-controlling interests, respectively, even if the non-controlling interests become deficit balances as a result.

The financial statements of subsidiaries have been appropriately adjusted to conform to the accounting policies used by the Group.

The changes in ownership of the subsidiaries are recognized as an equity transaction. The difference between the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and is attributable to the owners of the Company.

Investors	Subsidiary	Business Nature	Shareholding Percentage		Description
			December 31, 2023	December 31, 2022	
The Company and Chi Yang	Chi Chau International Co., Ltd. (Chi Chau)	General investment	100%	100%	
The Company and tht	Chi Chen Investment Co., Ltd. (Chi Chen)	General investment	89%	89%	
The Company	Chi Yang Investment Ltd. (Chi Yang)	General investment	100%	100%	
The Company	Brilliant Star Holdings Limited (Brilliant Star)	General investment	97%	97%	
The Company	TPT International Co., Ltd. (TPT)	General investment	- %	100%	

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Investors	Subsidiary	Business Nature	Shareholding Percentage		Description
			December 31, 2023	December 31, 2022	
The Company	T-Flex Techvest PCB Co., Ltd. (tht)	General investment and selling of circuit boards	44%	44%	
The Company and tht	tgt Techvest Co., Ltd. (tgt)	Manufacturing, selling of circuit boards	46%	46%	
The Company	T-Mac Techvest PCB Co., Ltd. (T-Mac)	General investment	100%	100%	
The Company	Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. (txt)	Manufacturing, selling of circuit boards	100%	100%	
Chi Chau	Chi Yao Ltd. (Chi Yao)	General investment and international trading	100%	100%	
Chi Yao	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. (tpts)	Selling of circuit boards	100%	100%	
T-Mac	Chang Tai International Ltd. (Chang Tai)	General investment	100%	100%	
Chang Tai	Yang An International (Samoa) Co., Ltd. (Yang An)	General investment	100%	100%	
Yang An	T-Mac Techvest (Wuxi) PCB Co., Ltd. (tmt)	Manufacturing, selling of circuit boards	100%	100%	
Brilliant Star	CATAC Electronic (Zhongshan) Co., Ltd. (tft)	Manufacturing, selling of circuit boards	100%	100%	
Chi Chen, tpts and tft	Chi Chau Printed Circuit Board (Suining) Co., Ltd. (twf)	Manufacturing, selling of circuit boards	100%	100%	
TPT	Sin Siang (Xiamen) Technology Co., Ltd. (Sin Siang)	Selling of circuit boards	- %	100%	
The Company, T-Mac and Chi Yang	Chi Chau (Thailand) Co., Ltd. (ttt)	Manufacturing, selling of circuit boards	100%	100%	

Although the Company holds less than 50% of the voting rights of T-Flex Techvest

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

PCB Co., Ltd., it is included in the consolidated financial statements because the Company has obtained the majority of the voting rights of the Board of Directors of T-Flex Techvest PCB Co., Ltd. and can direct its finance, operations and personnel.

To meet the needs of the Group's expanding operations, diversification of production bases, and long-term business development, on December 21, 2022, the Company made a direct investment in Vietnam and established Chi Chau Vietnam Co., Ltd. As of December 31, 2023, the accumulated investment amount totaled NTD1,251,541,000.

Following the adjustment of the Group's development structure, Sin Siang (Xiamen) Company and TPT Company were respectively liquidated in March and December of 2023. As of December 31, 2023, the liquidation process has been completed, and the investment share amounts have been repatriated back to the company following the Repatriated Offshore Funds path.

C. Subsidiary company not included in the consolidated financial statements: None.

(4) Foreign currency

A. Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss, except for the difference relating to investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Foreign operations

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

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

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

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

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. The Group holds the asset primarily for the purpose of trading;
- C. The Group expects to realize the asset within twelve months after the reporting period;
- D. 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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

- A. The Group expects to settle the liability in its normal operating cycle;
- B. The Group holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period;
- D. 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.

(6) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments rather than for investment or other purposes

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

should be recognized as cash equivalents.

(7) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A. Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL.

Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

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

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments

**Notes to the Consolidated Financial Statements of
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of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

For equity instrument investors, subsequent measurement is based on fair value. Dividend income (unless it clearly represents a recovery of part of the investment cost) is recognized in the income statement. Other net gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established (usually Ex-Dividend Date).

(c) Financial assets measured at fair value through profit or loss

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. These assets are subsequently measured at fair value.

Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and bills receivables, other receivables, refundable deposits paid and other financial assets), debt investments measured at FVOCI, and contract assets.

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

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers

Notes to the Consolidated Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)

reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECL is the ECL that results from all possible default events over the expected life of a financial instrument.

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

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

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

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

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

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**Notes to the Consolidated Financial Statements of
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The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(e) Derecognition of financial assets

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

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

B. Financial liabilities and equity instruments

(a) Classification between liabilities or equity

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

(b) Equity transaction

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

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written offset).

(d) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held for trading, it is a

**Notes to the Consolidated Financial Statements of
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derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

(e) Derecognition of financial liabilities

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

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

(f) Offsetting of financial assets and liabilities

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

(g) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(8) Inventories

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

**Notes to the Consolidated Financial Statements of
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production overheads based on normal operating capacity.

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

(9) Property, plant, and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

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

B. Subsequent costs

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

C. Depreciation

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

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

(a) Buildings and structures	1 years~50 years
(b) Machinery and equipment	1 years~15 years
(c) Office and other equipment	1 years~20 years

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

(10) Lease

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

A. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before

**Notes to the Consolidated Financial Statements of
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the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

- (a) Fixed payments, including in-substance fixed payments;
- (b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) Amounts expected to be payable under a residual value guarantee; and
- (d) Payments for purchase or termination options that are reasonably certain to be exercised.

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

- (a) There is a change in future lease payments arising from the change in an index or rate;
or
- (b) There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or(c) Amounts expected to be payable under a residual value guarantee;
- (c) There is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- (d) There is a change of its assessment on whether it will exercise an extension or termination option; or
- (e) There is any lease modifications.

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

When the lease liability is remeasured to reflect the partial or full termination of the

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitories, plant, warehouse, parts of the transportation and other equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

B. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(11) Intangible assets

A. Recognition and measurement

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

Intangible assets, including computer software, that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

C. Amortization

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

Amortization methods, useful lives and residual values are reviewed at each reporting

**Notes to the Consolidated Financial Statements of
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date and adjusted if appropriate.

(12) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment on an annual basis.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill acquired in a business combination is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the combined effect.

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. 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.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its 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.

An impairment loss is recognized immediately in profit or loss and reduces the carrying amount of goodwill in the cash-generating unit first, and then reduces the carrying amount of each asset in the unit in proportion to the book value of the other assets in the unit.

Goodwill impairment losses are not reversed. For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

(13) Provisions for liabilities

Provisions for liabilities are recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation in the future, and the amount of the obligation can be reliably estimated.

Plant site restoration

**Notes to the Consolidated Financial Statements of
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The provision for liabilities is evaluated in accordance with the environmental policies and applicable regulatory requirements announced by the Group.

(14) Revenue recognition

Revenue from contracts with customers

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

A. Sale of goods—Electronic components

The Group manufactures and sells electronic components to customers. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group frequently recognizes revenue by aggregating sales of electronic parts and components over a six-month or twelve-month period, provided there is a pre-existing discount agreement or sales discounts will probably occur based on market practices. Initially, revenue is recognized based on the total amount of sales. Subsequently, at the occurrence date or the balance sheet date, the Group evaluates the amount of discounts, offsetting sales revenue or recognizing sales allowances. Revenue is only recognized to the extent that, probably, a significant reversal will not occur. As of the reporting date, the anticipated amounts payable to customers due to unit price discounts and product defects are recognized as refund liabilities.

Trade receivable is recognized when the goods are delivered as this is the point in the time the Group has the right to an amount of consideration that is unconditional.

B. Financing components

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

**Notes to the Consolidated Financial Statements of
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time value of money.

(15) Government subsidy

The Group recognizes deferred revenue as a reduction of the carrying value of machinery and equipment over the useful life of the asset on a systematic basis against depreciation expense when it can be reasonably assured that the conditions attached to the government subsidy will be followed and the grant will be received. The deferred revenue is recognized as a reduction of the carrying amount of the equipment at fair value over the useful life of the asset on a systematic basis.

(16) Employee benefits

A. Defined contribution plans

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

B. Defined benefit plan

The Group's net obligation for the defined benefit plan is calculated by discounting the present value of future benefit amounts earned by employees for each plan, either currently or through prior service, less the fair value of any plan assets.

The defined benefit obligation is actuarially determined annually by a qualified actuary using the projected unit benefit method. When the result of the calculation is likely to be favorable to the Group, the asset is recognized to the extent of the present value of any economic benefits available in the form of refunds of contributions from the plan or reductions in future contributions to the plan. The present value of economic benefits is calculated by taking into account any minimum funding requirements.

The remeasurement of the net defined benefit obligation, which includes actuarial gains and losses, return on plan assets (excluding interest), and any change in the asset ceiling effect (excluding interest) is recognized immediately in other comprehensive income and accumulated in retained earnings. The Group determines the net interest expense (income) on the net defined benefit liability (asset) using the net defined benefit liability (asset) and discount rate determined at the beginning of the annual reporting period. The net interest expense and other expenses of the defined benefit plans are recognized in profit or loss.

When a plan is amended or curtailed, the change in benefits related to prior service cost or curtailment benefit or loss is recognized immediately in profit or loss. The Group recognizes a gain or loss on the settlement of a defined benefit plan when the settlement

**Notes to the Consolidated Financial Statements of
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occurs.

C. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Share-based payment transaction

The equity-settled share-based payment agreement recognizes an expense and increases the relative equity over the vesting period of the award based on the fair value of the award on the vesting date. The expense recognized is adjusted for the number of awards that are expected to meet the service condition and the non-market vesting condition. The final amount recognized is based on the number of awards that meet the service conditions and non-marketable vesting conditions on the vesting date.

Non-vested conditions relating to share-based benefit awards are reflected in the measurement of the fair value of the share-based benefit awards at the vesting date and no adjustment is required to be made to verify the difference between the expected and actual results.

The amount of the fair value of the share appreciation rights payable to employees in cash settlements is recognized as an expense and an increase in the corresponding liability in the period in which the employees reach the point where they can receive unconditional compensation. The liability is remeasured at the fair value of the share appreciation rights at each reporting date and settlement date, and any change is recognized as profit or loss.

The share-based vesting date of the Group, such as the date of transfer of treasury shares to employees, is the date on which the Board of Directors approves the transfer of treasury shares to employees.

(18) Income taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous

**Notes to the Consolidated Financial Statements of
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years. The amount of current tax payables or receivables is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred income tax is recognized for temporary differences between the carrying amounts of assets and liabilities and their respective tax bases as of the reporting date.

Deferred taxes are recognized except for the following:

- A. Assets or liabilities originally recognized in a transaction that does not constitute a business combination, and at the time of the transaction (i) does not affect accounting profit or taxable income (loss), and (ii) does not generate equivalent taxable or deductible temporary differences.
- B. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- C. Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

- A. The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- B. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (a) The same taxable entity; or
 - (b) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Notes to the Consolidated Financial Statements of
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(19) Earnings per share

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

The Group's potentially dilutive ordinary shares include employee compensation.

(20) Segment information

An operating segment is a component of the Group that engages in operating activities that may earn revenues and incur expenses, including revenues and expenses related to transactions with other components of the Group. The operating results of all operating divisions are reviewed regularly by the Group's chief operating decision-maker to make decisions about the allocation of resources to the division and to evaluate its performance. Separate financial information is available for each operating segment.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

6. STATEMENTS OF MAJOR ACCOUNTING ITEMS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash in hand	\$ 757	824
Cash in banks		
Demand deposits	10,119,001	5,624,08
Time deposits	<u>868,295</u>	<u>4,086,649</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 10,988,053</u>	<u>9,711,562</u>

**Notes to the Consolidated Financial Statements of
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Please refer Note 6(23) for the information of credit, currency risks and interest analysis of the financial assets and liabilities of the Group.

The Group's cash and cash equivalents have not been pledged as collaterals. Cash and cash equivalents are expressed not pledged.

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

A. Details were as follows:

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss:		
Derivative instruments not used for hedging	\$ 60,123	34,817
Non-derivative financial assets - Limited Partnership	42,000	24,000
Total	\$ 102,123	58,817
Financial liability measured at fair value through profit or loss:		
Derivative instruments not used for hedging	\$ -	1,627

Details on the determination of fair value of financial instruments, credit and liquidity risk associated with financial instruments, and fair value disclosures are provided in Note 6(23) of the financial statements.

The financial assets of the Group are not provided with collaterals.

B. Derivative financial instruments not designated as hedging instruments

The Group uses derivative financial instruments to hedge the certain foreign exchange risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as held for trading financial instruments:

Forward exchange contracts:

	December 31, 2023			
	Book value	Contract amount (in thousands of NTD)	Currency	Maturity dates
<u>Derivative financial assets</u>				
Forward exchange sold	\$ <u>1,156</u> USD	2,000	USD to TWD	January 08, 2024
Forward exchange sold	\$ <u>58,967</u> USD	95,900	USD to CNY	January 01, 2024~May 29, 2024

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	December 31, 2022			
	Book value	Contract amount (in thousands of NTD)	Currency	Maturity dates
<u>Derivative financial assets</u>				
Forward exchange sold	\$ <u>34,817</u> USD	53,000	USD to CNY	January 01, 2023~April 28, 2023
<u>Derivative financial liabilities</u>				
Forward exchange sold	\$ <u>1,627</u> USD	5,000	USD to CNY	January 10, 2023

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

	December 31, 2023	December 31, 2022
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies' stocks	<u>\$ 4,150</u>	<u>4,683</u>

A. Investments in equity instruments measured at fair value through other comprehensive income or loss

The Group held these investments in equity instruments as long-term strategic investments and were not held for trading purposes, and therefore had been designated as measured at fair value through other comprehensive income or loss.

The Group did not dispose of any strategic investments in 2023, and the accumulated gains and losses during that period were not transferred to equity.

B. Please refer to Note 6(23) for more details on credit risk and fair value.

C. None of the above financial assets were pledged as collateral.

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	\$ 459,462	512,354
Accounts receivable	6,444,063	6,901,738
Less: Loss allowance	(46,803)	(86,782)
Total	<u>\$ 6,856,722</u>	<u>7,327,310</u>

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

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	December 31, 2023		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Not yet due	\$ 6,774,427	0.00%~0.19%	5,889
Overdue within 30 days	94,301	0.00%~9.72%	8,043
Overdue 31-90 days	28,259	0.00%~100.00%	26,333
Overdue 91 days above	<u>6,538</u>	100.00%	<u>6,538</u>
	<u>\$ 6,903,525</u>		<u>46,803</u>
	December 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Not yet due	\$ 7,239,401	0.00%~1.46%	11,661
Overdue within 30 days	91,736	0.00%~100.00%	9,268
Overdue 31-90 days	59,418	0.00%~100.00%	42,316
Overdue 91 days above	<u>23,537</u>	100.00%	<u>23,537</u>
	<u>\$ 7,414,092</u>		<u>86,782</u>

The movement in the loss allowance for notes and accounts receivable was as follows:

	2023	2022
Opening balance	\$ 86,782	178,680
Recognition for gain on reversal of impairment losses	(35,124)	(92,487)
Amounts written off	(4,699)	-
Translation of foreign currency gains and losses	<u>(156)</u>	<u>589</u>
Ending balance	<u>\$ 46,803</u>	<u>86,782</u>

Please refer to 6(23) for more details on the credit and currency rate risks of the Group's notes and accounts receivables.

The Group's notes and accounts receivable have not been pledged as collateral.

(5) Other receivables

	December 31, 2023	December 31, 2022
Other receivables	\$ 146,862	170,926
Less: Loss allowance	<u>(4,674)</u>	<u>(4,674)</u>
Total	<u>\$ 142,188</u>	<u>166,252</u>

The Group has assessed that allowances for doubtful accounts have been adequately provided for other receivables as of December 31, 2023 and December 31, 2022. Detailed information regarding credit and exchange rate risks can be found in Note 6(23).

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

The Group's other receivables have not been pledged as collateral.

(5) Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Finished goods	\$ 816,688	675,847
Work in progress	577,770	977,399
Raw materials and supplies	384,406	429,364
Total	<u><u>\$ 1,778,864</u></u>	<u><u>2,082,610</u></u>

The details of the cost of sales of the Group were as follows:

	<u>2023</u>	<u>2022</u>
Cost of goods sold	\$ 16,820,414	19,196,690
Inventory scrap loss	79,918	98,523
Gain for market price decline, obsolete and slow-moving inventories	(80,644)	(30,925)
Revenue from sale of scraps	(800,507)	(848,164)
Unallocated manufacturing expenses	48,460	169,502
Total	<u><u>\$ 16,067,641</u></u>	<u><u>18,585,626</u></u>

The Group has recognized inventory recovery gains due to the disappearance of factors in 2023 and 2022 that previously caused the net realizable value of inventory to be lower than cost, resulting in an increase in net realizable value.

The Group's inventories have not been pledged as collateral.

(7) Property, plant, and equipment

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

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2023	\$ 202,597	5,270,919	12,122,097	1,356,009	1,580,515	20,532,137
Additions	-	734,882	342,299	255,441	39,614	1,372,236
Disposals	-	(12,447)	(107,808)	(33,070)	-	(153,325)
Transfer (out) in	-	612,815	83,593	11,495	(732,747)	(24,844)
Effect of exchange rate changes	-	(100,181)	(183,747)	(25,111)	(16,643)	(325,682)
Balance on December 31,	<u><u>\$ 202,597</u></u>	<u><u>6,505,988</u></u>	<u><u>12,256,434</u></u>	<u><u>1,564,764</u></u>	<u><u>870,739</u></u>	<u><u>21,400,522</u></u>

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
2023						
Balance on January 1, 2022	\$ 202,597	5,190,748	11,733,821	1,300,738	360,610	18,788,514
Additions	-	37,284	308,405	55,744	1,168,824	1,570,257
Disposals	-	(17,613)	(158,772)	(32,350)	-	(208,735)
Transfer (out) in	-	(1,346)	109,716	15,091	48,829	172,290
Effect of exchange rate changes	-	61,846	128,927	16,786	2,252	209,811
Balance on December 31,						
2022	<u>\$ 202,597</u>	<u>5,270,919</u>	<u>12,122,097</u>	<u>1,356,009</u>	<u>1,580,515</u>	<u>20,532,137</u>
Accumulated depreciation and impairment loss:						
Balance on January 1, 2023	\$ -	2,516,411	8,718,682	1,018,955	-	12,254,048
Depreciation	-	261,539	543,219	91,034	-	895,792
Disposals	-	(12,339)	(122,033)	(15,881)	-	(150,253)
Effect of exchange rate changes	-	(39,020)	(122,888)	(16,951)	-	(178,859)
Balance on December 31,						
2023	<u>\$ -</u>	<u>2,726,591</u>	<u>9,016,980</u>	<u>1,077,157</u>	<u>-</u>	<u>12,820,728</u>
Balance on January 1, 2022	\$ -	2,286,009	8,102,870	939,268	-	11,328,147
Depreciation	-	222,488	679,052	97,394	-	998,934
Disposals	-	(17,296)	(147,228)	(29,103)	-	(193,627)
Effect of exchange rate changes	-	25,210	83,988	11,396	-	120,594
Balance on December 31,						
2022	<u>\$ -</u>	<u>2,516,411</u>	<u>8,718,682</u>	<u>1,018,955</u>	<u>-</u>	<u>12,254,048</u>
Book value						
December 31, 2023	<u>\$ 202,597</u>	<u>3,779,397</u>	<u>3,239,454</u>	<u>487,607</u>	<u>870,739</u>	<u>8,579,794</u>
January 1, 2022	<u>\$ 202,597</u>	<u>2,904,739</u>	<u>3,630,951</u>	<u>361,470</u>	<u>360,610</u>	<u>7,460,367</u>

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

	Land	Buildings and structures	Machinery and equipment	Other equipment	Construction in progress and equipment to be inspected	Total
December 31, 2022	<u>\$ 202,597</u>	<u>2,754,508</u>	<u>3,403,415</u>	<u>337,054</u>	<u>1,580,515</u>	<u>8,278,089</u>

The Group has been constructing new factories and expanding production lines in each operating entity. As of December 31, 2023, the related civil and erection work are still in progress, and are accounted for as work in progress and equipment pending acceptance. Details of material unrecorded contractual commitments for the acquisition of property, plant and equipment are provided in Note 9(1).

Please refer to Note 8 for information on the Group's loans guarantees.

(8) Right-of-use assets

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

	Land	Transportation equipment	Others	Total
Cost:				
Balance on January 1, 2023	\$ 271,008	106,230	-	377,238
Additions	9,429	7,234	3,403	20,066
Decrease	-	(38,491)	-	(38,491)
Transfer in	176,568	-	-	176,568
Effect of exchange rate changes	<u>(3,215)</u>	<u>(514)</u>	<u>(25)</u>	<u>(3,754)</u>
Balance on December 31, 2023	<u>\$ 453,790</u>	<u>74,459</u>	<u>3,378</u>	<u>531,627</u>
Balance on January 1, 2022	\$ 271,528	102,351	791	374,670
Additions	-	24,247	-	24,247
Decrease	-	(20,855)	(806)	(21,661)
Remeasurement	(2,954)	-	-	(2,954)
Effect of exchange rate changes	<u>2,434</u>	<u>487</u>	<u>15</u>	<u>2,936</u>
Balance on December 31, 2022	<u>\$ 271,008</u>	<u>106,230</u>	<u>-</u>	<u>377,238</u>
Accumulated depreciation:				
Balance on January 1, 2023	\$ 46,990	60,190	-	107,180
Provisions	10,842	28,801	228	39,871
Decrease	-	(38,320)	-	(38,320)
Effect of exchange rate changes	<u>(689)</u>	<u>(398)</u>	<u>(3)</u>	<u>(1,090)</u>
Balance on December 31, 2023	<u>\$ 57,143</u>	<u>50,273</u>	<u>225</u>	<u>107,641</u>

**Notes to the Consolidated Financial Statements of
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	<u>Land</u>	<u>Transportation equipment</u>	<u>Others</u>	<u>Total</u>
Balance on January 1, 2022	\$ 39,784	46,053	637	86,474
Provisions	6,802	34,544	157	41,503
Decrease	-	(20,592)	(806)	(21,398)
Effect of exchange rate changes	404	185	12	601
Balance on December 31, 2022	<u>\$ 46,990</u>	<u>60,190</u>	<u>-</u>	<u>107,180</u>
Book value				
December 31, 2023	<u>\$ 396,647</u>	<u>24,186</u>	<u>3,153</u>	<u>423,986</u>
December 31, 2022	<u>\$ 224,018</u>	<u>46,040</u>	<u>-</u>	<u>270,058</u>

The Group's right-of-use assets have not been pledged as collateral.

(9) Intangible assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Book value		
Goodwill - Business Merger	\$ 368,709	368,709
Computer software and others	3,994	6,235
Total	<u>\$ 372,703</u>	<u>374,944</u>

(10) Short-term debt

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unsecured bank loans	<u>\$ 7,186,615</u>	<u>5,856,274</u>
Unused short-term credit lines	<u>\$ 7,883,673</u>	<u>11,594,974</u>
Interest Rates (%)	<u>1.60%~6.36%</u>	<u>1.30%~5.08%</u>

Please refer Note 6(23) for the information of liquidity risk, currency rate risk and interest rate analysis of short-term debt of the Group.

The Group did not provide any asset as collateral for its short-term debt.

(11) Short-term notes and bills payable

	<u>December 31, 2022</u>		
	<u>Guarantors</u>	<u>Interest Rates</u>	<u>Amount</u>
Commercial promissory notes payable	Dah Chung Bills Finance Corporation	1.76%	\$ 200,000
Less: Short-term notes and bills payable discount			<u>(157)</u>

**Notes to the Consolidated Financial Statements of
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	December 31, 2022	
	Guarantors	Interest Rates
	Amount	
Total	\$ 199,843	

Please refer Note 6(23) for the information of liquidity risk and interest rate analysis of short-term notes and bills payable of the Group.

The Group did not provide any asset as collateral for its short-term notes and bills payable.

(12) Provisions for liabilities

	December 31, 2023	December 31, 2022
Plant site restoration	\$ 74,127	146,658

As the Group assumed the responsibility for the plant site restoration, the amount received was recorded as a provision for liabilities. The related restoration costs are expected to occur in future years.

(13) Lease liabilities

The Group lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	\$ 30,188	30,557
Non-current	\$ 22,814	35,553

For the liquidity risk, please refer to Note 6(23) Financial instruments.

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	\$ 1,048	1,627
Expenses relating to short-term leases	\$ 10,421	13,208
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 1,298	1,385

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

	2023	2022
Total cash outflow for leases	\$ 45,510	52,781

A. Leases of land

The Group usually leases land for its production and office premises for a period of 10 years.

**Notes to the Consolidated Financial Statements of
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B. Other leases

The Group leases transportation equipment and other equipment for a period of 3 to 4 years.

In addition, the lease period of the employee dormitory, warehouse, and parts of the transportation equipment and other equipment of the Group is 1 to 6 years. These leases are short-term or low-value leases. The Group chooses to apply the exemption requirements and not recognize its related right-of-use assets and lease liabilities.

(14) Refund liabilities, current

	December 31, 2023	December 31, 2022
Refund liabilities, current	<u>\$ 304,174</u>	<u>299,268</u>

Refund liability is mainly due to the characteristics of the industry in which the sales of electronic components may generate a sales discount due to product defects or price drops, which are expected to be paid to customers.

(15) Long-term debt

December 31, 2023				
	Currency	Interest Rates	Period	Amount
Unsecured bank loans	New Taiwan Dollars	1.90%	May 19, 2026~ December 18, 2028	\$ 540,000
Secured bank loans	New Taiwan Dollars	2.41%~2.64%	June 07, 2025~ August 01, 2027	<u>89,235</u>
				629,235
Less: Current portion				<u>(53,815)</u>
Total				<u>\$ 575,420</u>
Unused long-term credit lines				<u>\$ 370,000</u>

December 31, 2022				
	Currency	Interest Rates	Period	Amount
Secured bank loans	New Taiwan Dollars	2.02%~2.28%	October 30, 2023~ August 01, 2027	\$ 121,300
Less: Current portion				<u>(28,065)</u>
Total				<u>\$ 93,235</u>
Unused long-term credit lines				<u>\$ 70,000</u>

Please refer to Note 6(23) for the information of liquidity risk and interest rate analysis.

**Notes to the Consolidated Financial Statements of
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The Group did not provide any asset as collateral for its bank borrowings, please refer to Note 8.

(16) Employee benefits

A. Defined benefit plan

The changes in the present value of defined benefit obligation and the fair value of plan assets are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of the defined benefit obligation	\$ 25,775	22,816
Plan assets at fair value	<u>(23,295)</u>	<u>(22,409)</u>
Net defined benefit liability	<u>\$ 2,480</u>	<u>407</u>

The Group's defined benefit plan is transferred to the custodian account for the Bank of Taiwan's Labor Retirement Reserve Fund. The retirement payment for each employee under the Labor Standards Act is calculated based on the base figure obtained from years of service and the average salary for the six months before retirement.

(a) Components of plan assets

The Group's retirement fund under the Labor Standards Act is managed by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the BLF). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", the minimum annual earnings to be distributed from the fund shall not be less than the earnings calculated based on the two-year time deposit rate of the local bank.

As of the reporting date, the balance of the Group's custodian account for the Bank of Taiwan's Labor Retirement Reserve Fund account was NTD23,295,000. For information on the use of the Labor Pension Fund assets, including the dividend yield and fund asset allocation, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(b) Present value of the defined benefit obligation

The changes in the present value of the Group's defined benefit obligation are as follows:

	<u>2023</u>	<u>2022</u>
Defined benefit obligation on January 1	\$ 22,816	27,287
Current service costs and interests	659	516
Remeasurements of the net defined benefit liability financial assumptions		

**Notes to the Consolidated Financial Statements of
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	2023	2022
-Actuarial gains and losses arising from changes in financial assumptions	922	(2,654)
-Actuarial gains and losses resulting from changes in experience adjustments	1,378	(316)
Benefits paid	-	(2,017)
Defined benefit obligation on December 31	\$ 25,775	22,816

(c) Fair value of plan assets

The changes in the fair value of the Group's defined benefit obligation assets are as follows:

	2023	2022
Plan assets at fair value on January 1	\$ 22,409	14,086
Interest revenue	384	70
Remeasurements of the net defined benefit liability		
-Actuarial gains and losses	89	1,157
Amount contributed to plan	413	9,113
Benefits paid	-	(2,017)
Plan assets at fair value on December 31	\$ 23,295	22,409

(d) Expenses recognized as profit and loss

Breakdown of expenses disbursed by the Group is as follows:

	2023	2022
Current period service costs	\$ 272	383
Net interest on net defined benefit liabilities	3	63
Operating costs	\$ 275	446

(e) Actuarial assumptions

The significant actual assumptions used by the Group to determine the present value of the defined benefit obligation at the end of the reporting period are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.23%	1.70%
Future salary increase rate	1.00%	1.00%

The Group expects to make a contribution of NT\$417,000 to defined benefit plans within one year after the reporting date in the fiscal year 2023.

The weighted-average duration of the defined benefit plans is 8.46 years.

**Notes to the Consolidated Financial Statements of
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(f) Sensitivity analysis

The effect of changes in key actuarial assumptions on the present value of the defined benefit obligation when used is as follows:

	Effect on defined benefit obligation	
	Add 0.25%	Less 0.25%
December 31, 2023		
Discount rate (Changes 0.25%)	\$ (485)	502
Future salary increase rate (Changes 0.25%)	495	(481)
December 31, 2022		
Discount rate (Changes 0.25%)	\$ (491)	509
Future salary increase rate (Changes 0.25%)	503	(488)

The sensitivity analysis above analyzes the effect of changes in a single assumption with other assumptions held constant. In practice, changes in many assumptions may be linked. The sensitivity analysis is consistent with the methodology used to calculate the net defined benefit liability in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

B. Defined contribution plans

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

The domestic consolidated companies contribute retirement pension expenses to the Bureau of Labor Insurance, and foreign merged companies contribute them in accordance with local laws as follows:

	2023	2022
Domestic consolidated companies	\$ 16,363	16,596
Foreign consolidated companies	132,176	142,954
	\$ 148,539	159,550

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

(17) Income taxes

A. Income tax expense

The following is a breakdown of the Group's income tax expense:

	<u>2023</u>	<u>2022</u>
Current income tax expense		
Arising during the period	\$ 476,813	720,231
Adjustments for prior periods	<u>25,794</u>	<u>(52,872)</u>
	<u>502,607</u>	<u>667,359</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>20,887</u>	<u>(189,025)</u>
Income tax expense	<u>\$ 523,494</u>	<u>478,334</u>

Reconciliation of income tax and profit before tax were as follows:

	<u>2023</u>	<u>2022</u>
Income before tax	\$ 1,654,614	2,002,526
Income tax using the Group's domestic tax rate	\$ 718,625	770,803
Non-deductible expenses	79,109	(16,139)
Tax-exempt income	(102,164)	(93,361)
Change in unrecognized temporary differences	(236,043)	(213,671)
Current year losses for which no deferred tax asset was recognized	18,694	1,068
Prior period underestimation (overestimation)	(1,207)	(52,872)
Undistributed earnings additional tax	46,480	49,162
Others	-	<u>33,344</u>
Total	<u>\$ 523,494</u>	<u>478,334</u>

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax liabilities

The Company entity can control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2022 and 2023. Also, Management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Aggregate amount of temporary differences related	<u>\$ 2,415,758</u>	<u>2,141,960</u>

**Notes to the Consolidated Financial Statements of
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to investments in subsidiaries

(b) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Tax effect of deductible temporary differences	\$ 151,609	216,839
The carryforward of unused tax losses	147,732	130,997
	<u>\$ 299,341</u>	<u>347,836</u>

Under the Income Tax Act, tax losses incurred in the ten years, prior to the approval of the tax authorities, may be deducted from the net profit for the current year and then audited for income tax purposes. These items are not recognized as deferred tax assets because it is not probable that the Group will have sufficient tax assets in the future to provide for the temporary differences.

As of December 31, 2023, the Group has not used the tax loss on deferred tax assets, which is deducted over the following periods:

<u>Year of loss</u>	<u>Loss not yet deducted</u>	<u>Last year for which the deduction was made</u>
2015	\$ 138,613	2025
2016	182,481	2026
2017	6,430	2027
2018	64,139	2028
2019	82,622	2029
2020	165,611	2030
2021	719	2031
2022	5,316	2032
2023	92,727	2033
	<u>\$ 738,658</u>	

(c) Recognized deferred tax assets and liabilities

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

	<u>Foreign investment income</u>	<u>Others</u>	<u>Total</u>
Deferred tax liabilities:			
Balance on January 1, 2023	\$ 31,942	16,606	48,548
Debit (Credit) P&L	31,811	(10,924)	20,887

**Notes to the Consolidated Financial Statements of
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	Foreign investment income	Others	Total
Balance on December 31, 2023	\$ 63,753	5,682	69,435
Balance on January 1, 2022	\$ 252,383	145	252,528
Debit (Credit) P&L	(220,441)	16,461	(203,980)
Balance on December 31, 2022	\$ 31,942	16,606	48,548

	The carryforward of unused tax losses
Deferred tax assets :	
Balance on January 1, 2022	\$ 14,955
(Debit) Credit P&L	(14,955)
Balance on December 31, 2022 (same balances as of January 1 and December 31, 2023)	\$ -

C. Assessment of tax

The profit-seeking enterprise income tax returns of our companies, Chi Yang Investment Ltd, T-Flex Techvest PCB Co., Ltd, T-Mac Techvest PCB Co., Ltd, and tgt Techvest Co., Ltd. have all been assessed and approved by the tax authorities until the year 2021.

(18) Capital and other equity

A. Ordinary shares

As of December 31, 2023 and 2022, the company's total authorized capital amounted to NTD3,500,000,000 and NTD3,000,000,000 respectively, with a par value of NTD10 per share, resulting in 350,000 thousand shares and 300,000 thousand shares respectively. The total issued ordinary shares amount to 271,242,000 shares. All proceeds from the issued shares have been received.

B. Capital reserve

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 1,977,861	1,977,861
Differences between acquisition price and carrying amount arising from acquisition of subsidiaries	612,761	612,761
Changes in ownership interests in subsidiaries	114,641	114,641

**Notes to the Consolidated Financial Statements of
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	December 31, 2023	December 31, 2022
Conversion of treasury shares	163,525	163,525
Others	6,906	6,906
	\$ 2,875,694	2,875,694

According to the R.O.C. Company Act, the capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on the issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus above par value should not exceed 10% of the total common stock outstanding.

C. Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed as new stacks according to the distribution plan or shares newly issued proposed by the Board of Directors and submitted to the stockholders' meeting for approval. If there is any surplus, the Board of Directors may prepare a proposal for the distribution of such surplus together with the previous year's earnings, and if the distribution is made by issuing new shares, a resolution shall be submitted to the Shareholders' Meeting for distribution.

If the Company distributes dividend bonus, legal reserve, special reserve, or part/whole of the capital surplus by cash payment, two of the three authorized board members must be present during the meeting, and half of the attendees' approval must be obtained before reporting the agreed appropriation at the shareholders' meeting.

To consider stable development and complete financial structure, the Company's surplus distribution shall be no less than 10% of the distributable surplus, minus the previous year's surplus. However, if the distributable surplus, minus the previous year's surplus, is less than the percentage of paid-in capital, the Company may decide to transfer all of the retained surplus to unappropriated retained earnings.

When distributing surplus, cash dividend shall not be less than 10% of the total dividend.

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders'

**Notes to the Consolidated Financial Statements of
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meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

When the Company distributes the distributable surplus, the net deduction of other shareholders' equity in the current year is reported, and the special surplus reserve is made up from the current profit and loss and the undistributed surplus in the previous period; it is the deduction of other shareholders' equity accumulated in the previous period amount, from the undistributed surplus of the previous period, the special surplus reserve shall not be distributed. When the deduction amount of other shareholders' equity is reversed thereafter, the surplus may be distributed on the reversed part.

(c) Earnings distribution

The earnings distribution for 2022 and 2021 had been approved during the board's meeting and shareholder's meeting on April 28, 2023 and April 25, 2022, respectively. The relevant dividend distribution to shareholders were as follows:

	2022		2021	
	Dividend per share (NTD)	Amount	Dividend per share (NTD)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 2.50	678,106	3.50	949,349

In addition, on April 25, 2022, the Board of Directors of our company resolved to distribute cash dividends of NTD406,863,000 from the capital reserve, with a distribution of NTD1.50 per share.

D. Treasury shares

On April 20 and December 29, 2021, the Company, by resolution of the Board of Directors, transferred 3,110,000 shares and 6,890,000 shares to employees. The weighted average exercise price was NTD32.80. The relevant conversions were completed on July 16, 2021 and January 26, 2022. There were no expenses incurred in 2022 due to the transfer of treasury shares to employees.

As of December 31, 2023, there was no untransferred or cancelled share.

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

E. Other equity

	Exchange differences in translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Non-controlling interests
January 1, 2023	\$ (712,249)	(7,065)	648,345
Current year's profits after tax	-	-	37,029
Exchange differences arising from the translation of net assets of foreign operating entities	(315,470)	-	(9,150)
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	-	(235)	(298)
Non-controlling interest participants in the capital increase of subsidiaries	-	-	(19,445)
Recognized in gains (losses) on remeasurements of the defined benefit plans of subsidiaries	-	-	(1,194)
Balance on December 31, 2023	<u>\$ (1,027,719)</u>	<u>(7,300)</u>	<u>655,287</u>
January 1, 2022	\$ (968,217)	(6,667)	603,818
Current year's profits after tax	-	-	51,869
Exchange differences arising from the translation of net assets of foreign operating entities	255,968	-	6,487
Unrealized gains on financial assets measured at fair value through other comprehensive income	-	(398)	(502)
Cash dividends distributed by subsidiaries	-	-	(15,556)
Recognized in gains (losses) on	-	-	2,229

**Notes to the Consolidated Financial Statements of
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	Exchange differences in translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Non-controlling interests
remeasurements of the defined benefit plans of subsidiaries			
Balance on December 31, 2022	\$ (712,249)	(7,065)	648,345
(19) Earnings per share			
		2023	2022
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company		\$ 1,094,091	1,472,323
Weighted average number of ordinary shares (in thousands)		271,242	270,771
Basic earnings per share (NTD)		\$ 4.03	5.44
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company		\$ 1,094,091	1,472,323
Weighted average number of ordinary shares (in thousands)		271,242	270,771
Effect of dilutive potential ordinary shares			
-Effect of employee share bonus		3,929	10,051
Effect of conversion of convertible bonds (In Thousands) (diluted)		275,171	280,822
Diluted earnings per share (NTD)		\$ 3.98	5.24
(20) Revenue from contracts with customers			
A. Details of revenue			
		2023	2022
Primary geographical markets:			
China (including Hong Kong)		\$ 13,289,281	14,879,707
Taiwan		2,313,296	3,020,635

**Notes to the Consolidated Financial Statements of
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	2023	2022
Singapore	2,194,883	2,442,572
Others	1,136,380	1,634,553
	\$ 18,933,840	21,977,467
Major products/services lines		
Printed circuit boards	\$ 18,847,421	21,797,740
Processing fees revenue and others	86,419	179,727
	\$ 18,933,840	21,977,467

B. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable	\$ 6,903,525	7,414,092	11,791,104
Less: Loss allowance	(46,803)	(86,782)	(178,680)
Total	\$ 6,856,722	7,327,310	11,612,424

For details on notes and accounts receivable and allowance for impairment, please refer to Note 6(4).

For refund liabilities disclosure please refer to Note 6(14).

(21) Employee compensation and directors' remuneration

Under the Articles of Incorporation, the Company should contribute 5% to 15% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits (including adjustments to the amount of undistributed surplus), the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The estimated amount of remuneration for the Company's employees and directors is as follows:

	2023	2022
Employee remuneration	\$ 105,349	292,931
Directors' remuneration	21,070	58,586
	\$ 126,419	351,517

The estimated amounts mentioned above are calculated based on the income before tax, excluding the remuneration to employees and directors of each period, multiplied by the

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

percentage of remuneration to employees and directors and as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. Related information would be available at the Market Observation Post System website.

The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2023 and 2022.

(22) Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

	<u>2023</u>	<u>2022</u>
Interest income	\$ 204,542	146,120
Others	192	62
	<u>\$ 204,734</u>	<u>146,182</u>

B. Other income

The details of other income were as follows:

	<u>2023</u>	<u>2022</u>
Rental income	\$ 10,623	12,623
Government subsidies	45,168	84,560
Others	21,759	20,413
	<u>\$ 77,550</u>	<u>117,596</u>

C. Other gains and losses

The details of other gains and losses were as follows:

	<u>2023</u>	<u>2022</u>
Foreign exchange gains	\$ 55,419	404,333
Net loss on financial assets (liabilities) at fair value through profit or loss	(89,006)	(221,257)
Net gain (loss) from disposal of property, plant and equipment	4,858	(9,244)
Loss from disposal of investments	(18,436)	-
Others	(4,721)	(4,322)
	<u>\$ (51,886)</u>	<u>169,510</u>

**Notes to the Consolidated Financial Statements of
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D. Finance costs

The details of consolidated finance costs were as follows:

	2023	2022
Interest on bank loans	\$ 209,838	107,466
Interest on lease liabilities	1,048	1,627
	\$ 210,886	109,093

(23) Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The customers of the Group are concentrated in a broad customer base, and there is no significant concentration of transactions with a single customer, and the sales area is dispersed, so the credit risk of accounts receivable is not likely to be significantly concentrated. To reduce credit risk, the Group also regularly and continuously assesses the financial status of its customers, but usually does not require customers to provide collateral.

(c) Credit risk of receivables and debt securities

For credit risk exposure of notes and accounts receivables, please refer to Note 6(4).

Other financial assets at amortized cost include cash and cash equivalents and other receivables, please refer to Note 6(1) and 6(5).

All these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months of expected credit losses. The fixed deposit certificates held by the Group, the transaction counterparty, and the performing party are financial institutions with investment grades and above, so the credit risk is deemed to be low.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

**Notes to the Consolidated Financial Statements of
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	Net carrying amount as of:	Contractual cash flows	Within 6 months	6-12 months	1~2 years	2~5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Secured bank loans	\$ 89,235	93,273	10,865	10,736	40,845	30,827	-
Unsecured bank loans	7,726,615	7,843,799	7,040,483	282,402	220,017	300,897	-
Notes and accounts payable	3,035,673	3,035,673	3,035,673	-	-	-	-
Other payables	2,551,941	2,551,941	2,531,105	20,836	-	-	-
Lease liabilities	53,002	54,651	22,915	7,435	8,586	7,407	8,308
Deposits received	104,078	104,078	-	-	104,078	-	-
Derivative financial liabilities							
Others forward exchange contracts:							
Outflow	(60,123)	2,964,391	2,964,391	-	-	-	-
Inflow	-	(3,024,514)	(3,024,514)	-	-	-	-
	\$ 13,500,421	13,623,292	12,580,918	321,409	373,526	339,131	8,308
December 31, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$ 121,300	127,099	16,297	14,193	41,166	55,443	-
Unsecured bank loans	5,856,274	5,880,416	5,880,416	-	-	-	-
Short-term notes and bills payable	199,843	200,000	200,000	-	-	-	-
Notes and accounts payable	3,046,282	3,046,282	3,046,282	-	-	-	-
Other payables	3,122,715	3,122,715	3,122,178	537	-	-	-
Lease liabilities	66,110	68,582	17,717	13,210	16,879	10,385	10,391
Deposits received	120,756	120,756	-	-	120,756	-	-
Derivative financial liabilities							
Others forward exchange contracts:							
Outflow	(33,190)	1,768,603	1,768,603	-	-	-	-
Inflow	-	(1,801,793)	(1,801,793)	-	-	-	-
	\$ 12,500,090	12,532,660	12,249,700	27,940	178,801	65,828	10,391

The Group does not expect the cash flows included in the maturity analysis to occur

**Notes to the Consolidated Financial Statements of
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significantly earlier or at significantly different amounts.

C. Currency risks

(a) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>December 31, 2023</u>			<u>December 31, 2022</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>New Taiwan Dollars</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>New Taiwan Dollars</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 403,778	30.71	12,397,988	344,495	30.71	10,579,453
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	290,730	30.71	8,926,871	247,715	30.71	7,607,342

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, loans and borrowings; and notes and accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against each transaction currencies currency on December 31, 2023 and 2022 would have increased (decreased) the net income by \$130,937,000 and \$116,652,000. The analysis in 2023 is performed on the same basis for 2022.

(c) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) (including realized and unrealized portions) on monetary items is disclosed as follow:

	<u>2023</u>		<u>2022</u>	
	<u>Exchange gains (losses)</u>	<u>Average Rate</u>	<u>Exchange gains (losses)</u>	<u>Average Rate</u>
\$	55,419	-	404,333	-

(d) Interest rate analysis

Please refer to the notes on liquidity risk management about the interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets

**Notes to the Consolidated Financial Statements of
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with variable interest rates, the analysis assumes that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to Management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 1 %, the Group's net income would have increased/decreased and decreased/increase by \$16,794,000 in 2023 and \$5,472,000 in 2022 with all other variable factors remaining constant. Mainly due to the Group's variable interest rate deposits and loans.

D. Fair value of financial instruments

(a) Fair value hierarchy

The Group's financial assets and liabilities measured at fair value through income and financial assets measured at fair value through other comprehensive income are measured at fair value repeatedly. The book value and fair values of each class of financial assets and financial liabilities (including fair value hierarchy information, except for financial instruments not carried at fair value whose book value is a reasonable approximation of fair value and lease obligations for which disclosure of fair value information is not required by regulation) are presented below:

	December 31, 2023				
	Net carrying amount as of:	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	\$ 102,123	-	60,123	42,000	102,123
Financial asset measured at fair value through other comprehensive income	4,150	-	-	4,150	4,150
Financial assets measured at amortized cost					
Cash and cash equivalents	10,988,053	-	-	-	-
Notes and accounts receivable	6,856,722	-	-	-	-
Other receivables	142,188	-	-	-	-
Other financial assets	83,713	-	-	-	-
Subtotal	18,070,676	-	-	-	-
Total	\$ 18,176,949	-	60,123	46,150	106,273

**Notes to the Consolidated Financial Statements of
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	December 31, 2023				
	Net carrying amount as of:	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Bank loan	\$ 7,815,850	-	-	-	-
Notes and accounts payable	3,035,673	-	-	-	-
Other payables	2,551,941	-	-	-	-
Lease liabilities	53,002	-	-	-	-
Deposits received	104,078	-	-	-	-
Total	\$ 13,560,544	-	-	-	-
Financial assets measured at fair value through profit or loss					
	\$ 58,817	-	34,817	24,000	58,817
Financial asset measured at fair value through other comprehensive income					
	4,683	-	-	4,683	4,683
Financial assets measured at amortized cost					
Cash and cash equivalents	9,711,562	-	-	-	-
Notes and accounts receivable	7,327,310	-	-	-	-
Other receivables	166,252	-	-	-	-
Other financial assets	92,276	-	-	-	-
Subtotal	17,297,400	-	-	-	-
Total	\$ 17,360,900	-	34,817	28,683	63,500
Financial liability at fair value through profit or loss					
	\$ 1,627	-	1,627	-	1,627
Financial liabilities at amortized cost					
Bank loan	5,977,574	-	-	-	-
Short-term notes and bills payable	199,843	-	-	-	-
Notes and accounts payable	3,046,282	-	-	-	-
Other payables	3,122,715	-	-	-	-
Lease liabilities	66,110	-	-	-	-

**Notes to the Consolidated Financial Statements of
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	December 31, 2023				
	Net carrying amount as of:	Fair Value			
		Level 1	Level 2	Level 3	Total
Deposits received	120,756	-	-	-	-
Subtotal	12,533,280	-	-	-	-
Total	\$ 12,534,907	-	1,627	-	1,627

(b) Fair value through profit or loss financial instrument-fair value evaluation technique

a. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If financial instruments can be readily and regularly quoted from a stock exchange, broker, underwriter, industry association, pricing service agency, or regulatory authority, and such quoted prices represent actual and frequent transactions by fair market participants, then the financial instruments are considered to have an active market with quoted prices. If the above conditions are not met, the market is considered inactive. Generally, large bid-ask spreads, significant increase in bid-ask spreads, or low trading volumes are indicators of an inactive market.

For financial instruments other than those with active markets, fair values are obtained using valuation techniques or reference to quoted prices from market participants. Fair values obtained through valuation techniques may be based on current fair values of similar financial instruments with substantially similar conditions and characteristics, discounted cash flow methods, or other valuation techniques including models that utilize market information available at the balance sheet date.

The fair value of financial instruments held by the Group that are not traded in an active market shall be presented based on their category and nature as follows:

Unquoted equity instruments: The fair value is estimated using the Relative Valuation method, based on the assumption of using the earnings multiple derived from the net book value per share of the investee and the quoted market value of comparable domestic OTC-listed (emerging) companies. The estimate has been adjusted for the discount impact of the lack of market liquidity of the equity securities.

For limited partnerships, the Company applies the equity method to account for

**Notes to the Consolidated Financial Statements of
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these investments. The Group evaluates the net asset value of the underlying investment, which approximates the fair value of the equity investment. The evaluation of the underlying investment includes the total value of individual assets and liabilities, in order to reflect the overall value of the enterprise or business.

b. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. The fair value of forwarding currency is usually determined by the forward currency exchange rate.

(c) Transfers between Level 1 and Level 2 : None.

(d) Fair value measurements in Level 3:

	Measured at fair value through profit or loss - Mandatory for non- derivative financial assets at fair value through profit or loss		Measured at fair value through other comprehensive income - Equity instruments without public quotations	
	2023	2022	2023	2022
Opening balance	\$ 24,000	-	4,683	5,583
Purchase	18,000	24,000	-	-
Total gains or losses				
Recognized in other comprehensive income	-	-	(533)	(900)
Ending balance	\$ 42,000	24,000	4,150	4,683

The above total gains or losses are reported in series as unrealized gains or losses on financial assets measured at fair value through other comprehensive income. The related assets still held in 2023 and 2022 are as follows:

	2023	2022
Total gains or losses		
Amount recognized in OCI: (presented in “Unrealized losses from financial assets measured at fair value through other comprehensive income)	\$ (533)	(900)

(e) Quantitative information on Level 3 fair value measurement using significant unobservable inputs

**Notes to the Consolidated Financial Statements of
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The fair value measurements of the Group are classified as Level 3, mainly financial assets measured at fair value through profits and losses – Limited partnership and financial assets measured at fair value through other comprehensive income - Investments in equity securities.

The Group's investments in equity instruments with no active market have multiple significant unobservable inputs.

The list of quantitative information for significant unobservable inputs is as follows:

<u>Items</u>	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Significant unobservable Relationship between inputs and fair value</u>
Financial asset measured at fair value through other comprehensive income - Equity instrument investment without active market	Comparable to the Company Act	<ul style="list-style-type: none"> • Price-to-book ratio multiplier (0.94 and 0.93 as of December 31, 2023 and 2022) • Lack of marketability discount (30% as of December 31, 2023 and 2022) 	<ul style="list-style-type: none"> • The higher the multiplier, the higher the fair value • The higher the discount for lack of marketability, the lower the fair value
Financial assets measured at fair value through profit or loss - Limited partnership	Net asset value method	<ul style="list-style-type: none"> • Net asset value method 	<ul style="list-style-type: none"> • The higher the net asset value, the higher the fair value

(24) Financial risk management

A. Overview

The Group has exposure to the following risks from its financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the consolidated financial statements.

**Notes to the Consolidated Financial Statements of
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B. Structure of risk management

The Group's financial management department provides services for each business, coordinates the operation of entering domestic and international financial markets, as well as supervises and manages the financial risks related to the Group's operations through internal risk reports that analyze the level and range of risks that may occur. The use of derivative financial instruments is regulated by the policies adopted by the Board of Directors. Those policies are written principles for the exchange rate, interest rate, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquid funds. The audit committee and the internal audit will regularly review the policies to limit risk exposures. The financial management department will regularly report to the audit committee and the board. In addition, the Group does not trade financial instruments (including derivative financial instruments) for speculative purposes.

C. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, financial instruments and the Group's receivables from customers.

(a) Accounts receivable and other receivables

The Group credit risk is affected by individual client circumstances.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the board; these limits are reviewed regularly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group does not require any collateral for accounts receivable and other receivables.

(b) Investments

The credit risk of bank deposits and other financial instruments is measured and monitored by the Group's finance department. Since the Group's counterparties and burden of contract parties are creditworthy banks, financial institutions and corporate organizations with investment grades, there are no materiality concerns, so there is no

**Notes to the Consolidated Financial Statements of
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materiality credit risk.

(c) Guarantees

The Group's policy is to provide financial guarantees only to Companies with business dealings, companies that directly and indirectly hold or hold more than 50% of the voting shares. For information regarding the endorsement and guarantees of the Group, please refer to Note 13(1).

D. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount above expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. The Group also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2023 and 2022, the Group's unused credit line were amounted to \$8,583,673,000 and \$12,024,974,000 respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Board of Directors.

Currency risks

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. Therefore, the Group engages in derivative transactions to avoid exchange rate risks.

**Notes to the Consolidated Financial Statements of
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The gains and losses of foreign currency assets and liabilities due to exchange rate changes will roughly offset the valuation gains and losses of derivatives. However, derivative transactions can help reduce the number of merged companies but still cannot completely rule out the impact of changes in foreign currency exchange rates.

The Group regularly reviews the risky positions of individual foreign currency assets and liabilities and hedges the risky positions. The main hedging tool used is forward foreign exchange contracts. The maturity dates of the forward foreign exchange contracts undertaken by the Group are all shorter than six months, and do not meet the requirements of hedging accounting.

(25) Capital management

The Group's objectives for managing capital are to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt to equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Group's capital management strategy in 2023 is consistent with the strategy in 2022. The Group's debt to capital ratios are as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 14,299,713	13,439,106
Less: Cash and cash equivalents	<u>(10,988,053)</u>	<u>(9,711,562)</u>
Net debt	3,311,660	3,727,544
Total equity	<u>15,396,683</u>	<u>15,290,478</u>
Total capital	<u>\$ 18,708,343</u>	<u>19,018,022</u>
Debt to equity ratio	<u>17.70%</u>	<u>19.60%</u>

(26) Investing and financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

For obtaining the right-of-use asset by lease, please refer to Note 6(8).

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2023	Cash flows	Non-cash changes	
			Others	December 31, 2023
Long-term debt	\$ 121,300	507,935	-	629,235
Short-term debt	5,856,274	1,330,341	-	7,186,615
Short-term notes and bills payable	199,843	(199,843)	-	-
Lease liabilities	66,110	(32,743)	19,635	53,002
Total liabilities from financing activities	<u>\$ 6,243,527</u>	<u>1,605,690</u>	<u>19,635</u>	<u>7,868,852</u>

	January 1, 2022	Cash flows	Non-cash changes	
			Others	December 31, 2022
Long-term debt	\$ 1,291,642	(1,170,342)	-	121,300
Short-term debt	5,751,137	105,137	-	5,856,274
Short-term notes and bills payable	179,889	19,954	-	199,843
Lease liabilities	81,336	(36,561)	21,335	66,110
Total liabilities from financing activities	<u>\$ 7,304,004</u>	<u>(1,081,812)</u>	<u>21,335</u>	<u>6,243,527</u>

7. RELATED-PARTY TRANSACTIONS

Key management personnel transactions

Key management personnel comprised:

	2023	2022
Short-term employee benefits	\$ 210,223	401,201
Post-employment benefits	1,117	1,260
	<u>\$ 211,340</u>	<u>402,461</u>

8. PLEDGED ASSETS

The carrying values of pledged assets were as follows:

Pledged assets	Objects	December 31, 2023	December 31, 2022
Property, plant, and equipment	Long-term debt	\$ 248,878	429,093
Restricted assets (classified under other financial assets)	customs guarantee	17,549	5,000
Refundable deposits (classified under other financial assets)	Lease plant and official vehicle deposit etc.	20,839	26,772
Total		<u>\$ 287,266</u>	<u>460,865</u>

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

9. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

(1) Significant commitments and contingencies

The Group's unrecognized contractual commitments for the acquisition of property, plant and equipment were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
USD	\$ 21,760	2,174
CNY	32,404	141,620
VND	187,725,398	30,753,633

(2) Already issued L/C's unused balance:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
USD	\$ 320	-
EUR	44	-

10. LOSSES DUE TO MAJOR DISASTERS: None.

11. SIGNIFICANT SUBSEQUENT EVENTS: None.

12. OTHERS

(1) A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function	2023			2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By nature						
Employee benefits						
Salaries	1,762,338	273,801	2,036,139	1,895,026	565,313	2,460,339
Labor and health insurance	136,584	20,610	157,194	154,644	22,006	176,650
Pension	135,766	13,048	148,814	146,846	13,150	159,996
Remuneration of directors	-	23,445	23,445	-	62,531	62,531
Other employee benefits	153,419	35,072	188,491	175,771	36,816	212,587
Depreciation	872,979	62,685	935,664	973,930	66,507	1,040,437
Amortization	1,969	2,777	4,746	2,748	2,891	5,639

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

13. OTHER DISCLOSURES

(1) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2023:

A. Lending to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 3)	Actual usage amount during the period	Interest rate (%)	Purpose of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short term financing	Loss allowance amount	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
0	The Company	txt	Other receivables - related parties	Y	972,750	921,150	921,150	6.46%~6.67%	2	-	Working capital	-	None.	-	5,896,558	5,896,558
1	tpst	tmt	Other receivables - related parties	Y	444,502	-	-	-	2	-	Working capital	-	None.	-	2,917,430	2,917,430
2	trft	trwt	Other receivables - related parties	Y	1,333,506	1,298,107	-	4.75%	2	-	Working capital	-	None.	-	4,925,554	4,925,554

Note 1: 2 Represents companies that have short-term financing needs.

Note 2: According to our company's procedure for lending funds to other parties, if it is necessary to provide short-term financing to other companies or institutions, the total amount of such loans and individual loan amounts should not exceed 40% of our company's net worth.

Note 3: Fund loan and quota approved by the Board of Directors.

B. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

Number	Company Name of the Endorsing Guarantor	Endorsement Guarantee Object		Limit of Endorsements and Guarantees for a Single Enterprise (Note 2)	Current Maximum Endorsement and Guarantee Balance	Balance of Endorsement and Guarantee at the End of the Period	Actual Expenditure Amount	Amount of Endorsement Guarantee Secured by the Property	Cumulative Amount of Endorsements/Guarantees as a Percentage of the Most Recent Financial Statement's Net Worth	Maximum Endorsements/Guarantees Limit	Endorsement/Guarantee Provided by the Parent Company to the Subsidiary	Endorsement/Guarantee Provided by the Subsidiary to the Parent Company	Endorsement/Guarantee Pertaining to Mainland China
		Name of Company	Relationship (Note 1)										
0	The Company	txt	2	14,741,396	226,975	-	-	-	- %	14,741,396	Y	N	N

Note 1: 2. A company in which the company directly and indirectly holds more than 50% of the voting shares.

Note 2: The standards for the total amount and limit of the Company's liability related to external endorsement guarantee matters are as follows:

- The total accumulated external endorsement guarantee liability shall not exceed 100% of the Company's current net value.
- The limit of endorsement guarantee for a single enterprise shall not exceed 100% of the company's current net value. If it is necessary to engage in an endorsement guarantee because of business, it shall not exceed the total amount of transactions with this company in the most recent year (the amount of purchase or sales between the two parties shall be considered).
- For companies in which the Company directly and indirectly holds voting shares of 90% or more, the amount of endorsements/guarantees shall not exceed 10% of the Company's net worth. However, for companies in which the Company directly and indirectly holds 100% of the voting shares, there is no such limit.
- The total amount of endorsements/guarantees that the Company and its subsidiaries can provide shall not exceed 100% of the Company's consolidated net worth.
- The amount of endorsement guarantees for a single enterprise by the Company and its subsidiaries as a whole shall not exceed 100% of the Company's consolidated net worth.

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

C. Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/Per share)

Name of holder	Category and name of security	Relationship with marketable securities Issuer	Account title	Ending balance				Highest shareholding or capital contribution	Notes
				Shares	Carrying amount	Shareholding ratio	Fair value		
The Company	Fuyou Private Equity Limited Partnership	Non-related party	Financial assets measured at fair value through profit or loss, non-current	-	42,000	6.00%	42,000	6.00%	None
ht	EVA Technologies Co., Ltd. (Ordinary share)	Non-related party	Financial assets measured at fair value through other comprehensive income, non-current	560,000	4,150	2.71%	4,150	2.71%	None

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

E. Acquisition of real estate with an amount exceeding the lower of NTD300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Company Engaged in Real Estate Acquisition	Property Name	Date of Occurrence	Transaction Amount	Payment Arrangement for the Purchase Price	Transaction Object	Relationship	If Transaction Involves Related Parties, Data from Previous Transfer Shall be Provided				Reference Basis for Price Determination	Purpose of Acquisition and Manner of Utilization	Other Agreed-Upon Matters
							Owner	Relationship With the Issuer	Transfer Date	Amount			
Chi Chau Vietnam	House and building	28-03-2023~26-05-2023	579,325	434,788	Hai Long Construction Joint Stock Company and so forth	None	Not applicable	Not applicable	Not applicable	-	Not applicable (Note)	Operational use	None

Note: This involves leasing land for construction projects, and there is no requirement for obtaining an appraisal report.

F. Disposal of real estate in the amount exceeding the lower of NTD300 million or 20% of capital stock: None.

G. Related-party transactions for purchases and sales amounts exceeding the lower of NTD100 million or 20% of capital stock:

(In Thousands of New Taiwan Dollars)

Name of buy-sell company	Name of transaction counterparty	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Chi Yao	Subsidiary	Purchase	283,933	2%	Net 90 days from the end of the month of when invoice is	-	Not applicable	(37,276)	(1)%	None

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Name of buy-sell company	Name of transaction counterparty	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	tft	Subsidiary	Purchase	2,468,719	19%	issued Net 120 days from the end of the month of when invoice is issued	-	Not applicable	(951,678)	(20)%	None
The Company	twt	Subsidiary	Purchase	3,576,723	28%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(1,185,358)	(25)%	None
The Company	tmt	Subsidiary	Purchase	5,690,527	44%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	(2,085,352)	(44)%	None
tgt	The Company	Parent company	(Sale)	(727,747)	(61)%	Net 30 days from the end of the month of when invoice is issued	-	Not applicable	195,450	64%	None
Chi Yao	The Company	Parent company	(Sale)	(286,163)	(100)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	37,276	100%	None
Chi Yao	twt	Other related parties	Purchase	285,462	100%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(37,178)	(100)%	None
tpts	twt	Other related parties	Purchase	1,277,573	80%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(331,714)	(66)%	None
tpts	tmt	Other related parties	Purchase	245,693	15%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(99,201)	(20)%	None
tft	The Company	Parent company	(Sale)	(2,461,204)	(66)%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	949,881	59%	None
twt	The Company	Parent company	(Sale)	(3,587,338)	(69)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	1,199,358	76%	None
twt	Chi Yao	Other related parties	(Sale)	(282,933)	(5)%	Net 90 days from the end	-	Not applicable	37,108	2%	None

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Name of buy-sell company	Name of transaction counterparty	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
twt	tpts	Other related parties	(Sale)	(1,277,573)	(24)%	of the month of when invoice is issued Net 90 days from the end of the month of when invoice is issued	-	Not applicable	331,714	21%	None
tmt	The Company	Parent company	(Sale)	(5,669,427)	(90)%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	2,081,414	85%	None
tmt	tpts	Other related parties	(Sale)	(245,693)	(4)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	99,201	4%	None

Note 1: Purchasing goods belonging to an agency relationship have been eliminated.

Note 2: The main sales quantity has been adjusted to eliminate duplicates in the purchase sales.

Note 3: The above transactions have been written off in the preparation of the consolidated financial statements.

H. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock:

(Amounts in Thousands of New Taiwan Dollars)

Companies whose accounts are listed in accounts receivable	Transaction counterparty's name	Relationship	Balance amount	Turnover rate	Overdue receivables from related party		Amount received in subsequent period	Loss allowance amount
					Amount	Amount taken		
The Company (Note 2)	txt	Subsidiary	12	2.06 times	-	Not applicable	-	-
The Company (Note 3)	txt	Subsidiary	1,051,965	-times	-	Not applicable	-	-
tgt (Note 2)	The Company	Parent company	195,450	4.95 times	-	Not applicable	194,966	-
tgt (Note 3)	The Company	Parent company	12,191	-times	-	Not applicable	5,453	-
tft (Note 2)	The Company	Parent company	949,881	2.81 times	-	Not applicable	445,796	-
twt (Note 2)	The Company	Parent company	1,199,358	3.17 times	-	Not applicable	326,279	-
twt (Note 2)	tpts	Other related parties	331,714	2.76 times	-	Not applicable	96,119	-
twt (Note 3)	txt	Other related parties	552,258	-times	-	Not applicable	9,438	-
tmt (Note 2)	The Company	Parent company	2,081,414	3.79 times	-	Not applicable	964,467	-
tmt (Note 2)	tpts	Other related parties	99,201	2.25 times	-	Not applicable	47,830	-
tmt (Note 3)	tpts	Other related parties	2,164	-times	-	Not applicable	-	-

Note 1: The main sales volume has been eliminated when the purchase and sale are repeated.

Notes to the Consolidated Financial Statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)

Note 2: Accounts receivable.

Note 3: Other receivable.

Note 4: The above transactions have been written off in the preparation of the consolidated financial statements.

I. Trading in derivative instruments:

Please refer to Note 6(2).

J. Business relationships and significant transactions between parent and subsidiary companies:

(Amounts in Thousands of New Taiwan Dollars)

Number	Number of trader	Object of transaction	Relationship with trader	Description of Business Transactions			
				Accounting title	Amount	Transaction condition	Ratio of current assets to total assets
0	The Company	tgt	1	Sales revenue	11,588	Net 150 days from the end of the month of when invoice is issued	0.06%
0	The Company	tgt	1	Accounts receivable	37,363	Net 150 days from the end of the month of when invoice is issued	0.13%
0	The Company	tmt	1	Other receivables	10,771	Negotiated	0.04%
0	The Company	txt	1	Interest revenue	22,774	Negotiated	0.12%
0	The Company	txt	1	Other receivables	1,051,965	Negotiated	3.54%
1	tgt	The Company	2	Sales revenue	727,747	Net 30 days from the end of the month of when invoice is issued	3.84%
1	tgt	The Company	2	Accounts receivable	195,450	Net 30 days from the end of the month of when invoice is issued	0.66%
1	tgt	The Company	2	Other receivables	12,191	Negotiated	0.04%
1	tgt	The Company	2	Management fees deduction	34,474	Net 15 days from the end of the month of when invoice is issued	0.18%
2	Chi Yao	The Company	2	Sales revenue	286,163	Net 90 days from the end of the month of when invoice is issued	1.51%
2	Chi Yao	The Company	2	Accounts receivable	37,276	Net 90 days from the end of the month of when invoice is issued	0.13%
3	twf	The Company	2	Sales revenue	3,587,338	Net 90 days from the end of the month of when invoice is issued	18.95%
3	twf	The Company	2	Accounts receivable	1,199,358	Net 90 days from the end of the month of when invoice is issued	4.04%
3	twf	Chi Yao	3	Sales revenue	282,933	Net 90 days from the end of the month of when invoice is issued	1.49%
3	twf	Chi Yao	3	Accounts receivable	37,108	Net 90 days from the end of the month of when invoice is issued	0.12%
3	twf	tpts	3	Sales revenue	1,277,573	Net 90 days from the end of the month of when invoice is issued	6.75%
3	twf	tpts	3	Accounts receivable	331,714	Net 90 days from the end of the month of when invoice is issued	1.12%
3	twf	tmt	3	Sales revenue	68,938	Net 90 days from the end of the month of when invoice is issued	0.36%
3	twf	txt	3	Other receivables	552,528	Negotiated	1.86%
4	tft	The Company	2	Sales revenue	2,461,204	Net 120 days from the end of the month of	13.00%

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Number	Number of trader	Object of transaction	Relationship with trader	Description of Business Transactions			
				Accounting title	Amount	Transaction condition	Ratio of current assets to total assets
						when invoice is issued	
4	tft	The Company	2	Accounts receivable	949,881	Net 120 days from the end of the month of when invoice is issued	3.20%
4	tft	tw	3	Interest revenue	11,561	Negotiated	0.06%
5	tpts	txt	3	Sales revenue	72,943	Net 120 days from the end of the month of when invoice is issued	0.39%
5	tpts	txt	3	Accounts receivable	72,424	Net 120 days from the end of the month of when invoice is issued	0.24%
6	tmt	The Company	2	Sales revenue	5,669,427	Net 120 days from the end of the month of when invoice is issued	29.94%
6	tmt	The Company	2	Accounts receivable	2,081,414	Net 120 days from the end of the month of when invoice is issued	7.01%
6	tmt	tht	3	Sales revenue	85,883	Net 150 days from the end of the month of when invoice is issued	0.45%
6	tmt	tht	3	Accounts receivable	64,909	Net 150 days from the end of the month of when invoice is issued	0.22%
6	tmt	tpts	3	Sales revenue	245,693	Net 90 days from the end of the month of when invoice is issued	1.30%
6	tmt	tpts	3	Accounts receivable	99,201	Net 90 days from the end of the month of when invoice is issued	0.33%
6	tmt	txt	3	Other receivables	13,088	Negotiated	0.04%
7	txt	tft	3	Sales revenue	14,668	Net 30 days from the end of the month of when invoice is issued	0.08%
7	txt	tft	3	Accounts receivable	14,457	Net 30 days from the end of the month of when invoice is issued	0.05%

Note 1: The numbers are filled in as follows:

(1) 0 represents the parent company.

(2) The subsidiary company is numbered according to the Company category in order starting with number 1.

Note 2: The types of relationships with the counterparty are indicated as follows:

(1) Parent company to subsidiary company.

(2) Subsidiary to the parent company.

(3) Subsidiary to the subsidiary company.

Note 3: Transaction amounts less than NTS10,000,000 are not disclosed. Only sales transactions, accounts receivable and other receivables that are written off are disclosed.

(2) Information on investees:

The following is the information on investees for the year 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/Per share)

Investors	Investees	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest balance during the year	Net income (losses) of the investee	Share of profits/losses of investee	Notes
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying amount				
The Company	Chi Yang	Taiwan	General investment	85,000	85,000	-	100.00%	197,655	100.00%	5,339	5,339	None
The Company	T-Mac	Taiwan	General investment	2,065,497	2,065,497	307,906,633	100.00%	6,221,020	100.00%	415,565	390,371	Note 1 and Note 2
The Company	tht	Taiwan	General investment and selling of circuit boards	385,357	385,357	30,821,897	44.21%	352,688	44.21%	54,815	24,235	None

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Investors	Investees	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest balance during the year	Net income (losses) of the investee	Share of profits/losses of investee	Notes
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying amount				
The Company	TPT	Samoa	General investment	-	19,207	-	- %	-	100.00%	(1,511)	(1,511)	None
The Company	Chi Chau	Samoa	General investment	273,300	273,300	1,153,524	96.13%	2,862,679	96.13%	160,036	153,838	None
The Company	Brilliant Star	Cayman	General investment	2,125,349	2,125,349	68,126,618	97.28%	5,295,199	97.28%	402,277	390,550	Note 1 and Note 2
The Company	Chi Chen	Samoa	General investment	1,079,519	1,079,519	35,600,000	80.73%	2,631,645	80.73%	327,417	193,103	Note 1
The Company	tgt	Taiwan	Manufacturing, selling of circuit boards	134,057	134,057	9,680,606	20.70%	66,947	20.70%	(18,473)	(3,717)	Note 1 and Note 2
The Company	ttt	Thailand	Manufacturing, selling of circuit boards	37,645	37,645	14,850,000	99.00%	33,500	99.00%	14	14	None
The Company	txt	Vietnam	Manufacturing, selling of circuit boards	1,251,541	315,281	-	100.00%	1,162,378	100.00%	(53,001)	(53,001)	None
Chi Yang	Chi Chau	Samoa	General investment	11,252	11,252	46,476	3.87%	113,730	3.87%	160,036	6,198	None
Chi Yang	tt	Thailand	Manufacturing, selling of circuit boards	131	131	50,000	0.33%	113	0.33%	14	-	None
T-Mac	Chang Tai	Samoa	General investment	2,292,370	2,292,370	73,580,000	100.00%	6,187,405	100.00%	404,978	404,978	None
T-Mac	ttt	Thailand	Manufacturing, selling of circuit boards	261	261	100,000	0.67%	226	0.67%	14	-	None.
Chang Tai	Yang An	Samoa	General investment	2,335,422	2,335,422	76,060,000	100.00%	6,184,731	100.00%	404,986	404,986	None
tht	Chi Chen	Samoa	General investment	252,297	252,297	8,500,000	19.27%	648,589	19.27%	327,417	63,107	None
tht	tgt	Taiwan	Manufacturing, selling of circuit boards	405,977	405,977	26,757,000	57.21%	192,559	57.21%	(18,473)	(10,588)	Note 2
Chi Chau	Chi Yao	Hong Kong	General investment and international trading	36,489	36,489	1,188,379	100.00%	2,920,571	100.00%	159,389	159,389	None

Note 1: The difference is due to the unrealized gain/loss.

Note 2: The difference is due to the amortization between the investment cost and the fair value of the identifiable net assets.

Note 3: If the relevant figures in this table involve foreign currencies, except for the amount remitted from Taiwan at the historical exchange rate, the profit and loss are calculated at the average exchange rate, and the rest are listed in Taiwan dollars at the exchange rate on the balance sheet date.

Note 4: The above transactions have been written off in the preparation of the consolidated financial statements.

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information :

(Amounts in Thousands of New Taiwan Dollars)

Investees	Main businesses and products	Paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows for the period		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net profits (losses) of the investee for the period	The Company percentage of shareholding ratio of direct or indirect investment	Highest shareholding or capital contribution during the year	Investment income (losses)	Book value of investments at the end	Accumulated remittance of earnings for the period
					Outflow	Inflow							
tpts (Note6)	Selling of circuit boards	153,525	(2)	36,846	-	-	36,846	160,009	100.00%	100.00%	160,009	2,917,430	1,418,685
tft (Note7)	Manufacturing, selling of circuit boards	2,087,940	(2)	2,036,499	-	-	2,036,499	400,836	97.28%	97.28%	389,941	4,791,680	-
tw (Note8)	Manufacturing, selling of circuit boards	1,698,246	(2)	1,351,021	-	-	1,351,021	411,537	91.26%	91.26%	375,571	3,858,221	-

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

Investees	Main businesses and products	Paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows for the period		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net profits (losses) of the investee for the period	The Company percentage of shareholding ratio of direct or indirect investment	Highest shareholding or capital contribution during the year	Investment income (losses) (Note 2(2))	Book value of investments at the end	Accumulated remittance of earnings for the period
					Outflow	Inflow							
tmt (Note 5)	Manufacturing, selling of circuit boards	2,947,680	(2)	2,241,465	-	-	2,241,465	404,943	100.00%	100.00%	404,943	6,176,989	-
Sin Siang (Note 9)	Selling of circuit boards	-	(2)	-	-	-	-	(7)	- %	- %	(7)	-	7,150

B. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3)
The Company	3,163,373	3,280,052	9,238,009
T-Mac	2,241,465	2,947,680	3,776,590
tht	260,993	260,993	565,167

Note 1: The investment method is divided into three types:

- (1) Direct investments in mainland China.
- (2) Investment in mainland China through third region companies.
- (3) Other methods.

Note 2: The investment profit and loss column recognized in this period:

- (1) If it is in preparation and there is no investment gain or loss, it should be indicated.
- (2) The recognition basis of investment gains and losses is divided into the following three types, which should be specified.
 - A. Financial statements verified by international accounting firms in partnership with the Republic of China Accounting Firm.
 - B. The financial statements have been reviewed by the Taiwanese parent company's certified accountant.
 - C. Others.

Note 3: According to the "Principles of Investing or Technical Cooperation Review in Mainland China", the limit is calculated based on 60% of the group net value.

Note 4: If the relevant figures in this table involve foreign currencies, profit and loss are calculated at the average exchange rate, and others are listed in Taiwan dollars at the exchange rate on the balance sheet date.

Note 5: T-Mac Techvest (Wuxi) PCB Co., Ltd. is an investment by the parent company through Yang An International (Samoa) Co., Ltd. The difference between the paid-in capital and the cumulative investment transferred is due to USD 20,000,000 being reinvested as stock dividends and USD 3,000,000 being invested by Changtai International Limited from its proprietary funds.

Note 6: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. through Chi Yao Ltd., the difference between the amount of paid-in capital and the amount of accumulated investment transferred was USD3,800,000, in form of common stock dividends.

Note 7: The parent company indirectly invested in CATAC Electronic (Zhongshan) CO., Ltd through Brilliant Star Holdings Limited.

Note 8: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suining) Co., Ltd. through Chi Chen Investment Co., Ltd., Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. and CATAC Electronic (Zhongshan) CO., Ltd.

Note 9: Sin Siang (Xiamen) Technology Co., Ltd. was indirectly invested in by the parent company through TPT International Co., Ltd. The company underwent liquidation procedures in March 2023 and the relevant investment capital has been repatriated to TPT Company following the investment pathway.

Note 10: The above transactions have been written off in the preparation of the consolidated financial statements.

3. Significant transactions

The significant intercompany transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(4) Major shareholder information

Unit: share

Name of Major Shareholder	Shares	No. of Shares held	Shareholding ratio
HSBC Bank (Taiwan) Limited is entrusted with the custody of Macquarie Bank Limited's main trading platform investment account		16,739,000	6.17%

**Notes to the Consolidated Financial Statements of
Taiwan Printed Circuit Board Techvest Co., Ltd. (continued)**

14. Segment information

(1) General information

The Group is mainly engaged in the manufacturing, processing and selling of electronic components and printed circuit boards, and its overall manufacturing process and sales model are similar. In addition, the operating decision-maker also manages and allocates the resources of the Group as a whole, so the Group is a single operating division.

(2) Product and service categories information

The Group's revenue information from external customers, please refer to Note 6(20).

(3) Geographical information

Information by territorial location of the Group is shown below, where revenues are categorized based on the geographical location of customers, please refer to Note 6(20), and non-current assets are categorized based on the geographical location of assets.

<u>By region</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current assets:		
Taiwan	\$ 1,353,989	1,452,649
China	5,723,004	7,121,910
Vietnam	2,120,907	184,871
Total	<u>\$ 9,197,900</u>	<u>8,759,430</u>

Non-current assets include property, plant and equipment, right-of-use assets, and intangible assets (excluding goodwill), but exclude financial instruments, deferred income tax assets, assets for post-employment benefits and non-current assets arising from the rights of insurance contracts.

(4) Information on major clients

A breakdown of the Group's clients whose operating revenues accounted for 10% or more of the net operating revenues on the Consolidated Statements of Comprehensive Income is as follows:

	<u>2023</u>	<u>2022</u>
Tech Front (Chongqing) Computer Co., Ltd.	\$ 2,341,499	2,729,161
Dell Global BV (Singapore Branch)	2,194,883	2,434,766

Independent Auditor's Report

To the Board of Directors and Shareholders of Taiwan Printed Circuit Board Techvest Co., Ltd.:

Opinion

We have audited the accompanying parent company only financial statements of Taiwan Printed Circuit Board Techvest Co., Ltd. (“the “Company”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits following the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China as commissioned. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Timing of revenue recognition

Please refer to Note 4(13) “Revenue recognition”, and Note 6(18) “Revenue disclosures” of the financial statements.

Description of key audit matter:

Taiwan Printed Circuit Board Techvest Co., Ltd. is a listed company. Sales revenue serves as a primary metric for investors, and the management evaluates the company's financial performance based on it. The timepoint of revenue recognition holds significant importance for the financial statements. Consequently, our audit of Taiwan Printed Circuit Board Techvest Co., Ltd. focused on assessing the timepoint of revenue recognition as the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures for the above key audit matters included Testing the effectiveness of internal controls within the sales and cash receipt cycles and conducting detailed testing; Understanding the revenue recognition accounting treatment of the TPT Company and assessing compliance with relevant standards; Selecting a sample of sales transactions before and after the financial reporting date, verifying relevant documentation to evaluate the accuracy of revenue recognition timing and additionally, investigating whether significant goods returns occurred after the reporting period.

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 following the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company’s financial reporting process.

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 auditing standards in the Republic of China will always detect a material misstatement when it exists. Misrepresentation may be the result of fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these parent company only financial statements.

As part of an audit under the auditing standards in the Republic of China, we exercised professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

We also provide those charged with governance with a statement that we have complied with

relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yi-Chun and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2024

Notes to Readers

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

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

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Balance Sheets

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022			Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (Note 6(1))	\$ 1,647,217	6	2,677,347	10	2100	Short-term debt (Note 6(9))	\$ 6,546,860	23	5,826,274	22
1110 Financial assets at fair value through profit or loss, current (Note 6(2))	1,156	-	-	-	2111	Short-term notes and bills payable (Note 6(10))	-	-	199,843	1
1170 Notes and accounts receivable from non-related parties, net (Note 6(3))	4,972,347	18	5,183,032	19	2170	Notes and accounts payable	324,544	1	357,237	1
1180 Accounts receivable due from related parties, net (Note 6(3) and 7)	37,819	-	100,716	1	2180	Accounts payable to related parties (Note 7)	4,458,657	16	3,700,798	14
1200 Other receivables (Note 6(4))	17,031	-	15,322	-	2200	Other payables (Note 7)	1,106,426	5	1,433,141	5
1210 Other receivables-related parties (Note 6(4) and 7)	1,065,893	4	33,071	-	2230	Current tax liabilities	133,351	-	230,293	1
1310 Inventories (Note 6(5))	672,343	2	517,634	2	2280	Lease liabilities, current (Note 6(11))	10,772	-	16,153	-
1476 Other financial assets, current (Note 8)	45,611	-	68,209	-	2322	Current portion of long-term debt (Note 6(13))	34,286	-	-	-
1479 Other current assets, others	32,806	-	28,490	-	2365	Refund liabilities, current (Note 6(12))	289,098	1	280,368	1
Total current assets	8,492,223	30	8,623,821	32	2300	Other current liabilities	7,574	-	8,191	-
Non-current assets:						Total current liabilities	12,911,568	46	12,052,298	45
1510 Financial assets at fair value through profit or loss, non-current (Note 6(2))	42,000	-	24,000	-		Non-current liabilities:				
1550 Investment accounted for using equity method (Note 6(6))	18,823,711	67	17,186,597	64	2540	Long-term debt (Note 13))	505,714	2	-	-
1600 Property, plant and equipment (Note 6(7) and 7)	843,294	3	878,355	4	2580	Lease liabilities, non-current (Note 6(11))	4,830	-	13,020	-
1755 Right-of-use assets (Note 6(8))	15,454	-	28,975	-	2600	Other non-current liabilities (Note 6(15))	67,022	-	47,367	-
1980 Other financial assets, non-current (Note 8)	3,237	-	3,237	-		Total non-current liabilities	577,566	2	60,387	-
1995 Other non-current assets	10,611	-	9,833	-		Total liabilities	13,489,134	48	12,112,685	45
Total non-current assets	19,738,307	70	18,130,997	68		Equity: (Note 6(16))				
					3110	Ordinary shares	2,712,425	9	2,712,425	10
					3200	Capital reserve	2,875,694	10	2,875,694	11
						Retained earnings:				
					3310	Legal reserve	1,877,180	7	1,729,758	7
					3320	Special reserve	719,314	3	974,883	4
					3350	Unappropriated retained earnings	7,591,802	27	7,068,687	26
						Others:				
					3410	Exchange differences on translation of foreign financial statements	(1,027,719)	(4)	(712,249)	(3)
					3420	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	(7,300)	-	(7,065)	-
						Total equity	14,741,396	52	14,642,133	55
Total assets	\$ 28,230,530	100	26,754,818	100		Total liabilities and equity	\$ 28,230,530	100	26,754,818	100

See accompanying notes to the parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4110	Operating revenue (Note 6(18) and 7)	\$ 14,473,736	100	17,163,285	100
5110	Cost of sales (Note 6(5) and 7)	13,585,021	94	15,669,150	91
	Gross profit	<u>888,715</u>	<u>6</u>	<u>1,494,135</u>	<u>9</u>
	Operating expenses:				
6100	Sales and marketing expenses	325,572	2	632,574	4
6200	General and administrative expenses	227,986	2	506,865	3
6450	Expected credit loss (gain) (Note 6(3))	11,518	-	(129,312)	(1)
	Total operating expenses	<u>565,076</u>	<u>4</u>	<u>1,010,127</u>	<u>6</u>
	Net operating income	<u>323,639</u>	<u>2</u>	<u>484,008</u>	<u>3</u>
	Non-operating income and expenses:				
7100	Interest revenue	48,610	-	8,656	-
7010	Other income	1,542	-	731	-
7020	Other gains and losses (Note 6(20))	(20,340)	-	38,922	-
7050	Finance costs (Note 6 (20))	(174,441)	(1)	(101,622)	-
7070	Share of profit (losses) of subsidiaries, associates and joint ventures accounted for using equity method	1,099,221	8	1,170,658	7
	Total non-operating income and expenses	<u>954,592</u>	<u>7</u>	<u>1,117,345</u>	<u>7</u>
7900	Income before income tax	1,278,231	9	1,601,353	10
7951	Less: Income tax expense (Note 6(15))	184,140	1	129,030	1
	Net income in the period	<u>1,094,091</u>	<u>8</u>	<u>1,472,323</u>	<u>9</u>
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified into profit or loss				
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method that will not be reclassified into profit or loss	(1,252)	-	1,500	-
8349	Less: Income tax related to items that will not be reclassified	-	-	-	-
	Total	<u>(1,252)</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
8360	Items that may be reclassified subsequently into profit or loss				
8361	Exchange differences on translation of foreign financial statements	(315,470)	(2)	255,968	1
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	Total	<u>(315,470)</u>	<u>(2)</u>	<u>255,968</u>	<u>1</u>
8300	Other comprehensive income (loss), net of income tax	<u>(316,722)</u>	<u>(2)</u>	<u>257,468</u>	<u>1</u>
8500	Total comprehensive income (loss) in the period	<u>\$ 777,369</u>	<u>6</u>	<u>1,729,791</u>	<u>10</u>
	Basic earnings per share (NTD) (Note 6(17))				
9750	Basic earnings per share (Unit: NTD)	<u>\$ 4.03</u>		<u>5.44</u>	
9850	Diluted earnings per share (Unit: NTD)	<u>\$ 3.98</u>		<u>5.24</u>	

See accompanying notes to the parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Others			Treasury shares	Total equity
	Ordinary shares	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income			
Balance on January 1, 2022	\$ 2,712,425	3,282,591	1,504,059	875,898	6,868,499	(968,217)	(6,667)	(226,026)	14,042,562	
Net income in 2022	-	-	-	-	1,472,323	-	-	-	1,472,323	
Other comprehensive income (loss) in 2022	-	-	-	-	1,898	255,968	(398)	-	257,468	
Total comprehensive income (loss) in 2022	-	-	-	-	1,474,221	255,968	(398)	-	1,729,791	
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	225,699	-	(225,699)	-	-	-	-	
Special reserve	-	-	-	98,985	(98,985)	-	-	-	-	
Cash dividends on ordinary shares	-	(406,863)	-	-	(949,349)	-	-	-	(1,356,212)	
Conversion of treasury shares	-	(34)	-	-	-	-	-	226,026	225,992	
Balance on December 31, 2022	2,712,425	2,875,694	1,729,758	974,883	7,068,687	(712,249)	(7,065)	-	14,642,133	
Net income in 2023	-	-	-	-	1,094,091	-	-	-	1,094,091	
Other comprehensive income (loss) in 2023	-	-	-	-	(1,017)	(315,470)	(235)	-	(316,722)	
Total comprehensive income (loss) in 2023	-	-	-	-	1,093,074	(315,470)	(235)	-	777,369	
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	147,422	-	(147,422)	-	-	-	-	
Cash dividends on ordinary shares	-	-	-	-	(678,106)	-	-	-	(678,106)	
Reversal of special reserve	-	-	-	(255,569)	255,569	-	-	-	-	
Balance on December 31, 2023	\$ 2,712,425	2,875,694	1,877,180	719,314	7,591,802	(1,027,719)	(7,300)	-	14,741,396	

See accompanying notes to the parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Cash Flow Statements

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 1,278,231	1,601,353
Adjustments for:		
Adjustments to reconcile net income (loss)		
Depreciation expense	88,035	90,650
Amortization expense	969	699
Expected credit loss (reversal profit)	11,518	(129,312)
Gain from financial assets measured at fair value through profit or loss	(1,156)	-
Interest expense	174,441	101,622
Interest revenue	(48,610)	(8,656)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,099,221)	(1,170,658)
Gain on disposal of property, plant and equipment	(1,057)	(3,216)
Loss on disposal of investments accounted for using equity method	18,235	-
Others	(3)	(6)
Total adjustments	(856,849)	(1,118,877)
Changes in assets and liabilities relating to operating activities:		
Net changes in assets relating to operating activities:		
Financial assets that are forced to be measured at fair value through profit or loss	-	399
Notes and accounts receivable	262,064	3,363,533
Other receivables	12,737	30,998
Inventories	(154,709)	108,663
Other current assets	(4,316)	(3,543)
Total net changes in assets relating to operating activities	115,776	3,500,050
Net changes in liabilities relating to operating activities:		
Financial liabilities held for trading	-	(40)
Notes and accounts payable	725,166	(2,788,170)
Other payables	(301,404)	(211,286)
Refund liabilities, current	8,730	(83,960)
Other current liabilities	(617)	(4,036)
Total net changes in liabilities relating to operating activities	431,875	(3,087,492)
Total net changes in assets and liabilities relating to operating activities	547,651	412,558
Total adjustments	(309,198)	(706,319)
Cash provided by (used in) operations	969,033	895,034
Interest received	48,610	8,656
Interest paid	(175,322)	(92,872)
Income taxes paid	(261,428)	(232,582)
Net cash provided by (used in) operating activities	580,893	578,236
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through profit or loss	(18,000)	(24,000)
Acquisition of investments accounted for using equity method	(936,260)	(315,281)
Disposal of investments accounted for using equity method	15,433	-
Acquisition of property, plant, and equipment	(62,585)	(236,724)
Disposal of property, plant, and equipment	2,050	21,301
Acquisition of intangible assets	(445)	(1,242)
Other receivables	(1,033,682)	-
Other financial assets	22,598	20,387
Other non-current assets	(1,499)	(438)
Dividends received	35,210	1,253,684
Net cash provided by (used in) investing activities	(1,977,180)	717,687
Cash flows from financing activities:		
Short-term debt	720,586	1,016,136
Short-term notes and bills payable	(199,843)	19,954
Proceeds from long-term debt	540,000	-
Repayment of long-term debt	-	(1,170,352)
Repayment of the principal portion of lease liabilities	(16,480)	(22,110)
Distribution of cash dividends	(678,106)	(1,356,212)
Treasury shares purchased by employees	-	225,992
Net cash provided by (used in) financing activities	366,157	(1,286,592)
Increase (decrease) in cash and cash equivalents in the period	(1,030,130)	9,331
Cash and cash equivalents at beginning of year	2,677,347	2,668,016
Cash and cash equivalents at end of year	\$ 1,647,217	2,677,347

See accompanying notes to the parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.
Notes to the Parent Company Only Financial Statements
For the years ended December 31, 2023 and 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. HISTORY AND ORGANIZATION

Taiwan Printed Circuit Board Techvest Co., Ltd. (“the Company”) was incorporated as a company limited by shares on April 21, 1998 under the approval of the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 12, Gongye 2nd Rd., Pingzhen Dist., Taoyuan City. On December 25, 2009, the Company’s shares were listed on the Taiwan Stock Exchange (TWSE). The Company is primarily involved in the business of producing and selling electronic components and printed circuit boards.

2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS

These parent company only financial statements were authorized for issue by the Board of Directors on March 15, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

Effective January 1, 2023, the Company adopted the following newly revised International Financial Reporting Standards, which had no significant effect on its parent company only financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendment to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”

Effective May 23, 2023, the Company adopted the following newly revised International Financial Reporting Standards, which had no significant effect on its parent company only financial statements.

- Amendment to IAS 12 “International Tax Reform—Pillar Two Model Rules”

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

The Company has assessed that the application of the following newly revised IFRSs effective from January 1, 2024, would not have a significant effect on its parent company only financial statements.

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
 - Amendments to IAS 1 “Non-current Liabilities with Covenants”
 - Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
 - Amendment to IFRS 16 “Lease Liabilities in a Sale and Leaseback”
- (3) IFRSs issued by International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

The Company does not expect the following newly issued and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements.

- Amendment to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures”
- Amendment to IFRS 17 “Insurance Contracts” and amendments to IFRS 17
- Amendment to IAS 21 “Lack of Exchangeability”

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Statement of compliance

These parent company only financial statements have been prepared following the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Basis of measurement

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

- (a) Financial instruments at fair value through profit or loss are measured at fair value;
- (b) Financial assets at fair value through other comprehensive income are measured at fair value.

B. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Foreign Currency

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At

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

Exchange differences are generally recognized in profit or loss, except for the difference relating to investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Foreign operations

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

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

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

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. The Company holds the asset primarily for the purpose of trading;
- C. The Company expects to realize the asset within twelve months after the reporting period;
- D. 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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

- A. The Company expects to settle the liability in its normal operating cycle;
- B. The Company holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period;
- D. 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.

(5) Cash and cash equivalents

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

(6) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A. Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL.

Financial assets are not reclassified after their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments

of principal and interest on the principal amount outstanding.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument by instrument basis.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

(c) Financial assets measured at fair value through profit or loss

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. These assets are subsequently measured at fair value.

Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, Notes and trade receivables, other receivables, refundable deposits paid and other financial assets), debt investments measured at FVOCI, and contract assets.

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

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

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

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

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

Lifetime ECL is the ECL that results from all possible default events over the expected life of a financial instrument.

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

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

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

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance

is charged to profit or loss and is recognized in other comprehensive income in stead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(e) Derecognition of financial assets

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

The Company enters transactions whereby it transfers its assets recognized in the balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In this case, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification between 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.

(b) Equity transaction

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

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written offset).

(d) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A

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

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

(e) Derecognition of financial liabilities

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

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

(f) Offsetting of financial assets and liabilities

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

C. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(7) Inventories

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

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

(8) Subsidiaries

The subsidiaries which the Company is holding for controlling are measured under the equity method in the financial statement. Under the equity method, the net income, other comprehensive income and equity in the financial statement are equivalent to the net income, other comprehensive income and equity which are attributable to the owners of the parent company in the financial statement.

The changes in ownership of the subsidiaries are recognized as an equity transaction.

(9) Property, plant, and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

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

B. Subsequent costs

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

C. Depreciation

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

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

(a) Buildings and structures	2 years~50 years
(b) Machinery and equipment	2 years~12 years
(c) Office and other equipment	2 years~12 years

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

(10) Lease

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

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

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

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

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

- (a) Fixed payments, including in-substance fixed payments;
- (b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) Amounts expected to be payable under a residual value guarantee; and
- (d) Payments for purchase or termination options that are reasonably certain to be exercised.

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

- (a) There is a change in future lease payments arising from the change in an index or rate;
or
- (b) There is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or (c) Amounts expected to be payable under a residual value guarantee;
- (c) There is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- (d) There is a change of its assessment on whether it will exercise an extension or termination option; or
- (e) There is any lease modifications.

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

When the lease liability is remeasured to reflect the partial or full termination of the

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

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance Sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitories, warehouse, parts of the transportation and other equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(11) Intangible assets

A. Recognition and measurement

Intangible assets, including computer software, that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

C. Amortization

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

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

(12) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Where the carrying amount of an asset Cost CGU exceeds its recoverable amount, the asset is considered

impaired and is written down to its recoverable amount.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its 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.

For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(13) Revenue recognition

Revenue from contracts with customers

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

A. Sale of goods—electronic components

The Company manufactures and sells electronic components to customers. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company often recognizes revenue based on the total amount if the sale according to aggregate sales of electronic components is over a 6-months period and had a discount agreement previously or its highly possible to have sales discounts in marketing experience. The Company evaluates the amount of discounts at the day of the occurrence of that fact or the date of the balance sheet, offsets sales revenue or recognizes sales allowance, and recognizes the revenue only to the extent that it is highly probable that a significant reversal will not occur. As of the reporting date, the expecting amount paid to customers relating to the unit price discounts and defects of the product is recognized as refund liabilities.

Trade receivable is recognized when the goods are delivered as this is the point in the time the Company has the right to an amount of consideration that is unconditional.

B. Financing components

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

(14) Employee benefits

A. Defined contribution plans

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

B. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(15) Share-based payment transaction

The equity-settled share-based payment agreement recognizes an expense and increases the relative equity over the vesting period of the award based on the fair value of the award on the vesting date. The expense recognized is adjusted for the number of awards that are expected to meet the service condition and the non-market vesting condition. The final amount recognized is based on the number of awards that meet the service conditions and non-marketable vesting conditions on the vesting date.

Non-vested conditions relating to share-based benefit awards are reflected in the measurement of the fair value of the share-based benefit awards at the vesting date and no adjustment is required to be made to verify the difference between the expected and actual results.

The amount of the fair value of the share appreciation rights payable to employees in cash settlements is recognized as an expense and an increase in the corresponding liability in the period in which the employees reach the point where they can receive unconditional compensation. The liability is remeasured at the fair value of the share appreciation rights at each reporting date and settlement date, and any change is recognized as profit or loss.

The share-based vesting date of the Company, such as the date of transfer of treasury shares to employees, is the date on which the Board of Directors approves the transfer of treasury shares to employees.

(16) Income taxes

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

current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

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

It is measured using tax rates enacted or substantively enacted at the reporting date. Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- A. Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- B. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- C. Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

- A. The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- B. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (a) The same taxable entity; or
 - (b) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in

which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(17) Earnings per share

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

The Company's potentially dilutive ordinary shares include employee compensation.

(18) Segment information

The operating segment information is disclosed in the Company's consolidated financial statements; therefore, the Company does not disclose segment information in parent company only financial statements.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the parent company only financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

6. STATEMENTS OF MAJOR ACCOUNTING ITEMS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash in hand	\$ 100	100
Cash in banks		
Demand deposits	1,647,117	1,701,242
Time deposits	-	976,005
Cash and cash equivalents in statement of cash flows	<u>\$ 1,647,217</u>	<u>2,677,347</u>

Please refer to Note 6(21) for the disclosure of credit, currency risks and interest analysis of the financial instruments of the Company.

The Company's cash and cash equivalents have not been pledged as collaterals.

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

A. Details were as follows:

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss:		
Derivative instruments not used for hedging	\$ 1,156	-
Non-derivative financial assets - Limited Partnership	42,000	24,000
Total	\$ 43,156	24,000

Details on the determination of fair value of financial instruments, credit and liquidity risk associated with financial instruments, and fair value disclosures are provided in Note 6(21) of the financial statements.

The Company's financial assets have not been pledged as collaterals.

B. Derivative financial instruments not designated as hedging instruments

The Company uses derivative financial instruments to hedge the certain foreign exchange risk the Company is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as held for trading financial instruments:

Forward exchange contracts:

	December 31, 2023			
	Book value	Contract amount (in thousands of NTD)	Currency	Maturity dates
<u>Derivative financial assets</u>				
Forward exchange sold	\$ 1,156	USD 2,000	USD to TWD	Jan. 08, 2024

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 5,050,370	5,312,434
Less: Loss allowance	(40,204)	(28,686)
Total	\$ 5,010,166	5,283,748

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

	December 31, 2023		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Not yet due	\$ 4,940,573	0.00%~0.19%	5,628
Overdue within 30 days	81,267	0.00%~9.72%	7,776
Overdue 31-90 days	28,063	0.00%~100.00%	26,333
Overdue 91 days above	<u>467</u>	100.00%	<u>467</u>
	<u>\$ 5,050,370</u>		<u>40,204</u>

	December 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Not yet due	\$ 5,245,299	0.00%~1.46%	5,760
Overdue within 30 days	52,353	0.00%~100.00%	8,144
Overdue 31-90 days	14,445	0.00%~100.00%	14,445
Overdue 91 days above	<u>337</u>	100.00%	<u>337</u>
	<u>\$ 5,312,434</u>		<u>28,686</u>

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

	2023	2022
Balance, beginning of year	\$ 28,686	157,998
Recognized impairment (reversal of gains) loss	<u>11,518</u>	<u>(129,312)</u>
Balance, end of year	<u>\$ 40,204</u>	<u>28,686</u>

Please refer to 6(21) for the credit and the currency risks of the Company's notes and accounts receivables.

The Company's notes and accounts receivable have not been pledged as collateral.

(4) Other receivables

	December 31, 2023	December 31, 2022
Other receivables	\$ 1,087,598	53,067
Less: Loss allowance	<u>(4,674)</u>	<u>(4,674)</u>
Total	<u>\$ 1,082,924</u>	<u>48,393</u>

As of December 31, 2023 and 2022, the Company assessed that the other receivables have been adequately recognized as loss allowance. For further credit and currency risk information, please refer to note 6(21), and for related parties of transaction details, please refer to note 7.

The Company's other receivables have not been pledged as collateral.

(5) Inventories

	December 31, 2023	December 31, 2022
Finished goods	\$ 579,518	341,596
Work in progress	66,511	147,934
Raw materials and supplies	26,314	28,104
Total	<u>\$ 672,343</u>	<u>517,634</u>

The details of the cost of sales of the Company were as follows:

	2023	2022
Cost of goods sold	\$ 13,563,989	15,676,490
Inventory scrap loss	30,113	19,580
Gain for market price decline, obsolete and slow-moving inventories	(17,676)	(3,581)
Revenue from the sale of scraps	(39,321)	(56,053)
Unallocated manufacturing expenses	47,916	32,714
Total	<u>\$ 13,585,021</u>	<u>15,669,150</u>

The Company has recognized inventory recovery gains due to the disappearance of factors that previously caused the net realizable value of inventory to be lower than cost, resulting in an increase in net realizable value.

The Company's inventories have not been pledged as collateral.

(6) Investments accounted for using the equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date was as follows:

	December 31, 2023	December 31, 2022
Subsidiary	<u>\$ 18,832,711</u>	<u>17,186,597</u>

For information on subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2023.

The Company did not provide any investment accounted for using the equity method as collateral for its loans.

In the fiscal years 2023 and 2022, the Board of Directors of the company's subsidiary resolved to distribute cash dividends of NTD35,210,000 and NTD1,253,684,000, respectively. In the fiscal years 2023 and 2022, the Shareholders Meeting of the subsidiary company resolved to distribute stock dividends of NTD293,771,000 and NTD1,075,723,000.

To align with the Group's business expansion, diversification of production bases, and long-term business development needs, on December 21, 2022, the Company made a direct investment in Vietnam and established the Chi Chau Printed Circuit Board (Vietnam) Co., Ltd. (also known as Chi Chau Vietnam), with a cumulative investment amount of

NTD1,252,541,000, as of December 31, 2023.

(7) Property, plant, and equipment

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

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2023	\$ 202,597	580,461	1,021,342	112,267	158	1,916,825
Additions	-	1,230	33,584	3,341	-	38,155
Disposals	-	(5,805)	(89,875)	(387)	-	(96,067)
Transfer (out) in	-	-	-	197	-	197
Balance on December 31, 2023	<u>\$ 202,597</u>	<u>575,886</u>	<u>965,051</u>	<u>115,418</u>	<u>158</u>	<u>1,859,110</u>
Balance on January 1, 2022	\$ 202,597	561,350	997,736	106,632	1,098	1,869,413
Additions	-	18,013	54,240	5,808	158	78,219
Disposal	-	-	(30,634)	(173)	-	(30,807)
Transfer (out) in	-	1,098	-	-	(1,098)	-
Balance on December 31, 2022	<u>\$ 202,597</u>	<u>580,461</u>	<u>1,021,342</u>	<u>112,267</u>	<u>158</u>	<u>1,916,825</u>
Accumulated depreciation and impairment loss:						
Balance on January 1, 2023	\$ -	285,993	660,434	92,043	-	1,038,470
Depreciation in the period	-	12,440	55,734	3,428	-	71,602
Disposals	-	(5,805)	(88,064)	(387)	-	(94,256)
Balance on December 31, 2023	<u>\$ -</u>	<u>292,628</u>	<u>628,104</u>	<u>95,084</u>	<u>-</u>	<u>1,015,816</u>
Balance on January 1, 2022	\$ -	274,663	618,294	88,884	-	981,841
Depreciation in the period	-	11,330	53,930	3,332	-	68,592
Disposals	-	-	(11,790)	(173)	-	(11,963)
Balance on December 31, 2022	<u>\$ -</u>	<u>285,993</u>	<u>660,434</u>	<u>92,043</u>	<u>-</u>	<u>1,038,470</u>
Book value						
December 31, 2023	<u>\$ 202,597</u>	<u>283,258</u>	<u>336,947</u>	<u>20,334</u>	<u>158</u>	<u>843,294</u>
January 1, 2022	<u>\$ 202,597</u>	<u>286,687</u>	<u>379,442</u>	<u>17,748</u>	<u>1,098</u>	<u>887,572</u>
December 31, 2022	<u>\$ 202,597</u>	<u>294,468</u>	<u>360,908</u>	<u>20,224</u>	<u>158</u>	<u>878,355</u>

The Company's property, plant and equipment have not been pledged as collateral.

(8) Right-of-use assets

The cost and depreciation of the leasing transportation equipment of the Company were as follows:

	<u>Transportation equipment</u>
Cost:	
Balance on January 1, 2023	\$ 69,092
Additions	3,083
Decreases	<u>(31,918)</u>
Balance on December 31, 2023	<u>\$ 40,257</u>
Balance on January 1, 2022	\$ 66,454
Additions	16,620
Decrease	<u>(13,982)</u>
Balance on December 31, 2022	<u>\$ 69,092</u>
Accumulated depreciation:	
Balance on January 1, 2023	\$ 40,117
Provisions	16,433
Decreases	<u>(31,747)</u>
Balance on December 31, 2023	<u>\$ 24,803</u>
Balance on January 1, 2022	\$ 31,778
Provisions	22,058
Decrease	<u>(13,719)</u>
Balance on December 31, 2022	<u>\$ 40,117</u>
Book value	
December 31, 2023	<u>\$ 15,454</u>
December 31, 2022	<u>\$ 28,975</u>

(9) Short-term debt

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unsecured bank loans	<u>\$ 6,546,860</u>	<u>5,826,274</u>
Unused short-term credit lines	<u>\$ 5,493,281</u>	<u>6,200,201</u>
Interest Rates (%)	<u>1.60%~6.36%</u>	<u>1.30%~5.08%</u>

Please refer to Note 6(21) for the information of liquidity, currency risks and interest analysis of short-term debt of the Company.

The Company did not provide any asset as collateral for its bank borrowings.

(10) Short-term notes and bills payable

			December 31, 2022	
		Guarantors	Interest Rates	Amount
Commercial promissory notes payable	Dah Chung Bills Finance Corporation		1.76%	\$ 200,000
Less: Short-term notes and bills payable discount				<u>(157)</u>
Total				<u>\$ 199,843</u>

Please refer to Note 6(21) for the information of liquidity risks and interest analysis of short-term notes and bills payable of the Company.

The Company did not provide any asset as collateral for its short-term notes and bills payable.

(11) Lease liabilities

The Company lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	<u>\$ 10,772</u>	<u>16,153</u>
Non-current	<u>\$ 4,830</u>	<u>13,020</u>

For the maturity analysis, please refer to Note 6(21).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	<u>\$ 283</u>	<u>413</u>
Expenses relating to short-term leases	<u>\$ 1,988</u>	<u>1,776</u>
Expenses relating to leases of low value assets, excluding short-term leases of low-value assets	<u>\$ 442</u>	<u>425</u>

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

	2023	2022
Total cash outflow for leases	<u>\$ 19,193</u>	<u>24,724</u>

The Company leases transportation equipment with lease terms of three years.

In addition, the lease period of the employee dormitory, warehouse, and parts of the transportation equipment and other equipment of the Company is one to six years. These leases are short-term or low-value leases. The Company chooses to apply the exemption requirements and not recognize its related right-of-use assets and lease liabilities.

(12) Refund liabilities, current

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Refund liabilities, current	<u>\$ 289,098</u>	<u>280,368</u>

Refund liability is mainly due to the characteristics of the industry in which the sales of electronic components may generate a sales discount due to product defects or price drops, which are expected to be paid to customers.

(13) Long-term debt

	<u>December 31, 2023</u>			
	<u>Currency</u>	<u>Interest Rates</u>	<u>Period</u>	<u>Amount</u>
Unsecured bank loans	New Taiwan Dollars	1.90%	May 19, 2026~December 18, 2028	\$ 540,000
Less: Current portion				<u>(34,286)</u>
Total				<u>\$ 505,714</u>
Unused long-term credit lines				<u>\$ 300,000</u>

Please refer to Note 6(21) for the information of liquidity risks and interest analysis.

The Company did not provide any asset as collateral for its bank borrowings.

(14) Employee benefits

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

The Company's pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to NTD 10,404,000 and NTD 11,145,000 for the years ended December 31, 2023, and 2022, respectively.

(15) Income taxes

A. Income tax expense

	<u>2023</u>	<u>2022</u>
Current income tax expense		
Arising during the period	\$ 109,939	335,034
Adjustments for the previous period	<u>54,546</u>	<u>(10,635)</u>
	<u>164,485</u>	<u>324,399</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>19,655</u>	<u>(195,369)</u>
Income tax expense	<u>\$ 184,140</u>	<u>129,030</u>

Reconciliation of income tax and profit before tax were as follows:

	<u>2023</u>	<u>2022</u>
Income before tax	\$ 1,278,231	1,601,353
Income tax using the Company's domestic tax rate	\$ 255,646	320,271
Prior period underestimation (overestimation)	27,673	(10,635)
Non-deductible expenses	39,859	12
Tax-exempt income	(83,246)	(73,223)
Change in unrecognized temporary differences	(101,005)	(156,543)
Undistributed earnings additional tax	45,213	49,148
Total	<u>\$ 184,140</u>	<u>129,030</u>

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax liabilities

The Company entity can control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022. Also, Management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 1,456,575</u>	<u>1,280,697</u>

(b) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Tax effect of deductible temporary differences	<u>\$ 78,194</u>	<u>77,139</u>

(c) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax liabilities were as follows:

	<u>Foreign Investment Income</u>	<u>Others</u>	<u>Total</u>
Deferred Tax Liabilities:			
Balance on January 1, 2023	\$ 30,705	16,606	47,311
Recognized in profit or loss	30,579	(10,924)	19,655
Balance on December 31, 2023	<u>\$ 61,284</u>	<u>5,682</u>	<u>66,966</u>
Balance on January 1, 2022	\$ 242,608	72	242,680
Recognized in profit or loss	(211,903)	16,534	(195,369)
Balance on December 31, 2022	<u>\$ 30,705</u>	<u>16,606</u>	<u>47,311</u>

C. Assessment of tax

The Company's tax returns through 2021 have been assessed and approved by the Tax Authority.

(16) Capital and other equity

A. Ordinary shares

As of December 31, 2023 and 2022, the authorized shares of 350,000,000 and 300,000,000, with a par value of \$10 per share, amounted to NTD 3,500,000,000 and NTD 3,000,000,000, of which, 271,242,000 of ordinary shares were issued. All issued shares were paid up upon issuance.

B. Capital reserve

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 1,977,861	1,977,861
Differences between acquisition price and carrying amount arising from acquisition of subsidiaries	612,761	612,761
Changes in ownership interests in subsidiaries	114,641	114,641
Conversion of treasury shares	163,525	163,525
Others	6,906	6,906
	<u>\$ 2,875,694</u>	<u>2,875,694</u>

According to the R.O.C. Company Act, the capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on the issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus above par value should not exceed 10% of the total common stock outstanding.

C. Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed as new stacks according to the distribution plan or shares newly issued proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

If the Company distributes dividend bonus, legal reserve, special reserve, or part/whole of the capital surplus by cash payment, two of the three authorized board members must be present during the meeting, and half of the attendees' approval must be obtained before reporting the agreed appropriation at the shareholders' meeting.

To consider stable development and complete financial structure, the Company's

surplus distribution shall be no less than 10% of the distributable surplus, minus the previous year's surplus. However, if the distributable surplus, minus the previous year's surplus, is less than the percentage of paid-in capital, the Company may decide to transfer all of the retained surplus to unappropriated retained earnings.

When distributing surplus, cash dividend shall not be less than 10% of the total dividend.

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

When the Company distributes the distributable surplus, the net deduction of other shareholders' equity in the current year is reported, and the special surplus reserve is made up from the current profit and loss and the undistributed surplus in the previous period; it is the deduction of other shareholders' equity accumulated in the previous period amount, from the undistributed surplus of the previous period, the special surplus reserve shall not be distributed. When the deduction amount of other shareholders' equity is reversed thereafter, the surplus may be distributed on the reversed part.

(c) Earnings distribution

The earnings distribution for 2022 and 2021 had been approved during the board's meeting and shareholder's meeting on April 28, 2023 and April 25, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Dividend per share (NTD)</u>	<u>Amount</u>	<u>Dividend per share (NTD)</u>	<u>Amount</u>
Dividends distributed to ordinary shareholders				
Cash	\$ 2.50	<u>678,106</u>	3.50	<u>949,349</u>

In addition, on April 25th, 2022, the Board of Directors of our company resolved to distribute cash dividends of NTD406,863,000 from the capital reserve, with a distribution of NTD1.50 per share.

D. Treasury shares

On April 20 and December 29, 2022, the Company, as resolved by the Board of Directors, transferred 3,110,000 shares and 6,890,000 shares to employees, respectively. The weighted average strike price was NTD32.80, and the relevant conversion was completed on July 16, 2021, and January 26, 2022, respectively. There were no expenses incurred by transferring treasury shares to employees in 2022.

As of December 31, 2023, there was no untransferred or cancelled share.

E. Other equity

The items listed under other equity are Exchange Differences on Translation of Foreign Financial Statements and the accumulated amount of unrealized gains and losses of financial assets at fair value through other comprehensive gains and losses.

(17) Earnings per share

	<u>2023</u>	<u>2022</u>
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 1,094,091</u>	<u>1,472,323</u>
Weighted average number of ordinary shares (In Thousands)	<u>271,242</u>	<u>270,771</u>
Basic earnings per share (NTD)	<u>\$ 4.03</u>	<u>5.44</u>
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 1,094,091</u>	<u>1,472,323</u>
Weighted average number of ordinary shares (In Thousands)	271,242	270,771
Effect of dilutive potential ordinary shares		
– Effect of employee share bonus	<u>3,929</u>	<u>10,051</u>
Effect of conversion of convertible bonds (In Thousands) (diluted)	<u>275,171</u>	<u>280,822</u>
Diluted earnings per share (NTD)	<u>\$ 3.98</u>	<u>5.24</u>

(18) Revenue from contracts with customers

A. Details of revenue

	<u>2023</u>	<u>2022</u>
Primary geographical markets:		
China (including Hong Kong)	\$ 9,353,815	11,091,888
Singapore	2,194,883	2,442,572
Taiwan	2,062,683	2,272,157
Korea	508,711	878,949
Others	<u>353,644</u>	<u>477,719</u>
	<u>\$ 14,473,736</u>	<u>17,163,285</u>

	<u>2023</u>	<u>2022</u>
Major products/services lines		
Printed circuit boards	\$ 14,410,564	16,994,530
Processing fees revenue and others	63,172	168,755
	<u>\$ 14,473,736</u>	<u>17,163,285</u>

B. Contract balances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Notes and accounts receivable	\$ 5,050,370	5,312,434	8,675,967
Less: Loss allowance	(40,204)	(28,686)	(157,998)
Total	<u>\$ 5,010,166</u>	<u>5,283,748</u>	<u>8,517,969</u>

For details on notes and accounts receivable and allowance for impairment, please refer to Note 6(3).

For refund liabilities disclosure please refer to Note 6(12).

(19) Employee compensation and directors' remuneration

Following the articles of incorporation, the Company should contribute 5% to 15% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits (including adjustments to the amount of undistributed surplus), the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The estimated amount of remuneration for the Company's employees and directors is as follows:

	<u>2023</u>	<u>2022</u>
Employees' remuneration	\$ 105,349	292,931
Directors' remuneration	21,070	58,586
	<u>\$ 126,419</u>	<u>351,517</u>

The estimated amounts mentioned above are calculated based on the income before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors and as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. Related information would be available at the Market Observation Post System website.

The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2023 and 2022.

(20) Non-operating income and expenses

A. Other gains and losses

The details of other gains and losses were as follows:

	<u>2023</u>	<u>2022</u>
Foreign exchange gains	\$ 6,830	52,201
Net losses on financial assets (liabilities) at fair value through profit or loss	(7,730)	(13,430)
Net gains on disposal of property, plant and equipment	1,057	3,216
Losses on disposal of investments	(18,235)	-
Others	(2,262)	(3,065)
	<u>\$ (20,340)</u>	<u>38,922</u>

B. Finance costs

The details of finance costs were as follows:

	<u>2023</u>	<u>2022</u>
Interest expense	<u>\$ 174,441</u>	<u>101,622</u>

(21) Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The customers of the Company are concentrated in a broad customer base, and there is no significant concentration of transactions with a single customer, and the sales area is dispersed, so the credit risk of accounts receivable is not likely to be significantly concentrated. To reduce credit risk, the Company also regularly and continuously assesses the financial status of its customers, but usually does not require customers to provide collateral.

(c) Credit risk of receivables and debt securities

For credit risk exposure of notes and accounts receivables, please refer to Note 6(3).

Other financial assets at amortized cost include cash and cash equivalents and other receivables, please refer to Note 6(1) and 6(4).

All these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months of expected credit losses. The fixed deposit certificates held by the Company, the transaction counterparty, and the performing party are financial institutions with investment grades and above, so the credit risk is deemed to be low.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including

estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractu al cash flows	Within 6 months	6-12 months	1~2 years	2~5 years
December 31, 2023						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 7,086,860	7,186,500	6,626,228	39,357	220,017	300,898
Notes and accounts payable	4,783,201	4,783,201	4,783,201	-	-	-
Other payables	1,106,426	1,106,426	1,086,630	19,796	-	-
Lease liabilities	15,602	15,768	6,694	4,143	4,565	366
Derivative financial liabilities						
Others forward exchange contracts:						
Outflow	(1,156)	61,429	61,429	-	-	-
Inflow	-	(62,585)	(62,585)	-	-	-
	\$ 12,990,933	13,090,739	12,501,597	63,296	224,582	301,264
December 31, 2022						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 5,826,274	5,850,289	5,850,289	-	-	-
Short-term notes and bills payable	199,843	200,000	200,000	-	-	-
Notes and accounts payable	4,058,035	4,058,035	4,058,035	-	-	-
Other payables	1,433,141	1,433,141	1,433,141	-	-	-
Lease liabilities	29,173	29,534	9,986	6,261	9,779	3,508
	\$ 11,546,466	11,570,999	11,551,451	6,261	9,779	3,508

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

C. Currency risks

(a) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2023			December 31, 2022		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 227,900	30.71	6,994,301	214,948	30.71	6,601,042
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	229,689	30.71	7,052,591	203,059	30.71	6,235,946

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, loans and borrowings; and notes and accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against each transaction currencies currency on December 31, 2023 and 2022 would have decreased or increased (increased or decreased) the net income by \$2,093,000 and \$14,590,000. The analysis in 2023 is performed on the same basis for 2022.

(c) Foreign exchange gain and loss on monetary items

The exchange gains and losses of the Company's monetary items (including realized and unrealized) converted into functional currency, and converted to the parent company's functional currency, New Taiwan dollar (that is, the Company's presentation currency), are as follows:

	2023		2022	
	Exchange gains (losses)	Average Rate	Exchange gains (losses)	Average Rate
New Taiwan Dollars	\$ 6,830	-	52,201	-

D. Interest rate analysis

Please refer to the notes on liquidity risk management about the interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis assumes that the amount of assets outstanding at

the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to Management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased /decreased by 1 %, the Company's net income would have decreased /increased by \$43,518,000 in 2023 and \$34,599,000 in 2022 with all other variable factors remaining constant. Mainly due to group variable interest rate deposits and loans.

E. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities through profit or loss is measured regularly. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, for equity investments that have no quoted prices in the active markets and whose fair value cannot be reliably measured, and lease liabilities, for which disclosure of fair value information is not required.

	December 31, 2023				
	Net carrying amount as of:	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	\$ 43,156	-	1,156	42,000	43,156
Financial assets measured at amortized cost					
Cash and cash equivalents	1,647,217	-	-	-	-
Notes and accounts receivable	5,010,166	-	-	-	-
Other receivables	1,082,924	-	-	-	-
Other financial assets	48,848	-	-	-	-
Subtotal	7,789,155	-	-	-	-
Total	\$ 7,832,311	-	1,156	42,000	43,156
Financial liabilities at amortized cost					
Bank loan	\$ 7,086,860	-	-	-	-
Notes and accounts payable	4,783,201	-	-	-	-
Other payables	1,106,426	-	-	-	-
Lease liabilities	15,602	-	-	-	-

	December 31, 2023				
	Net carrying amount as of:	Fair Value			
		Level 1	Level 2	Level 3	Total
Total	<u>\$ 12,992,089</u>	-	-	-	-
Financial assets measured at fair value through profit or loss	<u>\$ 24,000</u>	-	-	24,000	24,000
Financial assets measured at amortized cost					
Cash and cash equivalents	2,677,347	-	-	-	-
Notes and accounts receivable	5,283,748	-	-	-	-
Other receivables	48,393	-	-	-	-
Other financial assets	<u>71,446</u>	-	-	-	-
Subtotal	<u>8,080,934</u>	-	-	-	-
Total	<u>\$ 8,104,934</u>	-	-	24,000	24,000
Financial liability at fair value through profit or loss					
Financial liabilities at amortized cost					
Bank loan	\$ 5,826,274	-	-	-	-
Short-term notes and bills payable	199,843	-	-	-	-
Notes and accounts payable	4,058,035	-	-	-	-
Other payables	1,433,141	-	-	-	-
Lease liabilities	<u>29,173</u>	-	-	-	-
Total	<u>\$ 11,546,466</u>	-	-	-	-

(b) Fair value through profit or loss financial instrument-fair value evaluation technique

a. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If financial instruments can be readily and regularly quoted from a stock exchange, broker, underwriter, industry association, pricing service agency, or regulatory authority, and such quoted prices represent actual and frequent transactions by fair market participants, then the financial instruments are considered to have an active market with quoted prices. If the above conditions are not met, the market is considered inactive. Generally, large bid-ask spreads, significant increase in bid-ask spreads, or low trading volumes are indicators of an

inactive market.

For financial instruments other than those with active markets, fair values are obtained using valuation techniques or reference to quoted prices from market participants. Fair values obtained through valuation techniques may be based on current fair values of similar financial instruments with substantially similar conditions and characteristics, discounted cash flow methods, or other valuation techniques including models that utilize market information available at the balance sheet date.

The fair value of financial instruments held by the company that are not traded in an active market shall be presented based on their category and nature as follows:

For limited partnerships, the company applies the equity method to account for these investments. The company evaluates the net asset value of the underlying investment, which approximates the fair value of the equity investment. The evaluation of the underlying investment includes the total value of individual assets and liabilities, in order to reflect the overall value of the enterprise or business.

The fair value of financial instruments held by the company that are not traded in an active market shall be presented based on their category and nature as follows:

For limited partnerships, the company applies the equity method to account for these investments. The company evaluates the net asset value of the underlying investment, which approximates the fair value of the equity investment. The evaluation of the underlying investment includes the total value of individual assets and liabilities, in order to reflect the overall value of the enterprise or business.

b. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. The fair value of forwarding currency is usually determined by the forward currency exchange rate.

(c) Transfers between Level 1 and Level 2 : None.

(d) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions:

	Measured at fair value through profit or loss - Mandatory for non-derivative financial assets at fair value through profit or loss	
	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 24,000	-
Purchase	<u>18,000</u>	<u>24,000</u>
Balance, end of year	<u>\$ 42,000</u>	<u>24,000</u>

(e) Quantitative information on Level 3 fair value measurement using significant

unobservable inputs

The financial assets of the company classified as Level 3 for fair value measurement are measured at fair value through profit or loss - Limited partnership.

The Company's investments in equity instruments with no active market have multiple significant unobservable inputs.

The list of quantitative information for significant unobservable inputs is as follows:

Items	Valuation techniques	Significant unobservable inputs	Significant unobservable relationship between inputs and fair value
Financial assets measured at fair value through profit or loss - Limited partnership	Net asset value method	• Net asset value method	• The higher the net asset value, the higher the fair value

(22) Financial risk management

A. Overview

The Company has exposure to the following risks from its financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the parent company only financial statements.

B. Structure of risk management

The Company's financial management department provides services for each business, coordinates the operation of entering domestic and international financial markets, as well as supervises and manages the financial risks related to the Company's operations through internal risk reports that analyze the level and range of risks that may occur. The use of derivative financial instruments is regulated by the policies adopted by the Board of Directors. Those policies are written principles for the exchange rate, interest rate, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquid funds. The Audit Committee and the internal audit will regularly review the policies to limit risk exposures. The financial management department will regularly report to the Audit Committee and the Board. In addition, the Company does not trade financial instruments (including derivative financial

instruments) for speculative purposes.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, financial instruments and the Company's receivables from customers.

(a) Accounts receivable and other receivables

The Company credit risk is affected by individual client circumstances.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the board; these limits are reviewed regularly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company does not require any collateral for accounts receivable and other receivables.

(b) Investments

The credit risk of bank deposits and other financial instruments is measured and monitored by the Company's finance department. Since the Company's counterparties and burden of contract parties are creditworthy banks, financial institutions and corporate organizations with investment grades, there are no materiality concerns, so there is no materiality credit risk.

(c) Guarantees

The Company's policy is to provide financial guarantees only to companies with business dealings, companies that directly and indirectly hold or hold more than 50% of the voting shares. Please refer to Note 13(1) for the Company's endorsement and guarantee information.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity based costing to cost its products and services, which

assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount above expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. The Company also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2023 and 2022, the Company's unused credit line amounted to \$6,093,281,000 and \$6,500,201,000, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Board of Directors.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities. Therefore, the Company engages in derivative transactions to avoid exchange rate risks. The gains and losses of foreign currency assets and liabilities due to exchange rate changes will roughly offset the valuation gains and losses of derivatives. However, derivative transactions can help reduce the number of merged companies but still cannot completely rule out the impact of changes in foreign currency exchange rates.

The Company regularly reviews the risky positions of individual foreign currency assets and liabilities and hedges the risky positions. The main hedging tool used is forward foreign exchange contracts. The maturity dates of the forward foreign exchange contracts undertaken by the group are all shorter than six months and do not meet the requirements of hedging accounting.

(b) Interest rate risk

The Company's policy is to reduce the exposure of the risk changes in borrowing interest rates.

(23) Capital management

The Company's objectives for managing capital are to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Company's capital management strategy in 2023 is consistent with the strategy in 2022. The Company's debt to capital ratios are as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 13,489,134	12,112,685
Less: Cash and cash equivalents	<u>(1,647,217)</u>	<u>(2,677,347)</u>
Net debt	11,841,917	9,435,338
Total equity	<u>14,741,396</u>	<u>14,642,133</u>
Total capital	<u>\$ 26,583,313</u>	<u>24,077,471</u>
Debt to equity ratio	<u>44.55%</u>	<u>39.19%</u>

(24) Investing and financing activities not affecting current cash flow

The Company's financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

For obtaining the right-of-use asset by lease, please refer to Note 6(8).

Reconciliation of liabilities arising from financing activities was as follows:

	Jan. 1, 2023	Cash flows	Non-cash changes Others	December 31, 2023
Long-term debt	\$ -	540,000	-	540,000
Short-term debt	5,826,274	720,586	-	6,546,860
Lease liabilities	29,173	(16,480)	2,909	15,602
Short-term notes and bills payable	<u>199,843</u>	<u>(199,843)</u>	-	-
Total liabilities from financing activities	<u>\$ 6,055,290</u>	<u>1,044,263</u>	<u>2,909</u>	<u>7,102,462</u>

	January 1, 2022	Cash flows	Non-cash changes	December 31, 2022
			Others	
Long-term debt	\$ 1,170,352	(1,170,352)	-	-
Short-term debt	4,810,138	1,016,136	-	5,826,274
Lease liabilities	34,932	(22,110)	16,351	29,173
Short-term notes and bills payable	179,889	19,954	-	199,843
Total liabilities from financing activities	\$ 6,195,311	(156,372)	16,351	6,055,290

7. RELATED-PARTY TRANSACTIONS

(1) Related parties and relationship

The followings are entities that have had transactions with the related party during the periods covered in the parent company only financial statements.

<u>Name of related parties</u>	<u>Relationship with the Company</u>
TPT International Co., Ltd.(TPT)	Subsidiary of The Company
Chi Yao Ltd.(Chi Yao)	Subsidiary of The Company
T-Flex Techvest PCB Co., Ltd.(tht)	Subsidiary of The Company
tgt Techvest Co., Ltd.(tgt)	Subsidiary of The Company
T-Mac Techvest PCB Co., Ltd.(T-Mac)	Subsidiary of The Company
CATAC Electronic (Zhongshan) Co., Ltd.(tft)	Subsidiary of The Company
T-Mac Techvest (Wuxi) PCB Co., Ltd.(tmt)	Subsidiary of The Company
Chi Chau Printed Circuit Board (Suining) Co., Ltd.(twt)	Subsidiary of The Company
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.(tpts)	Subsidiary of The Company
Brilliant Star Holdings Ltd.(Brilliant Star)	Subsidiary of The Company
Chi Chau International Co., Ltd.(Chi Chau)	Subsidiary of The Company
Chi Chen Investment Co., Ltd.(Chi Chen)	Subsidiary of The Company
Chi Yang Investment Ltd.(Chi Yang)	Subsidiary of The Company
Chang Tai International Ltd.(Chang Tai)	Subsidiary of The Company
Yang An International (Samoa) Co., Ltd.(Yang An)	Subsidiary of The Company
Sin Siang (Xiamen) Technology Co., Ltd.(Sin Siang)	Subsidiary of The Company
Chi Chau (Thailand) Co., Ltd.(ttt)	Subsidiary of The Company
Chi Chau Printed Circuit Board (Vietnam) Co., Ltd.(txt)	Subsidiary of The Company

(2) Significant transactions with the related parties

A. Operating revenue

The amounts of significant sales (including processing fees revenue) by the Company to related parties were as follows:

	<u>2023</u>	<u>2022</u>
Subsidiary	<u>\$ 14,431</u>	<u>28,242</u>

The pricing of purchase transactions with related parties was not comparable with those offered by general clients. The payment terms for general clients are ranged from Net 30 days from the end of the month of when invoice is issued to Net 180 days from the end of the month of when invoice is issued, and the payment terms for related parties are ranged from Net 90 days from the end of the month of when invoice is issued to Net 150 days from the end of the month of when the invoice is issued.

B. Purchases

The amounts of significant purchases (including processing costs) by the Company from related parties were as follows:

	<u>2023</u>	<u>2022</u>
Subsidiary — twt	\$ 3,576,723	3,495,150
Subsidiary - tmt	5,690,527	7,065,560
Subsidiary - tft	2,468,719	2,565,313
Other subsidiaries	397,459	427,873
	<u>\$ 12,133,428</u>	<u>13,553,896</u>

The pricing of purchase transactions with related parties was not comparable with those offered by general clients. The payment terms for general clients are ranged from Net 30 days from the end of the month of when invoice is issued to Net 150 days from the end of the month of when invoice is issued, and the payment terms for related parties are ranged from Net 30 days from the end of the month of when invoice is issued to Net 120 days from the end of the month of when the invoice is issued.

The Company's transactions with its subsidiary acting as agents, so the purchase and sales transactions are presented on a net basis.

C. Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Accounts receivable	Subsidiaries	\$ 37,819	100,716
Other receivables	Subsidiary - txt(Note)	1,051,965	-
Other receivables	Subsidiary - tmt	10,771	22,937
Other receivables	Subsidiary - twt	-	10,134
Other receivables	Other subsidiaries	3,157	-
		<u>\$ 1,103,712</u>	<u>133,787</u>

Note: The Company's funding provided to related parties is based on the interbank lending market interest rate TAIFX for the current year, with an average interest rate of 6.46% and 6.67% respectively, and all loans are unsecured. For the actual expenditure amount, please refer to Note 13(1).

D. Payables from related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	Subsidiary - twt	\$ 1,185,358	1,043,927
Accounts payable	Subsidiary - tmt	2,085,352	1,699,471
Accounts payable	Subsidiary - tft	951,678	789,771
Accounts payable	Other subsidiaries	236,269	167,629
Other payables	Subsidiary	24,917	9,142
		<u>\$ 4,483,574</u>	<u>3,709,940</u>

E. Property transaction

(a) Purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties were summarized as follows:

	<u>2023</u>	<u>2022</u>
Subsidiary - tgt.	\$ <u>8,038</u>	<u>23,240</u>

(b) Disposal of property, plant, and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

<u>Relationship</u>	<u>2023</u>		<u>2022</u>	
	<u>Disposal price</u>	<u>Gain (loss) from disposal</u>	<u>Disposal price</u>	<u>Gain (loss) from disposal</u>
Subsidiary — twt	\$ -	-	10,651	1,229
Subsidiary — tmt	-	-	10,651	1,229
Subsidiary - tgt	1,894	92	-	-
	<u>\$ 1,894</u>	<u>92</u>	<u>21,302</u>	<u>2,458</u>

F. Endorsement Guarantee

Please refer to Note 13(1) for the explanation of the endorsement guarantee provided by the Company for the financing loans of its subsidiary, Chi Chau Printed Circuit Board (Vietnam) Co., Ltd., in the fiscal year 2023.

G. Others

Relationship	Items	2023	2022
Other subsidiaries	Other Assets(current and non-current)	4	6
Subsidiary - txt	Purchasing equipment	51,647	-
Subsidiary - txt	Interest income	22,774	-
Other subsidiaries	Other income and expenses	233	1,814
Other subsidiaries	Labor fees	37,743	44,828

(3) Key management personnel transactions

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	\$ 188,244	372,418
Post-employment benefits	839	945
	\$ 189,083	373,363

8. PLEDGED ASSETS

The carrying values of pledged assets were as follows:

Pledged assets	Objects	December 31, 2023	December 31, 2022
Refundable deposits (classified under other financial assets)	Lease plant and official vehicle deposit etc.	\$ 3,523	10,942

9. SIGNIFICANT COMMITMENTS AND CONTINGENCIES: None.

10. LOSSES DUE TO MAJOR DISASTERS: None.

11. SIGNIFICANT SUBSEQUENT EVENTS: None.

12. OTHERS

(1) A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function	2023			2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By nature						
Employee benefits						
Salaries	348,075	112,067	460,142	480,207	405,302	885,509
Labor and health insurance	25,229	9,267	34,496	33,417	9,967	43,384
Pension	7,513	2,891	10,404	8,402	2,743	11,145

By function By nature	2023			2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Remuneration of directors	-	22,419	22,419	-	60,117	60,117
Other employee benefits	23,621	2,997	26,618	28,693	3,856	32,549
Depreciation	71,300	16,735	88,035	68,509	22,141	90,650
Amortization	-	969	969	-	699	699

Additional information on the number of employees and employee benefits of the company in 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Number of employees	<u>326</u>	<u>363</u>
Number of directors who were not employees	<u>12</u>	<u>12</u>
Average employee benefit expense	<u>\$ 1,693</u>	<u>2,771</u>
Average employee salary	<u>\$ 1,465</u>	<u>2,523</u>
Average employee salary adjustment	<u>(41.93)%</u>	
Supervisor's remuneration	<u>\$ -</u>	<u>-</u>

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

- A. If the Company has a surplus, it shall be distributed as remuneration to directors in accordance with the Company's Articles of Incorporation and the directors' salary standards, which are reviewed by the Compensation Committee and approved by the Board of Directors, thereafter, to be proposed during the shareholders' meeting.
- B. Furthermore, the remuneration to managers is determined by reference to the Company's overall operating performance, as well as the individual's performance achievement rate and contribution to the Company. It will be implemented after being reviewed by the Compensation Committee and approved by the Board of Directors.
- C. In addition, the employee remuneration is based on one's ability, contribution to the Company, and the correlation between individual performance and business performance, wherein the overall salary and remuneration package mainly include base salary, position bonus, performance bonus, employee dividends, and others. The standard payment for employee remuneration is based on one's position and seniority, as well as a reference to the same level within the industry and the Company's policy. Also, bonuses and employee dividends are issued to following each employee's performance and the Company's

operating performance.

13. OTHER DISCLOSURES

(1) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2023:

A. Lending to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 3)	Actual usage amount during the period	Interest rate (%)	Purpose of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance amount	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
0	The Company	txt	Other receivables - related parties	Y	972,750	921,150	921,150	6.46%~6.67%	2	-	Working capital	-	None.	-	5,896,558	5,896,558
1	tpts	tmt	Other receivables - related parties	Y	444,502	-	-	-	2	-	Working capital	-	None.	-	2,917,430	2,917,430
2	ft	twt	Other receivables - related parties	Y	1,333,506	1,298,107	-	4.75%	2	-	Working capital	-	None.	-	4,925,554	4,925,554

Note 1: 2 Represents companies that have short-term financing needs.

Note 2: According to the operational procedures of fund lending to others established by the Company, when lending funds to companies or institutions requiring short-term financing, the amount of such lending shall not exceed forty percent of the Company's net worth. For Chi Chau Printed Circuit Board Suzhou Co., Ltd. and CATAC Electronic (Zhongshan) Co., Ltd, companies where the Company holds one hundred percent of the voting shares directly or indirectly, engaged in fund lending activities abroad, the total financing amount and individual loan amounts shall not exceed the net worth stated in the company's most recent financial statements.

Note 3: Fund loan and quota approved by the Board of Directors.

B. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

Number	Company Name of the Endorsing Guarantor	Endorsement Guarantee Object		Limit of Endorsements and Guarantees for a Single Enterprise (Note 2)	Current Maximum Endorsement and Guarantee Balance	Balance of Endorsement and Guarantee at the End of the Period	Actual Expenditure Amount	Amount of Endorsement Guarantee Secured by the Property	Cumulative Amount of Endorsements/Guarantees as a Percentage of the Most Recent Financial Statement's Net Worth	Maximum Endorsements/Guarantees Limit	Endorsement/Guarantee Provided by the Parent Company to the Subsidiary	Endorsement/Guarantee Provided by the Subsidiary to the Parent Company	Endorsement Guarantee Pertaining to Mainland China
		Name of Company	Relationship (Note 1)										
0	The Company	txt.		14,741,396	226,975	-	-	-	- %	14,741,396	Y	N	N

Note 1: 2. A company in which the company directly and indirectly holds more than fifty percent of the voting shares.

Note 2: The standards for the total amount and limit of the Company's liability related to external endorsement guarantee matters are as follows:

- The total accumulated external endorsement guarantee liability shall not exceed 100% of the Company's current net value.
- The limit of endorsement guarantee for a single enterprise shall not exceed 100% of the company's current net value. If it is necessary to engage in an endorsement guarantee because of business, it shall not exceed the total amount of transactions with this company in the most recent year (the amount of purchase or sales between the two parties shall be considered).
- For companies in which the Company directly and indirectly holds voting shares of 90% or more, the amount of endorsements/guarantees shall not exceed 10% of the Company's net worth. However, for companies in which the Company directly and indirectly holds 100% of the voting shares, there is no such limit.
- The total amount of endorsements/guarantees that the Company and its subsidiaries can provide shall not exceed 100% of the Company's consolidated net worth.
- The amount of endorsement guarantees for a single enterprise by the Company and its subsidiaries as a whole shall not exceed 100% of the Company's consolidated net worth.

C. Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/Per share)

Name of holder	Category and name of security	Relationship with marketable securities Issuer	Account title	Ending balance				Note
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
The Company	Fuyou Private Equity Limited Partnership	Non-related party	Financial assets measured at fair value through profit or loss, non-current	-	42,000	6.00%	42,000	None.
tht	EVA Technologies Co., Ltd. (Ordinary share)	Non-related party	Financial assets measured at fair value through other comprehensive income, non-current	560,000	4,150	2.71%	4,150	None.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

E. Acquisition of real estate with an amount exceeding the lower of NTD300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Company Engaged in Real Estate Acquisition	Property Name	Date of Occurrence	Transaction Amount	Payment Arrangement for the Purchase Price	Transaction Object	Relationship	If Transaction Involves Related Parties, Data from Previous Transfer Shall be Provided				Reference Basis for Price Determination	Purpose of Acquisition and Manner of Utilization	Other Agreed-Upon Matters
							Owner	Relationship With the Issuer	Transfer Date	Amount			
xt	House and building	28-03-2023~26-05-2023	579,325	434,788	Hai Long Construction Joint Stock Company and so forth	None	Not applicable	Not applicable	Not applicable	-	Not applicable (Note)	Operational use	None

Note: This involves leasing land for construction projects, and there is no requirement for obtaining an appraisal report.

F. Disposal of real estate in the amount exceeding the lower of NTD300 million or 20% of capital stock: None.

G. Related-party transactions for purchases and sales amounts exceeding the lower of NTD100 million or 20% of capital stock:

(In Thousands of New Taiwan Dollars)

Name of buy-sell company	Name of transaction counterparty	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase /Sale	Amount	Percentage of total purchases /sales	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Chi Yao	Subsidiary	Purchase	283,933	2%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(37,276)	(1)%	None.
The Company	tht	Subsidiary	Purchase	2,468,719	19%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	(951,678)	(20)%	None.
The Company	tw	Subsidiary	Purchase	3,576,723	28%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(1,185,358)	(25)%	None.

Name of buy-sell company	Name of transaction counterparty	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivables (payable)	
The Company	tmt	Subsidiary	Purchase	5,690,527	44%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	(2,085,352)	(44)%	None.
tgt	The Company	Parent company	(Sale)	(727,747)	(61)%	Net 30 days from the end of the month of when invoice is issued	-	Not applicable	195,450	64%	None
Chi Yao	The Company	Parent company	(Sale)	(286,163)	(100)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	37,276	100%	None
Chi Yao	twt	Other related parties	Purchase	285,462	100%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(37,178)	(100)%	None.
tpts	twt	Other related parties	Purchase	1,277,573	80%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(331,714)	(66)%	None.
tpts	tmt	Other related parties	Purchase	245,693	15%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(99,201)	(20)%	None.
tft	The Company	Parent company	(Sale)	(2,461,204)	(66)%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	949,881	59%	None
twt	The Company	Parent company	(Sale)	(3,587,338)	(69)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	1,199,358	76%	None
twt	Chi Yao	Other related parties	(Sale)	(282,933)	(5)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	37,108	2%	None
twt	tpts	Other related parties	(Sale)	(1,277,573)	(24)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	331,714	21%	None
tmt	The Company	Parent company	(Sale)	(5,669,427)	(90)%	Net 120 days from the end of the month of when invoice is issued	-	Not applicable	2,081,414	85%	None
tmt	tpts	Other related parties	(Sale)	(245,693)	(4)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	99,201	4%	None

Note 1: Purchasing goods belonging to an agency relationship have been eliminated.

H. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock:

(Amounts in Thousands of New Taiwan Dollars)

Companies whose accounts are listed in accounts receivable	Transaction counterparty's name	Relationship	Balance Amount	Turnover rate	Overdue receivables from related party		Amount received in subsequent period	Loss allowance amount
					Amount	Action taken		
The Company (Note 2)	xt	Subsidiary	12	2.06 times	-	Not applicable	-	-
The Company (Note 3)	xt	Subsidiary	1,051,965	- times	-	Not applicable	-	-
tgt(Note 2)	The Company	Parent company	195,450	4.95 times	-	Not applicable	194,966	-
tgt (Note 3)	The Company	Parent company	12,191	- times	-	Not applicable	5,453	-
tft(Note 2)	The Company	Parent company	949,881	2.81 times	-	Not applicable	445,796	-
twt(Note 2)	The Company	Parent company	1,199,358	3.17 times	-	Not applicable	326,279	-
twt (Note 2)	tpts	Other related parties	331,714	2.76 times	-	Not applicable	96,119	-
twt (Note 3)	xt	Other related parties	552,258	- times	-	Not applicable	9,438	-
tmt(Note 2)	The Company	Parent company	2,081,414	3.79 times	-	Not applicable	964,467	-
tmt (Note 2)	tpts	Other related	99,201	2.25 times	-	Not applicable	47,830	-

Companies whose accounts are listed in accounts receivable	Transaction counterparty's name	Relationship	Balance Amount	Turnover rate	Overdue receivables from related party		Amount received in subsequent period	Loss allowance amount
					Amount	Action taken		
tmt (Note 3)	tpts	Other related parties	2,164	- times	-	Not applicable	-	-

Note 1: The difference is due to the unrealized gain/loss.

Note 2: The difference is due to the amortization between the investment cost and the fair value of the identifiable net assets.

Note 3: If the relevant figures in this table involve foreign currencies, except for the amount remitted from Taiwan at the historical exchange rate, the profit and loss are calculated at the average exchange rate, and the rest are listed in Taiwan dollars at the exchange rate on the balance sheet date.

I. Trading in derivative instruments:

Please refer to Note 6(2).

(2) Information on investees :

The following is the information on investees for the year 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/Per share)

Investors	Investees	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying amount			
The Company	Chi Yang	Taiwan	General investment	85,000	85,000	-	100.00%	197,655	5,339	5,339	None.
The Company	T-Mac	Taiwan	General investment	2,065,497	2,065,497	307,906,633	100.00%	6,221,020	415,565	390,371	Note 1 and 2
The Company	tht	Taiwan	General investment and selling of circuit boards	385,357	385,357	30,821,897	44.21%	352,688	54,815	24,235	None.
The Company	TPT	Samoa	General investment	-	19,207	-	- %	-	(1,511)	(1,511)	None.
The Company	Chi Chau	Samoa	General investment	273,300	273,300	1,153,524	96.13%	2,862,679	160,036	153,838	None.
The Company	Brilliant Star	Cayman	General investment	2,125,349	2,125,349	68,126,618	97.28%	5,295,199	402,277	390,550	Note 1 and 2
The Company	Chi Chen	Samoa	General investment	1,079,519	1,079,519	35,600,000	80.73%	2,631,645	327,417	193,103	Note 1
The Company	tgt	Taiwan	Manufacturing, selling of circuit boards	134,057	134,057	9,680,606	20.70%	66,947	(18,473)	(3,717)	Note 1 and 2
The Company	ttt	Thailand	Manufacturing, selling of circuit boards	37,645	37,645	14,850,000	99.00%	33,500	14	14	None.
The Company	txt	Vietnam	Manufacturing, selling of circuit boards	1,251,541	315,281	-	100.00%	1,162,378	(53,001)	(53,001)	None.
Chi Yang	Chi Chau	Samoa	General investment	11,252	11,252	46,476	3.87%	113,730	160,036	6,198	None.
Chi Yang	ttt	Thailand	Manufacturing, selling of circuit boards	131	131	50,000	0.33%	113	14	-	None.
T-Mac	Chang Tai	Samoa	General investment	2,292,370	2,292,370	73,580,000	100.00%	6,187,405	404,978	404,978	None.
T-Mac	ttt	Thailand	Manufacturing, selling of circuit boards	261	261	100,000	0.67%	226	14	-	None.
Chang Tai	Yang An	Samoa	General investment	2,335,422	2,335,422	76,060,000	100.00%	6,184,731	404,986	404,986	None.
tht	Chi Chen	Samoa	General investment	252,297	252,297	8,500,000	19.27%	648,589	327,417	63,107	None.
tht	tgt	Taiwan	Manufacturing, selling of circuit boards	405,977	405,977	26,757,000	57.21%	192,559	(18,473)	(10,588)	Note 2
Chi Chau	Chi Yao	Hong Kong	General investment and international trading	36,489	36,489	1,188,379	100.00%	2,920,571	159,389	159,389	None.

Note 1: The difference is due to the unrealized gain/loss.

Note 2: The difference between the fair value amortization of investment costs and identifiable net assets is amortized.

Note 3: If the relevant figures in this table involve foreign currencies, except for the amount remitted from Taiwan at the historical exchange rate, the profit and loss are calculated at the average exchange rate, and the rest are listed in Taiwan dollars at the exchange rate on the balance sheet date.

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information :

(In Thousands of New Taiwan Dollars)

Investees	Main businesses and products	Paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows for the period		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net profits (losses) of the investee for the period	The Company percentage of shareholding ratio of direct or indirect investment	Investment income (losses) (Note 2(2))	Book value of investments at the end Value	Accumulated remittance of earnings for the period
					Outflow	Inflow						
tpts(Note 6)	Selling of circuit boards	153,525	(2)	36,846	-	-	36,846	160,009	100.00%	160,009	2,917,430	1,418,685
tft(Note 7)	Manufacturing, selling of circuit boards	2,087,940	(2)	2,036,499	-	-	2,036,499	400,836	97.28%	389,941	4,791,680	-
twt(Note 8)	Manufacturing, selling of circuit boards	1,698,246	(2)	1,351,021	-	-	1,351,021	411,537	91.26%	375,571	3,858,221	-
tmt(Note 5)	Manufacturing, selling of circuit boards	2,947,680	(2)	2,241,465	-	-	2,241,465	404,943	100.00%	404,943	6,176,989	-
Sin Siang (Note)	Selling of circuit boards	-	(2)	-	-	-	-	(7)	- %	(7)	-	7,150

B. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3)
The Company	3,163,373	3,280,052	9,238,009
T-Mac Techvest PCB Co., Ltd.	2,241,465	2,947,680	3,776,590
T-Flex Techvest PCB Co., Ltd.	260,993	260,993	565,167

Note 1: The investment method is divided into three types:

- (1) Direct investments in mainland China.
- (2) Investment in mainland China through third region companies.
- (3) Other methods.

Note 2: The investment profit and loss column recognized in this period:

- (1) If it is in preparation and there is no investment gain or loss, it should be indicated.
- (2) The recognition basis of investment gains and losses is divided into the following three types, which should be specified.
 - A. Financial statements verified by international accounting firms in partnership with the Republic of China Accounting Firm.
 - B. The financial statements have been reviewed by the Taiwanese parent company's certified accountant.
 - C. Others.

Note 3: According to the "Principles of Investing or Technical Cooperation Review in Mainland China", the limit is calculated based on 60% of the group net value.

Note 4: If the relevant figures in this table involve foreign currencies, profit and loss are calculated at the average exchange rate, and others are listed in Taiwan dollars at the exchange rate on the balance sheet date.

Note 5: The parent company indirectly invested in T-Mac Techvest (Wuxi) PCB Co., Ltd. through Yang An International (Samoa) Co., Ltd. The difference between the subscribed capital and the accumulated investment remitted amounts to a surplus transferred to capital increase of USD 20,000,000 and Changtai International Limited invested USD 3,000,000 from its proprietary funds in the form of common stock dividends.

Note 6: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. through Chi Yao Ltd.

Note 7: The parent company indirectly invested in CATAC Electronic (Zhongshan) CO., Ltd through Brilliant Star Holdings Ltd.

Note 8: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suining) Co., Ltd. through Chi Chen Investment Co., Ltd., Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. and CATAC Electronic (Zhongshan) CO., Ltd.

Note 9: Sin Siang (Xiamen) Technology Co., Ltd. is a company indirectly invested in by the parent company through TPT International Co., Ltd. Liquidation was processed in March 2023, and the liquidation process has been completed. The relevant investment share funds have been repatriated back to TPT Company following the investment path.

3. Significant transactions

The significant intercompany transactions in 2023 with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(4) Major Shareholder Information

Name of Major Shareholder	Shares	No. of Shares held	Unit: share
			Shareholding ratio
HSBC Bank (Taiwan) Limited is entrusted with the custody of Macquarie Bank Limited's main trading platform investment account		16,739,000	6.17%

14. SEGMENT INFORMATION

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

**TAIWAN PRINTED CIRCUIT
BOARD TECHVEST CO., LTD.**

Chairman : Hsu, Cheng-Min