Stock Code: 3526

SERVER NETWORKING
STORAGE TELECOM
HIGH POWER
HIGH FREQUENCY

Connector Design / Manufacture / Sale

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

ALLTOP TECHNOLOGY CO., LTD.
2023 Annual Report

mops.twse.com.tw

www.otop.com.tw

Printed on May 3, 2024

I. Spokesperson、Deputy Spokesperson Title、Telephone No. & Email Address

Spokesperson：Chen Chung Yi

Title:Manager, Investor Relations Management Office

Telephone No.：(02)2225-1688 e-mail: sean@otop.com.tw

Deputy Spokesperson: Chen Chiao Hui

Title: Senior Specialist, Chairman Office

Telephone No.：(02)2225-1688 e-mail: gladys@otop.com.tw

II. Headquarters, Branches and Plant Address & Telephone No.

Headquarter：3F., No. 102, Sec. 3, Jhongshan Rd., Jhonghe Dist., New Taipei City

Telephone No.：(02)2225-1688

Taipei：3F., No. 102, Sec. 3, Jhongshan Rd., Jhonghe Dist., New Taipei City

Telephone No.：(02)2225-1688

Plant：same as Headquarter

Telephone No.：(02)2225-1688

III. Stock Transfer Agent Address, website & Telephone No.

Name：Yuanta Securities

Address：B1,No. 210, Sec.3, Chengde Rd., Datong Dist., Taipei City

Website：http://www.yuanta.com.tw

Telephone No.：(02)2586-5859

IV. Auditors, Accounting Firm, Address, website & Telephone No.

Auditors：Jui Hsuan Ho、Keng Hsi Chang

Accounting Firm：Deloitte Taiwan

Address：20F, No. 100, Songren Rd., Xinyi Dist., Taipei 110016, Taiwan

Website：http://www.deloitte.com.tw

Telephone No.：(02)2725-9988

V. Overseas Securities Exchange

None

VI. Corporate Website：http://www.otop.com.tw

Contents

I. Letter to Shareholders

1. Operating Performance in 2023

(I) Consolidated financial results

Consolidated financial results Unit: NT$ thousand

Item	2023	2022	Increase (Decrease) Amount	Increase (Decrease) Percent%
Operating income	2,394,974	2,309,878	85,096	3.68
Operating costs	1,166,083	1,238,252	(72,169)	(5.83)
Operating margin	1,228,891	1,071,626	157,265	14.68
Operating expenses	494,631	494,205	426	0.09
Operating Net profit	734,260	577,421	156,839	27.16
Pre-tax net profit	809,443	667,311	142,132	21.30

Taipei Office Unit: NT$ thousand

Item	2023	2022	Increase (Decrease) Amount	Increase (Decrease) Percent%
Operating income	1,219,117	1,333,493	(114,376)	(8.58)
Operating costs	799,224	828,425	(29,201)	(3.52)
Operating margin	419,893	505,068	(85,175)	(16.86)
Operating expenses	259,364	249,596	9,768	3.91
Operating Net profit	160,529	255,472	(94,943)	(37.16)
Pre-tax net profit	726,316	617,838	108,478	17.56

(II) Budget implementation：The Company did not publish 2023 annual financial plan; therefore, it is not applicable.

(III) Financial Revenue and Expenditure, and Profitability analysis

Unit: NT$ thousand

Item		Year	2023	2022
Financial Revenue and Expenditure	Operating net revenue		2,394,974	2,309,878
	Operating margin		1,228,891	1,071,626
	Gross profit margin (%)		51.31	46.39
	Interest expense		12,585	11,203
	Net profit after-tax		689,697	554,086
	Net profit after-tax rate (%)		28.80	23.99
Profitability	Return on assets (%)		16.49	13.77
	Return on shareholders' equity (%)		26.91	22.10
	Ratio to paid-in capital (%)	Operating profit	124.31	98.28
		Pre-tax net profit	137.04	113.58
	Net profit rate (%)		28.80	23.99
	Earnings per share before retrospective (NT$)		11.68	9.41

Item \ Year		2023	2022
	Earnings per share after retrospective (NT$)	-	-
Cash flow	net income and expenses from operating activities	675,005	845,624
	net income and expenses from investing activities	196,504	(45,217)
	net income and expenses from financing activities	(427,256)	(450,835)

(IV) Research and development status

1. The ratio of R&D turnover in the last three years

Unit: NT$ thousand

Item \ Year	2023	2022	2021
R&D expenses	63,550	72,627	78,301
Ratio of operating income (%)	2.65	3.14	2.99

2. R&D achievements in 2023

In order to provide customers with high-quality product solutions and achieve long-term stable profitable goals, the research and development direction and achievements in recent years are summarized as follows:

(i) In terms of design, manufacturing process, quality control and testing, improving overall technical proficiency.

(ii) Strengthening the analysis and experiment capabilities of high-frequency connectors.

(iii) Expanding the server product line and market scale of high-speed and high-power connectors.

(iv) Developing servers with multiple foldable high-speed connection cables and module connectors for electric vehicles, etc.

2. Business Plan for 2023

(I) Operating principle and important production and marketing policies

- Master market trend, distribute the next generation of new products, expand new fields of application and establish the momentum for future growth.
- Accumulate the market penetration rate in electric vehicles, servers and foldable high-speed cables application fields.
- Maintain market share leadership in notebook computer application field.
- Optimize product combination to maximize gross profit margin.
- Improve the design and verification capabilities of collaborative development with international major manufacturers.
- Implement resource integration and exert internal capabilities.

(II) Sales forecast and sales policy

The primary source of revenue for the Company is derived from the production and distribution of connectors, which are categorized based on their application, such as server connectors, high-speed cables, notebook computer connectors, and automotive connectors. Unfortunately, the Company's board of directors has not yet decided to reveal their financial projections, making it impossible to provide any statistical information on anticipated sales volume.

3. Development Strategy

- Implementing the business philosophy of "Quality" and "Innovation".

- Creating customer value, adhere to integrity, win-win and common prosperity.
- Adhering to the core business and pursue long-term stable profits and maximum value for shareholder.
- Emphasizing the employee policy of people-oriented, active care and sharing growth results.
- Emphasizing the corporate governance, integrity-based and sustainable development.

4. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

In the past year, we have faced various challenges and variables, but we have also successfully seized many opportunities. In the face of market competition, the company has maintained steady profit growth, and has also achieved business expansion in new areas and increased profit margins. This all depends on the strong support of partners and shareholders, as well as the joint efforts of the entire operating team. We would like to extend our sincerest greetings and gratitude to everyone.

The epidemic of covid-19 in 2020 has changed people's way of life. The rise of remote work and distance teaching has led to the prosperity of the stay-at-home economy. However, the continuous impact of the variant virus has indeed affected the normal operation of the overall supply chain. We have adopted various solutions to solve the problems such as inflation caused by the global loose monetary policy, foreign exchange rate fluctuations, and general shortage of workers and materials, etc. These solutions include currency hedging, more diversified procurement strategies, optimized inventory management, industry-academia collaboration, continued automation, and cost control.

We always pay attention to the development and evolution of science and technology related to the industry we are in, quickly grasp the industry trends and continuously improve our research and development capabilities. We are particularly focused on researching and developing key core technologies and developing highly niche products. In terms of regulations, various innovative concepts and design results are also granted patent protection. In addition to having solid independent innovation and development capabilities, the R&D team is already ahead of its peers in R&D results and technical capabilities. Facing the ever-changing global competitive environment, we can take practical actions to turn it into new opportunities and growth opportunities.

The pursuit of long-term stable profits has always been an important goal of ALLTOP. The management team always adheres to the thinking of steady persistence and innovative advancement. While continuing to deepen the existing product lines, we do not forget to actively expand new products and new markets. In recent years, it has achieved success in the fields of servers and automotive products. In addition to its revenue share increasing year by year, it has become the main driving force supporting long-term stable growth. The optimization of revenue mix, rigorous inventory management and lean cost control are reflected in the continuous improvement of profitability.

In the face of numerous difficulties and challenges in the future, the management team will adhere to the business philosophy of "quality" and "innovation", and respond with flexible business steps in order to continue to cherish the earth's resources, strive to reduce our carbon footprint, and fulfill our corporate social responsibilities. We look forward to working together with our long-term partners to create ALLTOP's sustainable development and maximum shareholder value!

Chairman	Yu Wan Yi
GM	Chang Yi Wei
Accounting Manager	Chen Ching Yi

II. Company Profile

1. Date of Incorporation

Novermber 6th, 1998

2. Company History

Year	Milestones
1998	Established Alltop Technology Co., Ltd. with NTD 5 million paid-in capital.
1999	Devoted into the R&D and manufacturing of notebook pc connector.
	Certified by COMPAL and CLEVO as a qualified supplier.
	Cash capital increase of NTD 20 million, and the paid-in capital reached NTD 25 million.
2000	Certified by MITAC as a qualified supplier.
2001	Certified by FIC as a qualified supplier.
	Certified by TWINHEAD as a qualified supplier.
	Certified by UNIWILL as a qualified supplier.
	Certified as an agent for SPECIALTY (Singapore).
2002	Certified by QUANTA SHANGHAI MANUFACTURE CITY as a qualified supplier.
	Awarded by MITAC as an outstanding manufacturer.
	Cash capital increase of NTD 23 million, and the paid-in capital reached NTD 48 million.
	Certified by ASUS as a qualified supplier.
2003	Cash capital increase of NTD 17 million, and the paid-in capital reached NTD 65 million.
	Awarded by MITAC as an outstanding manufacturer.
	Passed the electronic evaluation of TYCO, the world's largest manufacturer of connectors, and certified as a qualified supplier.
2004	Cash capital increase of NTD 100 million, and the paid-in capital reached NTD 165 million.
	Established A-LIST INTERNATIONAL LTD. and other subsidiaries to invest in ALLTOP ELECTRONICS (SUZHOU) LTD and Dongguan processing factory, completed the integration of ALLTOP group, and built the Company's operating structure.
	Certified by CYBERTAN as a qualified supplier.
	Certified by INVENTEC as a qualified supplier.
	ALLTOP ELECTRONICS (SUZHOU) LTD. obtained ISO9001:2002.
	ALLTOP ELECTRONICS (SUZHOU) LTD. Certified by SONY as green partner.
	Certified by AMOI as a qualified supplier.
	Certified by GM subsidiary Delphi Connection System as a qualified supplier.
2005	Certified by SAMSUNG as a qualified supplier.
	The total profit and capital surplus transferred to common stock amounted to NTD 35 million, and paid-in capital reached NTD 200 million.
	Equity investment of USD 1.25 million to ALLTOP ELECTRONICS (SUZHOU) LTD. with.
	Cash capital increase of NTD 33 million, and the paid-in capital reached NTD 233 million.
	Certified by SAMSUNG as a qualified ECO supplier.
	Certified by BENQ as a qualified supplier.
2006	Equity investment of USD 2 million to ALLTOP ELECTRONICS (SUZHOU) LTD.
	Awarded by ASUS as an outstanding manufacturer.
	Certified and awarded by LITE-ON as an outstanding manufacturer and obtained GA certificate.
	Passed the ASUS GA certification and obtained CyberTAN GA certification.
	Purchased land and built additional factory buildings at Zhonghe.
	Passed the evaluation of MOLEX, the world's second largest connector manufacturer, and certified by as a qualified supplier.
	Approved by the Securities and Futures Bureau for I.P.O.
	Approved by the Financial Supervisory Commission Securities and Futures Bureau to become

Year	Milestones
	a stock listed company on emerging stock market.
2007	Equity investment of USD 1.5 million to ALLTOP ELECTRONICS (SUZHOU) LTD.
	Introduced SATA HDD removable high frequency connector.
	Committed into R&D of medical connector and ODD SATA HDD product connectors.
	Approved by the Financial Supervisory Commission Securities and Futures Bureau to become a stock listed company on over-the-counter trading market.
	Successfully invented high frequency of power control system connector which approved by CUL and customer validation and obtained continuous orders.
	Set up ALLTOP HOLDING LTD. (HK subsidiary) as the holding company of ALLTOP ELECTRONICS (SUZHOU) LTD.
2008	Certified by Taiwan Corporate Governance Association.
	Awarded as one of Asia's Best Small and Medium Enterprises in 2008 by Forbes.
	ALLTOP ELECTRONICS (SUZHOU) LTD. received Chinese high-tech enterprise certification.
	Introduced blood-glucose meter connector and received certification from ApexBio.
	Introduced stamping type of high-power connector and received CUL approval and certified by customer.
2009	Introduced Horizontal/ Stamping type high power connector and received CUL approval.
	Introduced USB 3.0 Connector.
	Approval CG6005 by Taiwan Corporate Governance Association.
	Devoted into 3G high frequency connector R&D.
2010	Published NT$ 200 million domestics first secured convertible bonds.
	Equity investment to JYUYUAN TECHNOLOGY and SUZHOU LIQUAN TECHNOLOGY (Taicang) LTD.
	Published NT$ 250 million domestic private convertible bonds.
	Certified by Emerson Corporation (American company) as a qualified supplier.
	Certified by Delta as a qualified supplier.
	Certified by Power One as a qualified supplier.
	Certified by GE Energy as a qualified supplier.
	Introduced Low-profile high-power connector.
	Introduced 60Amp high power connector.
	Certified by Fujitsu (Japan) as a qualified supplier.
2011	Completed the development of universal waterproof connector for telecommunication and it has received certification and ready for sale and shipment.
	Completed the development of 30Amp and 400volts high power plug / receptacle for cloud computing application. Awaiting approval.
	Committed into R&D of outdoor waterproof solar PV connector of 30A and 250Volts.
	Certified by Taiboc as a qualified supplier.
	Received ISO168844 certification.
	Developed automotive connector and acquired purchase order from customer.
	The board of directors resolved to establish the first remuneration committee.
2012	Certified by Liteon as a qualified supplier.
	Committed into R&D of high-intensity specialty connectors for the latest applications in Ultrabook.
	Certified by NEC (Japan) as a qualified supplier.
	Committed into R&D of battery connector for E-bike and submitted sample for customer for approval.
	Committed into R&D of battery connector for Ultrabook PC.
2013	Electric vehicle connector started mass production.
	Certified by Lenovo as a qualified supplier.

Year	Milestones
2014	Cloud computing application high current and high stability UPS power connector were certified.
	Electronic tachograph connector started mass production.
	High level with high current power cable connector started mass production.
	Received CG6007 Certification from Taiwan Corporate Governance Association.
	Published NT$ 200 million domestics Second secured convertible bonds.
	ALLTOP ELECTRONICS (SUZHOU) LTD. carried out plant decoration and re-planned the production process.
	The fourth time to repurchase the treasury share.
	Received high-frequency signal transmission connector certification.
	Design and development of electric vehicle connector has been successfully completed.
2015	Received A+ certification on April 2, 2015 by the 12th listed company Information Disclosure and Transparency Ranking System conducted by TWSE and Taipei Exchange.
	The fifth time to repurchase the treasury stock.
	Electric vehicle connector (cable) was certified and started mass production.
2016	Received USB TYPE C CONNECTOR & PLUG certification.
	Received generation one foldable high-speed cable certification and started mass production.
	Received TS16949 automotive quality management system certification.
2017	Published NT$ 500 million domestic third unsecured convertible bonds.
	Purchased new factory land in Suzhou.
	Handling liquidation and cancellation of registration of subsidiary company Yongguan Investment Co., Ltd..
	Published Capital reduction of subsidiary company METTLE ENTERPRISE CO., LTD.
2018	ALLTOP ELECTRONICS (SUZHOU) LTD. new factory on the own plant land started the construction.
	Handling liquidation and cancellation of registration of subsidiary company HARVEST TECHNOLOGY INTERNATIONAL LTD.
	The sixth time and seventh time to repurchase the treasury stock.
	Generation two foldable high-speed cable was successfully developed.
2019	ALLTOP ELECTRONICS (SUZHOU) LTD. new factory built on self-owned land was completed and ready for operation.
	ALLTOP ELECTRONICS (SUZHOU) LTD purchased staff dormitory.
	Published NT$ 600 million domestic fourth unsecured convertible bonds.
2020	The Board of Directors decided to publish a 25% cash reduction.
2021	PANJIT International Inc. public tender offer of ALLTOP's stocks.
	The Board of Directors resolved to set up the first audit committee.
	Published NT$ 800 million domestic fifth unsecured convertible bonds.
2022	ALLTOP Tech.is invited to attend institutional investor conference held by Taipei Exchange.
2023	Reinvested US$2 million in ALLTOP Technology (Vietnam) Co., Ltd.
	Published NT$ 1 billion domestic sixth unsecured convertible bonds.

III. Corporate Governance Report

1. Organization

（I）Organizational Chart

(II) Functions of Major Departments

Department	Functions
President Office	i. To convene and assist in the discussion of the Board of Directors and shareholders' meetings. ii. Directors and supervisors supervise the Company's major affairs and corporate governance. iii. Responsible for investor relation, company image and public relations related matters. iv. Company shareholder's related matters.
General Manager Office	i. Responsible for planning, promoting and supervising Company's relevant policies and business promotion. ii. Business decision-making, operation, investment analysis and management assessment. iii. Application and management of the Company's intellectual property, trademark and patents.
Audit Department	i. To plan the group's annual audit plan and development strategy, integrate the group's audit resources and the implementation of various audit business. ii. Establishment, revising and review of the Company's internal control and internal audit system. iii. The audit of each department's operation and promoting the implementation of the Company's self-assessment operation. iv. Supervising and managing subsidiary's operation, financial, business information, and auditing management. v. Coordinating the establishment and revision of the group's internal control system, accounting system, auditing system and various management systems.
Product Management Division	i. New product and new technology development and improvement. ii. Working closely together with the sales division, expanding new business. iii. Co-ordinate with business personnel to complete the product development evaluation sheet to fulfill the needs of customer applications and processes. iv. Continuing to improve products and processes, improving yield and efficiency, and reduce production costs. v. Providing product knowledge and technical skills training program to internal employees. vi. Product verification & testing. vii. Developing custom designed product. viii. Internal control on product blueprint and relative documentations.
Sales Division 1, 2	i. Accountable for devising and attaining business targets. ii. Oversee product sales, customer service, and the enhancement of customer-supplier relationships. iii. Develop product promotion strategies and contribute to business promotion efforts. iv. Plan and design both domestic and international exhibitions. v. Conduct in-depth research, analysis, and planning for new-generation products.
General Management Division	i. General affairs administration, fixed assets and equipment's management. ii. Environmental safety prevention and labor safety and health assurance. iii. Internet and website planning, designing, production and maintaining. iv. ERP system maintenance and supporting each department's requirements. v. Company computers' hardware equipment maintenance and management. vi. Employee recruitment, insurance, resignation and salary managements. vii. Planning and handling of employment training program, attendance, welfare and other affairs. viii. Production raw materials, spare parts of equipment module procurement, overseas customs logistics and overseas material procurement support, warehouse and production management. ix. Searching, evaluating, approving and negotiating prices of new suppliers, coordinating material and finished product management. x. Formulation, revision, announcement and control of the Company's various management regulations and forms.

Department	Functions
	xi. Planning, formulation and tracking of product development strategy, price strategy, sales and manufacture strategy. xii. Product pricing policy, marketing information research and evaluation. xiii. Law affairs and risk management.
Finance and Accounting Division	i. Responsible for group capital management, financial scheduling and operational analysis. ii. Responsible for group accounting, financial reports, budget planning and analyzing.
Quality Assurance Division	i. Establishment of the planning and process of quality assurance system and quality system. ii. Inspection regulation establishment. iii. Maintaining the quality system process and supervising continuous improvement. iv. Supplier and third-party incoming material quality control verification, management and audit implement. v. Management and maintenance of the database of environment-related controlled substances. vi. Management, calibration and maintenance of gauge equipment. vii. Coordinating customer complaints. viii. Product quality inspection, execution of function related reliability test. ix. Participation in design review, certification of material recognition.
Overseas Business Group	Responsible for overseas related product quality control, sales delivery expands, customer service and customer-supplier relationship maintenance and improvement.

2. Directors, Supervisors and Management Team

(I) Information on Directors and Supervisors

1. Information on Directors and Supervisors

April 20, 2024

Job title	Nationa l-ity or place of regis-tration	Name	Gender / age	Date of election/ appointment to current term	Term of office	Commence-ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark (Note2)
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation ship	
chairman	ROC	HoYuan Invest-ment Co., Ltd.	-	2021.07.05	3	2018.06.21	944,026	1.69	938,026	1.58	0	0	0	0	-	-	None	None	None	None
	ROC	Yu Wan Yi (note 1)	Male /61-65	2021.07.05	3	1998.11.06	1,385,508	2.48	1,160,577	1.95	342,888	0.58	0	0	■Stevens Institute of Technology/ Institute of Materials Engineering ■Alltop Tech. Co., Ltd./ GM	■ Alltop Tech. Co., Ltd./ Technical Director ■A-List Int'l Ltd./ Director	None	None	None	None
Director	ROC	PanJit Int'l Inc.	-	2021.07.05	3	2021.07.05	11,126,009	19.93	11,315,009	19.02	0	0	0	0	—	—	None	None	None	None
	ROC	Fang Min Zong	Male /66-70	2021.07.05	3	2021.07.05	0	0	0	0	0	0	0	0	■ Cheng Shiu University / Dept. of Civil Engineering ■Triontek-M Co., LTD./ Chairman	■Mildex Co./ Chairman ■Pynmax Tech. Co., Ltd./ Director ■Panjit Int'l Inc. / Director	None	None	None	None
Direc tor	ROC	YanHua Invest-ment Ltd.	-	2021.07.05	3	2013.06.17	2,588,597	4.64	2,026,000	3.41	0	0	0	0	—	—	None	None	None	None

Job title	Nationa l-ity or place of regis- tration	Name	Gender / age	Date of election/ appointment to current term	Term of office	Commence- ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark (Note2)
							No. of shares	Share- holding ratio	No. of shares	Share- holding ratio	No. of shares	Share- holding ratio	No. of shares	Share- holding ratio			Job title	Name	Relation ship	
	ROC	Chang Yi Wei	Male /51-55	2021.07.05	3	2013.06.17	271,040	0.49	6,884	0.01	0	0	2,026,000	3.41	■ Feng Chia University / Dept. of Information Engineering and Computer Science ■ Alltop Tech. Co., Ltd./ Deputy GM	■ Alltop Tech. Co., Ltd./ GM ■Topwise Tech. Ldt. / Director ■Alltop Holding Ltd./ Director ■Mettle Enterprise Co.,Ltd./ Director ■ ALLTOP Electronics (Suzhou) Ltd. / Director & GM ■ Yanhua Investment Ltd. / Chairman	None	None	None	None
Director	ROC	JuiTsan Invest- ment Co.,Ltd.	-	2021.07.05	3	2018.06.21	814,882	1.46	904,882	1.52	0	0	0	0	-	-	None	None	None	None
	ROC	Chen Yuan Chen (note 1)	Male /46-50	2023.05.05	1.2	2023.05.05	79,060	0	46,060	0.08	0	0	0	0	■ Cheng Kung University /Master of Dept. Of Industrial Design ■BenQ Medical/Senior Manager of Institutional Design department	■ Juitsan Investment Co.,Ltd. / Supervisor	None	None	None	None
Director	ROC	TaChin-Yen Co.,Ltd.	-	2021.07.05	3	2018.06.21	418,677	0.75	418,677	0.70	0	0	0	0	—	—	None	None	None	None
	ROC	Tung Jen Yen	Male / 46-50	2021.07.05	3	2004.10.08	7,934	0.01	7,934	0.01	0	0	874,499	1.47	■LeeMing Institute of Tech. / Dept. Of Mechanical Engineering ■ Alltop Tech. Co., Ltd./ Deputy GM	■ Alltop Tech. Co., Ltd./ Deputy GM ■ Liquan Tech. (Taicang) Co., Ltd. / Supervisor ■ Tachinyen Co.,Ltd./ Director	None	None	None	None

<table>
<tr><th rowspan="2">Job title</th><th rowspan="2">Nationa l-ity or place of regis-tration</th><th rowspan="2">Name</th><th rowspan="2">Gender / age</th><th rowspan="2">Date of election/ appointment to current term</th><th rowspan="2">Term of office</th><th rowspan="2">Commence-ment date of first term</th><th colspan="2">No. of shares held at time of election</th><th colspan="2">No. of shares currently held</th><th colspan="2">Shares currently held by spouse and minor children</th><th colspan="2">Shares held through nominees</th><th rowspan="2">Principal work experience and academic qualifications</th><th rowspan="2">Positions held concurrently in the company and/or in any other company</th><th colspan="3">Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree</th><th rowspan="2">Remark (Note2)</th></tr>
<tr><th>No. of shares</th><th>Share-holding ratio</th><th>No. of shares</th><th>Share-holding ratio</th><th>No. of shares</th><th>Share-holding ratio</th><th>No. of shares</th><th>Share-holding ratio</th><th>Job title</th><th>Name</th><th>Relation ship</th></tr>
<tr><td rowspan="2">Director</td><td>ROC</td><td>PanJit Int’l Inc.</td><td>-</td><td>2021.07.05</td><td>3</td><td>2021.07.05</td><td>11,126,009</td><td>19.93</td><td>11,315,009</td><td>19.02</td><td>0</td><td>0</td><td>0</td><td>0</td><td>—</td><td>—</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>ROC</td><td>Chang Yao Yong</td><td>Male /56-60</td><td>2021.07.05</td><td>3</td><td>2021.07.05</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>■University of Washington/MBA
■Morgan Stanley (Asia)_VP
■Merrill Lynch (Singapore)_VP</td><td>■Bank of Kaohsiung / Independent Director
■Turing M&A Investment/ Chairman
■Turing Quantitative Tradin/ Chairman
■Turing Financial Advisory/ Chairman</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Director</td><td>ROC</td><td>Lin Yueh Hsia (note 1)</td><td>Female /60-65</td><td>2021.07.05</td><td>3</td><td>2021.07.05</td><td>547,686</td><td>0.98</td><td>550,686</td><td>0.93</td><td>0</td><td>0</td><td>0</td><td>0</td><td>■ Tsinghua University (Shanghai)/ EMBA
■ Victoria University/ Master of Management
■ Alltop Tech. Co., Ltd./Supervisor</td><td>■ Alltop Tech. Co., Ltd./ Director</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td rowspan="2">independent director</td><td>ROC</td><td>Pu Tsun Ching</td><td>Male /71-75</td><td>2021.07.05</td><td>3</td><td>2006.06.01</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>■TamKang University/ Dept. of Business Administration
■ChangHwa Bank/ Deputy Director of Commodity Management Department</td><td>None</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>ROC</td><td>Chiang Chih Fung</td><td>Male /51-55</td><td>2021.07.05</td><td>3</td><td>2021.07.05</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>■ TamKang University/ Dept. of Accounting
■ Deloitte Taiwan/ Director of Audit Dept.</td><td>■Chijing Accounting Firm/ CPA
■Taiwan Chelic Co.,Ltd./ Independent Director
■M3 Technology Inc./ Independent Director
■HuangChiehMetal Composite Material Tech. Co., Ltd./ Independent Director</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
</table>

Job title	Nationa l-ity or place of regis-tration	Name	Gender / age	Date of election/ appointment to current term	Term of office	Commence-ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark (Note2)
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation ship	
	ROC	Lu Lien Wan	Male /66-70	2021.07.05	3	2009.05.15	0	0	0	0	0	0	0	0	■ ChiehHsin University/ Electronic Engineering ■ Mindian Precision Co., Ltd./ GM	None	None	None	None	None

Note 1：This includes the number of trust shares that retain the right to exercise discretion.

Note 2：There is no situation in the Company where the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship.

2. Major Shareholders of Corporate Shareholders

April 20, 2024

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
HoYuan Investment Co., Ltd.	Chen Li Lin(52%)、Yu Kai Chang(24%)、Yu Ya Yuan(24%)
PanJit Int’l Inc.	Jinmao Investment Co., Ltd.、Chen Chun Min (2.46%)、Fang Min Qing (2.23%)、Taifong Investment Co., Ltd. (1.81%)、Citigroup (Taiwan) Commercial Bank is entrusted with investment account of Norway's central bank (1.41%)、The American JP Morgan Chase Bank Taipei Branch is entrusted with the investment account of the Advanced Stars International Stock Index Fund as part of the advanced Stars fund series. (1.40%)、The American JPMorgan Chase Bank Taipei Branch is entrusted with Investment account of the Vanguard Emerging Markets Stock Index Fund (1.22%)、Cai, Li Xiang (1.02%)、Tu Shui Cheng (0.89%)、Morgan Securities II(0.67%)
YanHua Invest- ment Ltd.	Chang Yi Wei(100%)
JuiTsan Investment Co., Ltd.	Chen Zu Lin(94%)、Chen Wei Chuan (3%)、Chen Cheng Wei (2%)、Chen Yuan Chen (1%)
TaChinYen Co., Ltd.	Tung Jen Yen (63%)、Tsai Shui Ying (37%)

3. If any Major Shareholder Listed in upon Form is a Corporate/Juristic Person, List its Major Shareholders in this Form

April 20, 2024

Name of corporate/juristic person (Note 1)	Major shareholders of the corporate/juristic person (Note 2)
Jinmao Investment Co., Ltd.	Chen Chun Min (15%)、Fang Min Qing (15%)、Cai, Li Xiang (10%)、Fang Hong Rong (10%)、Yan Qing (10%)、Fang Min Zong (10%)、Zhuang, Guo Chen (6%)、Siligold Tech. Inc. (5%)、Fang Shu Ya (5%)、Fang Shu Ling (5%)、Fang Shu Qi (5%)
Taifong Investment Co., Ltd.	Yan Qing (50%)、Zhuang, Guo Chen (50%)

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

May 3, 2024

Qualifications / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
HoYuan Investment Co., Ltd. Representative：Yu Wan Yi	■Stevens Institute of Technology/ Institute of Materials Engineering ■Alltop Tech. Co., Ltd./ GM	-	-
PanJit Int'l Inc. Representative：Fang Ming Tsung	■ Cheng Shiu University / Dept. of Civil Engineering ■Triontek-M Co., LTD./ Chairman	-	-
YanHua Investment Ltd. Representative：Chang Yi Wei	■ Feng Chia University /Dept. of Information Engineering and Computer Science ■ Alltop Tech. Co., Ltd./ Deputy GM	-	-
JuiTsan Investment Co., Ltd. Representative：Chen Yuan Chen	■ Cheng Kung University /Master of Dept. Of Industrial Design ■BenQ Medical/Senior Manager of Institutional Design department ■ Juitsan Invest- ment Co.,Ltd. / Supervisor	-	-
TaChinYen Co., Ltd. Representative: Tung Jen Yen	■LeeMing Institute of Tech. / Dept. Of Mechanical Engineering ■ Alltop Tech. Co., Ltd./ Deputy GM	-	-
PanJit Int'l Inc. Representative：Chang Yao Yong	■University of Washington/MBA ■Morgan Stanley (Asia)_VP ■Merrill Lynch (Singapore)_VP	-	-
Lin Yueh Hsia	■ Tsinghua University (Shanghai)/ EMBA ■ Victoria University/ Master of Management ■ Alltop Tech. Co., Ltd./Supervisor	-	-
Pu Tsun Ching (Independent Director and Convener of the Audit Committee and Convener of Remuneration Committee)	■TamKang University/ Dept. of Business Administration ■ChangHwa Bank/ Deputy Director of Commodity Management Department ■ There are no circumstances under Article 30 of the Company Law	There are no circumstances as stipulated in Article 3, Paragraph 1 of the Regulations on the Establishment and Matters to be Observed	None

Name \ Qualifications	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Chiang Chih Fung (Independent director and member of the audit committee)	■ TamKang University/ Dept. of Accounting ■ Deloitte Taiwan/ Director of Audit Dept. ■ There are no circumstances under Article 30 of the Company Law	of Independent Directors of Publicly-Issued Companies, which is consistent with independence.	2
Lu Lien Wan (Independent director and member of the audit committee and remuneration committee)	■ ChiehHsin University/ Electronic Engineering ■ Mindian Precision Co., Ltd./ GM ■ There are no circumstances under Article 30 of the Company Law		None

5. The Diversification and Independence of the Board of Directors

(1) The Diversification of the Board of Directors: According to Article 20 of the "Corporate Governance Best Practice Principles", and Article 3 of the "Rules and Procedures of the Director Election" stipulated by the Company stipulate that the composition of the board of directors should be diversified and consider own operation, business mode and development needs in order to formulate an appropriate diversity policy. It is advisable to consider gender, age, nationality and culture, etc., and the members shall generally have the ability to implement the knowledge, skills and accomplishments necessary for the duty. Current board members' backgrounds have varied in different industry fields involving banking, finance accounting, connector, business management, stamping tool, and marketing, etc., contributed to diversity in board composition.

Diversity Policy	Goal	Achievement
Director selection criteria	Based on the results of the performance evaluation, it serves as a reference standard of the selection of directors.	When re-election of the 10th board of directors in 2021, the performance evaluation results of the board of directors in 2020 were used as a reference for director selection. In line with the goal.

Diversity Policy	Goal	Achievement
Professional qualification and experience required by the board of directors	Board members should possess the knowledge, skills and competencies which are required for their duty. In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following capabilities: a. Operational Judgment Abilities b. Accounting and Financial Analysis Abilities c. Business Management Abilities d. Crisis Handling Abilities e. Industry Knowledge f. International Market Outlook g. Leadership Abilities h. Decision-making Abilities	Refer to appendix i: General competencies of the Board of Directors. In line with the goal.
Composition or ratio of gender, age, nationality and culture	The target for the proportion of female directors is more than one-third (inclusive).	After the re-election of the 10th board of directors in 2021, 1 of the 10 elected directors was a female director, and the proportion of female directors was 10%. It is expected that this goal will be achieved when the 12th board of directors is re-elected in 2027. Executing.
	The number of directors who are also managers of the company should not exceed one-third of the number of directors.	After the re-election of the 10th board of directors in 2021, 3 out of 10 elected directors also served as company managers, accounting for 30%. Refer to appendix (1) Directors and Supervisors Information. In line with the goal.
	Set up three (inclusive) or more independent directors, and shall not be less than one-third of the number of directors.	After the re-election of the 10th board of directors in 2021, 3 independent directors were included in the 10 elected directors, and the proportion of independent directors was 30%. It is expected that this goal will be achieved when the 11th Board of Directors election is held in 2024. Executing.
	Half of independent directors' contiguous terms should not over be 3 terms.	Plan to achieve the goal when the re-election of 11th board of directors in 2024. Executing.
	Independent directors shall not serve as directors (including independent directors) or supervisors of more than five listed OTC companies at the same time.	Refer to appendix (1) Directors and Supervisors Information. In line with the goal.
	Independent directors shall not serve more than three other public companies at the same time.	Refer to iv. Professional knowledge and independence of directors and supervisors. In line with the goal.

Diversity Policy	Goal	Achievement
	Directors shall have more than half of the seats, and shall not have spouses or relatives within the second degree of relatives.	After the re-election of the 10th board of directors in 2021, none of the 10 elected directors had a spouse or a relationship within the second degree of relatives. In line with the goal.

Note 1：Distribution table of abilities possessed by the entire board of directors

Title	Gen-der	Name	Operat-ing	Finance	Manage-ment	crisis manage-ment	Industry know-ledge	Int'l market view	Leader-ship	Bank-ing
Director	M	Yu Wan Yi	V		V	V	V	V	V	
	M	Fang Min Tsung	V		V	V	V	V	V	
	M	Chang Yi Wei	V		V	V	V	V	V	
	M	Chen Yuan Chen	V		V	V	V	V	V	
	M	Tung Jen Ten	V		V	V			V	
	M	Chang Yao Yong	V	V				V		V
	F	Lin Yueh Hsia	V	V	V					V
Indepenent Director	M	Pu Tsun Ching	V	V	V					V
	M	Chiang Chih Fung	V	V					V	V
	M	Lu Lien Wan	V		V		V		V	

(2) Independence of Board of Directors: After the re-election of the 10th board of directors in 2021, 3 of the 10 elected directors were independent directors, and the proportion of independent directors was 30%. After checking the personnel system of the Company and affiliated companies, and checking the actual holding status of the Company's stock with the Company's stock affairs agency, that there are no circumstances happened according to "Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies", the various regulations of Article 3 Paragraph 1 and "Securities and Exchange Act.", the various regulations of Article 26-3 Paragraph 3 and Paragraph 4, conformed to the independence.

(II) Information on the Management Team

April 20, 2024

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic quali-fications	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remark (note1)
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation-ship	
General Manager	ROC	Chang Yi Wei	M	2012.08.16	6,884	0.01	0	0	2,026,000	3.41	■ Feng Chia University /Dept. of Information Engineering and Computer Science ■ Alltop Tech. Co., Ltd./ Deputy GM	■ Alltop Tech. Co., Ltd./ GM ■Topwise Tech. Ldt. / Director ■Alltop Holding Ltd./ Director ■Mettle Enterprise Co.,Ltd./ Director ■ ALLTOP Electronics (Suzhou) Ltd. / Director & GM ■ Yanhua Investment Ltd. / Chairman	None	None	None	None
Deputy General Manager	ROC	Tung Jen Yen	M	2012.09.03	7,934	0.01	0	0	874,499	1.47	■LeeMing Institute of Tech. / Dept. Of Mechanical Engineering ■ Alltop Tech. Co., Ltd./ Deputy GM	■ Alltop Tech. Co., Ltd./ Deputy GM ■ Liquan Tech. (Taicang) Co., Ltd. / Supervisor ■ Tachinyen Co.,Ltd./ Director	None	None	None	None
RD Manager	ROC	Kang Ya Juan	F	2014.08.07	51,336	0.09	0	0	0	0	■Blessed Imelda's School/ Dept. of Business Management ■ Alltop Tech. Co., Ltd./ Quality assurance supervisor	None	None	None	None	None

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work exper-ience and academic quali-fications	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remark (note1)
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation-ship	
Financial manager	ROC	Jian Zi Yuan	M	2004.09.13	1,000	0	0	0	0	0	■ TamKang University/ Master of Dept. of Management Scinece ■Canon Tech. Co.,LTd./ Accounting Specialist	■Shenghui Co., Ltd./ Supervisor	None	None	None	None
Accounting Manager	ROC	Chen Ching Yi	F	2004.12.16	50,000	0.08	0	0	0	0	■Chungyu Institue of Technology/ Accounting and Statistics Section ■Huang-Yu Tech. Co./ Accounting Director	None	None	None	None	None
IR Manager & Spokesman	ROC	Chen Chung Yi	M	2018.08.09	22,286	0.04	750	0	0	0	■TungHai University/ Dept. of Accounting ■KPMG Taiwan/ Director of Audit Department	None	None	None	None	None
Auditor	ROC	Li Yu Hsing	M	2018.08.09	6,767	0.01	0	0	0	0	■Chung Hua University/ Dept. of Business Administration ■Ernst & Young Global Ltd. Taiwan/Head of Audit Department	None	None	None	None	None

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work exper-ience and academic quali-fications	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remark (note1)
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation-ship	
1rt Sales Dept. Director	ROC	Huang Zi Fan	M	2016.05.01	3,401	0.01	0	0	60,016	0.10	■Hwa Hsia University of Technology/ Dept. of Electronics ■ Alltop Tech. Co., Ltd./ Sales Manager	■Shengfeng Investment Co., Ltd./ Chairman	None	None	None	None
2nd Sales Dept. Director	ROC	Fan Huan Cai	M	2013.08.26	7,285	0.01	8,318	0.01	33,795	0.06	■ TamKang University/ Dept. of Management Scinece ■ Alltop Tech. Co., Ltd./ Sales Manager	■Chengyi Investment Co., Ltd./ Chairman	None	None	None	None

Note 1：There is no situation in the Company where the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship.

(III) Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President, and Vice Presidents

1. Remuneration to Directors and Independent Directors

Unit: NT$ thousand

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Base compensation (A)		Severance pays and pension (B)		Directors' compensation (C) (Note 1)		Business execution expenses (D)				Salary, rewards, and special disbursements (E)		Salary, rewards, and special disbursements (E)		Salary, rewards, and special disbursements (E)						
																The Company		All consolidated entities (Note 7)				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
Director	HoYuan Investment Co., Ltd. -Rep. Yu Wan Yi PanJit Int'l Inc. -Rep. Fang Min Zong YanHua Investment Ltd. -Rep. Chang Yi Wei JuiTsan Investment Co., Ltd. -Rep. Chen Yuan Chen TaChinYen Co., LTd. -Rep. Tung Jen Yen PanJit Int'l Inc. -Rep. Chang Yao Yong Lin Yueh Hsia	0	0	0	0	11,054	11,054	488	488	11,542 1.67	11,542 1.67	12,178	12,658	216	216	22,760	0	22,760	0	46,696 6.77	47,176 6.84	None
INED	Pu Tsun Ching Chiang Chih Fung Lu Lien Wan	0	0	0	0	4,738	4,738	225	225	4,963 0.72	4,963 0.72	0	0	0	0	0	0	0	0	4,963 0.72	4,963 0.72	None
In addition to what is disclosed in the table above, the remuneration received by the company's directors for providing services in the most recent year: In 2023, the directors served as technical consultants for the company and received $601 thousand of technical compensation.																						

Note 1: The proposed distribution amount for this year is temporarily calculated based on the proportion of last year's actual distribution amount.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 8)	All consolidated entities (Note 9) H	The Company (Note 8)	All consolidated entities (Note 9) I
Less than NT$1,000,000	-	-	-	-
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)	HoYuan Investment Co., Ltd. -Rep. Yu Wan Yi、PanJit Int'l Inc.-Rep. Fang Min Zong、YanHua Investment Ltd. -Rep. Chang Yi Wei、JuiTsan Investment Co., Ltd. -Rep. Chen Yuan Chen、TaChinYen Co., LTd. -Rep. Tung Jen Yen、PanJit Int'l Inc. -Rep. Chang Yao Yong、Lin Yueh Hsia、Pu Tsun Ching、Chiang Chih Fung、Lu Lien Wan	HoYuan Investment Co., Ltd. -Rep. Yu Wan Yi、PanJit Int'l Inc.-Rep. Fang Min Zong、YanHua Investment Ltd. -Rep. Chang Yi Wei、JuiTsan Investment Co., Ltd. -Rep. Chen Yuan Chen、TaChinYen Co., LTd. -Rep. Tung Jen Yen、PanJit Int'l Inc. -Rep. Chang Yao Yong、Lin Yueh Hsia、Pu Tsun Ching、Chiang Chih Fung、Lu Lien Wan	PanJit Int'l Inc.-Rep. Fang Min Zong、JuiTsan Investment Co., Ltd. -Rep. Chen Yuan Chen、PanJit Int'l Inc. -Rep. Chang Yao Yong、Lin Yueh Hsia、Pu Tsun Ching、Chiang Chih Fung、Lu Lien Wan	PanJit Int'l Inc.-Rep. Fang Min Zong、JuiTsan Investment Co., Ltd. -Rep. Chen Yuan Chen、PanJit Int'l Inc. -Rep. Chang Yao Yong、Lin Yueh Hsia、Pu Tsun Ching、Chiang Chih Fung、Lu Lien Wan
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)	-	-	HoYuan Investment Co., Ltd. -Rep. Yu Wan Yi	HoYuan Investment Co., Ltd. -Rep. Yu Wan Yi
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)	-	-	-	-
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)	-	-	-	-
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)	-	-	TaChinYen Co., LTd. -Rep. Tung Jen Yen	TaChinYen Co., LTd. -Rep. Tung Jen Yen
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)	-	-	YanHua Investment Ltd. -Rep. Chang Yi Wei	YanHua Investment Ltd. -Rep. Chang Yi Wei
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)	-	-	-	-
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)	-	-	-	-
NT$100,000,000 or above	-	-	-	-
Total	10	10	10	10

2. Remuneration to Supervisors : The company has carried out comprehensive re-election at the shareholders' meeting on July 5, 2021, and established an audit committee, so it is not applicable.

3. Remuneration to General Manager and Deputy General Manager

Unit: NT$ thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary(A)</th><th colspan="2">Retirement pay and pension (B)</th><th colspan="2">Rewards and special disbursements (C)</th><th colspan="4">Employee profit-sharing compensation (D) (note 1)</th><th colspan="2">Sum of A+B+C+D and ratio to net income (%)</th><th rowspan="3">Remuneration received from investee enterprises other than subsidiaries or from the parent company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All consolidated entities</th><th rowspan="2">The Company</th><th rowspan="2">All consolidated entities</th><th rowspan="2">The Company</th><th rowspan="2">All consolidated entities</th><th colspan="2">The Company</th><th colspan="2">All consolidated entities</th><th rowspan="2">The Company</th><th rowspan="2">All consolidated entities</th></tr>
<tr><th>Amount in cash</th><th>Amount in stock</th><th>Amount in cash</th><th>Amount in stock</th></tr>
<tr><td>General Manager</td><td>Chang Yi Wei</td><td rowspan="2">6,142</td><td rowspan="2">6,622</td><td rowspan="2">216</td><td rowspan="2">216</td><td rowspan="2">6,036</td><td rowspan="2">6,036</td><td rowspan="2">22,760</td><td rowspan="2">0</td><td rowspan="2">22,760</td><td rowspan="2">0</td><td rowspan="2">35,154
5.10</td><td rowspan="2">35,634
5.17</td><td rowspan="2">None</td></tr>
<tr><td>Deputy General Manager</td><td>Tung Jen Yen</td></tr>
</table>

Note 1: The proposed distribution amount for this year is temporarily calculated based on the proportion of last year's actual distribution amount.

Remuneration Range Table

<table>
<tr><th rowspan="2">Ranges of remuneration paid to each of the Company's General Manager and Deputy General Manager</th><th colspan="2">Name of General Manager and Deputy General Manager</th></tr>
<tr><th>The Company</th><th>All consolidated entities</th></tr>
<tr><td>Less than NT$1,000,000</td><td>-</td><td>-</td></tr>
<tr><td>NT$1,000,000 (incl.)～NT$2,000,000 (excl.)</td><td>-</td><td>-</td></tr>
<tr><td>NT$2,000,000 (incl.)～NT$3,500,000 (excl.)</td><td>-</td><td>-</td></tr>
<tr><td>NT$3,500,000 (incl.)～NT$5,000,000 (excl.)</td><td>-</td><td>-</td></tr>
<tr><td>NT$5,000,000 (incl.)～NT$10,000,000 (excl.)</td><td>-</td><td>-</td></tr>
<tr><td>NT$10,000,000 (incl.)～NT$15,000,000 (excl.)</td><td>Tung Ren Yen</td><td>Tung Ren Yen</td></tr>
<tr><td>NT$15,000,000 (incl.)～NT$30,000,000 (excl.)</td><td>Chang Yi Wei</td><td>Chang Yi Wei</td></tr>
<tr><td>NT$30,000,000 (incl.)～NT$50,000,000 (excl.)</td><td>-</td><td>-</td></tr>
<tr><td>NT$50,000,000 (incl.)～NT$100,000,000 (excl.)</td><td>-</td><td>-</td></tr>
<tr><td>NT$100,000,000 or above</td><td>-</td><td>-</td></tr>
<tr><td>Total</td><td>2</td><td>2</td></tr>
</table>

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

May 3, 2024
Unit: NT$ thousand

	Job title	Name	Amount in stock	Amount in cash (note 1)	Total	As a % of net profit
Managerial officers	General Manager	Chang Yi Wei	0	31,102	31,102	4.51
	Deputy General Manager	Tung Jen Yen				
	IR Manager & Spokesman	Chen Chung Yi				
	RD Manager	Kang Ya Juan				
	Accounting Manager	Chen Ching Yi				
	Financial Manager	Jian Zi Yuan				
	Auditor	Li Yu Hsing				
	1rt Sales Dept. Director	Huang Zi Fan				
	2nd Sales Dept.	Fan Huan Cai				

Note 1: The proposed distribution amount for this year is temporarily calculated based on the proportion of the actual distribution amount last year.

(IV) Comparing and explaining the analysis of the ratio of the total amount of remuneration paid to the Company's directors, supervisors, general managers and deputy general managers in the last two years by the Company and all companies in the consolidated statement to the after-tax net profit of the individual financial report, and explaining the relations between remuneration policy, standard and combination, the procedure for determining remuneration to business performance and future risks.

1. Analysis of the proportion of the total remuneration paid to the company's directors, supervisors, general managers and deputy general managers in the last two years by the company and all companies in the consolidated statement to the net profit after tax in individual financial reports.

Item / Title	The Company				Companies in the consolidated statements			
	2022		2023		2022		2023	
	Total	As a % of net profit	Total	As a % of net profit	Total	As a % of net profit	Total	As a % of net profit
Directors	43,881	7.92	51,659	7.49	44,161	7.97	52,139	7.56
GM and deputy	29,683	5.36	35,154	5.10	29,963	5.41	35,634	5.17
net Profit after tax	554,086	-	689,697	-	554,086	-	689,697	-

The Audit Committee was established by the Company after the comprehensive re-election of shareholders meeting on July 5, 2021. Therefore, starting from 2022, no remuneration was paid to supervisors. The total remuneration for directors in 2022 has decreased compared to the combined total remuneration for directors and supervisors in 2021, due to a decrease in net profit after tax in 2022. The total remuneration for the general manager and deputy general manager in 2022 also decreased compared to 2021, which was also due to a decrease in net profit after tax in 2022.

2. Policies, standards, and combination of remuneration:

(1) The remuneration for directors of the Company is determined in accordance with Article 19 of the Company's articles of association. The remuneration for directors executing their

duties is authorized by the Board of Directors based on their level of involvement and the value of contribution to the Company's operations, taking into consideration industry standards. When the Company generates profits, remuneration is distributed in accordance with Article 25 of the Company's articles of association. The Board of Directors allocates a remuneration not exceeding 2% for director's remuneration.

(2) The manager's remuneration of the Company is determined based on the "Annual Bonus and Employee Remuneration Disbursement Guidelines," and is in accordance with the Company's annual business performance, financial status, operating status, and individual job performance. Additionally, if the Company generates profits in the current year, 4% to 10% shall be allocated for employee remuneration in accordance with Article 25 of the Company's articles of association. The evaluation criteria for manager performance consist of the following: 1. Financial Indicators: Distribution is based on the manager's contribution to the Company's profits, taking into consideration their performance and achievement of goals; 2. Non-Financial Indicators: Including the practice of the Company's core values, operational management capabilities, participation in sustainable operations, etc. The remuneration for their operational performance is calculated accordingly. Reviews are conducted periodically based on the actual operational conditions and relevant laws and requirements.

(3) The composition of remuneration provided by the Company is determined in accordance with the organizational regulations of the Compensation Committee, which includes cash remuneration, stock options, stock bonus issues, retirement benefits or severance payments, various allowances, and other substantial incentive measures. The scope of these components aligns with the guidelines on disclosure requirements for director and manager remuneration in public annual reports of listed companies.

3. Procedures for establishing remuneration:

(1) To regularly evaluate the salary and remuneration of directors and managers, the assessment results are based on the evaluation results of the Company's "the Performance Evaluation Method of the Board of Directors" and the "Performance Management and Development Methods" applicable to managers and employees. The performance measurement and evaluation scope for the general manager includes key performance objectives related to job responsibilities such as operational safety management, financial supervision, revenue management, and strengthening internal controls, etc.

(2) In 2022, the performance evaluation results of the Board of Directors, directors, and various functional committees were all above the standard requirements, and the performance evaluation results of the managers of the Company in 2022 were also better than the target standards. Therefore, the Company's annual operational performance assessment results exceeded the established standards.

(3) The rationality of the relevant performance evaluations of the directors and managers of the Company is regularly evaluated and reviewed annually by the Compensation Committee and the Board of Directors. In addition to individual performance and contributions to the Company, the remuneration policy is reviewed timely in accordance with the Company's overall operational performance, actual business conditions, and relevant legal requirements. Furthermore, comprehensively considering the current trends in corporate governance, a reasonable compensation is provided to strike a balance between sustainable business operations and risk management. The actual amount of remuneration disbursed to directors and managers in 2022 is deliberated by the Compensation Committee and submitted to the Board of Directors.

4. The correlation between business performance and future risks:

(1) The review of the Company's remuneration policy related payment standards and systems is primarily based on the overall business performance of the Company, considering the performance and contributions in determining payment standards to enhance the effectiveness of the Board of Directors and the entire organizational team. Additionally, industry compensation standards are considered to ensure that the Company's management-level remuneration remains competitive in the industry, aiming to retain exceptional management talents.

(2) The Company's business performance and risk management are interrelated and combined to ensure that the potential business risks are managed and mitigated. The remuneration policy is periodically reviewed and linked to the overall operational performance and actual business conditions. Important decisions made by the Company's management are carefully evaluated, taking various risk factors into account. The performance of relevant decisions is reflected in the Company's profitability, which in turn relates to the management's remuneration and risk control measures.

3. Implementation of Corporate Governance

(I) Operation of the Board of Directors

The number of board meetings held in the most recent fiscal year (2023) was: 9(A)

The attendance by the directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remark
Chairman	HoYuan Investment Co., Ltd. -Rep. Yu Wan Yi	8	1	89	-
Director	PanJit Int'l Inc. -Rep. Fang Min Zong	7	2	78	-
Director	YanHua Investment Ltd. -Rep. Chang Yi Wei	9	0	100	-
Director	JuiTsan Investment Co., Ltd. -Rep. Chen Yuan Chen	9	0	100	-
Director	TaChinYen Co., LTd. -Rep. Tung Jen Yen	9	0	100	-
Director	PanJit Int'l Inc. -Rep. Chang Yao Yong	9	0	100	
Director	Lin Yueh Hsia	9	0	100	
Independent director	Pu Tsun Ching	9	0	100	-
Independent director	Chiang Chih Fung	9	0	100	-
Independent director	Lu Lien Wan	9	0	100	

Other information required to be disclosed:

Ⅰ、 If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I)Any matter under Article 14-3 of the Securities and Exchange Act.：The company has set up an audit committee, and Article 14-5 of the Securities and Exchange Act will be applicable from July 5, 2021. Please refer to (11)the important resolutions of the shareholders' meeting and the board meetings for details.

(II)In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution：Please refer to (11)the important resolutions of the shareholders' meeting and the board meetings for details.

Ⅱ、 The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted.

Name of Directors	content of the motion	cause for recusal	Participation in voting	Remark
Yu Wan Yi、Chang Yi Wei、Tung Ren Yen	mangers' performance appraisal review of 2022 and assigned by year-end bonuses.	an interested party.	Discussion and voting were not held due to avoidance of interest.	The 11th of the Tenth
Yu Wan Yi、Chang Yi Wei、Tung Ren Yen	Review resolution of the Compensation Committee about Directors and Supervisors' remuneration & Employees' remuneration	an interested party.	Discussion and voting were not held due to avoidance of interest.	The 15th of the Tenth
Chang Yi Wei、Tung Ren Yen	mangers' performance appraisal review of 2022 and assigned by year-end bonuses.	an interested party.	Discussion and voting were not held due to avoidance of interest.	The 17th of the Tenth

III、 Listed TWSE/TPEx Listed Companies should disclose the information about the evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self (or peer) evaluation.

Implementation of Evaluations of Board of Directors Evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Complete performance evaluation of the previous year before the end of the first quarter of each year.	2021/01/01~2021/12/31	Overall board of directors, individual directors and supervisors, audit Committee, and Remuneration Committee.	Self-evaluation of the board of directors, self-evaluation of directors and supervisors, self-evaluation of the audit committee and remuneration committee	Detail explanation in " Corporate Governance Status, Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons ", article 3 (3)

IV、 The goals for strengthening the board's functions in the current and the previous year (e.g., establishment of an Audit Committee, enhancing information transparency, etc.) and assessment of the implementation:

1. The goals for strengthening the board's functions
   (1) The term of the Company's previous directors was from June 21, 2018 to July 5, 2021, and current directors were elected on July, 2021. None of the directors of the Company has a spouse or relative within the second degree of relatives.
   (2) The directors of the Company were fully re-elected at the shareholders' meeting on July 5, 2021, and an audit committee was established to replace the supervisors.
   (3) The board of directors continues to formulate and revise relevant regulations to comply with the latest version of the corporate governance operation spirit. And announced on the Company's website.
   (4) In addition, on May 15, 2007, the resolution of the shareholder’s regular meeting approved to indicate the purchase of directors' and supervisors' liability insurance to the Company's articles of incorporation. On May 18, 2007, we insured directors and supervisors' liability insurance of US $3 million with Universal Property Insurance Co., Ltd. On May 18, 2008, directors and liability insurance was changed to Federal Insurance Company Taipei branch with US $10 million dollars and the contract was renewed on May 18, 2014 by Fubon Insurance Renewal which merged Federal Insurance Company. From 2015 to 2023, the insurance has continued to be renewed by Fubon insurance.
   (5) Training for Directors: The Company arranges directors to take at least 6 hours of relevant courses every year, so that directors can easily obtain relevant information, so as to maintain their core values and professional advantages and capabilities.
   (6) In terms of the independent director system, the Company has set up three independent directors. The three independent directors attended the board of directors in good condition. With the professional abilities of their own industry knowledge, accounting and financial analysis capabilities, providing good suggestions to the board of directors on relevant proposals related to the implementation of the internal control system, business and finance.
2. Enhancing information transparency, etc.
   The financial statements of the Company and subsidiaries are all entrusted to Deloitte Accounting Firm for regular inspection and certification. All information disclosures required by laws and regulations can be completed accurately and in a timely manner, and special personnel are designated to be responsible for the collection and disclosure of Company information. Establishing a spokesperson system to ensure timely and proper disclosure of all significant information; the website set up by the Company can link to Market Observation Post System for shareholders and stakeholders to refer to information related to the Company's financial business.

3. Assessment of performance: The Company adheres to the principle of operational transparency and immediately publishes important resolutions on MOPS and the company's website after the BOD meeting to secure shareholders' interests.

(II) Operation of the Audit Committee or Supervisors

1. Operation of Supervisors

The company has carried out comprehensive re-election at the shareholders' meeting on July 5, 2021, and established an audit committee, so it is not applicable.

2. Operation of the Audit Committee

The number of audit committee meetings held in the most recent fiscal year(2023) was:8 (A). The attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remark
Independent director	Pu Tsun Ching	8	0	100	
Independent director	Chiang Chih Fung	8	0	100	
Independent director	Lu Lien Wan	8	0	100	

Other information required to be disclosed:

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

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

(II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: as follows.

<table>
<tr><th colspan="6">Important Resolutions of ALLTOP Audit Committees Meetings</th></tr>
<tr><th>Date</th><th>Session</th><th>Securities & Exchange Act §14-5</th><th>Case</th><th>Resolutions</th><th>Resolution of BOD</th></tr>
<tr><td rowspan="3">Jan. 13, 2023</td><td rowspan="3">The 8th of the First</td><td></td><td>1. Operating Plan and draft budget of 2023.</td><td>Approved without objection</td><td>Approved</td></tr>
<tr><td>V</td><td>2. Management's reports on Internal Control of 2022.</td><td>Approved without objection</td><td>Approved</td></tr>
<tr><td colspan="4">1. Matters of Securities & Exchange Act §14-5
Opinions of the Audit Committee：agreed.
Handling of Opinions of the Audit Committee：NA.
2. In addition to the matters mentioned above, other resolution matters that have not been approved by the audit committee but have been approved by more than two-</td></tr>
</table>

		thirds of all directors: NA			
March 3, 2023	The 9th of the First	V	1. Non-Consolidated and Consolidated Financial Statements for the year ended December 31, 2022.	Approved without objection	Approved
		V	2. Rotation and replacement of CPA within Deloitte.	Approved without objection	Approved
		V	3. Year 2023 fees of certifying certified public accountant of Deloitte.	Approved without objection	Approved
			4. Business Report of 2022.	Approved without objection	Approved
			5. Proposal for distribution of 2022 earnings.	Approved without objection	Approved
			6. Cash dividends distributed from capital reserve to shareholders.	Approved without objection	Approved
		V	7. Revising for "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises ".	Approved without objection	Approved
		V	8. ALLTOP rents a factory in Vietnam and obtains real estate use rights assets.	Approved without objection	Approved
		V	9. ALLTOP invests in Vietnam and establishes a subsidiary.	Approved without objection	Approved
		1. Matters of Securities & Exchange Act §14-5 Opinions of the Audit Committee：agreed. Handling of Opinions of the Audit Committee：NA. 2. In addition to the matters mentioned above, other resolution matters that have not been approved by the audit committee but have been approved by more than two-thirds of all directors: NA			
May 5, 2023	The 10th of the First	V	1. Consolidated Financial Statements for the Quarter Ended March 31, 2023.	Approved without objection	Approved
		V	2. Formulate “Pre-approval Policy for CPA Providing Uncertain Services”.	Approved without objection	Approved
		1. Matters of Securities & Exchange Act §14-5 Opinions of the Audit Committee：agreed. Handling of Opinions of the Audit Committee：NA. 2. In addition to the matters mentioned above, other resolution matters that have not been approved by the audit committee but have been approved by more than two-thirds of all directors: NA			
Aug. 4, 2023	The 11th of the First	V	1. Consolidated Financial Statements for the Quarter Ended June 30, 2023.	Approved without objection	Approved
		V	2. LIQUAN TECHNOLOGY (TAICANG) CO., LTD. obtains	Approved without	Approved

			the ratification of the right-of-use asset supplementary contract from ALLTOP Electronics (Suzhou) Ltd.	objection	
		1. Matters of Securities & Exchange Act §14-5 Opinions of the Audit Committee：agreed. Handling of Opinions of the Audit Committee：NA. 2. In addition to the matters mentioned above, other resolution matters that have not been approved by the audit committee but have been approved by more than two-thirds of all directors: NA			
Nov. 3, 2023	The 12th of the First	V	1. Consolidated Financial Statements for the Quarter Ended Sep. 30, 2023.	Approved without objection	Approved
		V	2. 2023 performance appraisal of CPA.	Approved without objection	Approved
		V	3. Rotation and replacement of CPA within Deloitte.	Approved without objection	Approved
		V	4. Audit plan of 2024.	Approved without objection	Approved
		V	5. Revising for "Organizational management work methods" and formulate the organization chart of the (Vietnam) subsidiary.	Approved without objection	Approved
		V	6. Issue the 6th unsecured convertible corporate bond.	Approved without objection	Approved
		1. Matters of Securities & Exchange Act §14-5 Opinions of the Audit Committee：agreed. Handling of Opinions of the Audit Committee：NA. 2. In addition to the matters mentioned above, other resolution matters that have not been approved by the audit committee but have been approved by more than two-thirds of all directors: NA			

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

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

1. The audit supervisor and accountant may directly contact the independent directors if needed. Good communication situation.
2. In addition to receiving audit reports on a monthly basis for independent directors, the audit supervisor and accountants will hold an audit committee meeting at least once a year, and individually report to independent directors on matters such as auditing business and financial statement audit results. Audit supervisors and accountants attend the audit committee, provide the related information on implementation status, achievement and suggestion, and conduct good communication.
3. The communication situation is as follows:

Date	Communication status with internal audit

	Communication Item	Result
2023.01.13	1. 2022 internal self-assessment results and matters to be improved and issued a statement of internal control. 2. Audit work report.	No objection
2023.03.03	1. Prepare a progress report on the implementation of the financial reporting improvement plan. 2.Audit work report.	No objection
2023.05.05	Audit work report.	No objection
2023.06.21	Audit work report.	No objection
2023.08.04	Audit work report.	No objection
2023.11.03	1. 2023 Annual communication report of internal control deficiency and tracking improvement, and problem description & Report on improvement and solution measures for OTC internal control suggested matters. 2. Audit work report.	No objection
2024.01.30	1. 2023 internal self-assessment results and matters to be improved and issued a statement of internal control. 2. Audit work report.	No objection
2024.03.05	Audit work report.	No objection
2024.05.03	Audit work report.	No objection

Date	Communication with CPA	
	Communication Item	Result
2023.03.03	CPA communicated and explained the review of financial reports and key audit items in 2022.	No objection
2023.05.05	CPA communicated and explained the review of financial reports and key audit items in the first quarter of 2023.	No objection
2023.08.04	CPA communicated and explained the review of financial reports and key audit items in the second quarter of 2023.	No objection
2023.11.03	1. CPA communicated and explained the review of financial reports and key audit items in the third quarter of 2023. 2. Communicated and discussed the auditing and planning of the 2024 annual report review.	No objection
2024.03.05	CPA communicated and explained the review of financial reports and key audit items in 2023.	No objection
2024.05.03	CPA communicated and explained the review of financial reports and key audit items in the first quarter of 2024.	No objection

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

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1.Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		In order to establish a good corporate governance system, promote the sound development of the securities market and establish an effective corporate structure, the Company's board of directors approved the "Corporate Governance Best Practice Principles" on August 15, 2012, and disclosed it on the company website. With the changes in the corporate governance environment and laws and regulations, several revisions have been published over the years to ensure the principles can be achieved of protecting shareholders' rights and interests, strengthening the functions of the board of directors, exercising the role of supervisors, respecting the rights and interests of stakeholders, and enhancing information transparency.	Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”
2. Shareholding Structure and Shareholders’ Rights (1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(1)The Company has spokesman, acting spokesman, and investor relationship management department mechanism, and has an investor email mailbox to handle shareholders' suggestions or disputes and other issues.	Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2)The Company has set up investor relationship management department and dedicated stock affairs staff to manage relevant information, and appointed brokerage stock affairs agents to assist in handling stock-related affairs, and knew the status of the major shareholders who actually control the Company and the list of ultimate controllers of the major shareholders, and also maintained a good relationship with major shareholders and claimed in accordance with laws and regulations.	Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(3) All have implemented the same auditing system and method as the Company, including the legal department and the financial department are keeping abreast of the latest laws and regulations and the group control system.	Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(4)The Company has formulated " Ethical Corporate Management Best Practice Principles ", " Procedures for Ethical Management and Guidelines for Conduct ", " Sustainable Development Best Practice Principles ", " Guidelines for the Adoption of Codes of Ethical Conduct ", " Procedures for Handling Material Information " and other measurements to regulate relevant behaviors, and regularly reviewed and amended according to laws and regulations. It is not only publicized within the Company, but also	Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>posted on the company website, provided for the understanding and awareness of employees and investors. Preventing the management of insider trading, etc., to protect investors and protect the rights and interests of the Company.</td><td>Listed Companies</td></tr>
<tr><td>3. Composition and responsibilities of the board of directors
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</td><td>V</td><td></td><td>(1) Please refer to V. Diversification and Independence of the Board of Directors.</td><td>Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</td><td>V</td><td></td><td>(2) In addition to the establishment of the Remuneration Committee and the Audit Committee, the operation of corporate governance is under the responsibility of various departments in accordance with their duties. In the future, we will consider the Company's development status and laws and regulations to discuss and set up accordingly.</td><td>Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>(3) Has the Company established rules and methodology forevaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</td><td>V</td><td></td><td>(3)According to the performance evaluation method of the board of directors, the Company shall complete the performance evaluation of the directors in accordance with the regulations before the latest meeting of the board of directors in the following year and collect the relevant information of the board of directors’ activities by the executive department, complete the report and submit to the president for summary, and then submit it to the board of directors for review and improve.
The evaluation period for the performance evaluation of the board of directors and functional committee on 2023 was from January 1, 2023 to December 31, 2023. Reported to the board of directors in Jan.30, 2024 and reviewed for improvements
<table>
<tr><th>Scope</th><th>Evaluation Aspect</th><th>Result</th></tr>
<tr><td>overall board of directors</td><td>*Level of involvement in the company operations
*Enhancing the Board of Directors’ decision-making quality
*Composition and structure of the Board of Directors
*Election of directors and continuing education training
*Internal control</td><td>Excellent</td></tr>
<tr><td>individual board members</td><td>*Mastery of the company goals and tasks
*Recognition of board of directors’ duty
*Level of involvement in the company operations
*Internal relationship management and communication</td><td>Excellent</td></tr>
</table></td><td>Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td>*Professional of directors and continuing education training
*Internal control</td><td></td></tr>
<tr><td>Remuneration Committee</td><td>*Level of involvement in the company operations
*Recognition of the Remuneration Committee’s duty
*Enhancing the Remuneration Committee’s decision-making quality
*Composition of the Remuneration Committee and member election</td><td>Excellent</td></tr>
<tr><td>Audit Committee</td><td>*Level of involvement in the company operations
*Recognition of the Remuneration Committee’s duty
*Enhancing the Remuneration Committee’s decision-making quality
*Composition of the Remuneration Committee and member election
*Internal control</td><td>Excellent</td></tr>
</table></td><td></td></tr>
<tr><td>(4) Does the Company regularly evaluate its external auditors’ independence?</td><td>V</td><td></td><td>(4) The Company evaluates the independence and competence of certified accountants at least once a year. The accountants provide relevant materials and statements, after the data is collected by the deliberative department, it will be submitted to the board of directors for evaluation. The latest annual evaluation result was done on November 3, 2023.
Please refer to (Note 1) for the evaluation criteria for the independence and competence of accountants.</td><td>Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board</td><td>V</td><td></td><td>The company has established a corporate governance manager on May 5, 2023, which is responsible for corporate governance-related matters. The main responsibilities include handling matters related to meetings of the board of directors and shareholders' meetings in accordance with the law, making meeting minutes of the board of directors and shareholders' meetings, assisting directors and supervisors’ personnel appointment and continuing education, providing directors and supervisors with information which is needed to perform business, assisting directors and supervisors to comply with laws and regulations and other matters stipulated in accordance with the company's articles of association or contracts, etc.</td><td>Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
</table>

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?				
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company currently has spokesperson, acting spokesperson and Email box as the communication channel with stakeholders. We also set up a stakeholder relationship area and contact information on the company website to properly respond to important sustainable development issues that stakeholders are concerned about.	Conform to "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company designates Yuanta Securities Co., Ltd. to deal with the affairs of the shareholders' meeting.	Conform to "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(1)The Company regularly or irregularly declares various business and other relevant information on Market Observation Post System in accordance with regulations, and also updates the relevant information on company website synchronously.	Conform to "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons,	V		(2) In addition to setting an investor relationship management unit and appointing a special person to be responsible for the collection and disclosure of company information, the Company also selects company spokesperson, acting spokesperson who have a comprehensive understanding of the Company's finances and business or can coordinate various departments to provide relevant information, speaking on behalf of the company to ensure information that may affect the decision-making of shareholders and stakeholders can be disclosed in a timely and appropriate manner. The materials of investor conference and related public information are all disclosed on company website.。	Conform to "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th><u>Yes</u></th><th><u>No</u></th><th>Summary description</th></tr>
<tr><td>webcasting investors conference etc.)?</td><td></td><td></td><td>http://www.alltopconnector.com/zh-tw/Page/investor_conference#</td><td></td></tr>
<tr><td>(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</td><td>V</td><td></td><td>(3)The Company declares various business and other relevant information in accordance with the laws and regulations on Market Observation Post System, and also updates on company website synchronously.</td><td>Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?</td><td>V</td><td></td><td>(1) Employee rights and interests:
The Company has always adhered to the stable and sustainable business philosophy, and attaches great importance to employee welfare. In 2004, the employee welfare committee was established to handle employee welfare funds monthly, arrange activies, such as various regular international and domestic travel activities, community activites, birthday parties, movies appreciation, regular health check-ups, group life insurance, cancer insurance and accident insurance, etc. In addition to an exclusive safe and secret nursing room for mothers, the Company also has an independent staff lounge to provide free delicious coffee and tea with full artistic atmosphere design style, which is and excellent space for employees to relax and cultivate temperament. The Company also provides various welfare subsidies for weddings and funerals, scholarship and emergency relief. In addition, the Company formulated employee retirement regulation in accordance with the provisions of Labor Standards Act, and formed a labor retirement reserve supervisory committee to allocate a certain percentage of the total monthly salary for labor retirement reserves and stored in a specific bank account of Bank of Taiwan for future retirement payment for employees. Since July 1, 2005, the Company has set up a retirement method with a definite contribution based on the Enforcement Rules of the Labor Pension Act. For employees who choose to apply the Labor Pension Regulations, the Company contributes labor pensions no less than 6% at a monthly rate of their salary to the employee’s personal account of the Labor Insurance Bureau. The payment of the employee's pension is based on the employee’s personal pension account and the amount of accumulated income in the form of monthly pension or one-time pension. All the company's regulations on labor relations are implemented in accordance with relevant laws and regulations, the implementation is in good condition, and any addition or revision related to labor relations are decided after fully communication and agreement between labor and management. The Company irregularly send employees to participate in safety and health lectures, conduct pre-employment education and training, and periodically arrange health checks for all employees, in order to provide employees with a comfortable and safe working environment.
(2) Employee care:</td><td>Conform to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
</table>

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			Employee Welfare Measures: The Company is committed to creating a harmonious labor relationship and improving employee welfare. In addition to complying with Labor Standards Act and related regulations, the employee welfare committee was also established to handle employee welfare funds monthly. The Company formulated the management measures of the welfare system, and the Welfare Committee formulates annual plans to arrange various activities every year, such as various regular international and domestic travel activities, community activities, birthday parties, movie appreciation, regular health check-ups, group life insurance, cancer insurance and accident insurance, etc. The Company also provided various welfare subsidies for weddings and funerals, scholarship and emergency relief. In addition, in order to enhance the company's competitiveness, the Company formulated a comprehensive training plan for employees' career planning and professional skills, and implemented employee dividends and shareholding and a fair assessment and promotion system. If the Company handles a cash capital increase, a certain percentage of the capital increase will be allocated for all employees to purchase, and the employees can subscribe to stocks according to their willingness. The Company has also set up an employee stock ownership unit. Employees who joined the membership allocate a certain percentage of their salary to their trust accounts to purchase the Company's stocks. Moreover, the Company allocates a certain percentage of the allocated amount to their trust accounts to purchase the Company's stocks to help members to accumulate wealth and ensure the stability of their life after retirement or resignation as purpose. The Company has established a fair remuneration policy and has integrated the employee performance evaluation system with the disbursement of annual bonuses and employee remuneration. This integration enables a clearer and more effective reward and disciplinary system, and to motivate employees to grow together with the company. The Company strives to achieve equal pay for equal work, providing equal promotion opportunities for both men and women, maintains a representation of over 25% of women in managerial positions, promotes sustainable and inclusive economic growth. In 2023, the average proportion of female employees was 46%, and the average proportion of female supervisors was 37%. Employee education and training status: In order to assist new employees to enter the working state as soon as possible, pre-employment training courses are arranged according to different job categories, and colleagues in the department will assist new employees to understand the Company's industrial positioning and future development direction. In addition, regarding employees' on-the-job training courses, each department arranges appropriate internal training courses according to actual needs to enhance its own manufacturing process and research and development capabilities; the Company also arranges employees to participate in training courses organized by various consulting companies, training institutions, or government and industrial and commercial organizations according to the needs of professional courses for various functions, to enhance the professionalism of employees. In order to encourage employees to self-enrich their	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			English skills, strengthen the future needs of job, and enhance competitiveness of employees in the era of globalization, cultivate their communication and business execution capabilities, and encourage colleagues to obtain relevant language certifications. In 2023, the Company organized various (internal and external) employee training courses, with a total of 37 lessons, 293 participants, and a total training cost of $31,249. <u>Retirement system and its implementation status:</u> In order to stabilize the retirement life of employees, the Company formulated employee retirement management measures in accordance with the Labor Standards Act, clearly stipulated the retirement conditions, payment standards, and application procedures and other matters, and established an employee retirement reserve supervision committee according to law, and allocated pensions every month with depositing in a specific account in Bank of Taiwan in the name of the employees' retirement reserve fund supervision committee, the accumulated balance as of December 31, 2023 is NT$ 8,584 thousand, which has reached the full amount of defined benefit obligations; since July 1, 2005, according to the Enforcement Rules of the Labor Pension Act, the Company allocated no less than 6% at a monthly rate of their salary to the employee's personal pension account. The amount of provision for 2023 is NT$ 3,635,000. <u>The agreement status between labor and management:</u> The Company complies with labor laws and relevant regulations, and both labor and management follow the employment contract, working rules and various management regulations; labor-management meetings have been held since December 2006 to strengthen communication and coordination between labor and management, therefore, the relationship between labor and management is harmonious, with no loss disputes occurred. <u>The status of measures to protect employees' rights and interests:</u> The Company has established various management measures, clearly stipulated employees' rights and obligations and welfare items, and regularly reviews the content of welfare to protect employees' rights and interests. <u>Provide a safe and healthy working environment for employees, and implement safety and health education regularly.</u> With prevention and prevention as its core concepts, the company continues to improve its occupational safety and health culture, and pays more attention to employee protection management and active publicity, with the goal of achieving a zero-risk environment for employees. Since the establishment of our company, we have paid great attention to the working environment and personal safety protection measures of our employees, and there have been no major occupational safety and health issues. The Company regularly implements fire safety inspections, including alarm systems, fire water systems, escape systems, fire extinguishers, etc., and public safety inspections, and there is a security company for 24-hour security maintenance. Appling for labor insurance, national health insurance, allocating labor pensions and employees group life insurance, accidental injury insurance, hospitalization medical insurance and cancer insurance, employee travel insurance and accidental injury insurance when they travel on	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			business in accordance with law. Implementing regular health checks and epidemic prevention publicity for current employees, and regularly cleaning and disinfecting offices, in addition the Company also regularly entrusts manufactures to maintain and test the quality of drinking water to ensure the hygiene of drinking water for employees. The Company cooperates with the government's law office to comprehensively ban smoking management to provide a safe and healthy working environment to employees. The Company attaches great importance to the working environment and employees' personal safety protection measures, formulated safety regulations for employees' operations to make their operations conform to the procedures, regularly conducts safety and health training courses, safety and health eduction and training, notification of and punishment of industrial safety hazards, etc., to achieve the goal of zero risk for employees, and effectively prevent industrial safety accidents caused by machines, equipment and plant facilities. The Company conducts employee health checks every three years, provides anti-epidemic propaganda and maintains a strict no-smoking policy, to ensure a safe and healthy working environment for employees. The information on industrial safety and environmental inspections is as follows. Industrial Safety Environment Inspection Operations Items / Inspection Time Basic Management / Once a Month Equipment Management / Once a Month Safety Management / Once a Month Fire Protection Facilities / Once a Month In addition, in 2023, the Company provided occupational health and safety training (both internally and externally) to the employees. The total training hours amounted to 47 hours, with a total of 23 participants completing the training. In the future, we will continue to focus on occupational health and safety issues and promote related education and training to enhance awareness and reduce the likelihood of associated risks. The statistics of fire accidents in recent years are as follows. Item / 2022 / 2023 Number of fire cases / 0 / 0 Number of casualties / 0 / 0 Ratio to total number of employees / - / - Improvement measures in response to fire / - / - <u>Training Program for Career Ability Development:</u> The Company has implemented a comprehensive professional training program for supervisors and colleagues at all levels, which includes training for new employees, professional advancement, and managerial training. It aims to assist employees in continuous learning and growth through diverse learning methods, fostering the development of key competencies. In 2023, a total of 297 participants completed career training, accumulating a total of 881	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			training hours. The Company spares no effort in nurturing employees and has established relevant continuing education and language learning plans. (3) Investor relationship: Set up an investor relations management unit to deal with shareholder suggestions, and listed in detail on the public website to establish a platform for communicating with investors. (4) Supplier relationship: The Company has always maintained a good communication channel with suppliers. In addition to formulating reasonable environmental protection specifications and quality requirements in the contract, and also adheres to the principles of integrity and mutual benefit in dealing with the suppliers. (5) Rights of stakeholders: Stakeholders may communicate and make suggestions with the Company in order to safeguard their legitimate rights and interests. (6) Training status of Directors in 2023:	

Name \ Course		Global Economic Outlook for the Second Half of 2023	AI technology development and application opportunities	Others	Total hours
Director	Yu Wan Yi	3	3	-	6
	Fang Min Zong	-	-	6	6
	Chang Yi Wei	3	3	-	6
	Chen Yuan Chen	3	3	6	12
	Tung Jen Yen	3	3	-	6
	Chang Yao Yong	-	-	9	9
	Lin Yueh Hsia	3	3	-	6
INED	Pu Tsun Ching	3	3	-	6
	Chiang Chih Fung	3	3	6	12
	Lu Lien Wan	3	3	-	6

(7) Implementation status of risk management policies and risk measurement standards:
The Company attaches great importance to the risk management, and formulated internal regulations for various risks in accordance with the law, and conducts risk management.
(8) Implementation status of customer policy:
The Company takes maintaining high-quality customer service as the highest goal, and fully understands and implements customer policies. All of the environmental protection, transaction security, relationship management, social responsibility and supplier ethics management, are implemented in accordance with the principles

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th><u>Yes</u></th><th><u>No</u></th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>required by customer policies. The Company insists on continuously improving the overall service quality, and values customer commitments.
(9) The status of purchasing liability insurance and social responsibility for Directors and supervisors, and social responsibility: The Company has purchased liability insurance for directors and supervisors since May, 2007.
(10) Others:
i. In order to implement corporate governance, to protect the rights and interests of shareholders and enhance the information transparency, the Company has set up spokespersons and acting spokespersons to disclose all major information about the company in a timely manner, and has set up special personnel responsible for handling communication matters with shareholders.
ii.Managers actively participate in the training of the company corporate governance.
<table>
<tr><th>Title</th><th>Name</th><th>Course</th><th>Hours</th></tr>
<tr><td rowspan="2">GM</td><td rowspan="2">Chang Yi Wei</td><td>Global Economic Outlook for the Second Half of 2023</td><td>3</td></tr>
<tr><td>AI technology development and application opportunities</td><td>3</td></tr>
<tr><td rowspan="2">Deputy GM</td><td rowspan="2">Tung Jen Yen</td><td>Global Economic Outlook for the Second Half of 2023</td><td>3</td></tr>
<tr><td>AI technology development and application opportunities</td><td>3</td></tr>
<tr><td>Accounting Manager</td><td>Chen Ching Yi</td><td>Accounting Supervisor Continuing Education (12hr) Practical Workshop</td><td>12</td></tr>
<tr><td rowspan="2">Auditor</td><td rowspan="2">Li Yu Hsing</td><td>Case analysis of trade secret law and non-competition</td><td>6</td></tr>
<tr><td>"Corporate governance" qualities that internal auditors should possess and financial reporting risk assessment practices</td><td>6</td></tr>
<tr><td rowspan="2">IR Manager & Spokesman</td><td rowspan="2">Chen Chung Yi</td><td>Practical analysis of the latest “Sustainable Development Action Plan” and the impact of net-zero carbon emissions on financial reporting</td><td>6</td></tr>
<tr><td>The latest policy development and internal control management practices related to "ESG Sustainability" and "Self-preparation of Financial Reports"</td><td>6</td></tr>
</table>

iii. Establishing code of conduct or ethics for employees: On December 22, 2008, the board of directors established a code of ethical conduct for all employees. The purpose is to guide the Company's directors, supervisors, managers, and all employees to comply with the ethical standards, to make the Company's stakeholders a better understanding of the Company's ethical</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>standards, and to maintain the Company's reputation and sustainable and successful operation. This Code was formulated in accordance with the" Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEx Listed Companies" and relevant regulations for compliance. In addition, the "Guidelines for the Adoption of Codes of Ethical Conduct" has been disclosed on the company website/corporate governance. http://www.alltopconnector.com/big5/corporate_governance.aspx
iv. The Company's products have passed the certification of ISO 9001, 14001 and IATF16949. In addition to product quality assurance, we also aim to improve customer satisfaction. The products are produced in accordance with relevant operating procedures and methods to provide customers with safe, reliable and high-quality products.
v. In order to improve the financial and business exchanges between the Company and its related companies, prevent irregular transactions and improper transfer of benefits in the purchase and sale transactions, acquisition of disposal assets, endorsement guarantees, and capital loans, etc. between related companies, the Company formulated the "Related Operating Standards for Financial Business among Affiliated Enterprises" .
vi. The status of personnel related to financial information transparency obtained relevant certifications as specified by the competent authority: The status of the Company’s personnel related to financial information transparency obtained relevant certificates as specified by the competent authority are as follows:
(i) Certificate of International Internal Auditor CIA: auditor agent, Chen Chung Yi.
(ii) International Internal Control Self-evaluator CCSA: auditor agent, Chen Chung Yi.</td><td></td></tr>
<tr><td colspan="5">9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)
1. Evaluation result: The evaluation result of the Company participated in the 10th corporate governance assessment was 6%~20% of the TPEx listed companies.
2. The improved situations:
(i) Items improved in 2022: Standardizes directors not to trade stocks during the lock-up period before the announcement of financial reports. Strengthen the link between companies' disclosure of directors' and managers' performance evaluations and remuneration, and Other related disclosures that contribute to the title of information transparency.
(ii) Items improved in 2023: Upload the English version of the proceedings manual and meeting supplementary information 30 days before the regular shareholders’ meeting. Develop an intellectual property management plan that is linked to operational goals, disclose the implementation status on the company website or annual report, and report to the board of directors at least once a year.
3. Items and measures that need to be strengthened priory:
(i) Focus on enhancing the transparency of information disclosure in the annual report and on the company website.
(ii) Promote policies and information disclosure related to sustainable development. The 2024 sustainability report is expected to be released before the end of August 2025
(iii) Ensure that governance standards keep up with the changing times and make necessary revisions promptly.
(iv) Continue to educate, train, and raise awareness of corporate governance-related knowledge among employees.
(v) Embed the importance of internal corporate governance practices throughout all levels of operations to protect shareholders' rights and achieve sustainable business objectives.</td></tr>
</table>

Note 1: Evaluation Criteria for the independence and competence of accountants

Independent Evaluation Items	Result	Compliance or not
As of the latest visa operation, there has been no instances of not changing in seven years.	Y	Y
If it is the first visa after rotation, whether the interval is not less than two years.	NA	Y
Those who are not employed by the Company, engage in regular work, receive a fixed salary or serve as directors or supervisors. ◦	Y	Y
Has not served as a company's director, supervisor, manager or employee who has a significant impact on visa cases within two years.	Y	Y
Has no relationship with the person in charge or manager of the Company as a spouse, a direct blood relative, a direct blood relative in law, or a collateral blood relative within the second degree.	Y	Y
Himself (Herself) or spouse, minor children have no relationship with the Company's investment or share financial interests.	Y	Y
Himself (Herself) or spouse, minor children have no fund lending with the Company.	Y	Y
Not performing management consulting or other non-visa business to affect independence sufficiently.	Y	Y
Has not violated the regulations of the competent authority for business affairs regarding the rotation of accountants, handling accounting affairs on behalf of others, or other regulations that affect independence sufficiently.	Y	Y
Whether the accountant has issued a declaration of independence, and the result of the declaration has not violated independence. ◦	Y	Y

Competency Evaluation Items	Result	Compliance or not
Participation of the board of directors: Attendance rate	100%	Y
Participation of Shareholders' meeting: Attendance rate	100%	Y
Financial report and tax audit quality: Every period of the financial and tax reports was handled by relevant laws and regulations and met the Company's quality expectations.	Y	Y
Timeliness of financial and tax audit: Financial and tax reports for each period were completed on time to the Company's needs.	Y	Y
Suggestions on internal control: In the process of financial and tax audit, gain the necessary understanding of the internal control system, and offer internal control proposal to the Company for the found deficiencies or weaknesses of internal control.	Y	Y
Consulting services: Consultation on financial and tax reports, laws and regulations, gazettes, taxation, internal control and other related issues, all of which have received satisfactory feedback.	Y	Y

(IV) Operation of the Remuneration Committee and Nomination Committee

1. Information on Remuneration Committee Members

May 3, 2024

Capacity	Qualifications / Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director Convener of Remuneration Committee	Pu Tsun Ching	Please refer to (I) Directors and Supervisors Information.	There is no such thing as Article 6, paragraph 1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. It is consistent with independence.	None
Independent Director	Lu Lien Wan	Please refer to (I) Directors and Supervisors Information.		None
Others_ external experts	Zheng Junchao	■ University of Maryland – Robert H. Smith School of Business/ MBA ■KPMG/Project Manager ■JiaWei& CPAs/ Director of Dept. Operational Effectiveness		None

2. Operation of the Remuneration Committee

(1) The Company's remuneration committee has a total of 3 members.

(2) The term of the current members is from July 5, 2021 to July 4, 2024. The number of remuneration committee meetings held in the most recent fiscal year(2023) was: 5 (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remark
Independent Director	Pu Tsun Ching	5	0	100	-
Independent Director	Lu Lien Wan	5	0	100	-
external experts	Zheng Junchao	5	0	100	-

Other information required to be disclosed: ：

I. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons)：as follows.

II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion.：As follows.

<table>
<tr><th colspan="5">Important Resolutions of Remuneration Committee</th></tr>
<tr><th>Date</th><th>Session</th><th>Case</th><th>Resolutions</th><th>Resolution of BOD</th></tr>
<tr><td rowspan="4">Jan.13, 2023</td><td rowspan="4">The 5th of the Fifth</td><td>1. Mmangers' performance appraisal review of 2022 and assigned by year-end bonuses.</td><td>Approved without objection</td><td>Approved</td></tr>
<tr><td>2. Board and Compensation Committee Performances Evaluation of 2022.</td><td>Approved without objection</td><td>Approved</td></tr>
<tr><td>3. 2023 Calendar of Compensation Committee.</td><td>Approved without objection</td><td>Approved</td></tr>
<tr><td colspan="3">1. If the board of directors does not adopt or amend the recommendations of the salary and remuneration committee, the company will process the opinions of the salary and remuneration committee：No such situation.
2. For matters decided by the Salary and Remuneration Committee, if members have objections or reservations and have records or written statements, all members’ opinions and the results of handling the members’ opinions：No such situation.</td></tr>
<tr><td rowspan="2">March 3, 2023</td><td rowspan="2">The 6th of the Fifth</td><td>1. Employees' Directors remuneration of 2022.</td><td>Approved without objection</td><td>Approved</td></tr>
<tr><td colspan="3">1. If the board of directors does not adopt or amend the recommendations of the salary and remuneration committee, the company will process the opinions of the salary and remuneration committee：No such situation.
2. For matters decided by the Salary and Remuneration Committee, if members have objections or reservations and have records or written statements, all members’ opinions and the results of handling the members’ opinions：No such situation.</td></tr>
<tr><td rowspan="2">Aug. 4, 2023</td><td rowspan="2">The 7th of the Fifth</td><td>1. Issue of the Compensation Committee about Directors and Supervisors' remuneration & Employees' remuneration of 2022.</td><td>Approved without objection</td><td>Approved</td></tr>
<tr><td colspan="3">1. If the board of directors does not adopt or amend the recommendations of the salary and remuneration committee, the company will process the opinions of the salary and remuneration committee：No such situation.
2. For matters decided by the Salary and Remuneration Committee, if members have objections or reservations and have records or written statements, all members’ opinions and the results of handling the members’ opinions：No such situation.</td></tr>
<tr><td rowspan="2">Jan.30, 2024</td><td rowspan="2">The 8th of the Fifth</td><td>1. Mmangers' performance appraisal review of 2023 and assigned by year-end bonuses.</td><td>Approved without objection</td><td>Approved</td></tr>
<tr><td>2. Board and Compensation Committee Performances Evaluation of 2023.</td><td>Approved without objection</td><td>Approved</td></tr>
</table>

		3. 2024 Calendar of Compensation Committee.	Approved without objection	Approved
		1. If the board of directors does not adopt or amend the recommendations of the salary and remuneration committee, the company will process the opinions of the salary and remuneration committee：No such situation. 2. For matters decided by the Salary and Remuneration Committee, if members have objections or reservations and have records or written statements, all members' opinions and the results of handling the members' opinions：No such situation.		
March 5, 2024	The 9th of the Fifth	1. Employees' Directors remuneration of 2023.	Approved without objection	Approved
		1. If the board of directors does not adopt or amend the recommendations of the salary and remuneration committee, the company will process the opinions of the salary and remuneration committee：No such situation. 2. For matters decided by the Salary and Remuneration Committee, if members have objections or reservations and have records or written statements, all members' opinions and the results of handling the members' opinions：No such situation.		

3. Remuneration Committee Operation Status:

The Company set up a remuneration committee according to the resolution of the board of directors on December 28, 2011, and which was re-election appointed by the board of directors on July 5, 2021. The Compensation Committee comprises of two independent directors and an external expert. They are responsible for carrying out the following functions, exercising the care of a prudent administrator, and submitting proposals to the board of directors for deliberation:

(1) Conduct periodic reviews of policies, systems, standards, and structures of directors and managers' performance evaluation and compensation.

(2) Conduct periodic evaluations of directors' and managers' remuneration.

The Committee shall carry out the duties outlined in the previous paragraph based on the following principles:

(1) When evaluating the performance and remuneration of directors and managers, industry standards should be referenced, while considering the reasonableness of the relationship with individual performance, company operations, and future risks.

(2) No incentives shall be provided to directors and managers for engaging in activities that exceed the Company's acceptable risk level.

(3) The ratio of dividends for short-term performance of directors and senior managers, as well as the timing of partial variable remuneration payments, should be determined with consideration for industry characteristics and the nature of the company's operations.

Salary remuneration referred to in the preceding two paragraphs includes cash remuneration, stock options, dividends, retirement welfare or resignation benefits, various allowances and other measures with substantial incentives.

If the subsidiary's remuneration issues of directors and managers are to be approved by the parent company's board of directors according to the hierarchical responsibility of the subsidiary company, they should be reviewed by the remuneration committee of the parent company before being submitted to the board of directors of the parent company for discussion and decision.

(III) Information on Members and the Operation of the Nomination Committee：NA.

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

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		Following the vision and mission of the Company's ESG policy, the Company's human resources department is the sustainable development decision-making center, chaired by the department head, who examines the Company's core operating capabilities with a several senior executives in different fields, formulates mid-to-long term sustainable development plans. As a departmental communication platform that integrates up and down and connects horizontally, the Human Resources Department is responsible for the company operations and the issues concerned by stakeholders, and formulates corresponding strategies, work policies and plans, also implements the annual plan while tracking the implementation results to ensure that the sustainable development strategy is implemented in the daily operation of the company. The Human Resources Department follows the "Code of Practice for Sustainable Development" formulated by the board of directors, in addition to regularly publicizing the code of practice for sustainable development, and also establishes internal awareness of respecting social ethics and paying attention to the rights and interests of stakeholders. While pursuing sustainable operations and profits, the Company also attaches importance to the environment, society, and corporate governance. The human resources department submits implementation achievement of sustainable development and future work report to the board of directors every year. The board of directors of the Company not only regularly listens to the reports from the management team every year, but also fulfills the duty of care, and reviews its implementation results, and review the effectiveness of its implementation and the progress of continuous improvement to ensure the practice and promote the balance and sustainable development of the economy, society, and environmental ecology.	Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		This disclosure covers the Company’s sustainable development performance in major locations from January 2023 to December 2023, and the risk assessment boundary is mainly based on the Group. To practice sustainable development and promote the balance of economy, society, and environmental ecology and develop a sustainable environment, the Group actively implements corporate governance and attaches great importance to the rights and interests of stakeholders while engaging in business operations and making profits. Adhering to the concept of the emphasizing the development of the environment, society and corporate governance development, as well as trend issues, the Group incorporates them into the Company's management policies and operational activities factors to consider factors to achieve sustainable management goals. According to the preceding business philosophy, when considering operational planning and cost-effectiveness, the Group conducts risk assessments on environmental, society, and corporate governance issues related to the company's operations for the materiality principle of whether it has a significant impact on the Company's investors and stakeholders, and formulates relevant risk management policies or strategies to balance the social responsibility of the company operation, society and environmental ecological development.	Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	

Material issue	Risk evaluation	Risk management policy or strategy
Environment	Environmental protection	●Continue to promote ISO14001 environmental management system certification, from passively complying with environmental laws and regulations to actively reduce environmental impact. ●Promote waste/scrap classification and recycling. ●Promote electronic operations, including electronic document management and online systems, reducing paper consumption. ●In terms of greenhouse gas emissions: Continue to implement energy-saving measures to reduce electricity usage. Such as air conditioning energy saving and regular maintenance. and gradually replacing lighting equipment with LED lamps with higher energy-saving efficiency, etc.
Society / Economy	Product Safety / Information Risk	●Fulfill the social responsibility of protecting the earth's environment, reduce the use of harmful substances in product development related processes and technologies, and require suppliers to provide environmentally friendly raw materials. ●Continue to promote IECQ QC080000 (process management system for electric motors, electronic parts and products with non-hazardous substances) and have obtained certification to ensure that the Company's products comply with environmental safety. ●Promote ISO27001 information security system certification coaching to improve information security management.
Corporation Governance	Regulation Compliance	●Ensure that all employees abide by relevant laws and regulations. The company has established relevant organizations and procedures, and conducts education and publicity on integrity management/prevention of insider trading and human rights protection from time to time every year to implement corporate governance objectives.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
3. Environmental Issues (1)Has the Company set an environmental management system designed to industry characteristics?	V		(1) In order to fulfill the social responsibility of protecting the earth's environment, the Company develops relevant processes and technologies to reduce the use of harmful substances in electronic and electrical equipment, and requires suppliers to provide raw materials that meet environmental protection requirements. Before July 1, 2006, all products of the Company had fully complied with the European Union's RoHS directive on the prohibition of hazardous substances in electronic and electrical equipment, so that the recycling and disposal of waste electronic and electrical equipment complied with environmental protection requirements. In addition, the Company has further passed the certification of Samsung, ASUS, and Sony's green partners. The Company also passed the certification of ISO14001 environmental management system. It has changed from a passive attitude of complying with environmental laws and regulations in the past to proactive environmental awareness concepts such as reducing environmental impact, saving energy and reducing carbon, and improving environmental performance, to ensure that its environmental performance can comply with environmental protection laws and regulations and commits to continuous improvement and pollution prevention.	Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(2) The Company actively promotes various energy reduction measures, selects high-energy and energy-saving design equipment, and reduces the energy consumption of enterprises and products, to optimize energy efficiency. In addition, in terms of products, the Company strives to reduce the use of harmful substances in product development related processes and technologies, and require suppliers to provide raw materials that meet environmental protection; for the use of renewable resources, the Company promotes e-operations, and at present, electronic document management and online systems have been used to reduce paper consumption, and the paper documents that have expired the storage limits will be destroyed and reused by professional resource recycling companies registered by the government. The Company also promotes the use of recycled paper and second-hand stationery. We also actively reuse waste and recycling from factories, and pay attention to the impact on the environment, and require environmental protection-related policy for factories and suppliers in mainland China.	Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(3)Please refer to Appendix 1: Implementation status of climate-related information.	Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(4) Total weight statistics and policies of greenhouse gas (GHG) emissions, water consumption and waste. i. In order to continue to achieve the international reduction trend, the Company continues to track various energy-saving reductions, ensures sustainable environmental development and achieve a win-win goal for economic development and environmental protection. The greenhouse emissions in the past two years (Scope 1 and 2 information covers the factory area of the Company and subsidiaries) Unit: Tons of CO2e Year | Scope 1 (Note 1) | Scope 2 (Note 2) | Emission per unit of area (kg/m2) 2022 | 165.37 | 4,711.50 | 96.01 2023 | 111.77 | 4,212.83 | 85.14 Note 1: Direct emission are emissions directly from sources owned or controlled by the Company. Note 2: Indirect emissions are greenhouse gas emissions indirectly caused by the input of electricity, heat, or steam Scope 1 and Scope 2 greenhouse gas emissions totaled 4,324.6 tons of CO2e in 2023, mainly from electricity emissions in Scope 2, 97.42% of total emission and followed by Scope 1 mainly from fuel emissions used in public systems, accounting for 2.58%. Please refer to Appendix 1: Implementation status of climate-related information & 1-2: Greenhouse gas reduction goals, strategies and specific action plans. ii. The Company has been paying attention to the issue of water resources energy conservation and environmental protection for many years. In terms of water conservation plans, we start from saving water in daily life and maximize the benefits of available water resources. Data on water source consumption in the past two years (covering the factory area of the Company and subsidiaries) Unit: Ton Year | Water consumption | Water consumption per unit of area (kg/m2) 2022 | 49,096 | 966.53 2023 | 52,553 | 1,034.58 The Company has been committed to cherishing water resources for many years and has invested in a number of improvement measures, and continues to publicize water conservation policies to employees. For the future water usage target, the Company takes 2020 as the base year, and it is estimated that the tap water intensity index in 2025 will be reduced by 2%. At present, the company uses 2020 as the base year, and the reduction effect of water intensity indicators has	Conform to "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>reached 1.09%.

iii. The Company is committed to environmental protection in order to achieve sustainable resources reuse. The Company's waste treatment principle is to prioritize recycling in the factory to reduce the use of raw materials, and secondly through resource recycling and reuse etc.
Data on waste output in the past two years
(covering the factory area of the Company and subsidiaries)
Unit: Ton
<table><tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>per unit of area (kg/m2)</th></tr><tr><td>2022</td><td>1</td><td>200.82</td><td>3.97</td></tr><tr><td>2023</td><td>1</td><td>178.43</td><td>3.53</td></tr></table>"Zero waste" is the ultimate goal of the Company's waste management. The Company uses source management measures such as technology improvement and reduction of raw material waste to reduce waste output. The waste output in 2023was 179.43 tons, a decrease of 11.09% compared with the output in 2022. For the future goal of the waste reduction, the Company takes 2020 as the base year to target the waste reduction by 27% in 2025, and continues to implement waste reduction and gradually reduce the negative impact on the environment. At present, ALLTOP takes 2020 as the base year, and the waste reduction effect has reached 52.28%.</td><td></td></tr>
<tr><td>4. Social Issues
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</td><td>V</td><td></td><td>(1) The Company is committed to safeguarding the basic human rights of employees, abides by labor-related laws and regulations, and supports various international human rights conventions such as the United Nations "Universal Declaration of Human Rights", regulated ALLTOP's “Human Rights Policy Approach” and announced it on company website to ensure employees legal rights and interests. The Company's employment policy is non-discriminatory treatment (regardless of factors such as gender, age, race, religion, party affiliation, etc., as long as the qualifications and abilities meet the job requirements, all job opportunities are provided equally), creating a harmonious working environment between labor and management.
The Company submits the work rules according to the law to the Labor Bureau for approval and discloses them on the company's website, so the employees can check their personal rights at any time. The Company abides by relevant labor laws and international human rights conventions, the appointment and dismissal of relevant employees and remuneration are in accordance with relevant regulations to protect the basic rights and interests of employees. For the labors rights and interests of mainland China's</td><td>Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>factories, the employees enjoy benefits better than those of the same industry. The Company also attaches great importance to and implement the labor contract law followed by law to secure the economic and security rights of all employees.
In order to prevent sexual harassment in the workplace and maintain gender equality and personal dignity, the Company has formulated "Sexual Harassment Prevention Measures and Punishment Measures".
The Company reviews its own operations, value chain, new business activities (such as mergers and acquisitions) and other related activities by paying attention to major social issues regularly every year, so as to identify and evaluate groups at risk and potential human rights risks, formulates assessment measures for human rights issues based on potential risks, and continuously monitor and improve implementation results.
The summary of the Company's human rights management policies and specific plans and measures are as follows:
<table><tr><th>Human rights management policies</th><th>Specific plans</th></tr><tr><td>Providing a safe and healthy work environment</td><td>Keeping the space bright/ventilated and provide a safety entrance place.</td></tr><tr><td>Assisting employees in maintaining physical and mental health and work-life balance</td><td>Providing leisure places and facilities for employees.</td></tr><tr><td>Prohibition of forced labor</td><td>Implementing the vacation system, encouraging colleagues to focus on work and life, and abiding by labor laws.</td></tr><tr><td>Health</td><td>Providing regularly health check-ups for employees.</td></tr></table>In addition, the Company implemented human rights protection related training (internal and external training) for employees in 2023, with a total duration of 95 hours, and 110 people completed the training. We will continue to focus on human rights protection related issues and promote related education training to raise human rights protection awareness and reduce the possibility of associated risks.</td><td></td></tr>
<tr><td>(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</td><td>V</td><td></td><td>(2)Please refer to Evaluation item 8 of “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons”.</td><td>Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”</td></tr>
<tr><td>(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety</td><td>V</td><td></td><td>(3)Please refer to Evaluation item 8 of “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons”.</td><td>Conform to “Sustainable Development Best Practice</td></tr>
</table>

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
and health education for employees?				Principles for TWSE/TPEx Listed Companies”
(4) Has the Company established effective career development training programs for employees?	V		(4)Please refer to Evaluation item 8 of “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons”.	Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		(5) With the goal of establishing the world's first priority connector supplier, the Company complies with relevant international laws and regulations and various standards. The Company maintains good communication channel with customers, and places quality as the priority requirement for all product component R&D, procurement, manufacture, operation, and service processes, to protect the rights and interests of consumers as our own responsibility, and has set up a quality assurance department to provide customer complaint handling procedures. The Company attaches great importance to the rights and interests of clienteles and end consumers, and has strictly written contracts for product quality standards and immediate supply of products, to protect the rights and interests of consumers.	Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		(6) The Company aims to establish a supply chain that protects the environment and attaches importance to social responsibility, safety and health, and human rights development, regards suppliers as long-term partners, leads them for long-term development and enhancing competitiveness, ensures that products and supply chains do not use any mineral metals from conflict areas, and enhances manufacturers' green competitiveness and sustainable development. In terms of implementing supplier management, the Company formulated the "supplier management operating procedures" and before developing new suppliers/partners conducts evaluation and investigations of suppliers by the "new suppliers and third-party development requirements", the evaluation and investigations involved labor rights, safety, health, and compliance with environmental regulations, etc. In addition to conducting new supplier evaluations and investigations, supplier audits and evaluations are regularly implemented every year, and the evaluation indicators include (HSF) environmental protection evaluation/(QPA) process quality/(QSA) quality system and (RBA) evaluation, etc., for those who met the standards in the evaluation would be qualified as a green supplier; moreover, for automotive products suppliers, they should not only be qualified as a green suppliers, but also have to pass the ISO9001 system certification, and then gradually guide the relevant suppliers to introduce the IATF16949 system. For suppliers who undertake projects, the Company also follows the "related parties, contractor environment, and occupational safety and health impact control procedures", in	Conform to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			addition to requiring the implementation of safety management such as safety and sanitation, incoming hazard reports, and system guidelines, on-site environmental management is also requested. By the "Supplier Management Operation Procedures" and "Major Raw Material Suppliers, Third Party Factory (Responsible Business Alliance, RBA) Evaluation Report", the Company also signed the "RBA Relevant Party Social Responsibility Commitment Letter" with suppliers to require the suppliers to abide by labor laws and related social responsibility, including the prohibition of child labor, forced labor, health and safety, freedom of association, collective bargaining rights, discrimination and non-use of conflict minerals, etc. If the supplier is involved in violating the corporate ethics responsibility policy and has a significant impact on the environment and society, the Company may terminate or rescind the contract at any time.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		The Company has not yet reached the standard for compiling a sustainability report. The Company has disclosed the systems and measures for sustainable development and implementation status in the annual report and company website. http://www.alltopconnector.com/zh-tw/Page/corporate_govermance	The company has not yet prepared a sustainability report and will prepare it in the future depending on the company's development needs or regulations.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company's board of directors passed the "Corporate Social Responsibility Code of Practice" on November 13, 2013, and which was renamed as "Sustainable Development Code of Practice" by the board of directors on January 21, 2022. The Company regularly reviews the operation of the code, and timely amends and revises, and there have been no significant differences ever since.				

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	

7. Other important information to facilitate better understanding of the company's promotion of sustainable development:

i. Environmental aspects: The Company has certified by ISO14001 environmental management system. It has changed from a passive attitude of complying with environmental laws and regulations in the past to a proactive concept of environmental awareness such as reducing environmental impact, saving energy and reducing carbon, and improving environmental performance etc., to ensure that its environmental performance can comply with environmental protection laws and regulations and commitment to continuous improvement and pollution prevention.

ii. Community Involvement: The Company actively participates in the company's factory area and local regulations, in addition to sponsoring the establishment of the local Earth God and God of Wealth temple, it also actively maintains the community environment and public safety and participates in blood donation activities by the International Committee of the Red Cross. In addition, the Company has been supporting art and cultural activities every year since 2012. We have accumulated more than $300,000 (the number of visitors and beneficiaries is 150 person-times/year) to respond to and help the development of art and cultural activities.

iii. Social service: The Company adheres to the spirit of "taken from the community, giving back to society", in order to implement the concept of giving back to the society, the Company has sponsored $10,000 per month for disadvantaged groups since 2020 (60 children recipients per year), and we will be more active in social charity activities and sponsorship activities for socially disadvantaged groups.

iv. Social welfare: In order to further support the public welfare associations and consortiums, through the collective participation and concern of employees, the Company gets closer to assisting public welfare organizations to survive and develop space and to increase the progress of public welfare culture. Responding to the sponsorship of the domestic film "10,000 Miles ", a theater was reserved for employees to enjoy. During the holidays, the Company chooses giving gift boxes from welfare organizations, such as Chensenmei Social Welfare Foundation, Syin-Lu Social Welfare Foundation, etc., or purchases Taiwanese small-scale agricultural products to help them grow.

v. Consumer rights: The Company attaches great importance to the rights and interests of clients and end consumers, and has strict written contracts for product quality standards and immediate supply of products to protect the rights and interests of consumers.

vi. Human rights aspect: The Company creates a good working environment and ensures that there is no discrimination and harassment to employees.

vii. Health and safety aspect: The Company attaches great importance to the safety and health of each factory area of the whole group, irregularly improve the standards for the safety of the moving lines of the factory buildings and office areas, the protection and operation of equipment, the lighting of operators, etc., to ensure safety strictly, continues to implement the promotion of hygienic environment projects, improves the hygienic environment of the staff canteen, and improves the sanitation projects of the staff dormitories and related surrounding areas.

viii. Certification information: The quality system certifications of ALLTOP Technology Group have been entrusted by TUV (Germany Rhineland) and ARES (ARES International Certification Co., Ltd.) professional certification agencies to handle. The certification systems that have been passed so far are as follows.

Company name	Certification system	Certification authority	Certification effective date	Certification expiry date
ALLTOP Technology Co., Ltd.	ISO9001:2015_ Quality Management Systems	ARES	2021/12/28	2024/12/27
	ISO14001:2015_ Environmental Management Systems	ARES	2021/12/28	2024/12/27
	ISO/IEC27001:2013_ Information Security Management Systems	ARES	2023/06/06	2025/10/31
ALLTOP Electronics (Suzhou) Co., Ltd.	ISO9001：2015_ Quality Management systems	TUV	2021/10/22	2024/10/21
	ISO14001：2015_ Environmental management systems	TUV	2022/10/12	2025/10/11
	IECQ QC080000：2017_Hazardous Substance Process Management System Requirement	TUV	2021/11/12	2024/12/06
	IATF16949:2016_ Automotive Quality Management System Standard	TUV	2021/10/22	2024/10/21
	ISO14064-1:2018_ Specification with guidance at the Organization level for Quantification and Reporting of Greenhouse Gas Emissions and Removals	TUV	2023/09/28	2024/09/27
LIQUAN Technology (Taicang) CO., Ltd.	ISO9001:2015_ Quality Management Systems	TUV	2022/11/08	2025/11/07
	IATF16949:2016_ Automotive Quality Management System Standard	TUV	2022/11/08	2025/11/07

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	

Appendix 1: Implementation Status of Climate-related Information

No.	Item	Implementation Status
1	Describe Board of Directors and management's oversight and governance of climate-related risks and opportunities.	1. Oversight of Board of Directors : The Board of Directors serves as the highest management unit for climate-related risks within the company. It is responsible for supervising the overall objective of climate-related risk management of the company. 2. Actions of the Management: The Company acts as a coordinator in terms of issues and strategies related to the sustainability-related regulations (including climate-related laws and regulations), coordinates with various responsible departments, and implements the execution of climate-related initiatives.
2	Describe how the identified climate risks and opportunities impact the Company's business, strategy, and finance (short-term, medium-term, long-term).	Identify the potential financial impacts of climate-related risks on the company's operations and business models in the short, medium, and long term. Identify significant climate risks and opportunities, and develop corresponding measures to address them.
3	Describe the impact of extreme climate events and transition actions on finance.	In connection with the type of both physical and transition climate risks which are conducted by the company's own operations and business models, through the climate risk analysis, evaluate the financial impacts, and develop management actions to enhance the organization's climate resilience.
4	Describe how the processes of identifying, assessing, and managing for the climate risks are integrated into the overall risk management system.	Establish a climate risk management system that includes processes for identification, assessment, response, and monitoring, and continuously evaluate and monitor the effectiveness of the system.
5	If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and the primary financial impacts considered in the analysis should be described.	For the resilience of climate change risks and major financial impacts, follow climate strategy management to enhance the organizational climate resilience.
6	If there is a transformation plan in place to address climate-related risks, please provide an explanation of the plan's content, and the indicators and goals used to identify and manage physical risks and transition risks.	In response to reducing the impact and risk caused by climate change and achieving carbon reduction and green environmental protection goals, and use indicator to manage the risks and opportunities related to the climate change: Energy Conservation and Carbon Reduction: Energy Conservation and Carbon Reduction: Continuously promote various measures to conserve energy and reduce carbon emissions, with the principle of "Caring for the Earth and Valuing Resources," including: (1) Regular maintenance of the air conditioner (2) With the principle of replacing office lighting with more energy-efficient LED bulbs, etc. (3) Disseminate water conservation and waste reduction. (4) Energy-saving settings for office machines and office air conditioners
7	If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	-
8	If climate-related targets are set, the covered activities, scope of greenhouse gas emissions, planning timeline, annual achievement progress, and other relevant information should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or the number of RECs to be offset should be specified .	Information on climate-related goals, basing on climate risk indicators and target planning and implementation status, continuously promote and evaluate the progress of goals.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	

9	Greenhouse gas inventory, verification status, reduction goals, strategies and specific action plans	Refer as follows 1-1 & 1-2

1-1 Greenhouse gas inventory and verification status in past 2 years

1-1-1 Greenhouse gas inventory information (states the emission volume (metric tons CO2e), intensity (metric tons CO2e/million yuan) and data coverage of greenhouse gases in the past two years)

Item	2022		2023	
	Total Emissions (mt CO2e)	Density (mt CO2e/ million Taiwan dollar)	Total Emissions (mt CO2e)	Density (mt CO2e/ million Taiwan dollar)
Scope 1				
Parent Company	-	-	-	-
Subsidiary	165.37	0.07	111.77	0.05
Scope 2				
Parent Company	116	0.05	106	0.04
Subsidiary	4,595.5	1.99	4,106.83	1.71

Note 1: According to the "Sustainable Development Roadmap for Listed and OTC Companies" issued by the Financial Supervision Commission in March 2022, the Company falls under the category of companies with paid-in capital of less than 5 billion NTD, and the individual company (i.e. the parent company) is required to undergo greenhouse gas inventory in the third stage (inventory to be completed in 2026 and verification to be completed in 2028), while the consolidated subsidiaries are required to undergo greenhouse gas inventory in the fourth stage (inventory to be completed in 2027 and verification to be completed in 2029).

1-1-2 Greenhouse gas assurance information (statement of the assurance situation for the most recent two years as of the publication date of the annual report, including assurance scope, assurance organization, assurance criteria and assurance opinions): NA.

1-2 Greenhouse gas reduction goals, strategies and specific action plans (state the greenhouse gas reduction base year and its data, reduction goals, strategies, specific action plans and achievement of the reduction goals)

The Company continues to promote various energy-saving and carbon-reducing, and "Love the Earth and Cherish Resources" measures within the enterprise, which are as follows:

(i) Implement resource recycling and classification.
(ii) Save water.
(iii) Turn off lights during lunch breaks and energy-saving measures for office air conditioning host.
(iv) Regular maintenance of air conditioners.
(v) Energy-saving settings for office machines
(vi) Office lighting, based on the principle of gradually replacing with LED higher with higher energy efficiency

In 2023, under the management of various energy-saving and carbon-reduction measures, approximately 552.27 tons of CO2e carbon emissions (scope 1 and scope 2) were reduced, which was 11.32% lower than last year.

Taking 2020 as the base year, the Company sets short-term (1-3 years), medium-term (4-5 years) and long-term (6-8 years) greenhouse gas carbon reduction targets of 5%, 6% and 7% respectively, makes every effort to protect the global environment in order to achieve sustainable operations.

The current achieved situation of the Company: Taking 2020 as the base year, greenhouse gas emissions has reduced by 19.11%.

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

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1.Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(1)The Company has established the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct” and “Guidelines for the Adoption of Codes of Ethical Conduct” for standardizing the Company’s policy of honest management, and conduct publicity and promotion on a regular basis, as guidelines for all employees, manager and board of directors to follow.	Conform to “Ethical Corporate Management Best Practice Principles
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		(2)The Company has established an effective accounting system and internal control system, and reviews them at any time to ensure the design and implementation of the system. The Company does not operate high-risk and dishonest business activities, moreover, we prohibit the occurrence of the situations mentioned in Item 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.”	Conform to “Ethical Corporate Management Best Practice Principles
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(3)The Company conducts education, training, and propaganda for directors, supervisors, managers, employees, and substantial controllers appropriately, and has sufficient channels for complaints, to ensure that they can fully understand the Company's determination, policies, and prevention plans for honest management and consequences of any dishonesty.	Conform to “Ethical Corporate Management Best Practice Principles
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(1)Before doing business, the Company will first evaluate the integrity record of the counterparty, and it is stipulated in the code of integrity management and business contract that no unreasonable gifts, entertainment or other improper benefits should be provided or accepted directly or indirectly in order to establish business trading behavior.	Conform to “Ethical Corporate Management Best Practice Principles
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate	V		(2)The human resources department of the Company handles the business in accordance with the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Guidelines for the Adoption of Codes of Ethical Conduct” approved by the Board of Directors. In addition to regularly publicizing the Code of Integrity, it	Conform to “Ethical Corporate Management Best Practice Principles

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
management policy and program to prevent unethical conduct and monitor their implementation?			encourages employees to take the initiative to report to the management when they suspect or discover violations of laws, regulations or ethical codes of conduct. The human resources department submits work report of integrity management to the board of directors every year. The board of directors of the Company fulfills the duty of care, supervises and prevents dishonest behavior, and reviews its implementation results and continuous improvement to ensure the implementation of the integrity management policy.	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(3)The Company tries our best to prevent the occurrence of conflicts of interest, and uses the board of directors as a channel for directors, supervisors, managers and all employees to actively elucidate whether they have potential conflicts of interest with the Company.	Conform to “Ethical Corporate Management Best Practice Principles
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(4)The Company's internal auditors regularly check compliance and report to the board of directors on a regular basis.	Conform to “Ethical Corporate Management Best Practice Principles
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(5) i. The human resources department of the Company formulates an annual education and training plan every year by targeting new employees and employees on duty, including professional functions and on-the-job general education, and conducts education, training, or publicity on integrity management during courses or internal meetings, to ensure that the employees fully understand the meaning and importance of honest management to implement it in daily operations. ii. The company's board of directors approved the " Procedures for Handling Material Information" on December 25, 2012, and has subsequently revised and updated it. This measure has been posted on the company's website and all employees, managers and directors have been notified in writing to avoid insider trading. iii. The company pre-schedules the annual board meeting date and schedule and the closed period before the announcement date of the annual financial report and quarterly financial report (annual report is thirty days before the announcement, and quarterly report is fifteen days before the announcement) to facilitate advance planning by the directors. Integrity management (including insider trading) education and training	Conform to “Ethical Corporate Management Best Practice Principles

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Time</th><th>Training unit</th><th>Course content</th><th>Hours</th><th>number</th></tr>
<tr><td>2023/01/12</td><td>CNFI</td><td>2022 Cross-Strait Business Secret Protection Practice Development Online Seminar</td><td>3</td><td>3</td></tr>
<tr><td>2023/03/08</td><td>ALLTOP IR</td><td>Insider Legal Advocacy</td><td>e-mail</td><td>10</td></tr>
<tr><td>2023/04/07</td><td>TMU/ Law School</td><td>New technology and business secrets, national security information security legal system</td><td>5.5</td><td>1</td></tr>
<tr><td>2023/05/12</td><td>ALLTOP IR</td><td>Insider Legal Advocacy</td><td>e-mail</td><td>9</td></tr>
<tr><td>2023/05/26</td><td>ARDF</td><td>Illegal forms, legal responsibilities and case analysis of corporate "business competition behavior"</td><td>3</td><td>1</td></tr>
<tr><td>2023/07/12</td><td>ALLTOP IR</td><td>Insider Legal Advocacy</td><td>e-mail</td><td>16</td></tr>
<tr><td>2023/10/18</td><td>IIA</td><td>Case analysis of trade secret law and non-competition</td><td>6</td><td>1</td></tr>
<tr><td>2023/11/02</td><td>ALLTOP HR</td><td>Strengthen corporate governance - Internal education and training promotion of integrity management, corporate social responsibility and human rights protection</td><td>0.5</td><td>10</td></tr>
<tr><td>2023/11/29</td><td>ALLTOP HR</td><td>Case studies on integrity management/prevention of insider trading</td><td>e-mail</td><td>83</td></tr>
</table>
</td><td></td></tr>
<tr><td>3. Implementation of Complaint Procedures
(1)Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specificallyresponsible for handling complaints received from whistle-blowers?</td><td>V</td><td></td><td>(1)The Company encourages employees to report to supervisors, managers, internal audit supervisors or other appropriate personnel when there are violations of laws and regulations. For the punishment of violating the integrity management regulations, according to the severity of the case, the Company will pursue the legal investigation, and according to the case, immediately disclose the content of the violation and handling situation on the company's internal website.</td><td>Conform to “Ethical Corporate Management Best Practice Principles</td></tr>
<tr><td>(2)Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</td><td></td><td></td><td>(2)The Company establishes and announces internal independent reporting mailboxes and special lines on the company’s website and internal website, or entrusts other external independent organizations to provide reporting mailboxes and special lines for internal and external personnel of the Company. The Company also has a dedicated agency to deal with the relevant protection measures and confidentiality behaviors of whistleblowers, and according to relevant measures as a processing procedure.</td><td>Conform to “Ethical Corporate Management Best Practice Principles</td></tr>
<tr><td>(3)Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?</td><td></td><td></td><td>(3)The Company will keep the whistleblower's identity and the contents of the report confidential in a written statement, and the Company promises that the whistleblower will not be punished improperly due to the whistleblowing.</td><td>Conform to “Ethical Corporate Management Best Practice Principles</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>4.Strengthening Information Disclosure
Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</td><td>V</td><td></td><td>The Company's website has a corporate governance section to disclose information related to honest management, which is also disclosed on MOPS, Market Observation Post System.</td><td>Conform to “Ethical Corporate Management Best Practice Principles</td></tr>
<tr><td colspan="5">5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation:
The board of directors of the Company passed the “Guidelines for the Adoption of Codes of Ethical Conduct” on December 22, 2008; the “Ethical Corporate Management Best Practice Principles” on March 21, 2011; and the “Procedures for Ethical Management and Guidelines for Conduct” on March 20, 2015. The designated unit is responsible for relevant publicity, punishment, and complaints to ensure a corporate culture of honest management and a good business operation structure. The Company regularly reviews the operation of the code, and timely amends and revises, and there have been no significant differences ever since. 。</td></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles):
i. The board of directors of the Company has established complete regulations for the operation of honest management, regularly reviews the operation situation and timely amends and revises.
ii. For major asset transactions, an appraisal report issued by a professional appraiser shall be obtained in accordance with regulations. For legal matters, relevant legal advisors shall be consulted for confirmation according to the professional nature.
iii. The accounting department reviews transaction accounts in accordance with accounting principles, and consults accountants for confirmation of major cases or doubtful cases.
iv. Effectively implementing relevant regulations on corporate governance, establishing laws and regulations, internal control and audit systems, risk management mechanisms, strengthening the function of the board of directors, playing the role of supervisor, respecting the rights and interests of stakeholders, and improving the transparency of information.
v. Matters related to major operating policies, investment and financing projects, acquisition and disposal of assets, endorsement guarantees, capital lending, derivative commodity transactions, etc., are all in accordance with the laws or the authority list approved by the board of directors. After being evaluated and signed by the relevant responsible supervisors, if necessary, the board of directors will make the resolution and handle relevant information announcement declaration matters.
vi. The audit office conducts regular and irregular audits on various departments, makes forward improvement suggestions and tracks the improvement situation.
vii. Encouraging directors, supervisors, managers and all employees to make suggestions as a reference for reviewing and improving the effectiveness of the Company's integrity management policy, to enhance the effectiveness of the Company’s integrity management.
viii. Paying great attention to honest transactions and information transparency, and communicates honest management policies with the Company's suppliers to prevent dishonest transactions.</td></tr>
</table>

(7) If the Company has formulated corporate governance and related regulations, the inquiry methods shall be disclosed.

Please refer to the Investor Area/Corporate Governance of the company website for investors’ inquiries, the website:

http://www.alltopconnector.com/zh-tw/Page/corporate_govermance

(8)Other important information sufficient to enhance the understanding of the operation of corporate governance shall be disclosed as well.

i. The Company's board of directors currently has a total of 10 directors, including 3 independent directors, 7 general directors, 3 of the general directors are held by the management team, and the board of directors also has an audit committee with 3 independent directors as members, and the remuneration committee is composed of 2 independent directors and 1 external professional.

ii. The Company has been certified by the CG6004, CG6005, and CG6007 corporate governance evaluation of Taiwan Corporate Governance Association. On April 2, 2015, the Company was awarded A+ certification by the 12th listed company Information Disclosure and Transparency Ranking System conducted by TWSE and Taipei Exchange. The Company attaches great importance to corporate governance and demonstrates a responsible attitude towards investors. The results of previous corporate governance evaluations are as follows.

Session	Year	Evaluation results grade
1^{st}	2014	~5%
2^{nd}	2015	6% ~ 20%
3^{rd}	2016	21% ~ 35%
4^{th}	2017	21% ~ 35%
5^{th}	2018	36% ~ 50%
6^{th}	2019	6% ~ 20%
7^{th}	2020	6% ~ 20%
8^{th}	2021	6% ~ 20%
9^{th}	2022	6% ~ 20%
10^{th}	2023	6% ~ 20%

iii. To establish a good internal material information processing and disclosure mechanism for the Company and avoid improper information leakage, the Company has established "internal material information processing procedures", as the principle for the Company's directors, managers, and employees to follow.

iv. The Company's website has set up a corporate governance area, which contains corporate governance regulations for internal and external reference, and timely discloses important information to the public.

(9) Implementation status of the internal control system

i. Internal Control Statement

ALLTOP Technology Co., Ltd.

Statement of Internal Control System

Date: January 30, 2024

The Company (the Exchange) states the following with regard to its internal control system during fiscal year 2021, based on the findings of its self-assessment:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company (the Exchange) has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets (hereinbelow, the “Regulations”). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1) control environment 2) risk assessment 3) control activities 4) information and communications 5) monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the above-mentioned result of evaluation, the Company suggests that the internal control system (including the supervision and management of subsidiaries) on December 31,2023, includes the understanding the effectiveness of operations and the degree to which efficiency goals are achieved, reports are reliable, timely, transparent, and the design and implementation of the internal control are effective in compliance with applicable law and regulations, and it can reasonably assure the achievement of the above-mentioned goals.
6. This statement will be the main content for annual report and prospectus of the Company and will be disclosed publicly. If the above contents have any falsehood and concealment, it will involve in the legal liability as mentioned in Article 20, 32, 171 and 174 of Securities and Exchange Law.
7. This statement has been approved by the meeting of Board of Directors on January 30, 2024, and those 10 Directors in presence all agreed with the contents of this statement, and hereby declare.

ALLTOP Technology Co., Ltd

Chairman: Yu Wan Yi

General Manger: Chang Yi Wei

ii. Those who entrust an accountant to audit the internal control system shall disclose the accountant's audit report: None.

(10) In the latest year and as of the date of publication of the annual report, if the Company and its internal personnel are punished in accordance with the law, or the Company punishes its internal personnel for violating the provisions of the internal control system, and the punishment results may have a significant impact on shareholders' rights and interests or securities prices, the content of the punishment, the main deficiencies and the improvement situation shall be listed: None.

(11) In the latest year and as of the date of publication of the annual report, the important resolutions of the shareholders' meeting and the board meetings.

Important Resolutions of ALLTOP Board Meetings of 2023

Date	Session	Securities & Exchange Act §14-5	Case	Resolutions	situation
Jan.13, 2023	The 11th of the Tenth	V	1. Mangers' performance appraisal review of 2022 and assigned by year-end bonuses.	Approved without objection	Already implemented
			2. Board and Compensation Committee Performances Evaluation of 2022.	Approved without objection	Already implemented
			3. 2023 Calendar of Compensation Committee.	Approved without objection	Already implemented
		V	4. Operating Plan and draft budget of 2023.	Approved without objection	Already implemented
		V	5. Management's reports on Internal Control of 2022.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			
March 3, 2023	The 12th of the Tenth	V	1. Non-Consolidated and Consolidated Financial Statements for the year ended December 31, 2022.	Approved without objection	Already implemented
		V	2. Rotation and replacement of CPA within Deloitte.	Approved without objection	Already implemented
		V	3. Year 2023 fees of certifying certified public accountant of Deloitte.	Approved without objection	Already implemented
		V	4. Business Report of 2022.	Approved without objection	Already implemented
			5. Employees and Directors remuneration of 2022.	Approved without objection	Already implemented
		V	6. Proposal for distribution of 2022 earnings.	Approved without objection	Already implemented
		V	7. Cash dividends distributed from capital reserve to shareholders.	Approved without objection	Already implemented
			8. Revising for "Corporate Governance Best Practice Principles".	Approved without objection	Already implemented
			9. Revising for "Sustainable Development Best Practice Principles ".	Approved without objection	Already implemented
		V	10. Revising for "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises ".	Approved without objection	Already implemented
			11. Matters of 2023 Annual Shareholders' Meeting.	Approved without objection	Already implemented

Important Resolutions of ALLTOP Board Meetings of 2023					
Date	Session	Securities & Exchange Act §14-5	Case	Resolutions	situation
			12. Event of shareholder's proposals for AGM 2023.	Approved without objection	Already implemented
			13. ALLTOP invests in Vietnam and establishes a subsidiary.	Approved without objection	Already implemented
			14. ALLTOP rents a factory in Vietnam and obtains real estate use rights assets.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			
May 5, 2023	The 13th of the Tenth	V	1. Consolidated Financial Statements for the Quarter Ended March 31, 2023.	Approved without objection	Already implemented
		V	2. Formulate “Pre-approval Policy for CPA Providing Uncertain Services”.	Approved without objection	Already implemented
			3. Appointment of Corporate Governance Officer.	Approved without objection	Already implemented
			4. Extend bank credit.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			
Jane 21, 2023	The 14th of the Tenth		1. Ex-Dividend record date of 2023, Book closure period time and Unsecured convertible bonds (#35264 & #35265) Period of suspension of changes	Approved without objection	Already implemented
			2. Convertible bonds (#35264 & #35265) conversion price.	Approved without objection	Already implemented
			3. Extend bank credit.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			
Aug. 4, 2023	The 15th of the Tenth	V	1. Consolidated Financial Statements for the Quarter Ended June 30, 2023.	Approved without objection	Already implemented
			2. Resolution of the Compensation Committee about Directors and Supervisors' remuneration & Employees' remuneration of 2022.	Approved without objection	Already implemented
		V	3. LiQuan Technology (TaiCang) Co., Ltd. obtains the ratification of the right-of-use asset supplementary contract from ALLTOP Electronics (Suzhou) Co., Ltd.	Approved without objection	Already implemented
			4. Extend bank credit.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			
Nov. 3,	The 16th	V	1. Consolidated Financial Statements for the Quarter Ended Sep. 30, 2023.	Approved without objection	Already implemented

Important Resolutions of ALLTOP Board Meetings of 2023					
Date	Session	Securities & Exchange Act §14-5	Case	Resolutions	situation
2023	of the Tenth	V	2. 2023 performance appraisal of CPA.	Approved without objection	Already implemented
		V	3. Rotation and replacement of CPA within Deloitte.	Approved without objection	Already implemented
		V	4. Audit plan of 2024.	Approved without objection	Already implemented
		V	5. Revising for "Organizational management work methods" and formulate the organization chart of the (Vietnam) subsidiary.	Approved without objection	Already implemented
		V	6. Issue the 6th unsecured convertible corporate bond.	Approved without objection	Already implemented
			7. Record date of capital increase.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			
Jan. 30, 2024	The 17th of the Tenth	V	1. Mangers' performance appraisal review of 2023 and assigned by year-end bonuses.	Approved without objection	Already implemented
			2. Board and Compensation Committee Performances Evaluation of 2023.	Approved without objection	Already implemented
			3. 2023 Calendar of Compensation Committee.	Approved without objection	Already implemented
		V	4. Operating Plan and draft budget of 2024.	Approved without objection	Already implemented
		V	5. Management's reports on Internal Control of 2023.	Approved without objection	Already implemented
			6. Revising for " Rules of Procedure for Board of Directors Meetings".	Approved without objection	Already implemented
			7. Record date of capital increase.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			
March 5, 2024	The 18th of the Tenth	V	1. Non-Consolidated and Consolidated Financial Statements for the year ended December 31, 2023.	Approved without objection	Already implemented
		V	2. Year 2024 fees of certifying certified public accountant of Deloitte.	Approved without objection	Already implemented
		V	3. Business Report of 2022.	Approved without objection	Already implemented
		V	4. Proposal for distribution of 2023 earnings.	Approved without objection	Already implemented
		V	5. Cash dividends distributed from capital reserve to shareholders.	Approved without objection	Already implemented
			6. Employees' and Directors' remuneration of 2023.	Approved without objection	Already implemented

Important Resolutions of ALLTOP Board Meetings of 2023					
Date	Session	Securities & Exchange Act §14-5	Case	Resolutions	situation
			7. Revising for "Articles of Incorporation".	Approved without objection	Already implemented
			8. Election of the 11th term of directors of the company.	Approved without objection	Already implemented
			9. Nominees of directors.	Approved without objection	Already implemented
			10. Relieve new directors' non-compete restrictions of article 209 of the Company Act.	Approved without objection	Already implemented
			11. Matters of 2024 Annual Shareholders' Meeting.	Approved without objection	Already implemented
			12. Event of shareholder's proposals for AGM 2024.	Approved without objection	Already implemented
			13. Accepting the nomination right of directors of shareholders.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			
May 3, 2024	The 19th of the Tenth	V	1. Consolidated Financial Statements for the Quarter Ended March 31, 2024.	Approved without objection	Already implemented
			2. Record date of capital increase.	Approved without objection	Already implemented
			3. Extend bank credit.	Approved without objection	Already implemented
			4. Extend provide collateral for Keelung Custom.	Approved without objection	Already implemented
		1. Matters of Securities & Exchange Act §14-3 Independent directors' opinions：agreed. Handling of opinions of independent directors：NA. 2.other opinions have been record and written: None.			

Important Resolutions of ALLTOP Shareholder's Meetings of 2023				
Date	Cases	Resolutions	Shareholder opinion	situation
June 21, 2023	1. Business Report of 2022.	Approved without objection	None.	Already implemented
	2. Proposal for distribution of 2022 earnings.	Total amount of cash dividends to shareholders NTD444,253,667.	None.	Already implemented and Paid on Aug. 17, 2023.
	3. Cash dividends distributed from capital reserve to shareholders.	Total amount of cash dividends to shareholders NTD110,325,944.	None.	Already implemented and Paid on Aug. 17, 2023.

(12)In the latest year and as of the date of publication of the annual report, the directors or supervisors have different opinions about important resolutions adopted by the board of directors, and there are records or written statements: None.

(13) In latest year and as of the date of publication of the annual report, summary of the situation of the resignation and dismissal of the Chairman, general manager, accountant supervisor, financial supervisor, internal audit manager, R&D Director, etc.: None.

4. Information on CPA (External Auditor) Professional Fees

Unit: NT$ Thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte Taiwan	Jui Hsuan Ho	112.01.01~112.12.31	3,920	130 (Note 1)	4,050	
	Keng Hsi Chang					

Note 1: Refers to the fee paid to the CPA for the transfer pricing report.

(1) If the Company has changed accounting firm, and in the year of the change the audit fee is lower than that in the previous year, the Company shall disclose the audit fees before and after the change and the reasons: None.

(2) If the audit fee is reduced by more than 10% over that in the previous year, the Company shall disclose the amount of reduced audit fee, the proportion and reason for the reduction: None.

5. Information on Replacement of CPAs

None.

6. The employment of the Company's Chairman, general manager, financial or accounting

manager with the firm of the auditing CPA or its affiliated business in the past year

(Should disclose the name, title and the period of employment in the firm to which the CPA belongs or its affiliated businesses)

None.

7. Changes in equity transfers and equity pledges of directors, supervisors, managers and shareholders holding more than 10% of the shares in the most recent year and as of the publication date of the annual report

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

Unit: share

Job title	Name	2023		Current fiscal year as of April 2024	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	HoYuan Investment Co., Ltd.	-	-	-	-
	Rep. Yu Wan Yi (Note 1)	(20,000)	-	-	-
Director	PanJit Int'l Inc.	-	-	-	-
	Rep. Fang Min Zong	-	-	-	-
Director (concurrently as GM)	YanHua Investment Ltd.	462,000	(1,300,000)	264,000	1,762,000
	Rep. Chang Yi Wei (note 2)	6,884	-	-	-
Director	JuiTsan Investment Co., Ltd.	-	-	(83,000)	
	Rep. Chen Yuan Chen (note 3)	(7,000)	-	(26,000)	-
Director (concurrently as Deputy GM)	TaChinYen Co., LTd.	-	-	-	-
	Rep. Tung Jen Yen	-	-	-	-
Director	PanJit Int'l Inc.	-	-	-	-
	Rep. Chang Yao Yong	-	-	-	-
Director	Lin Yueh Hsia	-	80,000	-	-
INED	Pu Tsun Ching	-	-	-	-
INED	Chiang Chih Fung	-	-	-	-
INED	Lu Lien Wan	-	-	-	-
RD Manager	Kang Ya Juan	-	-	(1,000)	-
Financial Manager	Jian Zi Yuan	(5,728)	-	-	-
Accounting Manager	Chen Ching Yi	(1,729)	-	-	-
IR Manager	Chen Chung Yi	-	-	-	-
Auditor	Li Yu Hsing	-	-	1,000	-
1rt Sales Dept. Director	Huang Zi Fan	(3,000)	-	-	-
2nd Sales Dept. Director	Fan Huan Cai	-	-	-	-

Note 1：Gifted 20,000 shares to children.

Note 2：Transferred from Employee Stock Ownership Trust on Oct. 5, 2023.

Note 3：JuiTsan Investment renames its representative as a new director on May 5, 2023.

(2) The counterparty of the equity transfer is a related person:： Unit: Share

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders	No. of shares	Transaction price (note)
Yu Wan Yi	Gift	Feb. 20, 2023	Yu Ya Yuan	Children	20,000	116

Note: Closing price of the stock on the day when the transaction is declared.

(3) The counterparty of the equity pledge is a related person: None.

8. Information of top 10 shareholders by shareholding ratio who are relatives or spouses, or relatives within the second degree

Relationships Among the Top 10 Shareholders

The last book transfer date for this shareholders' meeting：April 20, 2024

Unit：Share；%

Name (Note 1)	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remark
	Shares	% (note 2)	Shares	% (note 2)	Shares	% (note 2)	Name of entity or individual	Relation-ship	
PanJit Int'l Inc. Rep. Fang Min Qing	11,315,009	19.02%	0	0	0	0	none	none	none
Minjiu Investment Co., Ltd. Rep. Chen Lin Hsue Chi	2,526,888	4.25%	0	0	0	0	Chen Li Lin	daughter	none
YanHua Investment Ltd. Rep. Chang Yi Wei	2,026,000	3.41%	0	0	0	0	none	none	none
Investment account of Pacific Capital UCITS Fund Company	1,554,204	2.61%	0	0	0	0	none	none	none
Investment account of Mizuho Securities Co., Ltd.	1,396,000	2.35%	0	0	0	0	none	none	none
Taiwan Life Insurance Co., Ltd. Rep. Cheng Tai Ke	1,219,000	2.05%	0	0	0	0	none	none	none
Investment account of Nomura International (Hong Kong) Co., Ltd., a client of Nomura International Co., Ltd.	1,032,000	1.73%	0	0	0	0	none	none	none
HoYuan Investment Co., Ltd. Rep. Chen Li Lin	938,026	1.58%	0	0	0	0	Chen Lin Hsue Chi	mother	none
JuiTsan Investment Co., Ltd. Rep. Chen Chu Lin	904,882	1.52%	0	0	0	0	none	none	none
Chen Cong Hsing Trust Property Account	800,000	1.35%	0	0	0	0	Yu Wan Yi	Trustee	reserved rights trust

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

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

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

9. The number of shares held by the Company, the Company's directors, supervisors, managers and the businesses directly or indirectly controlled by the Company in the same re-invested businesses, and to calculate the comprehensive shareholding ratio on a consolidated basis

May 3, 2024

Unit：Share；%

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %
A-LIST INTERNATIONAL LTD.	—	100	—	—	—	100
TOPWISE TECHNOLOGY LTD.	—	100	—	—	—	100
ALLTOP HOLDING LTD.	—	100	—	—	—	100
METTLE ENTERPRISE CO., LTD.	—	100	—	—	—	100
ALLTOP Electronics (Suzhou) Co., Ltd.	—	100	—	—	—	100
LiQuan Technology (Taicang) Co., Ltd.	—	100	—	—	—	100
ShengHui Co., Ltd.	—	30	—	—	—	30
ShengKaiJi Electronic Technology (Taicang) Co., Ltd.	—	30	—	—	—	30

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

IV. Fundraising Status

1. Capital and shares

(1) Source of Share Capital

i. Share capital formation process

April 30, 2024

Unit: thousand shares; NT$ thousand

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Capital paid in by assets other than cash	Other
1998.11	10	500	5,000	500	5,000	Cash	None	Note 1
1999.09	10	2,500	25,000	2,500	25,000	Capital increase	None	Note 2
2002.08	10	4,800	48,000	4,800	48,000	Capital increase	None	Note 3
2003.05	10	6,500	65,000	6,500	65,000	Capital increase	None	Note 4
2004.11	13	30,000	300,000	16,500	165,000	Capital increase	None	Note 5
2005,10	10	30,000	300,000	20,000	200,000	Capital increase by earning and capital	None	Note 6
2005.12	33	30,000	300,000	23,300	233,000	Capital increase	None	Note 7
2006.09	10	60,000	600,000	28,000	280,000	Capitalization of earnings	None	Note 8
2007.08	10	60,000	600,000	33,570	335,700	Capitalization of earnings	None	Note 9
2007.11	66	60,000	600,000	37,500	375,000	Capital increase	None	Note 10
2008.08	10	60,000	600,000	46,500	465,000	Capitalization of earnings	None	Note 11
2009.07	10	60,000	600,000	52,298	522,980	Capitalization of earnings	None	Note 12
2010.06	10	60,000	600,000	52,339	523,390	Convertible corporate bond transferred to common stock	None	Note 13
2010.08	10	60,000	600,000	57,378	573,788	Capital surplus transferred to capital	None	Note 14
2010.10	10	100,000	1,000,000	57,383	573,831	Convertible corporate bond transferred to common stock	None	Note 15
2011.08	10	100,000	1,000,000	62,871	628,716	Capital surplus transferred to capital	None	Note 16
2011.10	10	100,000	1,000,000	61,871	618,716	Decrease in treasury stock	None	Note 17
2011.12	10	100,000	1,000,000	60,971	609,716	Decrease in treasury stock	None	Note 18
2014.04	10	100,000	1,000,000	60,635	606,357	Decrease in treasury stock & Convertible corporate bond transferred to common stock	None	Note 19
2014.11	10	100,000	1,000,000	59,722	597,224	Decrease in treasury stock & Convertible corporate bond transferred to common stock	None	Note 20
2015.03	10	100,000	1,000,000	64,059	640,598	Convertible corporate bond transferred to common stock	None	Note 21
2015.05	10	100,000	1,000,000	66,224	662,243	Convertible corporate bond transferred to common stock	None	Note 22
2015.12	10	100,000	1,000,000	64,424	644,243	Decrease in treasury stock	None	Note 23
2016.04	10	100,000	1,000,000	64,874	648,742	Convertible corporate bond transferred to common stock	None	Note 24
2016.08	10	100,000	1,000,000	65,449	654,494	Convertible corporate bond transferred to common stock	None	Note 25
2016.11	10	100,000	1,000,000	65,837	658,372	Convertible corporate bond transferred to common stock	None	Note 26
2018.08	10	100,000	1,000,000	65,026	650,262	Decrease in treasury stock	None	Note 27
2019.03	10	100,000	1,000,000	64,300	643,002	Decrease in treasury stock	None	Note 28
2019.07	10	120,000	1,200,000	64,300	643,002	Amend the articles of association	None	Note 29
2020.02	10	120,000	1,200,000	65,297	652,971	Convertible corporate bond transferred to common stock	None	Note 30
2020.05	10	120,000	1,200,000	72,047	720,473	Convertible corporate bond transferred to common stock	None	Note 31
2020.07	10	120,000	1,200,000	72,047	720,473	Amend the articles of association	None	Note 32
2020.08	10	120,000	1,200,000	72,159	721,596	Convertible corporate bond transferred to common stock	None	Note 33
2020.11	10	120,000	1,200,000	72,915	729,158	Convertible corporate bond transferred to common stock	None	Note 34
2021.02	10	120,000	1,200,000	54,779	547,797	Convertible corporate bond transferred to common stock & cash refund capital reduction	None	Note 35

2021.08	10	120,000	1,200,000	56,346	563,458	Convertible corporate bond transferred to common stock	None	Note 36
2021.11	10	120,000	1,200,000	58,222	582,224	Convertible corporate bond transferred to common stock	None	Note 37
2022.03	10	120,000	1,200,000	58,508	585,077	Convertible corporate bond transferred to common stock	None	Note 38
2022.07	10	120,000	1,200,000	58,944	589,441	Convertible corporate bond transferred to common stock & Amend the articles of association	None	Note 39
2022.11	10	120,000	1,200,000	58,998	589,978	Convertible corporate bond transferred to common stock	None	Note 40
2023.11	10	120,000	1,200,000	59,091	590,910	Convertible corporate bond transferred to common stock	None	Note 41
2024.03	10	120,000	1,200,000	59,138	591,381	Convertible corporate bond transferred to common stock	None	Note 42

Note 1：1998/11/06(Jian-San-Zi Letter No.255080)
Note 2：1999/09/18(Jing-(88)-Zhong-Zi Letter No.88695273)
Note 3：2002/08/06(Jing-Shou -Zhong-Zi Letter No.09132530240)
Note 4：2003/06/09(Jing-Shou -Zhong-Zi Letter No.09232170520)
Note 5：2004/12/07(Jing-Shou -Zhong-Zi Letter No.09333140650)
Note 6：2005/10/03(Jing-Shou -Zhong-Zi Letter No.0941051540)
Note 7：2006/01/04(Jing-Shou -Zhong-Zi Letter No.09531526420)
Note 8：2006/08/15(Jin-Guan-Zheng-Yi-Zi Letter No.0950136070)；2006/09/15(Jing-Shou -Zhong-Zi Letter No.09532856030)
Note 9：2007/07/05(Jin-Guan-Zheng-Yi-Zi Letter No.0960034346)；2007/08/14(Jing-Shou -Zhong-Zi Letter No.09632602160) 2007/08/30(Jing-Shou -Zhong-Zi Letter No.09632691370)
Note 10：2007/10/03(Jin-Guan-Zheng-Yi-Zi No.0960054599)；2007/11/27(Jing-Shou -Zhong-Zi Letter No.09633112770)
Note 11：2008/06/25(Jin-Guan-Zheng-Yi-Zi Letter No.0970031740)；2008/08/27(Jing-Shou -Zhong-Zi Letter No.09732925941)
Note 12：2009/06/04(Jin-Guan-Zheng-Fa-Zi Letter No.0980027191)；2009/07/31(Jing-Shou-Shang-Zi Letter No.09801173550)
Note 13：2010/06/29(Jing-Shou-Shang-Zi Letter No.09901132970)
Note 14：2010/06/09(Jin-Guan-Zheng-Fa-Zi Letter No.0990029636)；2010/08/02(Jing-Shou-Shang-Zi Letter No.09901171330)
Note 15：2010/10/26(Jing-Shou-Shang-Zi Letter No.09901238950)
Note 16：2011/06/23(Jin-Guan-Zheng-Zi Letter No.1000028905)；2011/08/17(Jing-Shou-Shang-Zi Letter No.10001189410)
Note 17：2011/10/04(Jing-Shou-Shang-Zi Letter No.10001229460)
Note 18：2011/12/08(Jing-Shou-Shang-Zi Letter No.10001277740)
Note 19：2014/04/30(Jing-Shou-Shang-Zi Letter No.10301077810)
Note 20：2014/11/27(Jing-Shou-Shang-Zi Letter No.10301246380)
Note 21：2015/03/02(Jing-Shou-Shang-Zi Letter No.10401033480)
Note 22：2015/05/07(Jing-Shou-Shang-Zi Letter No.10401084260)
Note 23：2015/12/02(Jing-Shou-Shang-Zi Letter No.10401249740)
Note 24：2016/04/13(Jing-Shou-Shang-Zi Letter No.10501070150)
Note 25：2016/08/22(Jing-Shou-Shang-Zi Letter No.10501208520)
Note 26：2016/11/25(Jing-Shou-Shang-Zi Letter No.10501274000)
Note 27：2018/08/27(Jing-Shou-Shang-Zi Letter No.10701108100)
Note 28：2019/03/22(Jing-Shou-Shang-Zi Letter No.10801029580)
Note 29：2019/07/16(Jing-Shou-Shang-Zi Letter No.10801083680)
Note 30：2020/02/19(Jing-Shou-Shang-Zi Letter No.10901021710)
Note 31：2020/05/27(Jing-Shou-Shang-Zi Letter No.10901081040)
Note 32：2020/07/10(Jing-Shou-Shang-Zi Letter No.10901124020)
Note 33：2020/08/31(Jing-Shou-Shang-Zi Letter No.10901159960)
Note 34：2020/11/25(Jing-Shou-Shang-Zi Letter No.10901217630)
Note 35：2021/02/09(Jing-Shou-Shang-Zi Letter No.11001024640)
Note 36：2021/08/25(Jing-Shou-Shang-Zi Letter No.11001126150)
Note 37：2021/11/17(Jing-Shou-Shang-Zi Letter No.11001214520)
Note 38：2022/03/22(Jing-Shou-Shang-Zi Letter No.11101045790)
Note 39：2022/07/26(Jing-Shou-Shang-Zi Letter No.11101125360)
Note 40：2022/11/15(Jing-Shou-Shang-Zi Letter No.11101217470)
Note 41：2023/11/24(Jing-Shou-Shang-Zi Letter No.11230217340)
Note 42：2024/03/07(Jing-Shou-Shang-Zi Letter No.11330019860)

ii. Type of stock

Unit: thousand shares

Type of stock	Authorized Capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Registered common stock	59,138	60,862	120,000	This stock is traded on the TPEx, and the number of shares has been registered for change.

iii. Information on the consolidated declaration system: None

(2) Shareholder Composition

The last book transfer date for this shareholders' meeting：April 20, 2024

Shareholder composition / Quantity	Government agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions and foreign individuals	Total
No. of shareholders	0	13	227	15,407	81	15,728
No. of shares held	0	3,461,000	23,928,439	20,738,958	11,370,908	59,499,305
Shareholding ratio %	0	5.82	40.22	34.85	19.11	100

(3) Shareholding Structure Status

i. Distribution of Shareholding of common shares

The last book transfer date for this shareholders' meeting：April 20, 2024

Range of no. of shares held	No. of shareholders	No. of shares held	Shareholding ratio %
1 to 999	11,721	905,165	1.52
1,000 to 5,000	3,334	5,858,440	9.85
5,001 to 10,000	288	2,184,027	3.67
10,001 to 15,000	91	1,122,049	1.89
15,001 to 20,000	58	1,039,242	1.75
20,001 to 30,000	61	1,514,376	2.54
30,001 to 40,000	35	1,184,437	1.99
40,001 to 50,000	19	869,840	1.46
50,001 to 100,000	44	3,074,948	5.17
100,001 to 200,000	30	4,342,486	7.3
200,001 to 400,000	26	7,223,282	12.14
400,001 to 600,000	7	3,642,054	6.12
600,001 to 800,000	5	3,626,950	6.09
800,001 to 1,000,000	2	1,842,908	3.10
1,000,001 and above	7	21,069,101	35.41
Total	15,728	59,499,305	100.00

ii. Shareholding structure of preferred shares: There is no preferred shares released by the Company.

(IV) List of Major Shareholders

The last book transfer date for this shareholders' meeting：April 20, 2024

Names of major shareholders \ shares	No. of shares held	Shareholding ratio %
PanJit Int'l Inc.	11,315,009	19.02%
Minjiu Investment Co., Ltd.	2,526,888	4.25%
YanHua Investment Ltd.	2,026,000	3.41%
Investment account of Pacific Capital UCITS Fund Company	1,554,204	2.61%
Investment account of Mizuho Securities Co., Ltd.	1,396,000	2.35%
Taiwan Life Insurance Co., Ltd.	1,219,000	2.05%
Investment account of Nomura International (Hong Kong) Co., Ltd., a client of Nomura International Co., Ltd.	1,032,000	1.73%
HoYuan Investment Co., Ltd.	938,026	1.58%
JuiTsan Investment Co., Ltd.	907,882	1.52%
Chen Cong Hsing Trust Property Account	800,000	1.35%

(V) The share's Market Price, Net Worth, Earnings, Dividends per Share and related information for the past two years

Item \ Fiscal year			2022	2023	Current year to 2024/5/3 (Note 8)
Market price per share (Note 1)	Highest		211.50	201.50	240.00
	Lowest		106.50	114.00	181.50
	Average		175.00	170.12	212.16
Net worth per share (Note 2)	Before distribution		42.95	44.13	50.93
	After distribution		33.25	(Note 9)	NA
Earnings per share	Weighted average shares		58,852,650	59,034,608	59,200,952
	Before adjustment		9.41	11.68	3.06
	After adjustment		NA	NA	NA
Dividends per share	Cash dividends		9.40	11.60	NA
	Stock dividends	Dividends from retained earnings	0	0	NA
		Dividends from capital reserve	0	0	NA
	Accumulated undistributed dividends (Note 4)		NA	NA	NA
Return on investment analysis	Price/earnings ratio (Note 5)		16.42	13.67	NA
	Price/dividend ratio (Note 6)		16.44	13.77	NA
	Cash dividend yield (Note 7)		6.08	7.26	NA

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

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

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

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

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

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

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

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

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

Note 9:The profit distribution proposal in 2023 has been proposed by the board of directors to distribute a cash dividend of NT$ 9.35 per share. The estimated cash dividend is NT$ 552,942 thousand, and we plan to distribute cash of approximately NT$ 133,061 thousand from capital reserve, with a distribution of around NT$ 2.25 per share. As of the date of publication of the annual report, annual general meeting of shareholders of year 2024 has not been held, so the annual report it is not in recognition. The aforementioned approximate allotment amount per share is calculated based on the number of 59,138,105 common shares issued and outstanding as of December 31, 2023.

(6) The Company’s Dividend Policy and Implementation Status

i. Dividend policy stipulated in the articles of incorporation of the Company

If earnings are available for distribution at the end of a fiscal year, 10% of earnings – that is, after paying all taxes and dues in accordance with the law and offsetting any loss from prior year(s) – shall be set aside as legal reserve. However, when the legal reserve has reached the paid-in capital of the Company, it is no longer necessary for provision, and the rest shall be made provision or reversal of special reserve to the special reserve in accordance with the law. If there is still a surplus, together with the accumulated unappropriated earnings, the board of directors shall propose a profit distribution proposal and submit it to the shareholders’ meeting for a resolution on the distribution of shareholder dividends.

The Company’s dividend Policy is based on current and future development plans, the investment environment, capital needs and domestic and overseas competitions, as well as the interests of shareholders and other factors. Every year, no less than 50% of the distributable profit should be allocated to distribute the shareholder dividends, the dividends can be done in cash or stock, and the cash dividends should not be less than 10% of the total dividends.

ii. The dividend distribution proposed by the shareholder’s meeting:

The company's 2023 earnings distribution case has been approved by the board of directors on March 5, 2020. The board of directors proposed to approve a cash dividend of NT$552,942,000, with an allocation of approximately NT$9.35 per share. It is also planned to use capital reserves to distribute cash of 133,061 thousand yuan, with an allocation of approximately NT$2.25 per share. The aforementioned approximate allotment amount per share is calculated based on the number of 59,138,105 common shares issued and outstanding as of December 31, 2023.

iii. Explanation of expected significant changes in dividend policy: None

(7) Impact of the proposed bonus shares on the Company's operating performance and earnings per share:
N/A

(8) Remuneration of Employees, Directors and Supervisors:

i. The percentage or scope of the remuneration of employees, directors and supervisors stipulated in the Articles of Incorporation:

If there is a profit for the year, the Company shall first allocate 4% to 10% as employee remuneration, which shall be distributed in stock or cash by the resolution of the board of directors, and the objects should include subordinate employees with certain conditions; with the above-mentioned amount of profit, the Company shall allocate no more than 2% as remuneration for directors by board of directors. Distribution proposals on employee remuneration and supervisor's remuneration should be reported to the shareholders' meeting. However, if the Company still has an accumulated loss, it shall reserve the compensation amount in advance, and then allocate employee remuneration and director and supervisor remuneration according to the above-mentioned proportion.

ii. The estimation basis for the remuneration of employees and directors in the current period, the basis for calculating the number of shares of employee remuneration based on stock distribution, and the accounting treatment if there is a difference between the actual distribution amount and the estimated amount

(i) The estimation basis for the remuneration of employees and directors in the current period: After considering the annual profit up to the current period, it is estimated at a certain rate within the range of the percentage stipulated in the articles of incorporation.

(ii)The basis for calculating the number of shares of employee remuneration based on stock distribution: N/A.

(iii)The accounting treatment if there is a difference between the actual distribution amount and the estimated amount: it shall be handled according to the changes in accounting estimation, and adjusted and recorded in the year of issuance.

iii. Distribution of remuneration approved by the board of directors:

(i)There is no difference between the amount of remuneration for employees and directors distributed by the resolution of the board of directors and the annual estimated amount of recognize expenses.

Unit: NT$ thousand

Resolution of the board of directors (2023/3/3)	
Item	Amount
Remuneration of employee- Cash	55,833
Remuneration of directors and supervisors - Cash	15,792
Total	71,625

(ii)The amount of employee remuneration for stock distribution and its proportion to the total amount of after-tax net profit and total employee remuneration of individual financial reports in current period: N/A.

iv. The actual distribution of the remuneration of employees and directors in the previous year (including the number of shares distributed, the amount and the share price), if there is any difference from the recognized remuneration of employees and directors, the difference, the reason and the handling situation shall be stated: There is no difference between the amount of remuneration for employees and directors proposed by the board of directors, the annual estimated amount of recognized expenses, and the actual distribution amount.

Unit: NT$ thousand

Item	Amount
Remuneration of employee- Cash	51,080
Remuneration of directors and supervisors - Cash	13,485
Total	64,565

(9) Buyback of Treasury Stock: There has been no repurchase of the Company's shares in the past year and as of the date of publication of the annual report.

2. Issuance of Corporate Bonds

(1)Issuance of Corporate Bonds

Type of corporate bonds	4th unsecured convertible corporate bond (issue no.35264)
Issue (transaction) date	September 30, 2019
Face value	NT$100,000
Place of issue and trading	Taipei Exchange
Issue price	Issued at 101% of the face value of the bond
Issue amount	NT$60,000,000
Coupon rate	0%
Term	Five years periods, expiry date: September 30, 2024
Guarantor	NA
Trustee	Bank SinoPac
Underwriter	KGI Securities
Attesting lawyer	Handsome Attorneys-at-Law / Lawyer Peng Yi Cheng
Attesting CPA	Deloitte Taiwan / CPAs Keng Hsi Chang & Chung Cheng Chen
Redemption method	Except for the conversion of the holders of the convertible corporate bonds into common stock of the Company in accordance with Article 10, or early redemption by the Company in accordance with Article 18, or the exercise of the sell-back right in accordance with Article 19 of the Measure, or unless the Company repurchases and cancels at the business office of a securities firm, the Company will repay the converted corporate bonds in cash in one-time repayment according to the face value of the bond when the bonds mature.
Unredeemed balance	NT$136,000,000
Conditions for redemption or early redemption	(1)From the next day (December 31, 2019) to the forty days before the expiration of the issuance period (August 21, 2024) after three months of the issuance of the convertible corporate bonds, if the closing price of the Company’s common stocks exceeds 30% (inclusive) of the current conversion price within thirty business days, the Company may, within the next thirty business days, send a "bond recall notice" by registered mail with a one-month expiration date (the aforesaid period shall be counted from the day when the Company sends the letter, the date of expiry of the period shall be used as the basis for bond recall day, and the aforementioned period shall not be the cessation of conversion period of the convertible corporate bonds) to bondholders (based on the one listed in register of bondholders on the fifth business day prior to the dispatch date of the "bond recall notice", for bondholders who subsequently acquire the converted corporate bonds due to trading or other reasons, an announcement shall be made), the redemption price shall be determined at the face value of the converted corporate bonds, and all the bonds will be recovered in cash, and the OTC trading center will be notified by letter. The Company shall redeem the outstanding convertible corporate bonds in cash at the face value of the bonds within five business days after the bond recall reference date in order to implement the recall request. (2)From the next day (December 31, 2019) to the forty days before the expiration of the issuance period (August 21, 2024) after three months of the issuance of the convertible corporate bonds, if the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issuance, the Company may at any time thereafter send a "bond recall notice" by registered mail with a one-month expiration date (the aforesaid period shall be counted from the

		day when the Company sends the letter, the date of expiry of the period shall be used as the basis for bond recall day, and the aforementioned period shall not be the cessation of conversion period of the convertible corporate bonds) to bondholders (based on the one listed in register of bondholders on the fifth business day prior to the dispatch date of the "bond recall notice", for bondholders who subsequently acquire the converted corporate bonds due to trading or other reasons, an announcement shall be made), the redemption price shall be determined at the face value of the converted corporate bonds, and all the bonds will be recovered in cash, and the OTC trading center will be notified by letter. The Company shall repurchase the outstanding convertible corporate bonds in cash from the bondholders at the face value of the bonds within five business days after the bond recall reference date in order to implement the recall request. (3)If the bondholder fails to reply in writing to the Company's stock affairs agency before the bond recovery benchmark date stated in the "Bond Recovery Notice" (it will become effective when it is delivered, and the postmark date will be used as proof if it is sent by mail). The Company shall, within five business days after the reference date of bond recovery, recover the convertible corporate bonds holding by bondholders in cash at the face value of the bonds.
Restrictive covenants		None
Name of rating agency, date and result of rating		None
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	Transferred to common stock with NT$ 56,041,020
	The issuance and conversion, exchange, or subscription rules	Please refer to the detail of issuance and transfer method.
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		The coupon rate of the converted corporate bonds issued this time is 0%, which can obtain low-cost funds, and the conversion price is issued at a premium to the reference market price of common stocks, so there will be no negative impact on shareholders' equity.
Name of the custodian institution of the exchangeable underlyings		NA

Type of corporate bonds	5th unsecured convertible corporate bond (issue no.35265)
Issue (transaction) date	February 14, 2022
Face value	NT$100,000
Place of issue and trading	Taipei Exchange
Issue price	Issued at 101% of the face value of the bond
Issue amount	NT$80,000,000
Coupon rate	0%
Term	Five years periods, expiry date: February 14, 2027
Guarantor	NA
Trustee	KGI Bank
Underwriter	KGI Securities
Attesting lawyer	Handsome Attorneys-at-Law / Lawyer Peng Yi Cheng
Attesting CPA	Deloitte Taiwan / CPAs Cheng Quan Yu & Chung Cheng Chen

Redemption method	Except for the conversion of the holders of the convertible corporate bonds into common stock of the Company in accordance with Article 10, or early redemption by the Company in accordance with Article 18, or the exercise of the sell-back right in accordance with Article 19 of the Measure, or unless the Company repurchases and cancels at the business office of a securities firm, the Company will repay the converted corporate bonds in cash in one-time repayment according to the face value of the bond when the bonds mature.
Unredeemed balance	NT$786,200,000
Conditions for redemption or early redemption	(1)From the next day (May 15, 2022) to the forty days before the expiration of the issuance period (January 5, 2027) after three months of the issuance of the convertible corporate bonds, if the closing price of the Company's common stocks exceeds 30% (inclusive) of the current conversion price within thirty business days, the Company may, within the next thirty business days, send a "bond recall notice" by registered mail with a one-month expiration date (the aforesaid period shall be counted from the day when the Company sends the letter, the date of expiry of the period shall be used as the basis for bond recall day, and the aforementioned period shall not be the cessation of conversion period of the convertible corporate bonds) to bondholders (based on the one listed in register of bondholders on the fifth business day prior to the dispatch date of the "bond recall notice", for bondholders who subsequently acquire the converted corporate bonds due to trading or other reasons, an announcement shall be made), the redemption price shall be determined at the face value of the converted corporate bonds, and all the bonds will be recovered in cash, and the OTC trading center will be notified by letter. The Company shall redeem the outstanding convertible corporate bonds in cash at the face value of the bonds within five business days after the bond recall reference date in order to implement the recall request. (2)From the next day (May 15, 2022) to the forty days before the expiration of the issuance period (January 5, 2027) after three months of the issuance of the convertible corporate bonds, if the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issuance, the Company may at any time thereafter send a "bond recall notice" by registered mail with a one-month expiration date (the aforesaid period shall be counted from the day when the Company sends the letter, the date of expiry of the period shall be used as the basis for bond recall day, and the aforementioned period shall not be the cessation of conversion period of the convertible corporate bonds) to bondholders (based on the one listed in register of bondholders on the fifth business day prior to the dispatch date of the "bond recall notice", for bondholders who subsequently acquire the converted corporate bonds due to trading or other reasons, an announcement shall be made), the redemption price shall be determined at the face value of the converted corporate bonds, and all the bonds will be recovered in cash, and the OTC trading center will be notified by letter. The Company shall repurchase the outstanding convertible corporate bonds in cash from the bondholders at the face value of the bonds within five business days after the bond recall reference date in order to implement the recall request. (3)If the bondholder fails to reply in writing to the Company's

		stock affairs agency before the bond recovery benchmark date stated in the "Bond Recovery Notice" (it will become effective when it is delivered, and the postmark date will be used as proof if it is sent by mail). The Company shall, within five business days after the reference date of bond recovery, recover the convertible corporate bonds holding by bondholders in cash at the face value of the bonds.
Restrictive covenants		None
Name of rating agency, date and result of rating		None
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	Transferred to common stock with NT$ 768,340
	The issuance and conversion, exchange, or subscription rules	Please refer to the detail of issuance and transfer method.
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		The coupon rate of the converted corporate bonds issued this time is 0%, which can obtain low-cost funds, and the conversion price is issued at a premium to the reference market price of common stocks, so there will be no negative impact on shareholders' equity.
Name of the custodian institution of the exchangeable underlyings		NA

Type of corporate bonds	6th unsecured convertible corporate bond (issue no.35266)
Issue (transaction) date	January 29, 2024
Face value	NT$100,000
Place of issue and trading	Taipei Exchange
Issue price	Issued at 101% of the face value of the bond
Issue amount	NT$100,000,000
Coupon rate	0%
Term	Five years periods, expiry date: January 29, 2029
Guarantor	NA
Trustee	KGI Bank
Underwriter	KGI Securities
Attesting lawyer	Handsome Attorneys-at-Law / Lawyer Peng Yi Cheng
Attesting CPA	Deloitte Taiwan / CPAs Jui Hsuan Ho & Cheng Quan Yu
Redemption method	Except for the conversion of the holders of the convertible corporate bonds into common stock of the Company in accordance with Article 10, or early redemption by the Company in accordance with Article 18, or the exercise of the sell-back right in accordance with Article 19 of the Measure, or unless the Company repurchases and cancels at the business office of a securities firm, the Company will repay the converted corporate bonds in cash in one-time repayment according to the face value of the bond when the bonds mature.
Unredeemed balance	NT$1,000,000,000
Conditions for redemption or early redemption	(1)From the next day (April 30, 2024) to the forty days before the expiration of the issuance period (December 20, 2028) after three months of the issuance of the convertible corporate bonds, if the closing price of the Company’s common stocks exceeds 30% (inclusive) of the current conversion price within thirty business days, the Company may, within the next thirty business days, send a "bond recall notice" by registered mail

<table>
<tr><td colspan="2"></td><td>with a one-month expiration date (the aforesaid period shall be counted from the day when the Company sends the letter, the date of expiry of the period shall be used as the basis for bond recall day, and the aforementioned period shall not be the cessation of conversion period of the convertible corporate bonds) to bondholders (based on the one listed in register of bondholders on the fifth business day prior to the dispatch date of the "bond recall notice", for bondholders who subsequently acquire the converted corporate bonds due to trading or other reasons, an announcement shall be made), the redemption price shall be determined at the face value of the converted corporate bonds, and all the bonds will be recovered in cash, and the OTC trading center will be notified by letter. The Company shall redeem the outstanding convertible corporate bonds in cash at the face value of the bonds within five business days after the bond recall reference date in order to implement the recall request.
(2)From the next day (April 30, 2024) to the forty days before the expiration of the issuance period (December 20, 2028) after three months of the issuance of the convertible corporate bonds, if the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issuance, the Company may at any time thereafter send a "bond recall notice" by registered mail with a one-month expiration date (the aforesaid period shall be counted from the day when the Company sends the letter, the date of expiry of the period shall be used as the basis for bond recall day, and the aforementioned period shall not be the cessation of conversion period of the convertible corporate bonds) to bondholders (based on the one listed in register of bondholders on the fifth business day prior to the dispatch date of the "bond recall notice", for bondholders who subsequently acquire the converted corporate bonds due to trading or other reasons, an announcement shall be made), the redemption price shall be determined at the face value of the converted corporate bonds, and all the bonds will be recovered in cash, and the OTC trading center will be notified by letter. The Company shall repurchase the outstanding convertible corporate bonds in cash from the bondholders at the face value of the bonds within five business days after the bond recall reference date in order to implement the recall request.
(3)If the bondholder fails to reply in writing to the Company's stock affairs agency before the bond recovery benchmark date stated in the "Bond Recovery Notice" (it will become effective when it is delivered, and the postmark date will be used as proof if it is sent by mail). The Company shall, within five business days after the reference date of bond recovery, recover the convertible corporate bonds holding by bondholders in cash at the face value of the bonds.</td></tr>
<tr><td colspan="2">Restrictive covenants</td><td>None</td></tr>
<tr><td colspan="2">Name of rating agency, date and result of rating</td><td>None</td></tr>
<tr><td rowspan="2">Other rights</td><td>The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date</td><td>None</td></tr>
<tr><td>The issuance and conversion, exchange, or subscription rules</td><td>Please refer to the detail of issuance and transfer method.</td></tr>
</table>

The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.	The coupon rate of the converted corporate bonds issued this time is 0%, which can obtain low-cost funds, and the conversion price is issued at a premium to the reference market price of common stocks, so there will be no negative impact on shareholders' equity.
Name of the custodian institution of the exchangeable underlyings	NA

(2)Convertible Corporate Bonds

Type of corporate bonds		4th unsecured convertible corporate bond (issue no.35264)		
Fiscal year / Item		2022	2023	As of May 3, 2024 in the current fiscal year
Market price of convertible corporate bonds	Maximum	250.00	253.00	263.00
	Minimum	170.00	207.00	263.00
	Average	203.72	238.24	263.00
Conversion price		77.30	73.00	73.00
Issue (transaction) date and conversion price at issuance		2019/9/30 NT$ 73.00		
Method for performance of conversion obligations		Issue new shares	Issue new shares	Issue new shares

Type of corporate bonds		5th unsecured convertible corporate bond (issue no.35264)		
Fiscal year / Item		2022	2023	As of May 3, 2024 in the current fiscal year
Market price of convertible corporate bonds	Maximum	125.20	123.50	134.00
	Minimum	99.00	100.00	116.00
	Average	118.22	114.30	125.92
Conversion price		190.60	179.60	179.60
Issue (transaction) date and conversion price at issuance		2022/2/14 NT$ 207.3		
Method for performance of conversion obligations		Not converted	Issue new shares	Issue new shares

Type of corporate bonds		
Fiscal year / Item		As of May 3, 2024 in the current fiscal year
Market price of convertible corporate bonds	Maximum	122.00
	Minimum	104.00
	Average	110.58
Conversion price		223.20
Issue (transaction) date and conversion price at issuance		2024/1/29 NT$ 223.2
Method for performance of conversion obligations		Not converted

(3)Exchangeable Corporate Bonds：None
(4)Issuance of Corporate Bonds Under Shelf Registration：None
(5)Corporate Bonds With Warrants：None

3. Preferred Shares With Warrants

None

4. Global Depositary Receipts (GDR)
None

5. Employee Share Subscription Warrants
None

6. New Restricted Employee Shares
None

7. Issuing new shares when acquiring or transferring shares of another company
None

8. Execution of fund utilization plan
(1)As of the quarter before the annual report is published (May 3, 2024), the capital utilization plan has not yet shown benefits.：None
(2) As of the quarter before the annual report is published (May 3, 2024), the unfinished capital utilization plan.

Issused the 6th unsecured convertible corporate bond on 2024
Ａ.Content
1. Competent authority declaration effective date and document number：Financial Supervisory Commission issued Letter on January 15, 2024 Jin-Guan-Zheng-Fa-Zi No.1120366327。

2. The total amount of funds required : NT$1,010,000 thousand.

3. Sources of funds：Issued the 6th unsecured convertible corporate bond, with 10,000 pieces issued, each with a face value of NT$100,000. The total face value of the issuance was NT$1,000 thousand, and was issued at 101% of the face value to raise funds. The total amount is NT$1,010 thousand, and the term is 5 years.

4. The progress of planned projects and estimated fund utilization

Unit：NT$ thousand

Plan Item	Estimated completion time	Amount	Estimated progress of fund utilization			
			2024			
			Q1	Q2	Q3	Q4
Enrich working capital	2024 Q4	1,010,000	190,000	280,000	300,000	240,000

5. Estimated possible benefits
Based on the company's average bank borrowing interest rate of 1.68%, it is expected to reduce interest expenses by approximately NT$15,554 thousand in 2024. In the future, interest expenses will be reduced by approximately NT$16,968 thousand per year, which will prevent interest expenses from eroding profits and strengthen the financial structure.

6. Plan revision：None

B. Actual implementation

Unit：NT$ thousand

Plan Item	Execution status as of the first quarter of 2013			Reasons why progress is ahead or behind and improvement plans
Enrich working capital	Amount	Scheduled	190,000	This quarter is due to the increase in the amount of cash payable for purchasing materials in line with the actual operating conditions, which has led to the advancement of the use of funds.
		Actual	256,334	
	progress rate (%)	Scheduled	18.81%	
		Actual	25.37%	
Total	Amount	Scheduled	190,000	
		Actual	256,334	
	progress rate (%)	Scheduled	18.81%	
		Actual	25.37%	

C. Benefit Assessment

The funds raised from this project of the Company have been successively invested to enrich working capital according to the plan. Through this capital injection, the company can avoid the burden of interest payments caused by borrowing from financial institutions, improve its solvency and improve its financial structure, thereby ensuring operating opportunities and maintaining long-term competitiveness.

V. Operations Profile

1. Business scope

(1) Business scope

(i) Main businesses

The R&D, manufacturing and sales of electronic connectors, connecting cables and their components, as well as the import and export trading of the above-mentioned related products, can be primarily divided according to their end-use applications, including servers, automotive, laptops, industrial computers, network equipment, medical equipment and other connectors and high-speed cables.

(ii) Business operating ratio (consolidated revenue)

Unit: NT$ thousand

Main product type	2023	
	Operating Revenue	Operating ratio
Connector	2,394,974	100%

(iii) The Company's current product (service) items:

The company is currently primarily engaged in research and development, manufacturing, and sales of connectors for servers, automotive, laptops and various peripheral products, and has continued to develop electronic connector products in new fields in recent years, such as industrial computers, network equipment and medical connectors. The Company has a complete product series and specifications, and connectors of various profile and structures to meet the customized characteristics of appearance and profile variability. A connector is a plug-in piece used to connect electronic signals between two ends, as one of the structural components. The main purpose of it is to provide electric current and signal transmission for various electronic products, and it is a bridge for all signal transmission; the quality of products not only affects the reliability of electronic signal output, but also influences the operational quality of electronic product functions.

(iv) New products (services) planned and already developed

The connector industry is an upstream industry of electronic connection for related industries such as personal computers, communications, automotive, medical equipment, industrial computers, various consumer electronic products and their corresponding peripheral products, but not the final products, and the development trend is accompanied by changes in downstream demand. In order to increase the added value of various products, the Company plans to develop products with a wider range of applications, such as narrower and lower profile, customized connectors, connectors for consumer products and connectors for other special applications products, etc. We will also focus on the development of electromechanical integration connectors, combining electronic signal processing components with connectors, and create new products with high added value. In addition, we will continue to focus on the research and development of the new generation connector technologies and cooperate with the technical capabilities of the mechanism design to pursue stable quality in the future. Since the Company’s considerable technical expertise in the development of products with fine pitch, low profile and multi-pin in the past, the future pursuit of the goal is to develop new products that better meet the requirement of transmission rate, transmission power, better ESD protection, anti-electromagnetic interference shielding technology, heat dissipation and other related electrical characteristics of components, and can establish industry standards for those products.

Future product development plans are as follows:

Short-term goal	1. The product development direction focuses on with low profile, fine and narrow pitch, and customized connectors for portable devices. 2. The goal is to improve the performance of the product.
Mid-term goal	1. The product development direction focuses on consumer electronics connectors. 2. The goal is to find low-cost alternative among the high-end and low-end products in the existing connector market.
Long-term goal	1. The product development direction focuses on the integration of electronic equipment connectors. 2. The goal is to expand the use of connectors in existing electronic equipment.

(2) Industry overview

(i) Industry status and development

A. Overview of the electronic connector industry

Electronic connector is an important bridge between circuits and signals. To maintain the normal and stable functions of electronic products, product quality is very important. Products such as connectors and connecting cables are highly similar and difficult to distinguish in appearance, therefore, the main products of electronic connectors are mostly distinguished by market applications, including computers and peripheral equipment, Internet communication equipment, consumer electronics and other products. Among them, for laptop products, electronic connectors include board-to-board, wire-to-board, Flexible Flat Cable, card connectors, I/O connectors, battery connectors, etc., and electronic connection cable includes signal cable, power cable, coaxial cable and various cables, etc. Generally speaking, electronic connector covers board-to-board connector, PCB connector, card connector, communication connector, mobile phone connector and flexible flat connector, audio-visual connector and automotive connector, etc.; in addition to the above-mentioned segregation of applications and categories, the appearance of the connectors of some specific products is also different, including rectangular connector, circular connector, socket connector, etc.

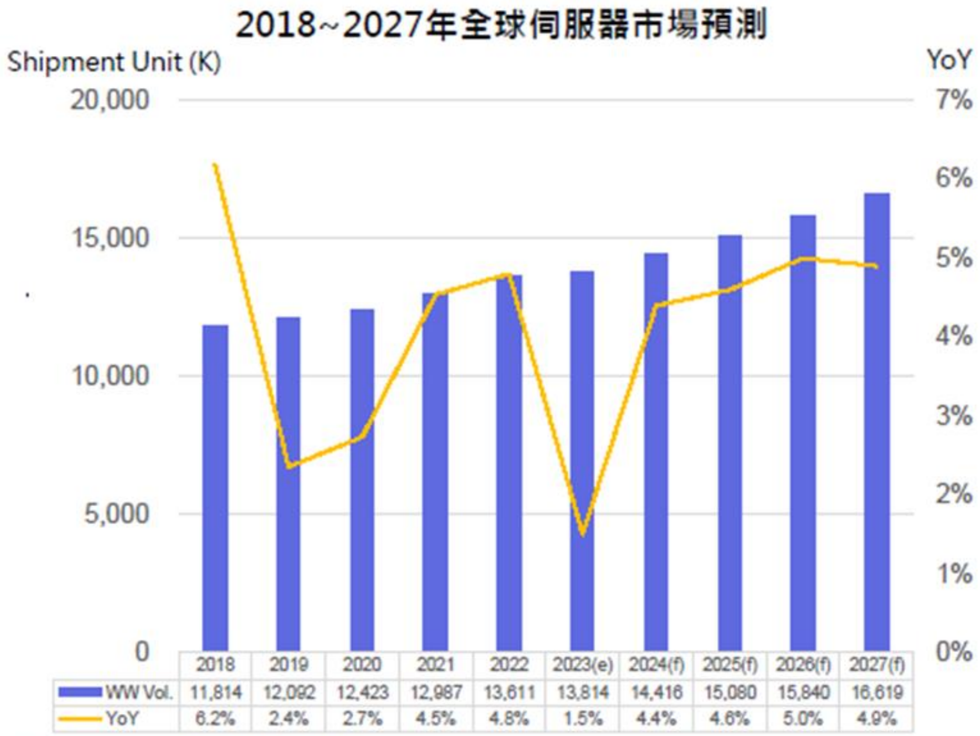
From the perspective of the downstream market application of connectors, the rapid development of personal computers (PCs) and information industry in Taiwan have created a growth environment for electronic connectors. In the early years, domestic connector manufacturers were mostly responsible for the connectors and cables of the PC industry in Taiwan, therefore, in terms of product applications, their scope was mostly used in the personal computer and notebook markets; however with the development of the global PC market, it gradually tends to saturated, the rise of mobile devices such as mobile phones and tablets has greatly reduced the demand for traditional desktops and notebooks, leading related manufacturers to carry out a wave of product transformation. However, due to the recent decline in the unit price of various 3C products and the low-price competition of mainland

China's manufacturers, the performance of the 3C market has been weak. Therefore, various connector manufacturers have successively adjusted their industrial structure, reduced the proportion of 3C applications, and shifted to new applications fields, including various application fields such as automotive, green energy, industrial control, medical and server, and have become the main driving force to the growth value of the connector market.

Benefiting from the continuous development of downstream industries such as network communications, computers and peripherals, consumer electronics, and the automotive industry, the global connector market demand continues to grow, and the overall market size is expanding. According to Global Information, the global connector market will grow at a compound annual growth rate of 5% between 2020 and 2024, and factors such as the integration of smaller electronic equipment and market vendors will drive the growth of the market. According to the Bishop & Associates research institute, the market size of connectors continues to grow due to the wide range of applications and driven by the explosion of network traffic, it is expected that the global Cables and Connector market will show year by year growth from 2020 to 2026, which will reach USD 140.5 billion, with a CAGR of 6.1% from 2020 to 2026.

B. Overview of Server Industry

As mobile communication devices become increasingly common, online services such as live broadcasts, video streaming, and cloud services have become extremely popular, and Internet traffic demand has once again entered a period of rapid growth. Driven by the high demand for cloud computing, telecom operators, social networking sites, video sharing platforms and other industries have increased demand for the construction of data center servers. Coupled with the popularity of ChatGPT after its launch, generative AI has become the focus of the market. Large online service providers such as Google and Baidu have successively launched related AI services, thus further boosting the server market demand. According to July 2023 research data from the Institute of Information Technology (MIC), the global server market is affected by US cloud service providers extending their server replacement cycles and adjusting data center construction plans. In addition, Chinese brands and Affected by adverse overall economic factors such as sluggish demand for cloud service providers, but driven by the AI wave, it is estimated that the server market will still be able to maintain growth in 2023 despite the adverse economic conditions.

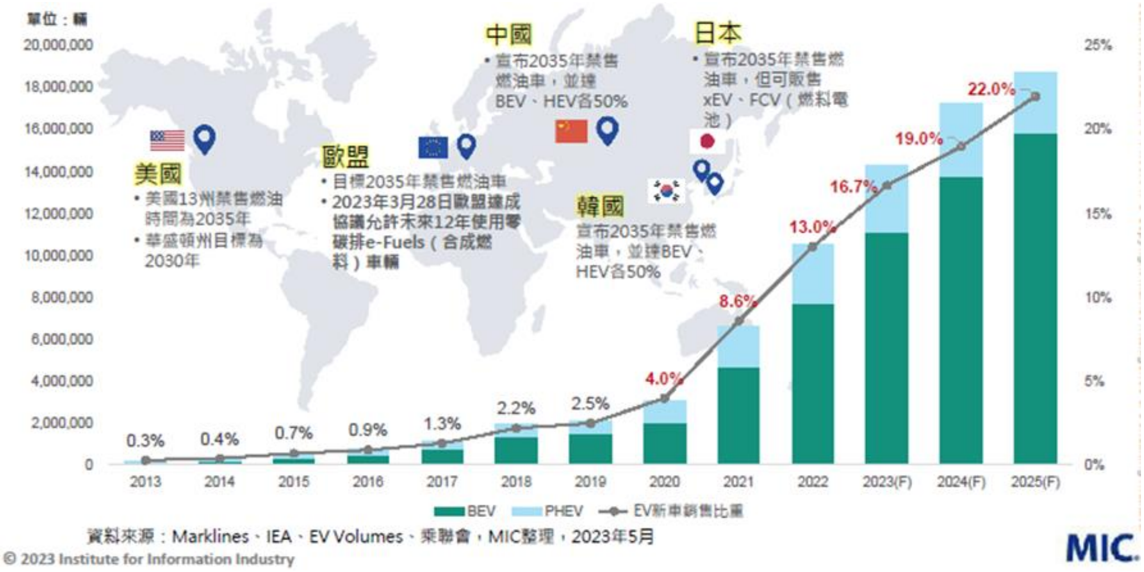


資料來源：MIC，2023年7月

In addition, starting from the second half of 2023, servers equipped with new generation server processors from Intel and AMD will be shipped, and AI servers equipped with AI acceleration chips from AMD and NVIDIA will be launched. The significant improvement in product performance is expected to drive a new wave of The replacement wave has also become an important driving force for the continued growth of the server industry. According to MIC forecasts, the global server market will maintain a growth trend of 4.4% to 5% from 2024 to 2027, with shipments increasing from 13.814 million units in 2023 to 16.619 million units in 2027. Overall, the steady growth of the server industry will help supply demand for related electronic connectors and enhance the performance growth of connector manufacturers.

C. Overview of Electric Vehicle Industry

Various countries are promoting a series of new energy policies to achieve net-zero carbon emission goals. Mainland China is the largest regional market for electric vehicles in the world. With the launch of a number of local electric vehicles and the withdrawal of subsidies for new energy vehicles that have lasted for more than ten years in 2023, there has been a wave of early car purchases. Electric vehicle sales in 2022 will increase by 82% from 2021 to 6.18 million units. Although subsidies in mainland China have been declining year by year, the continued growth in sales in the past two years shows that its electric vehicle market is becoming increasingly mature. In Europe, after tightening CO2 emission standards in 2020 and 2021 and increasing subsidies for electric vehicles in post-epidemic economic revitalization, electric vehicle sales have grown significantly for two consecutive years. Although Germany will reduce subsidies for electric vehicles in 2023, and Norway will re-impose value-added tax on electric vehicles above a certain price, it may have an impact on electric vehicle sales in the short term. However, with the EU's goal of banning the sale of internal combustion engine vehicles from 2035, vehicle electrification has become an irreversible trend.



According to information released by the Institute of Industrial Intelligence (MIC) in May 2023, in addition to the EU setting a goal of banning the sale of fuel vehicles in 2035, 13 states in the United States, China, Japan, South Korea, etc. have also announced bans on the sale of fuel vehicles in 2035. Following this trend, MIC estimates that global electric vehicle sales will reach 14.3 million units in 2023, a 40% increase compared to 2022. At present, electric vehicles account for about 16% of the new car sales market, and it is expected that the market share will reach 22% in 2025.

Looking at the global electric vehicle market, although some countries have gradually phased out car purchase subsidies at the end of 2022, which has had a short-term impact on vehicles sales. In terms of long-term policies and resources invested in the market, the future development of electric vehicles is still promising. Mainland China continues to dominate the electric vehicle market. Its electric vehicle sales have accounted for about half of global electric vehicle sales in recent years. It has occupied the role of both a major supplier and a demander in the market, and has a certain influence on the development of the electric vehicle industry. Competition in the electric vehicle markets in the United States and Europe is fierce, and sales are growing rapidly. As vehicle manufacturers accelerate the development of electric vehicles and continue to narrow the gap with traditional fuel vehicles in terms of price and endurance, the global electric vehicle market is expected to continue to grow in the medium to long term.

D. Overview of Notebook Computer industry

According to a research report by DIGITIMES Research, the NB market has entered the post-epidemic era in 2022. Manufacturers are adjusting inventories and inflation has dragged down market demand. Shipments in 2022 will drop to 191 million units, with shipments declining by 22.8% year-on-year. In 2023, the global NB market is expected to continue to be suppressed by the unclear political and economic situation. In addition, the inventory depletion time is extended, and distributors are conservative in placing orders. It is estimated that the total annual shipments will decrease by 7.8% year-on-year. to 171 million units. However, education NBs purchased in large quantities due to the epidemic in the second half of 2020 have officially entered a 3 to 4-year replacement cycle. In addition, in terms of technological innovation, the popularization of OLED panels, Microsoft's cloud PC concept, and Intel and TSMC's high-performance Core cooperation will also be fermented in 2024. Samsung's OLED 8th generation line is expected to be mass-produced by the end of 2023, which will bring lower-cost OLED solutions to the NB industry. Therefore, it is estimated that global NB shipments will return to the growth track in 2024, with an annual growth rate of 2.8%. It is also estimated that global NB shipments will enter a new growth cycle in 2025. The main reason is that consumer models have been 5 years away from the shipment outbreak caused by the epidemic in 2020, and most consumers will consider upgrading. In addition, Windows 10 will cease support in 2025, which will further stimulate enterprises to replace Windows 11 models. The expected annual growth rate in 2025 is 4.9%.

(ii) Relationship among the industry's upstream, midstream and downstream

The structure of the connector product is mainly assembled from two parts, the terminal and the plastic shell. The main upstream raw materials include three parts: metal materials, plastic materials and electroplating materials. The uses and characteristics of each raw material are described as follows:

<u>A. Metal materials</u>

The main purpose of metal materials is to make connector terminals. In order to meet the needs of high-frequency transmission, the specifications of connector products are developing towards low profile, high density, and multiple pins, which often requires complex bending processing for terminals. Among various metal elements, copper alloys have sufficient mechanical strength and good electrical conductivity.

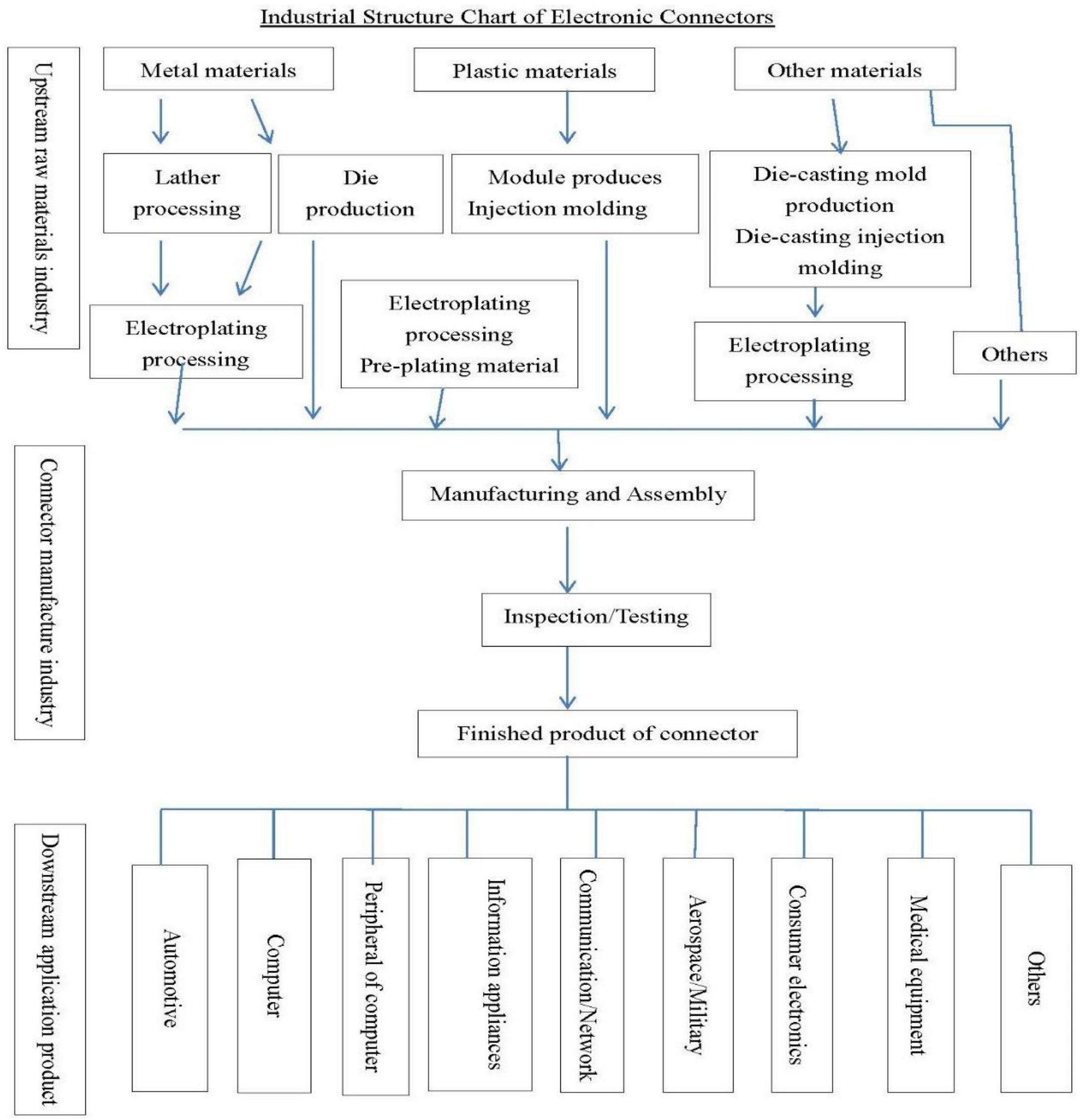
<u>B. Plastic materials</u>

Plastic materials are usually used for the housing and insulation of connector products. As products are developing towards fine pitch and SMT, the thin wall flowability, strength, heat resistance and dimensional stability of plastic materials are the key considerations.

<u>C. Electroplating materials</u>

The function of the electroplating material is related to the conductivity and the number of times of plugging and unplugging of the connector. Generally, copper is used as the substrate for electroplating, on which and a layer of pure tin or hard gold is electroplated. At present, most domestic connector manufacturers entrust professional third-party manufacturers to be responsible.

In the manufacturing process, both terminals and the plastic shell are cast into high-precision molds according to the design specifications, and then the metal materials are stamped into terminals using the cast molds, while the plastic materials are melted and injected into the mold using an injection device to form the required plastic shell. After the plastic shell and the electroplated terminal are assembled, the terminal is bent and processed, and the finished connector can be used in various industries according to different specifications, including the computer industry, communication industry, consumer electronics industry, automotive industry, medical equipment and aerospace industry and other industries.


Industrial Structure Chart of Electronic Connectors
Upstream raw materials industry
Metal materials
Plastic materials
Other materials
Lather processing
Die production
Module produces Injection molding
Die-casting mold production Die-casting injection molding
Electroplating processing
Electroplating processing Pre-plating material
Electroplating processing
Others
Connector manufacture industry
Manufacturing and Assembly
Inspection/Testing
Finished product of connector
Downstream application product
Automotive
Computer
Peripheral of computer
Information appliances
Communication/Network
Aerospace/Military
Consumer electronics
Medical equipment
Others

(iii) Product development trends

A. Technology development trend of Fine Pitch, Low Profile and high frequency

In recent years, with the vigorous development of portable electronic devices such as notebook computers, mobile phones, and digital cameras, light, thin, short, small, high-density, and high transmission speeds have become an inevitable trend in the development of electronic products, so connector manufacturers in various countries are making every effort to develop products with fine pitch and high transmission speed. In order to meet the thinning requirements of mobile phones, notebook computers, digital cameras, etc., there is also an increasingly obvious trend of low integration and high cohesion. In addition, the development of surface mount technology (SMT) has made products with advantages such as light weight, space saving, improved performance, high-density packaging and automatic assembly gradually become the mainstream of the market. At present, SMT type products are mainly used for the connection between printed circuit boards or with FPC (flexible printed circuit boards), however with the development of fine pitch, it gradually affects the connector products of I/O interface. In the future, with the development of portable and consumer products such as mobile phones, its market scale will gradually expand.

B. Strategies of expanding manufacture to mainland China and "local supply and service"

Taiwan's connector manufacturers have been moving their production facilities to mainland China in order to lower production costs, integrate the upstream and downstream of the industrial chain, and capitalize on market potential. To better serve clients, it has become essential for Taiwanese connector manufacturers to establish factories near their clients' factories. This strategy allows them to provide more efficient and timely service while also strengthening their relationships with clients.

C. Actively develop towards R&D and design ODM

Based on the analysis of the international electronics industry's overall division of labor, OEMs can no longer satisfy customer needs, and connector manufacturers need to actively develop their ODM design and manufacturing capabilities. However, due to the short product life cycles, manufacturers must be able to quickly adapt their productivity and diversify their offerings. Currently, most domestic connector manufacturers rely on traditional production and manufacturing techniques, such as stamping, injection, and automatic assembly. Due to cost considerations, many of these techniques have been moved to mainland China, and with many manufacturers already operating there, profits based on quantity have become relatively narrow. Without technology upgrades and product development, maintaining long-term operations in this industry with low entry barriers will be difficult.

(iv) Competition situation of products

The company has a complete product series and specifications, and uses product variability and high difficulty as obstacles for other competitors to enter, as well as relative irreplaceability in the customer segment, in order to obtain relative profits and order volumes. Under the requirements of rapid changes and increasing precision of downstream customers' products, for companies engaged in the manufacturing and selling of connectors, how to respond to market demand with product development speed and price advantages has become the key factor for success or failure. It is hereby described as follows:

A. Immediately grasp the market trends and improve production technology capabilities.

There are many industries that use connectors, that is, as long as there are electronic products connecting to signal transmission, the needs for connectors will continue to exist, such as personal computers (desktop, notebook, mini, handheld, etc.), computer peripherals (printers, display screens, mouse, keyboards, network equipment, scanners, storage devices, various players, etc.), mobile phones, digital cameras, medical equipment, automotive electronics, industrial computers, and other various consumer electronics products, information appliances and their peripheral electronic products, cover almost all important industries. Therefore, the development trend and innovation of various electronic hardware equipment, transmission methods and capabilities drive the various needs of the connector industry in various periods. Whether connector manufacturers can keep abreast of the dynamics of the downstream product application market and launch new products with corresponding specifications in time is an opportunity for connector manufacturers to win the best profit and market. In terms of product R&D and design, the Company has the ability of rapid development and adaptability, which shortens the product development timeline and to meet the demand for the diversity of portable electronic products and high barriers to entry, expands the extension of new products, on the other hand, through individualized services, we also design special specifications to meet the needs of customers customized connectors, making the product line of connectors produced by the Company more complete and diversified than the competitors. In addition, in terms of delivery coordination, we actively meet the expectations of customers, stand on the same front with customers' thinking, and responds quickly to the changing market.

B. Product quality and stability

The Company always has a strict and unique management process for product quality and the realization (or development) of new products, hoping to meet the requirements of "products are designed" and "products are manufactured" instead of the concept of "products are tested" which means the product design stage is the factor that determines the quality of mass production in the future, and it also improves the yield and efficiency of products and reduces unnecessary costs. In addition, with years of experience in mold development and production with suppliers, we have developed superior structural design capabilities, mass production technology, and material selection and deployment capabilities, resulting in proper control and stability of product quality. As for the ability to assemble manual, semi-automatic, and fully automatic machines and tools in production, in the manufacturing process, each operator is required to operate in accordance with the operation instructions and establish quality control responsibilities to achieve the concept of quality for all employees. The Company has passed a number of International quality certification, and established a good reputation. We have been affirmed by many well-known manufacturers domestic and abroad, and this is also the basis for expanding the business of other world-renowned manufacturers.

C. Competitiveness of product price

After electronic media and the Internet have brought about information innovation, messages are sent and received quickly, consumer habits are changeable, and the appearance is required more ostentatious. Downstream product manufacturers not only need to grasp the trend of product changes, but also need to make the price attractive in order to create good results. Indirectly, component suppliers also need to be price-competitive to win orders. Under the erosion of unit price, in addition to obtaining the R&D profits through rapid product development in the early stage, connector manufacturers need to focus on production management, control production costs, and obtain production profits to maintain competitiveness. On the one hand, the Company uses rapid product development to obtain a higher profit in the early stage of research and development. In terms of cost control, due to the long-term cooperation of raw material suppliers, the cost of material input is controlled at a reasonable unit price, and the cost of materials is controlled. The control of materials and the flexibility and speed of the production process, in addition to improving the timely delivery capabilities and the corresponding delivery capabilities, and the reduction of material turnover, improvement and production costs, have strengthened competitiveness, increase the ability to receive orders while maintaining the due benefits, and avoid the backlog of funds. On the other hand, using the production plants of ALLTOP Group's in mainland China and its abundant labor force, and aiming at the bottleneck workstations in the process, we use self-designed semi-automatic or fully automatic assembly equipment to improve efficiency and yield considerations, reduce labor costs, increase output, and with flexible scheduling increasing the utilization rate of personnel and machine tools, effectively controlling and reducing production costs, the Company has a cost advantages to face the price competition in the future market.

D.<u>The business philosophy of core competitiveness</u>

The Company has always upheld its business philosophy of quality and innovation since its inception. The Company's belief that "Quality connects customers and ALLTOP" and "Innovation promises sustainable operation" is deeply ingrained in its employees. They understand that the customer is the source of their salary and any resources the company has to offer. Therefore, they place great emphasis on customer service and take a customer-first approach in all aspects of the business. The Company is committed to providing customers with the best possible service in all areas, from product development and design to sample supply and production, and delivery. The Company's product development is based on its own research and development capabilities, and follows the concept of "quality is designed." The product assembly is done in-house rather than being outsourced to an OEM, allowing the Company to maintain complete control over the quality of its products. The Company is committed to providing customers with the highest level of quality, and ensures that all products are thoroughly tested and confirmed before shipment. The Company's long-term cooperation with customers and its focus on high-quality service has allowed it to fully understand and meet the functional and process requirements of its customers' products. The Company is constantly improving and developing new products to meet the changing needs of its customers, and is recognized as a preferred partner for the development of new models and products.

The Company has always emphasized a "people-oriented" management approach, which has allowed us to accumulate a wealth of experience in product development, technology, production, and quality control. This has enabled us to grow together with our customers and achieve a symbiotic and mutually beneficial relationship with our suppliers, based on the principles of "co-prosperity" and "co-growth". We carefully choose our suppliers based on their ability to accumulate resources, technology, and quality over time, rather than simply focusing on production capacity. This approach has allowed us to maintain stable prices for raw materials, and to have greater control and faster delivery when dealing with the diverse demands of portable electronic products. Through our long-term relationships with both customers and suppliers, we have been able to maintain our competitiveness in the market over the long term.

(3) Overview of Technology and R&D

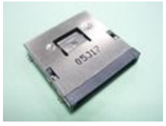
(i) Research and development costs invested in the past year and as of to the date of publication of the annual report.

Unit: NT$ thousand

Item / Year	2022	2023	Until March 31, 2024
R&D expense (A)	72,627	63,550	14,077
Revenue (B)	2,309,878	2,394,974	588,159
Proportion A/B (%)	3.14	2.65	2.39

(ii) Technologies or products that have been successfully developed

R&D result	Product image	Feature description
LAN and Telephone Connectors and 2-in-1 counterparts		The Company's plug-in connectors are designed with excellent flexibility to accommodate male thread heads of various sizes, providing reliable performance even after frequent plug-in and pull-out cycles. Furthermore, the Company has implemented a design strategy that integrates both LAN and telephone connectors (for dial-up Internet access) into a single component. This not only enhances the convenience of the customer's process but also helps to reduce costs.
USB 2.0 connector；Double-layer 2-in-1, 3-in-1 USB 2.0 connector		In order to meet the diverse design requirements of notebook products from customers, we have developed a range of vertical product designs and USB 2.0 connector products with various specifications and styles. Moreover, we also offer double-layer, 2-in-1, and 3-in-1 products of this type, which provide customers with greater convenience.
Optical drive connector		After precise calculations of the connector's height and contact length when connected to the optical drive, we have successfully developed a simple and single optical drive connector. By doing so, our customers can avoid the high costs associated with flexible printed circuits and flexible printed circuit connectors, thus significantly reducing the manufacturing cost of the component. The resulting product offers excellent functionality, conforms to various customer designs, and aligns with the development trend of compact and lightweight products.
HDD connector		Similar to the optical drive connector design concept, our product design features high reliability and meets the functional requirements of customers with various heights and configurations. Moreover, we have innovatively developed detachable PATA HDD and SATA HDD connectors with unique designs.

R&D result	Product image	Feature description
Battery connector		Developed 2.5 mm and 2.0 mm narrow-pitch battery connectors, which are used in notebook computers and DVD players, and developed a thinner and narrow-pitch battery connector, which was also approved by Sony for use in a certain consumer electronics
Memory card connector		The memory card ejection method is designed based on the user's needs, so that the memory card ejection chute can be installed on the plastic body firmly and without falling off before the cover plate is fitted with the plastic bottom shell, which is convenient for users.
Multi-card memory card connector		Integrating memory cards of various specifications on a single connector enables customers' electronic products to accept the convenience of various or different cards used by consumers.
Modem card connector		In response to the trend of fixed PCI Express replacing the PCI BUS, the corresponding modem card connector has been developed and have a good elastic design structure and can be used by customers in the SMT process, and the fillet weld leg has good coplanarity.
Board-to-Board Connector		The narrow-pitch connector designs with pitches of 2.0 mm, 1.27 mm, and even 1.0 mm have developed, which provide reliable contact and excellent matching contact stroke between male and female connectors. These connectors can meet the demand for low product height and are equipped with special terminal designs to ensure good coplanarity (flatness) during the SMT process when soldered on printed circuit boards.
Mini-Din connector		The circular volume of the product is miniaturized, and its unique design meets the customer's demand for process quality such as weld leg DIP, weld leg SMT and flat type with low height. Among them, the weld leg of SMT has good coplanarity (flatness).
High Power connector		Electronic connectors that transmit high power to break through existing technical bottlenecks and perfect patent layout.
High frequency connector		Miniaturization, high speed, anti-interference (including interference caused by high-speed transmission, and physical and chemical damage and wear and tear to connectors caused by increasingly harsh external environments).
USB 3.0		USB is currently the most common and widely used transmission device. In response to the large amount of data transmission demand in recent years, USB 3.0 has greatly increased the transmission speed from 480 Mbps of USB 2.0 by more than ten times, and reached to 5 Gbps.
The first generation of foldable high-speed cable		The high-speed foldable cable features a slim and compact design while maintaining its exceptional transmission performance even after being flexed. Its unique form factor enables easy installation within tight or confined spaces while also reducing wind resistance and improving heat dissipation. The cable's plastic sheath, in a strip configuration, ensures the proper positioning of the signal and ground wires, thereby reducing the incidence of erroneous wire placement and improving overall assembly reliability.

R&D result	Product image	Feature description
Other connectors		Connectors used in existing electronic equipment can carry high-frequency signal transmission, withstand high power, and expand the use function of existing connectors.
The second generation of foldable high-speed cable		Compared with the first generation, it has better high-speed performance and a thinner and narrower appearance, with the characteristics of easier shaping after bending, and the outer layer of anti-scratch strip aluminum foil, which is easy to install in various complex narrow spaces and reduces wind interference to improve cooling performance.

For more information about R&D, please refer to "Future R&D Plans and Estimated R&D Expenses" in "Risk Issues".

(4) Long-term and Short-term Development Plan

i. Short-term business development plan

A. Strengthening product depth in niche markets

As production technology continues to advance and product life cycles become shorter, there is a growing demand among customers for new and innovative products. To ensure the Company's continued growth and success in the competitive notebook connector market, it is crucial to accelerate the development of new product series with original application technology. This includes offering timely access to new technology products, expanding the current product series, establishing a comprehensive range of product lines, and providing customers with the optimal selection.

B. Continuing to expand OEM / ODM business

To optimize our production capacity and achieve economies of scale, the Company will pursue OEM/ODM business opportunities both domestically and abroad. To expand our business, we will enhance our product design capabilities, control manufacturing costs and maintain high product quality, shorten product development timelines, and proactively engage with potential major customers. The Company's strategic target customers are major electronic product manufacturers, and we will work closely with them in the product development and design stages to ensure the timely introduction of the required connectors.

ii. Long-term business development plan

A.Continuously improving and increasing automation ratio and output yield.

Continue to enhance our product development technology and focus on mastering key technologies such as product design and development, computer-aided simulation, production process improvement, automatic assembly, and testing. By developing these key technologies in-house, we can strengthen our own design and development capabilities, which will give us a competitive edge in the market.

B.Continue to introduce new production technology

Committed to continually researching and improving our design and production technologies to overcome technical bottlenecks and obstacles. This involves exploring new methods of production that are tailored to the specific characteristics of our products, starting with the design phase. By doing so, we aim to enhance our design and manufacturing capabilities, and stay ahead of the competition.

C. <u>Continuing to promote internal processes and management information systems to improve service quality</u>

With Taiwan as the global operation management headquarters and R&D base, in addition to long-term training of R&D design, engineering technology, marketing, and management personnel, the Company also cooperates with professional e-management, and quickly processes various data through the connection of information system and feeds back to the management in order to improve the performance of operation management.

D. <u>Strategic planning, strengthening long-term development strength</u>

With the expansion of the operation scale and the operation of the overall development strategy of the enterprise, the Company will also consider the feasibility of vertically integrated development of upstream and downstream or diversification, and use the existing technology as the basic structure improving capabilities and achieve product added value provision and performance growth.

2. Overview of Market and Sales

(1) Market analysis

(i) Main product sales area:

Unit: NT$ thousand

Main product	Sales area	2022		2023		Until March 31, 2024	
		Amount	%	Amount	%	Amount	%
Connector	Domestic	234,005	10.13	273,676	11.43	85,121	14.47
Connector	International-Asia	2,075,873	89.87	2,121,298	88.57	503,038	85.53
Total		2,309,878	100.00	2,394,974	100.00	588,159	100.00

(ii) Market share:

The sales revenue in 2023 is NT$ 2,395 million. According to the data from the International Institute of Obstetrics and Sciences of the Industrial Technology Research Institute, the estimated output value of our country's connectors from 2019 to 2021 is 188,288 million. Therefore, the company's market share in 2012 was approximately 1.27%.

(iii) Future market supply and demand situation and growth:

A. <u>On the supply side,</u>

With the thinner and lighter trend of Notebook computers, in the future, PCs will cancel CPU sockets and reduce memory sockets, the I/O connectors will be less and less, and the connectors will also be miniaturized and for Board to Board connector applications. Raw material prices continue to rise, together with rising labor costs and job shortages in mainland China, affected the profitability of suppliers and demand for production capacity. Patent wars are becoming more and more frequent, and companies must be more cautious in product layout and sales, which also limits the efficiency of supply-side production. All the above difficulties are testing how each connector manufacturer can make a perfect layout in such a market and lay a good foundation in the next few years.

B. <u>On the demand side</u>

Due to the gradual popularity of application such as cloud and smart networking, the shipments of products such as automotive, telecommunications, industry, green energy, and medical care have increased, while the number of units required for connectors for e-sports applications and vehicle systems will continue to increase. In addition, due to the rise of environmental tolerance products, products such as green energy-specific connectors have been developed. In addition to better energy efficiency, these products will bring further replacement demand for industry in term of environmental tolerance indicators such as noise resistance, high temperature resistance, and waterproofing. And the recovery of the CPU and server markets will drive the increase in demand for related connectors, as well as the booming development of automotive electronics, optical fiber communications, Internet of Things, smart homes, green energy, medical and industrial application markets still have significant support for the production and sales for related connector products.

(iv) Competitive niche

The advantages are as follows:

A. Technology development meets market demand, and strong product R&D and design capabilities

With the rapid change of science and technology, the technology and performance of terminal products are constantly being updated. In order to grasp the market dynamics in real time, the Company has strong research and development capabilities and takes the lead in research and development and launches products that meet market demand and stand out from the competition, which is the key niche of the Company. The Company has developed in the industry for many years, has cooperated closely with the upstream and downstream of the industry, and is familiar with the pulse of the connector industry, production technology and market trends, so it has competitive advantages in new product development, production efficiency, product quality, and delivery efficiency. Moreover, the Company has a professional R&D team, and has accumulated a number of R&D achievements and product technology patents so far. Therefore, with the support of internal R&D capabilities, the Company can grasp market trends and immediately launch products that meet market demand.

B. Strict quality control, stable product quality

The quality of electronic connector products will directly affect the performance of end products. The connector is a bridge between all signals, the quality of which not only affects the reliability of current and signal transmission, but also affects the operating quality of the entire electronic machine. In the statistics of product failure causes, the proportion of connectors is not low. Therefore, in the era of high quality, stable quality of electronic connectors will be a must for major manufacturers. The Company has a strict management process for product quality requirements, considers the quality factors of future mass production from the design and development stage of new products, which improves product yield and efficiency and reduces unnecessary costs. In the production process, the Company vertically integrates part of the upstream metal stamping to ensure the stability of the quality of incoming materials, and has strict control in each production process. The production line personnel also follow the quality operation control to promote the concept of overall quality. The Company has passed a number of international quality certifications and has established a good reputation, the product quality has been affirmed by major well-known manufacturers, and as an advantage to expand business on this basis.

C. Having a long-term and stable customer cooperation relationship and providing comprehensive supply and technical services

The Company's primary customer base includes notebook computer OEMs and self-owned brand manufacturers, server and automotive manufacturers, and others. The Company has maintained long-standing cooperative relationships with most of these customers. To provide customers with comprehensive technical support and sales services, the Company has established an operation center in Taiwan and a production and sales base in Suzhou, mainland China. This approach not only allows the Company to serve customers in close proximity, but also provides the ability to quickly respond to customer needs and issues, and offer solutions that can establish a long-term, stable cooperative relationship with customers.

(v) Favorable and unfavorable factors for development prospect and countermeasures

①Favorable Factors

A. In terms of industrial development trends, connector is an important component of electronic products such as computers and peripheral products; the connector industry still has considerable room for growth in the future.

B. In recent years, the demand for portable electronic products has increased greatly, and the Company's product research and development is developing towards fine-pitch, low-profile, high-density, high-frequency transmission and other precision products, can meet market trends in both of technology and product specifications and customized product development and production, and can obtain relatively high profit margins due to the high added value.

C. All kinds of electronic connector products are widely used, at present, the downstream industries of the Company's electronic connector products include notebook computers, industrial computers, network communication equipment, servers, medical and electric vehicle industries, etc. Because the downstream products of connectors have a wide range of applications, they are less susceptible to fluctuations in a single downstream industry that will affect the overall connector market.

② Unfavorable Factors

A. With the vigorous development of the information industry, related electronic products are changing with each passing day, in order to meet the diversified needs of consumers, products must be continuously introduced. However, the life cycle of information products is short, so if new products are not launched in time, we will not be able to grasp market opportunities, and then lose market competitiveness.

Countermeasures

Continue to develop and improve existing products, maintain good cooperative relations with international professional manufacturers, improve market acuity, fully grasp product trends, follow the growth trends of information, communications, industrial computers, consumer electronics and automotive products, and research and develop related niche products.

B. High homogeneity of products, fierce price-cutting competition among competitive, and dwindling profits.

Countermeasures

Recently, 3C electronic products are developing towards lightness, thinness, shortness, and smallness. Therefore, the Company's researching and developing of electronic connectors are also towards fine pitch, high frequency, and high speed to meet the needs of future end products. In addition, in view of the recent slight decline in the overall market sales of notebook computers, the Company is actively developing connector products for non-notebook computers, such as industrial computers, network communication equipment, servers, medical and electric vehicle connectors, etc., expanding across markets, reducing the risk of business concentration and enhancing the company's competitiveness.

C. The rise of the wireless communication industry.

Countermeasures

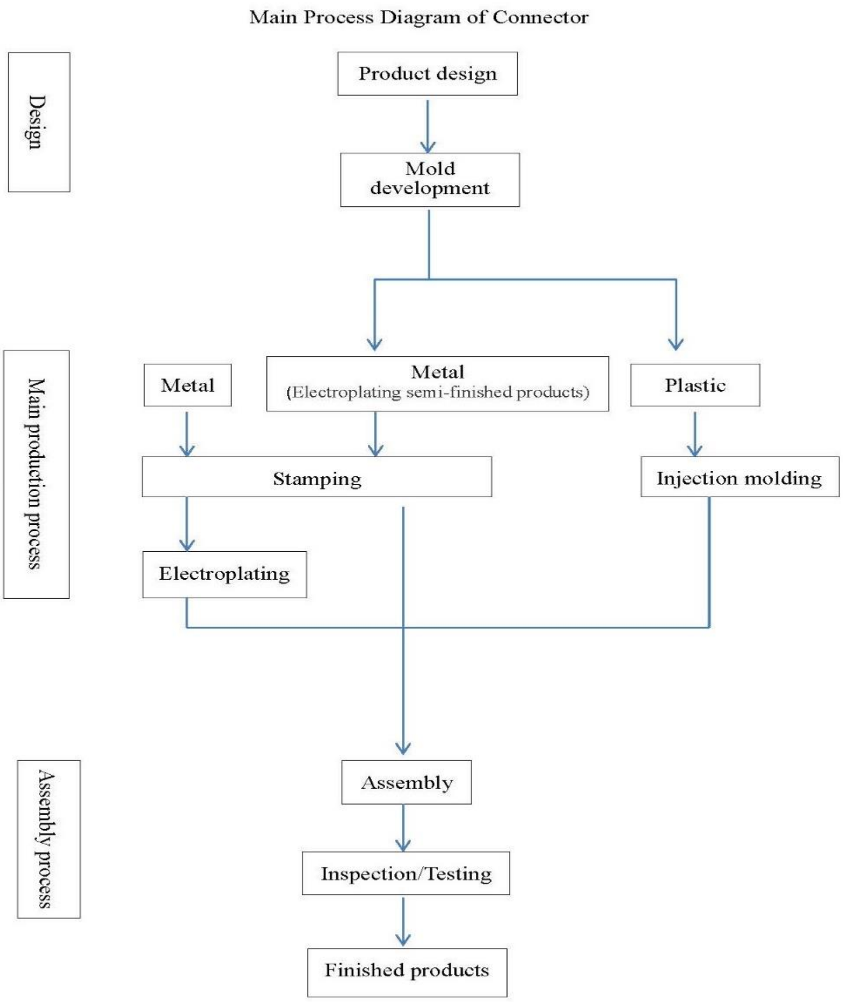
The rise of wireless technology is mainly due to the convenience experience needs of product users, such as wireless Internet access, wireless audio-visual media, and wireless charging. Therefore, the application of these wireless technologies may directly affect I/O connectors, such as Ethernet port, audio input port, power input socket, etc., but the connection requirements for the internal hardware of electronic instruments still cannot be replaced. The Company's product applications include electronic connectors for notebook computers, servers and electric vehicles, with various product items and sufficient research and development capabilities. Therefore, the impact of wireless technology on the Company should be limited.

(2) Important application of the main products and production process

(i) Application of the main products

The main purpose of connecter and cable is to provide electric current and signal transmission for various electronic products, and it is a bridge for all signal transmission.

(ii) The production process of the main products



(3) Supply status of major raw materials

In the electronic connector industry chain, the Company specializes in the design and final assembly stages. The main upstream raw materials are metal materials, plastic materials and electroplating materials. The main raw materials are processed by injection molding and stamping (including electroplating) by our suppliers, and then are provided to the Company for assembly as completed products of connectors for shipment. Therefore, the top suppliers in the purchase are all injection molding and stamping manufacturers. The Company regularly adjusts the supplier combination strategy based on the quality of raw materials, prices and supplier evaluation results to avoid concentrating on a few suppliers and strictly control the risk of material outages. At present, most suppliers have cooperated with us for many years, and the quality of supply is good and the source of supply is also very stable.

(4) Names of customers who accounted for more than 10% of the total amount of purchase (sales) in any of the past two years, the amounts and percentages of the purchase (sales), and the reasons for the increase or decrease. However, due to the agreements prohibiting disclosure, the client name or transaction counterparty, if an individual and not a related party, may be identified by a code.

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

Unit: NT$ thousand

	2022				2023				Up to the preceding quarter of the current fiscal (2024) year			
Item	Name	Amount	Percentage of annual net purchases (%)	Relation-ship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relation-ship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	A Company	172,123	24.54	none	A Company	175,917	24.35	none	A Company	44,560	25.26	none
2	B Company	114,384	16.31	none	B Company	131,905	18.26	none	B Company	30,167	17.10	none
3	C Company	87,687	12.50	none	C Company	100,718	13.94	none	C Company	19,842	11.25	none
4												
5	Others	327,150	46.65		Others	313,996	43.45		Others	81,853	46.39	
	Net purchases	701,344	100.00		Net purchases	722,536	100.00		Net purchases	176,422	100.00	

【Description of changes】:The change in the purchase amount ratio is mainly due to changes in product demand.

2. Information on Major Sales Customers for the Most Recent 2 Years

Unit: NT$ thousand

	2022				2023				Up to the preceding quarter of the current fiscal (2024) year			
Item	Name	Amount	Percentage of annual net sales (%)	Relation-ship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relation-ship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	A Company	296,107	12.82	none								
2	Others	2,013,771	87.18		Others	2,394,974	100		Others	588,159	100	
	Net sales	2,309,878	100		Net purchases	2,394,974	100		Net purchases	588,159	100	

【Description of changes】:The change in sales amount is mainly due to the increase in product demand and sales.

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

Unit: thousand /NT$ thousand

Fiscal year / Output / Main products (or department)	2022			2023		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Connector	216,157	208,519	1,276,136	191,009	198,140	1,159,119
Total	216,157	208,519	1,276,136	191,009	198,140	1,159,119

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

Unit: thousand /NT$ thousand

Fiscal year / Sales / Main products (or department)	2022				2023			
	Local		Export		Local		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Connector	8,045	234,005	362,338	2,075,873	6,152	273,676	422,336	2,121,298
Total	8,045	234,005	362,338	2,075,873	6,152	273,676	422,336	2,121,298

3. Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date

May 3, 2024

Fiscal year		2022	2023	As of May 3, 2024 of the current fiscal year
Number of employees	Managers	9	9	9
	Direct Staffs	0	0	0
	Indirect Staffs	73	72	69
	Total	82	81	78
Average age		42.4	43.2	44.6
Average years of service		10.77	11.58	12.29
Education distribution percentage (%)	Ph.D.	1	0	0
	Master’s degree	6	5	5
	College	87	89	89
	Senior high school	6	6	6
	Below senior high school	0	0	0

4. Environmental Expenditure Information

In the past year and as of to the date of publication of the annual report, any losses suffered due to environmental pollution including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the content of law violated, and the content of the dispositions), and disclose the estimated amount and countermeasures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained:

The Company has no suffered losses due to environmental pollution incidents or environmental protection agencies.

5. Labor Relations

(1) List any employee welfare measures, continuing education, training, retirement systems, the status of their implementation, and the status of labor agreements and measures for preserving employees' rights and interests: Please see the explanation of “Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons” 8.

(2) Any losses suffered by the Company in the past year and as of the date of publication of the annual report due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, the content of law violated, and the content of the dispositions), and disclose the estimated amount and countermeasures that may occur at present and in the future. If it cannot be reasonably estimated, it shall explain the fact that it cannot be reasonably estimated:

Since the establishment of the Company, the labor relationship has always been harmonious, and the work rules are handled in accordance with relevant laws and regulations. There are no losses caused by labor disputes, and it is estimated that the possibility of losses caused by labor disputes in the coming years is extremely low.

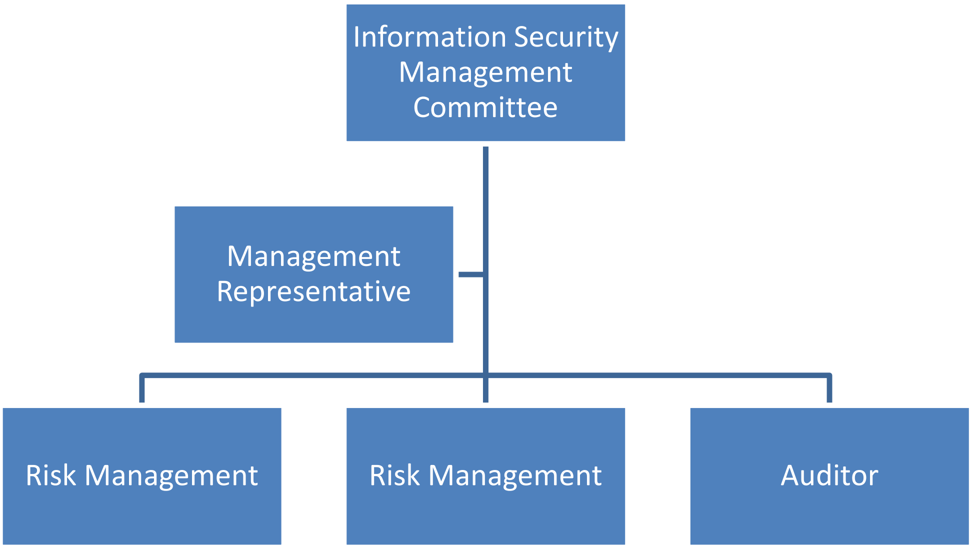
6. Information and communication security management

(1)Describe the framework of the information and communication security risk management, the information and communication security policies, concrete management plans, and resources invested in information and communication security management, etc.:

<u>The structure of information security risk management</u>

The company has established an "Information Security Management Committee" to be responsible for implementing information operation security management plans, establishing and maintaining information security management systems, and coordinating the formulation, implementation and risk management of information security and related policies.

The Information Security Management Committee is convened by the general manager and headed by a management representative. Directors of all units within the company (including legal affairs, human resources, materials, management, etc.) are members of the committee; the management representative is responsible for assisting the company's information security planning, Coordinate related audit matters and supervise the operation of this committee.



Information Security Policy

The company's information security policy is guided by: 1. Maintaining the continuous operation of the system; 2. Preventing intrusion and destruction by hackers, viruses, etc.; 3. Preventing improper and illegal use with human intentions; 4. Maintaining the safety of the physical operating environment. With the goal of anti-virus, anti-hacking and anti-leakage, firewalls, intrusion detection, anti-virus systems and many internal control systems are established to enhance the company's ability to defend against external attacks and ensure the protection of internal confidential information. In order to strengthen information security, our company has introduced ISO27001 information security management system certification so that all information systems can operate under standard management specifications and reduce security loopholes and abnormalities caused by human negligence. To build a multi-layer information security protection mechanism and strengthen information security and network security protection processes to protect the company's important assets. In addition, the effectiveness of information security management is regularly monitored to ensure continuous improvement of information security management and defense capabilities, and information security education and training are reviewed and continuously improved to enhance information security awareness.

Specific management plan

In order to achieve information security policies and goals and establish comprehensive information security protection, the management matters and specific management plans implemented are as follows:

- ●Improve information security defense capabilities: Conduct regular drills and tests of information security systems, and strengthen and repair them to reduce information security risks.
- ●Improve network, endpoint and application security: Optimization of the overall information system network security area and protection of important host account authentication.
- ●Legal compliance, risk management and education and training: legal promotion, anti-virus, information security protection measures and risk management information security education and training for employees to enhance information security awareness so that information security operations can be implemented for every employee.

Invest resources in information security management

- ●Dedicated manpower: A dedicated information security management organization is established to be responsible for the company’s information security planning, technology introduction and related audit matters in order to maintain and continuously strengthen information security.
- ●Certification: Passed ISO27001 information security certification, and there are no major deficiencies in relevant information security audits.
- ●Customer satisfaction: There are no major information security incidents and no complaints about breach of customer data and loss.
- ●Education and training: All employees (including new employees) have completed information security education and training courses.
- ●Information security announcements and promotions: Information security announcements and promotions are produced from time to time to convey important regulations and precautions for information security protection.

(2) List any losses suffered by the Company, the possible impacts, and countermeasures in the past year and as of the date of publication of the annual report, due to significant information and communication security incidents. If it cannot be reasonably estimated, it shall explain the fact that it cannot be reasonably estimated: As of to the date of the publication of annual report, the Company has no significant information and communication security incidents suffered and impacted.

7.Important Contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Loan agreement	Bank SinoPac	2023/03/01-2025/03/31	credit	None
	Taipei Fubon Bank	2021/06/07-2024/06/08	credit	None
	Yuanta Bank	2022/06/28-2024/06/28	credit	None
	Chang Hwa Bank	2022/05/01-2024/04/30	credit	None
	Cathay United Bank	2021/06/01-2024/06/21	credit	None
	Shin Kong Bank	2021/12/02-2024/06/20	credit	None
OEM agreement	LLTOP Electronics (Suzhou) Co., Ltd.	2017/01/01-2024/12/31	Provide product patent technology and R&D services and receive remuneration.	None
	LLTOP Electronics (Suzhou) Co., Ltd.	2009/11/01-2024/10/31	manufacturing	None
Sales agreement	F Company	2013/11/26-Present	Sales Products	Privacy Policy
Purchase agreement	B Company	2014/2/7-Present	Raw material procurement	Privacy Policy
	C Company	2018/11/7-Present	Raw material procurement	Privacy Policy
	D Company	2009/1/1-Present	Raw material procurement	Privacy Policy
Technical cooperation agreement	E Company	2013/01/01-2024/12/31	Assist the company's product development and technology improvement	Privacy Policy

VI. Financial Profile

1. Condensed Balance Sheet and Statement of Comprehensive Income for Most Recent 5 Fiscal Years

(1) Consolidated Condensed Balance Sheet

Unit: NT$ thousand

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years (Note 1)					Financial information as of March 31, 2024 (of the current fiscal year (Note 1)
		2019	2020	2021	2022	2023	
Current assets		2,315,538	2,517,982	2,298,107	2,054,062	3,139,706	4,463,769
Property, Plant and Equipment		636,272	880,963	927,526	861,886	802,767	833,541
Intangible assets		8,994	17,712	14,397	13,326	12,548	11,726
Other assets		252,362	97,347	840,965	1,166,790	436,025	281,333
Total assets		3,213,166	3,514,004	4,080,995	4,096,064	4,391,046	5,590,369
Current liabilities	Before distribution	1,014,841	704,776	1,544,554	777,423	961,604	1,620,593
	After distribution	1,400,746	1,229,770	2,197,501	1,332,003	(Note 2)	(Note 2)
Non-current liabilities		593,511	550,712	38,907	802,287	819,589	957,988
Total liabilities	Before distribution	1,608,352	1,255,488	1,583,461	1,579,710	1,781,193	2,578,581
	After distribution	1,994,257	1,780,482	2,236,408	2,134,290	(Note 2)	(Note 2)
Equity attributable to owners of the parent company		1,604,814	2,258,516	2,497,534	2,516,354	2,609,853	3,011,788
Share capital		652,971	729,158	585,077	589,978	590,909	593,189
Capital surplus		279,577	629,301	802,178	753,628	652,028	752,059
Retained earnings	Before distribution	810,230	1,009,045	1,229,100	1,260,043	1,505,771	1,686,850
	After distribution	489,622	586,133	704,870	815,789	(Note 2)	(Note 2)
Other equity		(137,964)	(108,988)	(118,821)	(87,295)	(139,327)	(20,310)
Treasury shares		-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Total equity	Before distribution	1,604,814	2,258,516	2,497,534	2,516,354	2,609,853	3,011,788
	After distribution	1,218,909	1,733,522	1,844,587	1,961,774	(Note 2)	(Note 2)

Note 1: Financial statements of each year are audited and certified by the CPAs, except the financial statement of the first quarter of 2024 was audited by the CPAs.

Note 2: The figures after distribution mentioned above are according to the resolutions of the shareholders' meeting in the coming year; for 2023 and the first quarter of 2024, there was no profit distribution plan of the resolution of the shareholders' meeting.

(2) Individual Condensed Balance Sheet

Unit: NT$ thousand

Item		Financial Information for Most Recent 5 Fiscal Years (Note 1)				
Fiscal year		2019	2020	2021	2022	2023
Current assets		1,034,458	1,486,158	918,940	787,797	524,065
Property, Plant and Equipment		105,166	82,152	75,356	71,648	69,669
Intangible assets		4,934	13,464	10,380	8,897	8,167
Other assets		36,696	28,141	30,720	26,444	41,747
Total assets		2,965,131	3,779,972	3,632,869	3,873,996	4,199,607
Current liabilities	Before distribution	767,334	971,280	1,096,961	555,897	779,529
	After distribution	1,153,239	1,496,274	1,749,908	1,110,477	(Note 2)
Non-current liabilities		592,983	550,176	38,374	801,745	810,225
Total liabilities	Before distribution	1,360,317	1,521,456	1,135,335	1,357,642	1,589,754
	After distribution	1,746,222	2,046,450	1,788,282	1,912,222	(Note 2)
Equity attributable to owners of the parent company		1,604,814	2,258,516	2,497,534	2,516,354	2,609,853
Share capital		652,971	729,158	585,077	589,978	590,909
Capital surplus		279,577	629,301	802,178	753,628	652,028
Retained earnings	Before distribution	810,230	1,009,045	1,229,100	1,260,043	1,505,771
	After distribution	489,622	586,133	704,870	815,789	(Note 2)
Other equity		(137,964)	(108,988)	(118,821)	(87,295)	(139,327)
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	1,604,814	2,258,516	2,497,534	2,516,354	2,609,853
	After distribution	1,218,909	1,733,522	1,844,587	1,961,774	(Note 2)

Note 1: Financial statements of each year are audited and certified by the CPAs.

Note 2: The figures after distribution mentioned above are according to the resolutions of the shareholders' meeting in the coming year; for 2023, there was no profit distribution plan of the resolution of the shareholders' meeting.

(3) Consolidated Condensed Statement of Comprehensive Income

Unit: NT$ thousand (Except that earnings per share are "dollar")

Item \ Fiscal Year	Financial Information for Most Recent 5 Fiscal Years (Note)					Financial information as of March 31, 2024 (of the current fiscal year (Note)
	2019	2020	2021	2022	2023	
Operating Revenue	1,979,761	2,142,008	2,619,822	2,309,878	2,394,974	588,159
Gross Profit	889,273	1,045,475	1,223,946	1,071,626	1,228,891	312,660
Operating Income	433,362	605,034	712,758	577,421	734,260	179,043
Non-operating income and expenses	32,647	12,443	57,246	89,890	75,183	37,102
Profit Before Income Tax	466,009	617,477	770,004	667,311	809,443	216,145
Net income for the period from continuing operations	394,400	519,416	643,172	554,086	689,697	181,079
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss) for the period	394,400	519,416	643,172	554,086	689,697	181,079
Other comprehensive income (loss) for the period (net of Income Tax)	(59,840)	28,983	(10,038)	32,613	(51,747)	119,017
Total comprehensive income for the period	334,560	548,399	633,134	586,699	637,950	300,096
Net income attributable to owners of parent	394,400	519,416	643,172	554,086	689,697	181,079
Net income (loss) attributable to non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to owners of parent	334,560	548,399	633,134	586,699	637,950	300,096
Total comprehensive income, attributable to non-controlling interests	-	-	-	-	-	-
Earnings per share	6.13	7.25	11.19	9.41	11.68	3.06

Note :Financial statements of each year are audited and certified by the CPAs, except the financial statement of the first quarter of 2024 was audited by the CPAs.

(4) Individual Condensed Statement of Comprehensive Income

Unit: NT$ thousand (Except that earnings per share are "dollar")

Item \ Fiscal Year	Financial Information for Most Recent 5 Fiscal Years (Note)				
	2019	2020	2021	2022	2023
Operating Revenue	1,394,850	1,580,443	1,687,715	1,333,493	1,219,117
Gross Profit	364,893	439,739	537,321	505,068	419,893
Operating Income	130,604	203,047	267,999	255,472	160,529
Non-operating income and expenses	288,934	360,837	435,790	362,366	565,787
Profit Before Income Tax	419,538	563,884	703,789	617,838	726,316
Net income for the period from continuing operations	394,400	519,416	643,172	554,086	689,697
Loss from discontinued operations	-	-	-	-	-
Net income (loss) for the period	394,400	519,416	643,172	554,086	689,697
Other comprehensive income (loss) for the period (net of Income Tax)	(59,840)	28,983	(10,038)	32,613	(51,747)
Total comprehensive income for the period	334,560	548,399	633,134	586,699	637,950
Net income attributable to owners of parent	394,400	519,416	643,172	554,086	689,697
Net income (loss) attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to owners of parent	334,560	548,399	633,134	586,699	637,950
Total comprehensive income, attributable to non-controlling interests	-	-	-	-	-
Earnings per share	6.13	7.25	11.19	9.41	11.68

Note : Financial statements of each year are audited and certified by the CPAs.

(5) Name and audit opinions of CPAs in the past five years

Year	Accounting firm	Name of CPAs	Audit opinion
2019	Deloitte Taiwan	Keng Hsi Chang & Chung Cheng Chen	Unqualified opinion (Note)
2020	Deloitte Taiwan	Cheng Quan Yu & Chung Cheng Chen	Unqualified opinion (Note)
2021	Deloitte Taiwan	Cheng Quan Yu & Chung Cheng Chen	Unqualified opinion (Note)
2022	Deloitte Taiwan	Cheng Quan Yu & Chung Cheng Chen	Unqualified opinion (Note)
2023	Deloitte Taiwan	Jui Hsuan Ho & Keng Hsi Chang	Unqualified opinion (Note)

Note: Refer to auditor’s report.

2. Financial Analysis for Most Recent 5 Fiscal Years

(1) Consolidated Financial ratio Analysis

Item \ Fiscal year		Financial Information for the Most Recent 5 Years 2019	2020	2021	2022	2023	Change % in 2023 compared with 2022	reason	as of March 31, 2024 (of the current fiscal year (Note)
Financial structure (%)	Debt to assets ratio	50.06	35.73	38.80	38.57	40.56	5.16		46.13
	Ratio of long-term capital to property, plant and equipment	252.22	318.88	273.46	385.04	427.2	10.95		476.25
Solvency	Current ratio(%)	228.17	357.27	148.79	264.21	326.51	23.58	1	275.44
	Quick ratio(%)	213.58	330.55	133.33	242.26	308.48	27.33	1	263.27
	Times interest earned	40.30	60.56	96.89	60.57	65.32	7.84		35.28
Operating perform-ance	Accounts receivable turnover (times)	2.40	2.53	2.77	2.43	2.64	8.64		2.41
	Average collection days	152	144	132	150	138	(8.00)		151
	Inventory turnover (times)	7.91	7.51	7.28	6.51	7.28	11.83		6.36
	Accounts payable turnover (times)	3.42	3.07	3.45	3.37	3.30	(2.08)		2.81
	Average days in sales	46	49	50	56	50	(10.71)		57
	Property, plant and equipment turnover (times)	3.11	2.43	2.82	2.68	2.98	11.19		2.82
	Total asset turnover (times)	0.62	0.61	0.64	0.56	0.55	(1.79)		0.42
Profit-ability	Return on total assets (%)	14.01	15.69	17.11	13.77	16.49	19.75		14.92
	Return on equity (%)	25.44	26.89	27.05	22.10	26.91	21.76	1	25.77
	Ratio of income before tax to paid-in capital (%) (Note 7)	71.52	89.35	117.18	113.58	137.04	20.66	1	145.97
	Net profit margin (%)	19.92	24.25	24.55	23.99	28.8	20.05	1	30.79
	Earnings per share (NT$)	6.13	7.25	11.19	9.41	11.68	24.12		12.24
Cash flow	Cash flow ratio (%)	52.92	105.47	37.90	108.77	70.2	(35.46)	2	13.06
	Cash flow adequacy ratio (%)	109.48	106.67	89.92	96.39	92.52	(4.01)		98.47
	Cash reinvestment ratio (%)	7.13	10.15	2.35	6.07	2.91	(52.06)	2	4.32
Leverage	Operating leverage	1.39	1.28	1.24	1.30	1.20	(7.69)		1.21
	Financial leverage	1.03	1.02	1.01	1.02	1.02	0.00		1.04

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)
1. Mainly due to revenue growth in 2023, increased cash inflow and increased profits.
2. Mainly due to the increase in current liabilities and the decrease in net operating cash inflow in 2023.

Note :Financial statements of each year are audited and certified by the CPAs, except the financial statement of the first quarter of 2024 was audited by the CPAs.

(2) Individual Financial ratio Analysis

Item		2019	2020	2021	2022	2023	Change % in 2023 compared with 2022	reason
Fiscal year		Financial Information for the Most Recent 5 Years(Note)						
Financial structure (%)	Debt to assets ratio	45.88	40.25	31.25	35.05	37.85	7.99	
	Ratio of long-term capital to property, plant and equipment	1,525.98	3,418.90	3,365.24	4,631.11	4,909.04	6.00	
Solvency	Current ratio(%)	134.81	153.01	83.77	141.72	67.23	(52.56)	1
	Quick ratio(%)	123.68	140.98	76.21	132.5	60.62	(54.25)	1
	Times interest earned	36.38	55.39	88.64	56.15	60.72	8.14	
Operating perform-ance	Accounts receivable turnover (times)	2.57	2.74	2.75	2.47	2.93	18.62	
	Average collection days	142	133	133	148	124	(16.22)	
	Inventory turnover (times)	14.98	11.98	12.14	13.24	16.93	27.87	2
	Accounts payable turnover (times)	3.20	2.26	2.54	5.10	2.87	(43.73)	1
	Average days in sales	24	30	30	28	22	(21.43)	3
	Property, plant and equipment turnover (times)	13.26	19.24	22.40	18.61	17.5	(5.96)	
	Total asset turnover (times)	0.47	0.42	0.46	0.34	0.29	(14.71)	
Profit-ability	Return on total assets (%)	14.60	15.65	17.53	15.00	17.33	15.53	
	Return on equity (%)	25.44	26.89	27.05	22.10	26.91	21.76	4
	Ratio of income before tax to paid-in capital (%) (Note 7)	64.38	81.60	107.10	105.16	122.96	16.93	
	Net profit margin (%)	28.28	32.87	38.11	41.55	56.57	36.15	4
	Earnings per share (NT$)	6.13	7.25	11.19	9.41	11.68	24.12	4
Cash flow	Cash flow ratio (%)	(25.65)	85.80	(45.88)	107.72	27.42	(74.55)	5
	Cash flow adequacy ratio (%)	51.73	80.48	40.69	45.86	36.96	(19.41)	
	Cash reinvestment ratio (%)	(22.75)	15.53	(40.30)	(1.62)	(9.97)	515.43	5
Leverage	Operating leverage	1.37	1.14	1.06	1.04	1.06	1.92	
	Financial leverage	1.10	1.05	1.03	1.05	1.08	2.86	

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)
1. Mainly due to the increase in bank borrowings and accounts payable in 2023.
2. Mainly due to the appropriate control of operating costs in 2023.
3. Mainly due to proper inventory control in 2023.
4. Mainly due to revenue growth and profit increase in 2023.
5. Mainly due to the decrease in cash inflow from operating activities in 2023.

Note: The Financial statements of each year have been audited and certified by the CPAs.

Note 1: If the information for any fiscal year has not been audited and attested by a CPA, this fact shall be noted.
Note 2: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.
Note 3: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual report:

1. Financial structure
(1) Debt to assets ratio = total liabilities / total assets.
(2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
(1) Current ratio = current assets / current liabilities.
(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
(3) Times interest earned = earnings before tax and interest expenses / current interest expenses.
3.Operating performance
(1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
(2) Average collection days = 365 / accounts receivable turnover.
(3) Inventory turnover = cost of goods sold / average inventory.
(4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
(5) Average days in sales = 365 / inventory turnover.
(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
(7) Total asset turnover = net sales / average total assets.
4. Profitability
(1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
(2) Return on equity = net income after tax / average total equity.
(3) Net profit margin = net income after tax / net sales.
(4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)
5. Cash flow
(1) Cash flow ratio = net cash flows from operating activities / current liabilities.
(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)
6. Leverage:
(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6).
(2) Financial leverage = operating income / (operating income – interest expenses).
Note 4: Special attention should be paid to the following when calculating earnings per share by the above equation:
1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size
of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax and no adjustment is required in case there is loss.
Note 5: Special attention shall be paid to the following when making the calculations for cash flow analysis:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.
Note 6: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.
Note 7: If the Company’s shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be replaced by the equity attributable to owners of the parent company on the balance sheet.

3. Audit Committee's Review Report of the Latest Financial Report

ALLTOP Technology Co., Ltd

Audit Committee's Review Report

The Company's parent-only and consolidated financial statements in 2023 prepared by the Board of Directors have been audited and attested by CPAs Jui Hsuan Ho and Keng Hsi Chang of Deloitte Taiwan. The aforesaid financial statements along with business report and proposal for profits distribution has been reviewed and determined to be correct and accurate by the Audit Committee, with this Audit Committee Review Report proposed for review pursuant to Article 219 of the Company Act.

To

ALLTOP TECHNOLOGY CO., LTD. 2024 Annual Regular Shareholders' Meeting

ALLTOP TECHNOLOGY CO., LTD.

Convener of Audit Committee: Pu Tsun Ching

March 15, 2024

4. Consolidated Financial Statements for the most recent year, audited and certified by CPAs

Please refer to Appendix II.

5. Parent company only financial statements for the most recent year, audited and certified by CPAs

Please refer to Appendix III.

6. If the Company and its affiliates have encountered any financial difficulties in the past year and as of the date of publication of the annual report, the impact on the Company's financial status shall be listed

The Company and its affiliates have not encountered any financial difficulties in the past year and as of the date of publication of the annual report.

VII. Review and Analysis of Financial Status and Business Results, and Risk Issues

1. Financial status

Unit: NT$ thousand

Item \ Year	2022	2023	Difference		Description(note)
			Amount	%	
Current Assets	2,054,062	3,139,706	1,085,644	52.85	Due to to revenue growth and increased cash inflow in 2023.
Property, Plant and Equipment	861,886	802,767	(59,119)	(6.86)	
Intangible Assets	13,326	12,548	(778)	(5.84)	
Other Assets	1,166,790	436,025	(730,765)	(62.63)	Due to the decrease in financial assets in 2023.
Total Assets	4,096,064	4,391,046	294,982	7.20	
Current Liabilities	777,423	961,604	184,181	23.69	Due to new short-term borrowings in 2023.
Non-current Liabilities	802,287	819,589	17,302	2.16	
Total Liabilities	1,579,710	1,781,193	201,483	12.75	
Interests Attributable to Stockholders of the Parent Company	2,516,354	2,609,853	93,499	3.72	
Share Capital	589,978	590,909	931	0.16	
Capital Reserve	753,628	652,028	(101,600)	(13.48)	
Retained Earnings	1,260,043	1,505,771	245,728	19.50	
Other Interests	(87,295)	(139,327)	(52,032)	(59.60)	Due to changes in exchange rates, resulting in changes in accumulated conversion adjustments.
Treasury Stock	-	-	-	-	
Non-controlling Interests	-	-	-	-	
Total Equity	2,516,354	2,609,853	93,499	3.72	

Note: Describe the main reasons and impacts for the changes of more than 20% in the previous and later period, and the changes with an amount of NT$ 10 million.

2. Financial performance

Unit: NT$ thousand

Item \ Year	2022	2023	Difference		Description(note)
			Amount	%	
Operating Revenue	2,309,878	2,394,974	85,096	3.68	
Operating Margin	1,071,626	1,228,891	157,265	14.68	
Operating Income	577,421	734,260	156,839	27.16	Due to revenue growth and profit increase.
Non-operating Income and Expenses	89,890	75,183	(14,707)	(16.36)	
Net Profit before Tax	667,311	809,443	142,132	21.30	Due to revenue growth and profit increase.
Net Profit of Continuing Business Unit	554,086	689,697	135,611	24.47	Due to revenue growth and profit increase.
Loss of Suspended Business Unit	-	-	-	-	
Net Income (loss)	554,086	689,697	135,611	24.47	Due to revenue growth and profit increase.
Other Comprehensive Income (Net of tax)	32,613	(51,747)	(84,360)	(258.67)	Due to the changes in exchange differences in the translation of financial statements of foreign operating institutions, which are caused by the changes in exchange rates.
Total Comprehensive Income	586,699	637,950	51,251	8.74	
Net Income Attributable to the Stockholders of the Parent	554,086	689,697	135,611	24.47	Due to revenue growth and profit increase.
Net Income Attributable to Non-controlling Interests	-	-	-	-	
Total Comprehensive Income Attributable to the Stockholders of the Parent Company	586,699	637,950	51,251	8.74	
Total Comprehensive Income Attributable to Non-controlling Interests	-	-	-	-	
Earnings Per Share	9.41	11.68	2.27	24.12	Due to revenue growth and profit increase.

Note: Describe the main reasons and impacts for the changes of more than 20% in the previous and later period, and the changes with an amount of NT$ 10 million.

(1)The expected sales amount and its basis for financial performance: NA
(2)Possible impact on the Company's future financial performance and countermeasures: No major impact.

3. Cash flow

(1) Cash flow analysis for the current year

Item \ Year	2022	2023	Increase (Decrease) Ratio %
Cash Flow Ratio (%)	108.77	70.20	(35.46)
Cash Flow Adequacy Ratio (%)	96.39	92.52	(4.01)
Cash Reinvestment Ratio (%)	6.07	2.91	(52.06)
The analysis of the changes in the ratio of increase and decrease: The decrease in cash flow ratio and cash reinvestment ratio is mainly due to the increase in current liabilities and the decrease in operating net cash inflow in 2023.			

(2) Cash flow changes analysis for the recent years

Item \ Year	2022	2023	Difference	
			Amount	%
Operating Activities	845,624	675,005	(170,619)	(20.18)
Investment Activities	(45,217)	196,504	241,721	534.58
Financing Activities	(450,835)	(427,256)	23,579	5.23
Net cash flow	369,423	428,543	59,120	16.00
The analysis of the changes in the ratio of increase and decrease: 1. The decrease in cash inflow from operating activities was due to the increase in accounts receivable in 2023. 2. The increase in cash outflow from investment activities was due to the increase in bank wealth management products in 2023.				

(3) Cash flow forecast analysis for the coming year

Unit: NT$ thousand

Beginning cash balance	Estimated cash flow from operating activities throughout the year	Estimated cash outflow throughout the year	Cash remaining amount forecast	Remedial for cash deficit	
				Investment plans	Financing plans
1,043,497	1,200,000	1,170,000	1,073,497	None.	

Description: i. Analysis of cash flow changes for the coming year

(i) Operating activities: Strengthen the management of accounts receivable, control and management the inventory turnover rate to control the purchase volume and reduce the inventory amount.

(ii) Investment activities: Purchase the production equipment and expansion factories. ◦

(iii) Financing activities: Cash dividend.

ii. Remedial measures and liquidity analysis for anticipated cash deficiency: None.

4. The impact of major capital expenditures in the most recent year on financial status

None.

5. Reinvestment policy for the past year, the main reason for the profits or losses, the improvement plans and investment plan for the coming Year

i. Reinvestment policy

(i) Expand overseas production lines to reduce manufacturing costs; focus on research and development in Taiwan.

(ii) Set up overseas sales bases and expand sales territory, and improve the efficiency of serving customers locally.

ii. Profit or loss status of reinvestment

Unit: NT$ thousand

Reinvestment business	2023		
	Investment cost (USD)	Book value (NTD)	Profit (loss) (NTD)
A-LIST INTERNATIONAL LTD.	21,141	3,500,939	588,786
ALLTOP TECHNOLOGY (VIETNAM) CO., LTD.	2,000	55,020	(3,757)
TOPWISE TECHNOLOGY LTD.	2,756	106,194	5,458
ALLTOP HOLDING LTD.	16,861	3,414,470	582,770
METTLE ENTERPRISE CO., LTD.	3,879	148,521	7,771
ALLTOP ELECTRONICS (Suzhou) CO., LTD.	23,250	3,350,666	579,947
LIQUAN TECHNOLOGY (TAICANG) CO., LTD.	3,843	144,630	7,771

iii. Investment plan for the coming year: None

6. Risk Issues

(1) The impact on the Company’s profits (losses) of interest rate, exchange rate changes and inflation, and future countermeasures

i. The impact of interest rate changes on the Company's profit and loss and future countermeasures:

(A) The risk of interest rate changes arises because the consolidated company's bank deposits, financial assets carried at amortized cost, bank loans, corporate bonds payable and lease liabilities are calculated interest at fixed and floating rates.

On the balance sheet date, the carrying amounts of the financial assets and financial liabilities of the consolidated company subject to interest rate exposure are as follows:

	2023/12/31	2022/12/31
Fair value interest rate risk		
－Financial assets	$1,928,937	$1,680,812
－financial liabilities	1,071,903	926,052
Cash flow interest rate risk		
－Financial assets	259,839	371,878

Sensitivity Analysis

The Company has conducted a sensitivity analysis to determine the potential impact of interest rate changes on the non-derivative financial instruments as of the balance sheet date. For floating rate assets, the analysis assumes that the outstanding amount remained unchanged during the reporting period. The analysis used a range of 1% increase or decrease in interest rates, which represents the management's assessment of the reasonably possible range of interest rate fluctuations. This information is also reported to the key management within the consolidated company for internal decision-making purposes.

If the annual interest rate increases/decreases by 1%, and all other variables remain unchanged, the net profit before tax of the consolidated company in 2023 and 2022 will increase/decrease by NT$ 2,598 thousand and NT$ 3,719 thousand, mainly due to the risk exposure of the interest rate changes caused by the consolidated company’s bank deposits which were calculated interest with floating rate.

The consolidated company's sensitivity to interest rates decreased in current period, mainly due to the decrease in net assets which were calculated interest with floating rates.

(B) The risk of interest rate changes arises because the consolidated company's bank deposits, financial assets carried at amortized cost, bank loans, corporate bonds payable and lease liabilities are calculated interest at fixed and floating rates.

On the balance sheet date, the carrying amounts of the financial assets and financial liabilities of the consolidated company subject to interest rate exposure are as follows:

	2024/03/31	2023/12/31	2023/03/31
Fair value interest rate risk			
－Financial assets	$ 2,794,381	$ 1,928,937	$ 1,969,605
－financial liabilities	1,839,254	1,071,903	930,159
Cash flow interest rate risk			
－Financial assets	570,593	259,839	231,871

Sensitivity Analysis

The following sensitivity analysis is determined by the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets, the analysis method assumes that on the balance sheet date the amount of outstanding assets remained outstanding during the reporting period. The rate of change used when reporting interest rates internally to key management within the consolidated company is a 1% increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible change in interest rates.

If the annual interest rate increases/decreases by 1%, and all other variables remain unchanged, the net profit before tax of the consolidated company in 2024 and 2023 from January 1 to March 31, will increase/decrease by NT$ 1,426 thousand and NT$ 580 thousand, mainly due to the risk exposure of the interest rate changes caused by the consolidated company's bank deposits which were calculated interest with floating rate.

The consolidated company's sensitivity to interest rates increased in current period, mainly due to the increase in net assets which were calculated interest with floating rates.

ii. The impact of exchange rate changes on the Company's profit and loss and future countermeasures:

(A) The consolidated company engages in foreign currency-denominated sales and purchase transactions, thus put it at the risk exposure of exchange rate fluctuations. The management of the exchange rate exposure risk is within the scope permitted by the policy, mainly based on the natural hedging of net exchange positions, and supplemented by the forward foreign exchange contracts to manage risks.

On the balance sheet date of the consolidated company, the carrying amount of monetary assets and monetary liabilities denominated in non-functional currency (including the written-off monetary items denominated in non-functional currency in the consolidated financial statements) and the carrying number of derivatives with exchange rate risks exposure.

On the balance sheet date, the carrying amount of the derivatives of the consolidated company with exchange rate risk exposure is as follows:

Item	2023/12/31	2022/12/31
Assests-USD	$ -	$ -
Liabilities-USD	$ -	$-

Sensitivity Analysis

Consolidated company is mainly affected by fluctuations in the exchange rate of the US dollar.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of each entity's functional currency increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity rate used when reporting exchange rate risk to key management within the consolidated company, and it also represents management's assessment of the range of reasonably possible changes in foreign currency exchange rates. Sensitivity analysis includes the outstanding foreign currency monetary items and forward foreign exchange contracts, and the conversion at the end of the year is adjusted by 1% exchange rate change.

The positive numbers in the table below represent the amount of increase in net profit before tax or equity when the functional currency of each entity depreciates by 1% against each relevant foreign currency; when the functional currency of each entity appreciates by 1% against each relevant foreign currency, its impact on net profit before tax or equity will be a negative number of the same amount.

US dollar Impact		
Item	2023	2022
Profit (loss)	$12,963	$7,517

It is mainly derived from the USD-denominated receivables and payables, foreign currency bank deposits which are still outstanding and have not been hedged in cash flow.

The combined company's sensitivity to the U.S. dollar exchange rate increased during the year, mainly due to the increase in net assets denominated in U.S. dollars.

(B) The consolidated company engages in foreign currency-denominated sales and purchase transactions, thus put it at the risk exposure of exchange rate fluctuations. The management of the exchange rate exposure risk is within the scope permitted by the policy, mainly based on the natural hedging of net exchange positions, and supplemented by the forward foreign exchange contracts to manage risks.
On the balance sheet date of the consolidated company, the carrying amount of monetary assets and monetary liabilities denominated in non-functional currency (including the written-off monetary items denominated in non-functional currency in the consolidated financial statements) and the carrying number of derivatives with exchange rate risks exposure.
On the balance sheet date, the carrying amount of the derivatives of the consolidated company with exchange rate risk exposure is as follows:

Item	2024/03/31	2023/12/31	2023/12/31
Assests-USD	$ -	$ -	$ -
Liabilities-USD	-	-	-

Sensitivity Analysis

Consolidated company is mainly affected by fluctuations in the exchange rate of the US dollar.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of each entity's functional currency increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity rate used when reporting exchange rate risk to key management within the consolidated company, and it also represents management's assessment of the range of reasonably possible changes in foreign currency exchange rates. Sensitivity analysis includes the outstanding foreign currency monetary items and forward foreign exchange contracts, and the conversion at the end of the year is adjusted by 1% exchange rate change.

The positive numbers in the table below represent the amount of increase in net profit before tax or equity when the functional currency of each entity depreciates by 1% against each relevant foreign currency; when the functional currency of each entity appreciates by 1% against each relevant foreign currency, its impact on net profit before tax or equity will be a negative number of the same amount.

US dollar Impact		
Item	2024/01/31~03/31	2023/01/31~03/31
Profit (loss)	$ 12,757	$9,756

It is mainly derived from the USD-denominated receivables and payables, foreign currency bank deposits which are still outstanding and have not been hedged in cash flow, and the forward foreign exchange contracts of the listed forward financial assets/liabilities at fair value through profit and loss of the consolidated company on the balance sheet date.

The sensitivity of the consolidated company to the US dollar exchange rate changed inversely this year, which is mainly due to changes in forward foreign exchange contracts denominated in US dollar currency.

iii. The impact of inflation on the Company's profit and loss and future countermeasures:
Inflation has not had any significant impact on the Company's operating conditions in the past year and as of to the date of publication of the annual report.

(2) Policies and main reasons for profit or loss with respect to high-risk and high-leverage investments, loans to others, endorsements and guarantees and derivative trading, and future countermeasures:

i. Engage in high-risk and highly leveraged investments
The main business of the Company are research and development, manufacturing and sales, and does not engage in high-risk, high-leverage investment.

ii. Loans to others, endorsements and guarantees
In accordance with the " Operation Procedures of Loaning Funds to Others" and " Operation Procedures of Endorsements and Guarantees " stipulated by the Company.

iii. Derivative trading
In accordance with the "Procedures for Acquisition or Disposal of Assets" and "Procedures for Dealing with Derivative Trading" stipulated by the Company, the derivative trading that the Company engages in mainly focus on financial hedging. The transaction of forward foreign exchange contracts is to avoid the impact of exchange rate changes on the held balance sheet, and the calculation of its fair value is based on the evaluation information provided by the bank. Assuming that the Company terminates the contract on the report date as agreed, the estimated amount that can be obtained or must be paid generally includes the unrealized profit or loss of the open contract in the current period.

(3) Future R&D plans and estimated R&D expenses

i. Future R&D plans
In terms of new product development, in addition to the NB PC input/output connectors that have been the main focus since the establishment of the factory, in the future, we will selectively enter the narrow-pitch, high-frequency on-board connectors with barriers to entry, considering the connector manufacturers of the United States and Japan as competitors and avoid products with increasing price competition. Furthermore, the Company will also actively invest in the development of connectors that are not used in computers and peripheral products, such as connectors for servers and industrial equipment, connectors for medical equipment, automotive connectors and high-speed line products, etc., to expand the development of connector products in different application product fields.
In terms of innovative technology, in view of the fact that the price of the main metal material of the connector will continue to rise in the future, and the future labor salary may rise, using the accumulated experience in product development for many years, the Company adopts modular molding method to save products materials, and combines with the technology of process improvement, developed a supporting assembly process to shorten the production process and reduce material costs. In addition, the Company plans to introduce a high-level automatic assembly project, in addition to reducing the defect rate of human factors, it can reduce labor costs, improve production yield rate and efficiency, increase output, make products more price-competitive, and create a win-win situation with customers.

ii. The estimated R&D expenses
The Company's future research and development expenses are expected to maintain at least NT$ 60 million per year, and will increase year by year depending on the operating conditions.

(4) The impact of important changes of policies and laws domestic and overseas on the Company’s financial status and countermeasures:

i. Changes of policies and laws domestic and overseas have not had a significant impact on the Company’s financial status. In addition to the daily operation of the company in accordance with relevant laws and regulations domestic and overseas, it also pays attention to the development trend of domestic and foreign policies and changes in laws and regulations, so as to fully grasp and respond to changes in the market environment.

ii. In 2023, the company's group did not have any risk events that caused operational interruption due to information security incidents, and there was no actual information security incident that resulted in financial losses or loss of shareholders' equity.

(5) The impact of technological and industrial changes on the Company’s financial status, and countermeasures:

i. Technological changes and technological development evolve rapidly, and applications for patents for various innovative concepts and designs and development affect the Company's financial business.

ii. The Company always pays attention to the technological changes, development and evolution related to the industry and quickly grasps the industrial trends. In addition, we continuously strengthen and improve own research and development capabilities, apply for patents for various innovative concepts and design development for protection, and actively expand future market applications. Therefore, technological changes and industrial changes have a positive impact on the Company.

(6) The impact of corporate image change on corporate crisis management and countermeasures:

Since the establishment, the Company has actively strengthened internal management, improved the performance of management quality, and is committed to maintaining the corporate image and complying with relevant laws and regulations; so far, there has been no incident that affect the negative image of the company.

(7) Expected benefits from, possible risks of and countermeasures for mergers and acquisitions: The Company has no mergers and acquisitions as of to the date of publication of the annual report.

(8) Expected benefits from and possible risks of plant expansion: The Company has no mergers and acquisitions as of to the date of publication of the annual report.

(9) The impact of concentration of purchase or sales, and countermeasures:

The main raw materials of the Company's connector products are metal materials, plastic materials, electroplating materials and other materials with many suppliers, and an efficient and convenient production and supply system has been constructed based on quality, price, delivery date and other conditions; in addition, there are at least two suppliers for important components. In summary, there should be no risks arising from the concentration of purchases. The electronic connectors or raw materials sold by the Company are widely used in connectors and high-speed cables for servers, automotive, notebook computers, industrial computers, network communication equipment, medical equipment, etc. In addition to existing customers, we are also actively developing new customers, so that the source of orders will not be excessively concentrated, and there should be no risk of sales concentration.

(10) The impact and risks of large share transfers or change in shareholdings by directors, supervisors or shareholders with shareholdings of over 10%, and countermeasures: In the past year and as of the date of publication of the annual report, t there has been no substantial transfer of equity among directors or major shareholders holding more than 10% of the company's shares.

(11) The impact and risks of the change of management right on the Company, and countermeasures: As of to the date of publication of the annual report, the Company has no change of management right.

(12) For litigation or non-litigation events, please list the major litigation, non-litigation or administrative litigation that have been determined or are still pending, which is related to the Company, the Company’s directors, supervisors, general Manager, actual person in charge, major shareholders with a shareholding of over 10%, and subsidiaries. If the result may have a significant impact on the shareholders' equity or the price of the Company’s stocks, the fact of the dispute, the target amount, the date of commencement of the litigation, the main parties involved in the litigants and the handling status as of the date of publication of the annual report: None.

(13) Other important risks and countermeasures:

The sixth domestic unsecured conversion corporate bond issued by the company on January 29, 2024 (bond code: 35266), according to Article 15 of Mainland China's "Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises", an issuer that meets both of the following circumstances is deemed to be an indirect overseas issuance and listing by a domestic enterprise, and following the principle of substance over form, it shall report to The China Securities Regulatory Commission will conduct project registration.

(i) The operating income, total profits, total assets or net assets of domestic enterprises in the most recent fiscal year, any one indicator accounts for more than 50% of the relevant information in the issuer's audited consolidated financial statements for the same period.

(ii) The main links of business activities are carried out in China or the main places are located in China, or most of the senior managers responsible for business management are Chinese citizens or their residence is located in China.

Hereby explain and evaluate as follows:

The operating income, total assets and net assets of the company's subsidiaries in China in the most recent fiscal year account for more than 50% of the relevant information in the company's audited consolidated financial statements for the same period, and the subsidiaries in China are one of the company's main production bases. It meets the standards of the "Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises" and must file a project with the Mainland China Securities Regulatory Commission. Therefore, lawyers Zhang Bonan and Li Yao from Shanghai Shangshihua Law Firm appointed by the company have submitted relevant materials to the China Securities Regulatory Commission to complete the filing matter on January 30, 2024. Later, the China Securities Regulatory Commission responded that "it does not fall within the scope of the "Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises" and was returned.

7. Other important matters

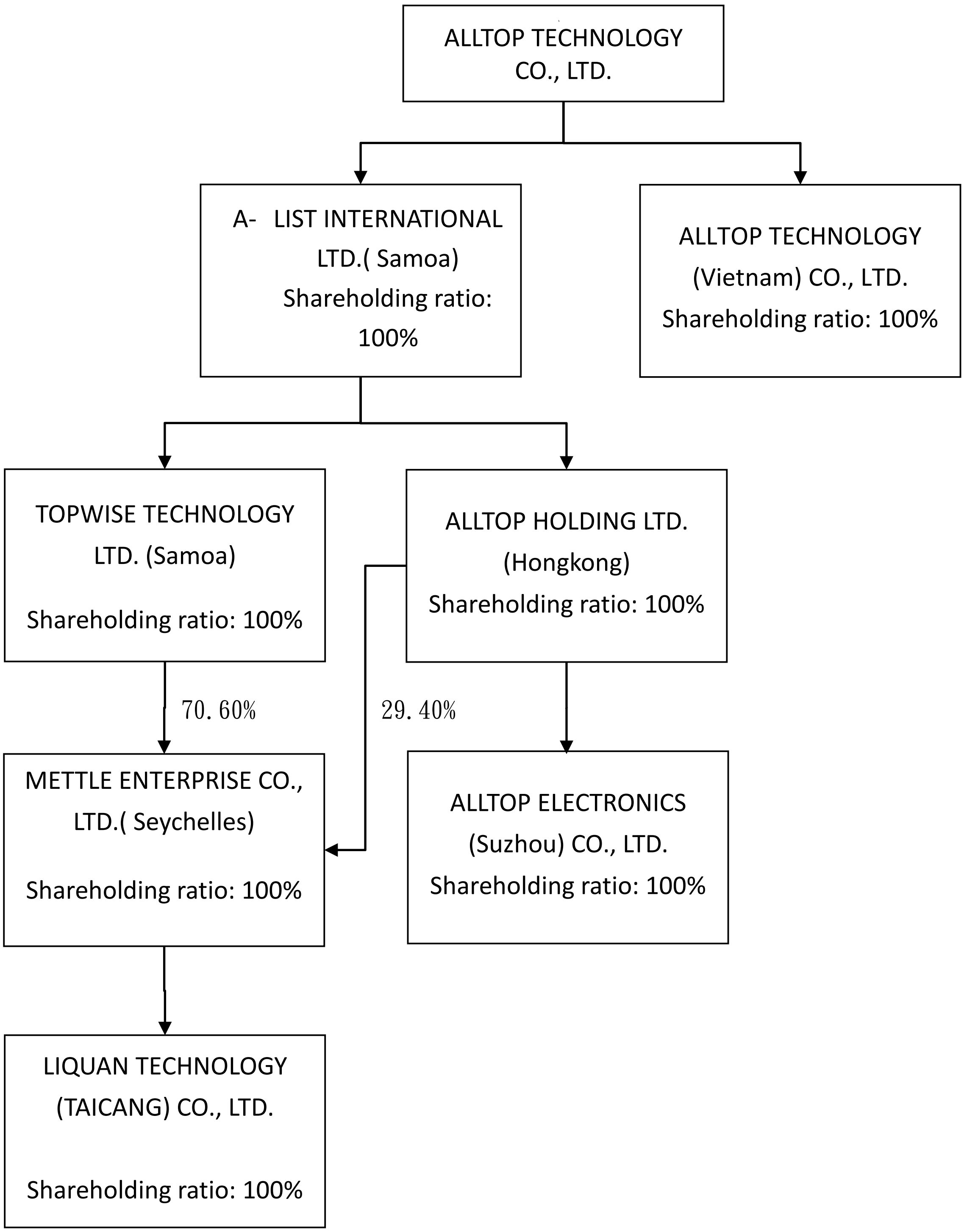
None.

VIII. Special Notes

1. Information about the Company's Affiliates

(1) The consolidated operation report of the affiliated companies

i. Affiliated Companies Chart



ii. Basic data of affiliated companies

December 31, 2023 Unit: thousand

Reinvestment Business	Establish Time	Establish Location	Paid-in Capital (USD)	Main Business Items
A-LIST INTERNATIONAL LTD.	July 2004	Samoa	21,141	Holding company
ALLTOP TECHNOLOGY (Vietnam) CO., LTD.	June 2023	Vietnam	2,000	Processing and manufacturing and sale of electronic components
TOPWISE TECHNOLOGY LTD.	Feb. 2002	Samoa	2,756	Holding company
ALLTOP HOLDING LTD.	Nov. 2007	Hongkong	16,861	Holding company
METTLE ENTERPRISE CO., LTD.	June 2009	Seychelles	3,879	Holding company
ALLTOP ELECTRONICS (SUZHOU) CO., LTD.	Dec. 2002	Suzhou	23,250	Processing and manufacturing and sale of electronic components
LIQUAN TECHNOLOGY (TAICANG) CO., LTD.	Oct. 2009	Taicang	3,843	Processing and manufacturing and sale of electronic components

iii. The information about the same common shareholders of those who are presumed to have control and subordinate relationship: None

iv. The industry covered by the business of the overall affiliated companies: refer to the basic information of each affiliated companies.

vi. Information about the directors, supervisors and general managers of each affiliated company

December 31, 2023

Affiliated Company	Title	Name	Shareholding	
			Share	Ratio(%)
A-LIST INTERNATIONAL LTD.	Director	ALLTOP TECHNOLOGY CO., LTD. Rep. Yu Wan Yi	-	100
ALLTOP TECHNOLOGY (Vietnam) CO., LTD.	Legal Rep.	ALLTOP TECHNOLOGY CO., LTD. Rep. Huang Zi Fan	-	100
TOPWISE TECHNOLOGY LTD.	Director	A-LIST INTERNATIONAL LTD. Rep. Chang Yi Wei	-	100
ALLTOP HOLDING LTD.	Director	A-LIST INTERNATIONAL LTD. Rep. Chang Yi Wei	-	100
METTLE ENTERPRISE CO., LTD.	Director Director Director	TOPWISE TECHNOLOGY LTD. Rep. Chang Yi Wei TOPWISE TECHNOLOGY LTD. Rep. Chung Wen Hao ALLTOP HOLDING LTD. Rep. Chung Ting Chang	-	100
ALLTOP ELECTRONICS (SUZHOU) CO., LTD.	Executive Director and GM Supervisor	ALLTOP HOLDING LTD. Rep. Chang Yi Wei ALLTOP HOLDING LTD. Rep. Lin Yueh Hsia	-	100
LIQUAN TECHNOLOGY (TAICANG) CO., LTD.	Executive Director Supervisor GM	METTLE ENTERPRISE CO., LTD. Rep. Liu Li Cheng METTLE ENTERPRISE CO., LTD. Rep. Tung Jen Yen Chung Ting Chang	-	100

vi. The operation status of each affiliated company

December 31, 2021 Unit: thousand

Affiliated Company	Capital	Total Asset	Total Liabilities	Net Worth	Operating Revenue	Operation Income	Net Profit or Loss for the Period (after tax)	Earnings per share (after tax, NT$)
A-LIST INTERNATIONAL LTD.	USD 21,141	USD 114,665	USD 0	USD 114,665	-	-	USD 18,890	-
ALLTOP TECHNOLOGY (Vietnam) CO., LTD.	USD 2,000	VND58,075,577	VND12,225,390	VND45,850,187	-	-	VND(2,889,812)	-
TOPWISE TECHNOLOGY LTD.	USD 2,756	USD 3,459	-	USD 3,459	-	(USD 1)	(USD 175)	-
ALLTOP HOLDING LTD.	USD 16,861	HKD 868,769	-	HKD 868,769	-	(HKD 13)	HKD 146,480	-
METTLE ENTERPRISE CO., LTD.	USD 3,879	USD 4,711	-	USD 4,711	-	-	USD 249	-
ALLTOP ELECTRONICS (SUZHOU) CO., LTD.	USD 23,250	CNY 895,493	CNY 122,606	CNY 772,887	CNY 435,194	CNY 130,257	CNY 131,091	-
LIQUAN TECHNOLOGY (TAICANG) CO., LTD.	USD 3,843	CNY 45,127	CNY 11,768	CNY 33,359	CNY 36,919	CNY 1,302	CNY 1,757	-

(2) Consolidated financial statements with the affiliated companies: Please refer to Appendix 1.

(3) Relationship report: None.

2. Processing Status about the Private Placement of Securities in the Past Year and as of the Date of Publication of the Annual Report

(Disclosure shall be made regarding the date and amount approved by the shareholders meeting or the board of directors, the basis and rationality of the pricing, the manner of selecting specific individuals, the necessary reasons for conducting a private placement, private placement objects, qualification and conditions, the subscription quantities, the relationship with the company, participation in the Company's operation, the actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the impact of the private placement on shareholders' equity, the utilization of funds for the private placement securities from the time the stock or price is fully collected until the completion of the capital utilization plan, the progress of plan execution and plan benefit manifestation)

None.

3. Holding or Disposal of the Company's Shares by the Company's Affiliates in the Past Year and as of the Date of Publication of the Annual Report

None.

4. Other Matters that Require additional description

(1) Disclose unfulfilled OTC commitments: Continuously follow-up and implement on a quarterly basis.

i. Promise that before listing on the OTC market, each subsidiary of the Company in Mainland China should appoint full-time auditors, effectively execute the annual audit plan, and continue to maintain after listing on the OTC market. (The implementation has been tracked.)

ii. Promise that in the future if the financial reports of an overseas subsidiaries are audited and certified by other accountants, and based on which the company recognizes investment profits and losses or prepares consolidated financial statements, the CPAs of the Company should issue an audit report for financial statements without any reference to the opinions of other accountants. (The implementation has been tracked.)

iii. Promise that TPEx may, when necessary, request the Company to entrust an accountant designated by TPEx to conduct an external professional inspection within the scope designated by TPEx, and the inspection results shall be submitted to TPEx with the relevant expenses bore by the Company. (No such situation occurred in current year.)

iv. Promise that the Company will add the following items in the "Procedures for Acquisition or Disposition of Assets", and any revisions to the procedure shall be disclosed as significant information on Market Observation Post System (MOPS) and reported to TPEx for future reference. (The implementation has been tracked.)

(i) The Company shall not abandon the capital increase of A-LIST INTERNATIONAL LTD. in future years. In the event that the Company abandons the capital increase or disposition of the aforementioned company in the future, it must be approved by a special resolution of the Company's board of directors.

(ii) A-LIST INTERNATIONAL LTD. shall not abandon the capital increase of TOPWISE TECHNOLOGY LTD. and ALLTOP HOLDING LTD. (Hong Kong) in future years. In the event that A-LIST INTERNATIONAL LTD. abandons the of capital increase or disposition of aforementioned company in the future, it must be approved by a special resolution of the Company's board of directors.

(iii) ALLTOP HOLDING LTD. (Hong Kong) shall not abandon the capital increase of ALLTOP Tech. (Suzhou) in future years. In the event that ALLTOP HOLDING LTD. (Hong Kong) abandons the capital increase or disposition of aforementioned company in the future, it must be approved by a special resolution of the Company's board of directors.

v. Promise that the Company shall evaluate the impairment status of asset for the mold equipment that has not been used for production for more than three months in each quarterly financial report. (The implementation has been tracked.)

5. In the Past Year and as of the Date of Publication of the Annual Report, Any of the Situations Listed in Subparagraph 2, Paragraph 3 of Article 36 of the Securities and Exchange Law Which May Materially Impact on Shareholder Equity or Securities Prices Has Occurred

None.

Appendix 1. Declaration Of Consolidation Of Financial Statements Of Affiliates

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates Alltop Technology 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 of parent and subsidiary companies prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Thus, Alltop Technology Co., Ltd. and subsidiaries did not prepare a separate set of consolidated financial statements of affiliated enterprises.

Very truly yours,

ALLTOP TECHNOLOGY CO., LTD.

Yu, Wayne
Chairman

March 5, 2024

Appendix 2. 2023 Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Alltop Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Alltop Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as 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 the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

For the year ended December 31, 2023, the consolidated revenue of the Group amounted to NT$2,394,974 thousand. Among these, revenues from certain key customers, whose revenue growth rates exceed the change in consolidated revenue, are considered significant. Therefore, the occurrence of revenue recognition related to sales of these customers is listed as a key audit matter in the consolidated financial statements for the year ended December 31, 2023. Refer to Notes 4 (n) and 25 for the accounting policies and relevant disclosure information regarding revenue recognition.

The audit procedures for the key audit matter are the following:

1. We obtained an understanding of the Group's internal control and operating procedures for the sales cycle, designed corresponding audit procedures for revenue recognition and tested the effectiveness of the Group's internal control operations during sales transactions.

2. We performed substantive tests on sales revenue, selected samples from the Group's sales details, examined reconciliation data, invoices, shipping orders and confirmation documents from logistics companies. We also checked the recipient of fund transfers and the payment process, or employed other alternative audit procedures, to verify the occurrence of sales.

Other Matter

We have also audited the parent company only financial statements of Alltop Technology Co., Ltd. as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Jui-Hsuan Ho and Keng-His Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,043,497	24	$ 614,954	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	568	-
Financial assets at amortized cost - current (Notes 4, 8 and 9)	849,045	19	377,494	9
Notes receivable (Notes 4, 10 and 25)	68,487	2	63,603	2
Trade receivables (Notes 4, 10 and 25)	911,386	21	773,287	19
Trade receivables from related parties (Notes 4, 25 and 32)	10	-	2	-
Other receivables (Notes 4 and 10)	85,701	2	46,632	1
Other receivables from related parties (Notes 4 and 32)	4,509	-	4,690	-
Current tax assets (Notes 4 and 27)	3,682	-	2,152	-
Inventories (Notes 4 and 11)	161,549	4	158,722	4
Other current assets (Note 18)	11,840	-	11,958	-
Total current assets	3,139,706	72	2,054,062	50
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 8, 9 and 33)	314,840	7	1,089,833	27
Investment accounted for using equity method (Notes 4 and 13)	7,889	-	9,935	-
Property, plant and equipment (Notes 4, 14 and 32)	802,767	18	861,886	21
Right-of-use assets (Notes 4 and 15)	40,141	1	27,396	1
Goodwill (Notes 4 and 16)	3,867	-	3,868	-
Other intangible assets (Notes 4 and 17)	8,681	-	9,458	-
Deferred tax assets (Notes 4 and 27)	47,475	1	29,646	1
Net defined benefit assets - non-current (Notes 4 and 23)	3,412	-	3,010	-
Other non-current assets (Notes 4 and 18)	22,268	1	6,970	-
Total non-current assets	1,251,340	28	2,042,002	50
TOTAL	$ 4,391,046	100	$ 4,096,064	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 19)	$ 129,900	3	$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	1,120	-	9,040	-
Contract liabilities - current (Notes 4 and 25)	21,892	1	24,011	1
Trade payables	372,219	9	298,835	7
Trade payables to related parties (Note 32)	20,428	-	15,250	-
Other payables (Notes 21 and 29)	193,478	4	193,077	5
Other payables to related parties (Notes 29 and 32)	428	-	2,690	-
Current tax liabilities (Notes 4 and 27)	49,359	1	59,254	2
Lease liabilities - current (Notes 4 and 15)	5,916	-	124	-
Current portion of bonds payable (Notes 4 and 20)	154,737	4	161,982	4
Other current liabilities (Notes 4 and 21)	12,127	-	13,160	-
Total current liabilities	961,604	22	777,423	19
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 20)	772,436	18	763,946	19
Provision - non-current (Notes 4 and 22)	1,606	-	1,816	-
Deferred tax liabilities (Notes 4 and 27)	36,055	1	35,983	1
Lease liabilities - non-current (Notes 4 and 15)	8,914	-	-	-
Guarantee deposits	578	-	542	-
Total non-current liabilities	819,589	19	802,287	20
Total liabilities	1,781,193	41	1,579,710	39
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 24)				
Share capital				
Ordinary shares	590,909	13	589,978	14
Capital collected in advance	472	-	-	-
Total share capital	591,381	13	589,978	14
Capital surplus	652,028	15	753,628	18
Retained earnings				
Legal reserve	498,021	11	442,504	11
Special reserve	87,295	2	118,821	3
Unappropriated earnings	920,455	21	698,718	17
Total retained earnings	1,505,771	34	1,260,043	31
Other equity	(139,327)	(3)	(87,295)	(2)
Total equity attributable to owners of the Company	2,609,853	59	2,516,354	61
TOTAL	$ 4,391,046	100	$ 4,096,064	100

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

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25, 32 and 38)				
Sales	$ 2,394,974	100	$ 2,309,878	100
OPERATING COSTS (Notes 11, 26 and 32)				
Cost of goods sold	(1,166,083)	(49)	(1,238,252)	(54)
GROSS PROFIT	1,228,891	51	1,071,626	46
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	(131,782)	(5)	(128,276)	(5)
General and administrative expenses	(288,705)	(12)	(278,805)	(12)
Research and development expenses	(63,550)	(3)	(72,627)	(3)
Expected credit loss (Notes 4 and 10)	(10,594)	-	(14,497)	(1)
Total operating expenses	(494,631)	(20)	(494,205)	(21)
PROFIT FROM OPERATIONS	734,260	31	577,421	25
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 26)	73,851	3	52,092	2
Other income (Notes 4, 26 and 32)	15,548	1	10,835	-
Other gains and losses (Notes 4 and 26)	(2,132)	-	37,055	2
Finance costs (Notes 4, 20 and 26)	(12,585)	(1)	(11,203)	-
Share of profit of associations (Notes 4 and 13)	501	-	1,111	-
Total non-operating income and expenses	75,183	3	89,890	4
PROFIT BEFORE INCOME TAX	809,443	34	667,311	29
INCOME TAX EXPENSE (Notes 4 and 27)	(119,746)	(5)	(113,225)	(5)
NET PROFIT FOR THE YEAR	689,697	29	554,086	24
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	357	-	1,359	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(72)	-	(272)	-
	285	-	1,087	-

(Continued)

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating of the financial statements of foreign operations	$ (63,665)	(3)	$ 39,942	2
Share of other comprehensive loss of associates accounted for using the equity method (Note 13)	(1,375)	-	(535)	-
Income tax related to items that may be reclassified subsequently to profit or loss	13,008	1	(7,881)	(1)
	(52,032)	(2)	31,526	1
Other comprehensive (loss) income for the year, net of income tax	(51,747)	(2)	32,613	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 637,950	27	$ 586,699	25
EARNINGS PER SHARE (Note 28)				
Basic	$ 11.68		$ 9.41	
Diluted	$ 10.52		$ 8.75	

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

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company							
	Share Capital			Retained Earnings			Other Equity	
	Ordinary Shares	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating of the Financial Statement of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2022	$ 582,224	$ 2,853	$ 802,178	$ 378,207	$ 108,988	$ 741,905	$ (118,821)	$ 2,497,534
Appropriation of 2021 earnings (Note 24)								
Legal reserve	-	-	-	64,297	-	(64,297)	-	-
Special reserve	-	-	-	-	9,833	(9,833)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(524,230)	-	(524,230)
Equity component of convertible bonds issued by the Company (Notes 20 and 24)	-	-	46,024	-	-	-	-	46,024
Cash dividends distributed by capital surplus (Note 24)	-	-	(128,717)	-	-	-	-	(128,717)
Convertible bonds converted to ordinary shares (Notes 20 and 24)	7,754	(2,853)	34,143	-	-	-	-	39,044
Net profit for the year ended December 31, 2022	-	-	-	-	-	554,086	-	554,086
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	1,087	31,526	32,613
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	555,173	31,526	586,699
BALANCE AT DECEMBER 31, 2022	589,978	-	753,628	442,504	118,821	698,718	(87,295)	2,516,354
Appropriation of 2022 earnings (Note 24)								
Legal reserve	-	-	-	55,517	-	(55,517)	-	-
Special reserve	-	-	-	-	(31,526)	31,526	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(444,254)	-	(444,254)
Cash dividends distributed by capital surplus (Note 24)	-	-	(110,326)	-	-	-	-	(110,326)
Convertible bonds converted to ordinary shares (Notes 20 and 24)	931	472	8,726	-	-	-	-	10,129
Net profit for the year ended December 31, 2023	-	-	-	-	-	689,697	-	689,697
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	285	(52,032)	(51,747)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	689,982	(52,032)	637,950
BALANCE AT DECEMBER 31, 2023	$ 590,909	$ 472	$ 652,028	$ 498,021	$ 87,295	$ 920,455	$ (139,327)	$ 2,609,853

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

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 809,443	$ 667,311
Adjustments for:		
Depreciation expenses	146,398	166,914
Amortization expenses	4,001	3,743
Expected credit loss recognized on trade receivables	10,594	14,497
Net (gain) loss on fair value changes of financial instruments at fair value through profit or loss	(7,354)	29,160
Finance costs	12,585	11,203
Interest income	(73,851)	(52,092)
Share of profit of associates	(501)	(1,111)
Loss on disposal of property, plant and equipment	1,733	1,281
Write-down of inventories	32,545	26,805
Net loss (gain) on foreign currency exchange	7,344	(15,182)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	(19,684)
Notes receivable	(8,849)	(21,212)
Trade receivables	(171,871)	236,814
Trade receivables from related parties	(8)	203
Other receivables	(168)	217
Inventories	(37,638)	39,200
Other current assets	(613)	5,123
Contract liabilities	(1,752)	10,502
Trade payables	80,027	(104,767)
Trade payables to related parties	5,526	(7,860)
Other payables	5,491	(15,993)
Provisions	(210)	(582)
Other current liabilities	(1,033)	(713)
Net defined benefit assets - non-current	(45)	(1,410)
Cash generated from operations	811,794	972,367
Interest paid	(1,125)	(1,008)
Income tax paid	(135,664)	(125,735)
Net cash generated from operating activities	675,005	845,624
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(804,531)	(1,324,438)
Proceeds from sale of financial assets at amortized cost	1,089,537	1,365,564
Payments for property, plant and equipment	(99,985)	(100,842)
Proceeds from disposal of property, plant and equipment	717	43
Increase in refundable deposits	(3,053)	(28)
Decrease in refundable deposits	20	-
Decrease in other receivables from related parties	172	98
Payments for intangible assets	(3,330)	(2,188)

(Continued)

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Increase in prepayments for equipment	$ (17,745)	$ (5,621)
Interest received	33,522	22,195
Dividends received from associates	1,180	-
Net cash generated from (used in) investing activities	196,504	(45,217)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	149,900	69,000
Repayments of short-term borrowings	(20,000)	(669,000)
Proceeds from issuance of convertible bonds	-	808,000
Proceeds from guarantee deposits received	46	-
Repayment of the principal portion of lease liabilities	(2,625)	(733)
Dividends paid to owners of the Company	(554,577)	(652,944)
Payments for transaction costs attributable to the issuance of debt instruments	-	(5,158)
Net cash used in financing activities	(427,256)	(450,835)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(15,710)	19,851
NET INCREASE IN CASH AND CASH EQUIVALENTS	428,543	369,423
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	614,954	245,531
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,043,497	$ 614,954

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

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Alltop Technology Co., Ltd. (the "Company") and the entities controlled by the Company (collectively referred to as the "Group") were incorporated in the Republic of China (ROC) in November 1998 and commenced business in March 1999. The Company mainly manufactures, sells, researches and develops electronic connectors.

The shares of the Company have been listed on the Taipei Exchange (TPEx) Mainboard since November 2007. Due to the dispersed ownership, the Company has no ultimate parent company or ultimate controlling entity. The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 5, 2024.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit assets which are measured at the fair value of plan assets less the present value of the defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

See Note 12, Tables 4 and 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for notes receivable and trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 31.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument’s maturity date. Any embedded derivative liability is measured at fair value.

The conversion option which is classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - other.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue comes from the sales of electronic connectors. Sales of electronic connectors are recognized as revenue when the goods are shipped, or when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and over the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been shipped or delivered to the customer.

Revenue from the sale of goods is measured at the fair value based on amounts received or receivable, net of estimated customer returns, discounts and other similar allowances. The Group, based on historical experience and considering various contract conditions, estimates potential sales returns and allowances, which are used to recognize refund liabilities (classified as other current liabilities).

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax of unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31 2023	December 31 2022
Cash on hand	$ 719	$ 1,427
Checking accounts and demand deposits	216,471	327,793
Cash equivalents (investments with original maturities of 3 months or less)		
Bank acceptances	17,887	28,159
Time deposits	808,420	257,575
	$ 1,043,497	$ 614,954

The market rate intervals of cash in the bank at the end of the reporting period is as follows:

	December 31 2023	December 31 2022
Bank balance and cash equivalents	0.001%-5.60%	0.001%-4.26%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2023	December 31 2022
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Convertible options	$ -	$ 568
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Convertible options	$ 1,120	$ 9,040

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31 2023	December 31 2022
Current		
Financial products (a) and (b)	$ 85,974	$ 371,691
Time deposits with original maturities of more than 3 months (b) and (c)	763,071	5,803
	$ 849,045	$ 377,494

(Continued)

	December 31	
	2023	2022
Non-current		
Time deposits with original maturities of more than 3 months (b) and (c)	$ 312,237	$ 1,087,230
Restricted assets - time deposits with original maturities of more than 3 months (b) and (c)	2,603	2,603
	$ 314,840	$ 1,089,833

(Concluded)

a. The financial product is a short-term guaranteed return financial product contract signed between the Group and the Bank.

b. Refer to Note 9 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

c. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.575%-5.59% and 1.045%-3.9% per annum as of December 31, 2023 and 2022, respectively. Refer to Note 33 for information on assets pledged as collateral or for security.

9. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at amortized cost were as follows:

	December 31	
	2023	2022
Gross carrying amount	$ 1,163,885	$ 1,467,327
Less: Allowance for impairment loss	-	-
	$ 1,163,885	$ 1,467,327

The policy adopted by the Group is to invest only in debt instruments issued by entities with good creditworthiness. The Group's exposure is continuously monitored. The Group reviews debtors' material information and other publicly available information and makes an assessment whether there was a significant increase in credit risk since the last period to the reporting date. In order to minimize credit risk, the Group collects relevant information to assess the default risk of debt instrument investments. The Group uses publicly available financial information to rate the debtors.

In determining the expected credit losses for debt instrument investments, the Group considers the historical default situation of debtors, the current financial condition of debtors, and the future prospects of the industries. As of December 31, 2023 and 2022, the Group assessed the expected credit loss rate of debt instrument investments as 0%.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount - operating	$ 71,238	$ 63,603
Less: Allowance for impairment loss	(2,751)	-
	$ 68,487	$ 63,603
Trade receivables		
At amortized cost		
Gross carrying amount	$ 943,811	$ 798,303
Less: Allowance for impairment loss	(32,425)	(25,016)
	$ 911,386	$ 773,287
Other receivables		
Interest receivables	$ 84,996	$ 46,205
Tax refund receivables	570	353
Others	135	74
	$ 85,701	$ 46,632

a. Notes receivable

The average collection period of notes receivable is 30 to 180 days. Historical data of the Group indicates a favorable collection performance. As there are different loss patterns for various customer segments, the Group uses different provision matrixes based on customer segments by credit rating and determines the expected credit loss rate by reference to the past default experience of the customer, the customer's current financial position, as well as forward-looking information.

The Group measures the loss allowance of notes receivable as follows:

December 31, 2023

	Group A	Group B	Group C	Group D	Group E	Total
Expected credit loss rate	0%	-	0%	0%	57.13%	
Gross carrying amount	$ 18,775	$ -	$ 37,630	$ 10,018	$ 4,815	$ 71,238
Loss allowance (Lifetime ECLs)	-	-	-	-	(2,751)	(2,751)
Amortized cost	$ 18,775	$ -	$ 37,630	$ 10,018	$ 2,064	$ 68,487

December 31, 2022

	Group A	Group B	Group C	Group D	Group E	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	$ 24,008	$ 15,542	$ 20,791	$ 2,526	$ 736	$ 63,603
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 24,008	$ 15,542	$ 20,791	$ 2,526	$ 736	$ 63,603

The aging analysis based on the accounts recognition date were as follows:

	December 31	
	2023	2022
0 to 60 days	$ 22,915	$ 28,963
61 to 90 days	10,637	11,945
91 to 180 days	34,935	22,254
Over 181 days	2,751	441
	$ 71,238	$ 63,603

The movements of the loss allowance of notes receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ -	$ 467
Add: Net remeasurement of loss allowance	2,806	-
Less: Net remeasurement of loss allowance reversed	-	(477)
Foreign exchange gains and losses	(55)	10
Balance at December 31	$ 2,751	$ -

b. Trade receivables

The average credit period of sales of goods is 30 to 180 days and no interest is charged on overdue trade receivables. When determining the recoverability of trade receivables, the Group considers any changes in credit quality of trade receivables from the original credit date to the balance sheet date. Historical experience indicates that the majority of accounts are recovered well.

Before accepting new customers, the Group evaluates the credit quality of potential customers and sets their credit limits through customer credit management procedures. After the credit rating of the customer is assessed through credit rating procedures by the Group, it is then evaluated by responsible supervisors who allocate credit limits.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. As there are different loss patterns for various customer segments, the Group uses different provision matrixes based on customer segments by credit rating, and determines the expected credit loss rate by reference to the past default experience of the customer, the customer's current financial position, as well as forward-looking information.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2023

	Group A	Group B	Group C	Group D	Group E	Total
Expected credit loss rate	0.11%	0.50%	2.39%	29.47%	43.42%	
Gross carrying amount	$ 526,289	$ 145,935	$ 197,828	$ 40,231	$ 33,528	$ 943,811
Loss allowance (Lifetime ECLs)	(564)	(725)	(4,722)	(11,855)	(14,559)	(32,425)
Amortized cost	$ 525,725	$ 145,210	$ 193,106	$ 28,376	$ 18,969	$ 911,386

December 31, 2022

	Group A	Group B	Group C	Group D	Group E	Total
Expected credit loss rate	0.11%	0.58%	2.47%	10.46%	36.22%	
Gross carrying amount	$ 464,197	$ 84,497	$ 168,276	$ 37,177	$ 44,156	$ 798,303
Loss allowance (Lifetime ECLs)	(497)	(486)	(4,152)	(3,888)	(15,993)	(25,016)
Amortized cost	$ 463,700	$ 84,011	$ 164,124	$ 33,289	$ 28,163	$ 773,287

The aging analysis based on the accounts recognition date were as follows:

	December 31	
	2023	2022
0 to 60 days	$ 497,080	$ 401,004
61 to 90 days	186,799	171,552
91 to 180 days	213,716	180,418
Over 181 days	46,216	45,329
	$ 943,811	$ 798,303

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 25,016	$ 10,025
Add: Net remeasurement of loss allowance	7,788	14,974
Foreign exchange gains and losses	(379)	17
Balance at December 31	$ 32,425	$ 25,016

b. Other receivables

Other receivables mainly contain interest receivables. The Group adopted a policy of only dealing with entities of good credit standing. The Group continuously monitors and assesses the credit risk of other receivables by tracking and analyzing the past default records of counterparties as well as their current financial condition since the original recognition, to evaluate whether there has been a significant increase in credit risk and to measure expected credit losses. As of December 31, 2023 and 2022, the Group assessed the expected credit loss of other receivables as 0%.

11. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 90,006	$ 93,672
Work in progress	23,991	19,250
Raw materials and supplies	47,552	45,800
	$ 161,549	$ 158,722

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 1,133,538	$ 1,211,447
Inventory write-downs	32,545	26,805
	$ 1,166,083	$ 1,238,252

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2023	2022	Remark
The Company	A-LIST International Ltd.	Holding company	100.0	100.0	Foreign exchange risk is the major operational risk
	Alltop Technology (Vietnam) Co., Ltd.	Manufacturing and selling of electronic components	100.0 (Note)	-	Foreign exchange risk is the major operational risk
A-LIST International Ltd.	Topwise Technology Ltd.	Holding company	100.0	100.0	Foreign exchange risk is the major operational risk
	Alltop Holding Ltd.	Holding company	100.0	100.0	Foreign exchange risk is the major operational risk
Alltop Holding Ltd.	Alltop Electronic (Suzhou) Ltd.	Manufacturing, selling and R&D of electronic components	100.0	100.0	Political, foreign exchange, and market risks are major operational risks
	Mettle Enterprise Co., Ltd.	Holding company	29.4	29.4	Foreign exchange risk is the major operational risk
Topwise Technology Ltd.	Mettle Enterprise Co., Ltd.	Holding company	70.6	70.6	Foreign exchange risk is the major operational risk
Mettle Enterprise Co., Ltd.	Liquan Technology (Taicang) Co., Ltd.	Manufacturing and selling of electronic components	100.0	100.0	Political, foreign exchange, and market risks are major operational risks

Note: Alltop Technology (Vietnam) Co., Ltd. was incorporated in Vietnam on June 20, 2023, and the Group invested US$2,000 thousand in July 2023.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associate

	December 31	
	2023	2022
Associate that is not individually material	$ 7,889	$ 9,935

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Group’s share of		
Profit for the year	$ 501	$ 1,111
Other comprehensive loss	(1,375)	(535)
Total comprehensive (loss) income for the year	$ (874)	$ 576

Investments accounted for using the equity method and the Group’s share of profit or loss and other comprehensive income are recognized based on the audited financial statements of associates for the same periods.

14. PROPERTY, PLANT AND EQUIPMENT - USED BY THE GROUP

	Land	Buildings	Machinery and Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost								
Balance at January 1, 2023	$ 32,000	$ 721,009	$ 578,086	$ 374,407	$ 14,043	$ 14,941	$ 109,380	$ 1,843,866
Additions	-	-	41,845	32,805	2,609	1,704	14,477	93,440
Disposals	-	-	(9,523)	(4,928)	(3,624)	(3,452)	(2,962)	(24,489)
Reclassification (Note)	-	-	1,335	2,547	-	-	425	4,307
Effect of foreign currency exchange differences	-	(11,009)	(9,980)	(6,745)	(278)	(181)	(1,919)	(30,112)
Balance at December 31, 2023	$ 32,000	$ 710,000	$ 601,763	$ 398,086	$ 12,750	$ 13,012	$ 119,401	$ 1,887,012
Accumulated depreciation								
Balance at January 1, 2023	$ -	$ 166,055	$ 440,332	$ 294,354	$ 11,081	$ 11,868	$ 58,290	$ 981,980
Depreciation expenses	-	32,020	47,427	44,363	861	792	16,709	142,172
Disposals	-	-	(7,950)	(4,872)	(3,243)	(3,108)	(2,866)	(22,039)
Effect of foreign currency exchange differences	-	(3,006)	(7,867)	(5,607)	(143)	(124)	(1,121)	(17,868)
Balance at December 31, 2023	$ -	$ 195,069	$ 471,942	$ 328,238	$ 8,556	$ 9,428	$ 71,012	$ 1,084,245
Carrying amounts at December 31, 2023	$ 32,000	$ 514,931	$ 129,821	$ 69,848	$ 4,194	$ 3,584	$ 48,389	$ 802,767
Cost								
Balance at January 1, 2022	$ 32,000	$ 710,431	$ 537,372	$ 337,198	$ 15,657	$ 14,750	$ 107,912	$ 1,755,320
Additions	-	119	28,908	41,097	603	721	4,095	75,543
Disposals	-	-	(6,085)	(10,730)	(2,481)	(728)	(4,164)	(24,188)
Reclassification (Note)	-	-	9,734	2,010	-	-	-	11,744
Effect of foreign currency exchange differences	-	10,459	8,157	4,832	264	198	1,537	25,447
Balance at December 31, 2022	$ 32,000	$ 721,009	$ 578,086	$ 374,407	$ 14,043	$ 14,941	$ 109,380	$ 1,843,866

(Continued)

	Land	Buildings	Machinery and Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
Accumulated depreciation								
Balance at January 1, 2022	$ -	$ 132,301	$ 383,970	$ 242,212	$ 11,810	$ 11,580	$ 45,921	$ 827,794
Depreciation expenses	-	32,108	56,054	59,587	1,292	686	15,813	165,540
Disposals	-	-	(5,396)	(10,730)	(2,214)	(555)	(3,969)	(22,864)
Effect of foreign currency exchange differences	-	1,646	5,704	3,285	193	157	525	11,510
Balance at December 31, 2022	$ -	$ 166,055	$ 440,332	$ 294,354	$ 11,081	$ 11,868	$ 58,290	$ 981,980
Carrying amounts at December 31, 2022	$ 32,000	$ 554,954	$ 137,754	$ 80,053	$ 2,962	$ 3,073	$ 51,090	$ 861,886

(Concluded)

Note: Reclassification from other non-current assets - prepayments for equipment.

There were no significant impairments in the Group's property, plant and equipment for the years ended December 31, 2023 and 2022.

The above items of property, plant and equipment are depreciated on a straight-line basis over their useful lives estimated as follows:

Buildings	
Main buildings	20-43 years
Attachment to buildings	15.5-20 years
Machinery and equipment	2-10 years
Mold equipment	2-5 years
Transportation equipment	4-5 years
Office equipment	3-5 years
Other equipment	2-10 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Land use rights	$ 26,196	$ 27,275
Buildings	13,945	121
	$ 40,141	$ 27,396
Additions to right-of-use assets		
Buildings	$ 18,493	$ -
Depreciation charge for right-of-use assets		
Land use rights	$ 645	$ 646
Buildings	3,581	728
	$ 4,226	$ 1,374

Except for the additions and depreciation expenses listed above, there were no significant sublease or impairment of the right-of-use assets of the Group for the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 5,916	$ 124
Non-current	$ 8,914	$ -

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.60%-5.25%	2.20%

c. Material leasing activities and terms

The right-of-use assets include land use rights with a lease term of 50 years, which are for land located in mainland China. The Group leases buildings for the use of warehouses and production lines with lease terms of 2 to 3 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 3,465	$ 3,400
Total cash outflow for leases	$ (6,529)	$ (4,143)

The Group’s leases of certain office equipment and staff dormitories qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. GOODWILL

	For the Year Ended December 31	
	2023	2022
Cost		
Balance at January 1	$ 3,868	$ 3,487
Effect of foreign currency exchange differences	(1)	381
Balance at December 31	$ 3,867	$ 3,868

In 2010 and 2011, the Group acquired Mettle Enterprise Co., Ltd. and recognized goodwill in relation to investments costs over the fair value of identifiable assets and assumed liabilities.

17. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2023	$ 23,923
Additions	3,234
Disposals	(2,602)
Effect of foreign currency exchange differences	(29)
Balance at December 31, 2023	$ 24,526
Accumulated amortization	
Balance at January 1, 2023	$ 14,465
Amortization expenses	4,001
Disposals	(2,602)
Effect of foreign currency exchange differences	(19)
Balance at December 31, 2023	$ 15,845
Carrying amounts at December 31, 2023	$ 8,681
Cost	
Balance at January 1, 2022	$ 21,641
Additions	2,284
Disposals	(13)
Effect of foreign currency exchange differences	11
Balance at December 31, 2022	$ 23,923
Accumulated amortization	
Balance at January 1, 2022	$ 10,731
Amortization expenses	3,743
Disposals	(13)
Effect of foreign currency exchange differences	4
Balance at December 31, 2022	$ 14,465
Carrying amounts at December 31, 2022	$ 9,458

There was no significant impairments in the Group's other intangible assets for the years ended December 31, 2023 and 2022.

Computer software is amortized on a straight-line basis over the estimated useful lives of five years.

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by functions		
General and administrative expenses	$ 3,069	$ 2,024
Research and development expenses	932	1,719
	$ 4,001	$ 3,743

18. OTHER ASSETS

	December 31	
	2023	2022
Current		
Prepayments	$ 11,659	$ 11,872
Others	181	86
	$ 11,840	$ 11,958
Non-current		
Prepayments for equipment	$ 18,276	$ 5,765
Refundable deposits	3,949	1,162
Others	43	43
	$ 22,268	$ 6,970

19. SHORT-TERM BORROWINGS

	December 31	
	2023	2022
Unsecured borrowings		
Bank loans	$ 129,900	$ -

The range of interest rates on bank loans was 1.67%-1.68% per annum at December 31, 2023.

20. BONDS PAYABLE

	December 31	
	2023	2022
Unsecured domestic convertible bonds	$ 927,173	$ 925,928
Less: Current portion	(154,737)	(161,982)
	$ 772,436	$ 763,946

a. Fifth unsecured domestic convertible bonds

On February 14, 2022, the Company issued 8,000 units of NTD-denominated unsecured convertible bonds in Taiwan, with an interest rate of 0%, priced at 101% of the face value and the aggregate principal amount is $800,000 thousand. The bonds have a maturity period of five years, expiring on February 14, 2027.

Except for cases when the bonds are converted to the Company's shares, bondholders will exercise their resale options and the Company will redeem the bonds before maturity, or when the Company repurchases the bonds from securities firms and cancels them, the bonds will be paid at par in cash at maturity.

Each holder of the bonds has the right during the conversion period, from May 15, 2022 (3 months after the issue date) to February 14, 2027 (the maturity date), to convert its bonds into ordinary shares through their securities broker, by notifying Taiwan Depository & Clearing Corporation (TDCC) and contacting the Company's Shareholder Services Department. Except for the following periods: (i) the period during which the Company may be required to close its share transfer books under the applicable laws and regulations; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of shares or cash dividends, the subscription of new shares due to a capital increase until the date ending on such record date; (iii) the period beginning on the date of a capital reduction until one day prior to the trading day on which the shares of the Company are reissued after such reduction; (iv) the period from the commencement of the conversion suspension date due to the change in the par value of the shares until the day before the start of trading of the new shares issued in exchange.

The price used by the Company in determining the number of ordinary shares to be issued upon conversion was initially NT$207.3 per share starting on July 30, 2023, the conversion price was adjusted to NT$179.6 per share.

The dates on which the convertible bonds were issued for three and four years (February 14, 2025 and February 14, 2026), serve as the base dates for bondholders to exercise their redemption rights. The Company shall notify the bondholders 40 days prior to the redemption base date (January 5, 2025 and January 5, 2026), and request the Taipei Exchange to announce the exercise of the bondholders' redemption rights.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the capital surplus - options. The effective interest rate of the liability component was 1.12% per annum on initial recognition. In 2023, convertible bonds with a face value of $100 thousand were converted, resulting in an increasing in ordinary shares capital of $6 thousand. Due to the exercise of the conversion right, the capital surplus - convertible bonds originally recognized decreased by $6 thousand, the discount on bonds payable decreased by $3 thousand, and the excess of the net conversion over the face value of ordinary shares was transferred to the capital surplus - conversion of bonds, amounting to $97 thousand.

Proceeds from issuance (less transaction costs of $5,158 thousand)	$ 802,842
Resale/redemption option component at the date of issue	(320)
Equity component	(46,024)
Liability component at the date of issue	756,498
Interest charged at an effective interest rate of 1.12%	7,448
Liability component at December 31, 2022	763,946
Interest charged at an effective interest rate of 1.12%	8,587
Convertible bonds converted into ordinary shares	(97)
Liability component at December 31, 2023	$ 772,436

b. Fourth unsecured domestic convertible bonds

On September 30, 2019, the Company issued 6,000 units of NTD-denominated unsecured convertible bonds in Taiwan, with an interest rate of 0%, priced at 101% of the face value and the aggregate principal amount is $600,000 thousand. The bonds have a maturity period of five years, expiring on September 30, 2024.

Except for cases when the bonds are converted to the Company's shares, bondholders will exercise their resale options and the Company will redeem the bonds before maturity, or when the Company repurchases the bonds from securities firms and cancels them, the bonds will be paid at par in cash at maturity.

Each holder of the bonds has the right during the conversion period, from December 31, 2019 (3 months after the issue date) to September 30, 2024 (the maturity date), to convert its bonds into ordinary shares through their securities broker, by notifying TDCC and contacting the Company's Shareholder Services Department, except for the following periods: (i) the period during which the Company may be required to close its share transfer books under the applicable laws and regulations; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of shares or cash dividends, the subscription of new shares due to a capital increase until the date ending on such record date; (iii) the period beginning on the date of a capital reduction until one day prior to the trading day on which the shares of the Company are reissued after such reduction.

The price used by the Company in determining the number of ordinary shares to be issued upon conversion was initially NT$73 per share starting on July 30, 2023, the conversion price was adjusted to NT$73 per share.

The dates on which the convertible bonds were issued for three and four years (September 30, 2022, and September 30, 2023) serve as the base dates for bondholders to exercise their redemption rights. The Company shall notify the bondholders 40 days prior to the redemption base date (August 21, 2022, and August 21, 2023) and request the Taipei Exchange to announce the exercise of the bondholders' redemption rights.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the capital surplus - options. The effective interest rate of the liability component was 1.70% per annum on initial recognition. In 2023 and 2022, the convertible bonds with face values of $10,200 thousand and $40,900 thousand were converted, resulting in an increase in ordinary shares of $1,397 thousand and $4,901 thousand, respectively. Due to the exercise of the conversion right, the capital surplus - convertible bonds originally recognized decreased by $759 thousand and $3,045 thousand, respectively, and the discount on bonds payable decreased by $166 thousand and $1,621 thousand, respectively. There was a decrease of $2 thousand and $235 thousand in financial assets at fair value through profit or loss, respectively, and the excess of the net conversion over the face value of ordinary shares was transferred to the capital surplus - conversion of bonds, amounting to $9,394 thousand and $37,188 thousand, respectively.

Proceeds from issuance (less transaction costs of $5,197 thousand)	$ 600,803
Resale/redemption option component at the date of issue	(4,620)
Equity component	44,671
Liability component at the date of issue	551,512
Interest charged at an effective interest rate of 1.70%	20,407
Convertible bonds converted into ordinary shares	(409,937)
Liability component at December 31, 2022	161,982
Interest charged at an effective interest rate of 1.70%	2,789
Convertible bonds converted into ordinary shares	(10,034)
Liability component at December 31, 2023	$ 154,737

21. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries and bonuses (including compensation of employees and remuneration of directors)	$ 133,603	$ 123,124
Payables for purchases of equipment and intangible asset (Note 29)	18,175	22,555
Payables for technical service	9,105	10,662
Payables for insurance	4,406	4,450
Payables for royalties	4,316	3,305
Payables for pension	3,694	3,749
Payables for professional service fees	2,394	2,199
Payables for warehousing	1,664	1,551
Payables for VAT	797	5,447
Payables for interest	84	-
Payables for dividends (Note 29)	26	23
Others	15,214	16,012
	$ 193,478	$ 193,077
Other liabilities		
Refund liabilities	$ 11,121	$ 12,584
Others	1,006	576
	$ 12,127	$ 13,160

22. PROVISIONS

	December 31	
	2023	2022
Non-current		
Employee benefits	$ 1,606	$ 1,816

	Employee Benefits
Balance at January 1, 2023	$ 1,816
Decrease for the year	(210)
Balance at December 31, 2023	$ 1,606
Balance at January 1, 2022	$ 2,398
Decrease for the year	(582)
Balance at December 31, 2022	$ 1,816

The provision for employee benefits represents accrual of long-term disability benefits for employees.

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in China and Vietnam are members of state-managed retirement benefit plans operated by the government of China and Vietnam. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The Company has reported to the Supervisory Committee of Labor Retirement Reserve in April 2023 and April 2022 that the contributions to employees' retirement funds were suspended from April 2023 to March 2024 and from April 2022 to March 2023, respectively, and were approved by the relevant regulatory authorities.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 5,173	$ 5,396
Fair value of plan assets	(8,585)	(8,406)
Net defined benefit assets	$ (3,412)	$ (3,010)

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2023	$ 5,396	$ (8,406)	$ (3,010)
Net interest expense (income)	81	(126)	(45)
Recognized in profit or loss	81	(126)	(45)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(53)	(53)
Actuarial gain			
Changes in financial assumptions	(80)	-	(80)
Experience adjustments	(224)	-	(224)
Recognized in other comprehensive income	(304)	(53)	(357)
Balance at December 31, 2023	$ 5,173	$ (8,585)	$ (3,412)
Balance at January 1, 2022	$ 7,500	$ (7,741)	$ (241)
Net interest expense (income)	37	(39)	(2)
Recognized in profit or loss	37	(39)	(2)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(626)	(626)
Actuarial (gain) loss			
Changes in financial assumptions	(836)	-	(836)
Experience adjustments	103	-	103
Recognized in other comprehensive income	(733)	(626)	(1,359)
Benefits paid	(1,408)	-	(1,408)
Balance at December 31, 2022	$ 5,396	$ (8,406)	$ (3,010)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
General and administrative expenses	$ (45)	$ (2)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	**2022**
Discount rate	1.38%	1.50%
Expected rate of salary increase	3.50%	3.75%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate		
0.25% increase	$ (168)	$ (188)
0.25% decrease	$ 174	$ 196
Expected rate of salary increase		
0.25% increase	$ 168	$ 189
0.25% decrease	$ (162)	$ (182)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

The analysis of the average duration of the defined benefit obligation was as follows:

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ -	$ -
Average duration of the defined benefit obligation	13.2 years	14.2 years

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	120,000	120,000
Share authorized (in thousands of dollars)	$ 1,200,000	$ 1,200,000
Shares issued and fully paid (in thousands of shares)	59,091	58,998
Share issued and fully paid (in thousands of dollars)	$ 590,909	$ 589,978

The authorized shares include 2,000 thousand shares allocated for the exercise of employee share options, preferred shares with options or corporate bonds with equity options.

Ordinary shares issued, which have a par value of NT$10, carry one vote per share and a right to dividends.

The change in the Company's share is due to the ordinary shares converted from convertible bonds.

In 2022, $4,901 thousand of ordinary shares were converted by the convertible bondholders. The subscription base dates were determined by the board of directors to be June 23, 2022, and November 4, 2022, respectively, coinciding with the dates of the board meetings, and registered on July 26, 2022, and November 15, 2022, respectively.

From August 15, 2023, to September 11, 2023, $931 thousand of ordinary shares were converted by the convertible bondholders. The subscription base date was determined by the board of directors to be November 3, 2023, coinciding with the dates of the board meetings, and registered on November 24, 2023.

From October 17, 2023, to December 26, 2023, $471 thousand of ordinary shares were converted by the convertible bondholders, and it was recognized as capital collected in advance. As of December 31, 2023, the change of registration has not yet been completed.

b. Capital surplus

A reconciliation to capital surplus is as follows:

	Paid-In Capital Arising from Issuance of Ordinary Shares	Paid-in Capital Arising from Bonds	Share Options	Others	Total
Balance at January 1, 2023	$ 20,479	$ 651,144	$ 58,457	$ 23,548	$ 753,628
Conversion of bonds	-	9,491	(765)	-	8,726
Cash dividends distributed by capital surplus	-	(110,326)	-	-	(110,326)
Balance at December 31, 2023	$ 20,479	$ 550,309	$ 57,692	$ 23,548	$ 652,028
Balance at January 1, 2022	$ 20,479	$ 742,673	$ 15,478	$ 23,548	$ 802,178
Equity component of convertible bonds	-	-	46,024	-	46,024
Conversion of bonds	-	37,188	(3,045)	-	34,143
Cash dividends distributed by capital surplus	-	(128,717)	-	-	(128,717)
Balance at December 31, 2022	$ 20,479	$ 651,144	$ 58,457	$ 23,548	$ 753,628

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 20,479	$ 20,479
Conversion of bonds	550,309	651,144
Settlement of convertible bonds	23,438	23,438
May be used to offset a deficit only		
Share of changes in capital surplus of associates accounted for using equity method (2)	110	110
May not be used for any purpose		
Share options	57,692	58,457
	$ 652,028	$ 753,628

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus).

2) It is the change in the net assets of associates accounted for using equity method and it could only be used to offset a deficit since there is no cash inflow from such capital surplus.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals the Company’s paid-in capital, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit shall be distributed preferentially to preferred shares for dividends declared. Any balance left over together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for distribution of dividends and bonus to shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors, please refer to Note 26(g).

In accordance with the Company’s Articles, the Company's dividend policy is based on its current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition and shareholders' interests. Each year, no less than 50% of the distributable earnings may be contributed to the distribution of shareholders’ bonuses. Dividends may be distributed to shareholders in cash or in shares, with cash dividends being no less than 10% of the total dividends.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company sets aside or reverses special reserve in accordance with Rule No. 1090150022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 21, 2023 and June 23, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 55,517	$ 64,297
Special reserve	$ (31,526)	$ 9,833
Cash dividends	$ 444,254	$ 524,230
Cash Dividends per share (NT$) (Note)	$ 7.53	$ 8.89

Note: The cash dividend per share for 2021 was adjusted from $8.96 to $8.89 due to changes in the outstanding shares resulting from the conversion of convertible bonds into ordinary shares.

The shareholders' meeting also resolved a cash distribution from the capital surplus, totaling $110,326 thousand and $128,717 thousand, with a distribution of $1.87 and $2.20 per share, respectively. The per-share cash distribution amount determined at the shareholders' meeting on June 23, 2022, was adjusted from $2.20 to $2.18 due to changes in the outstanding shares resulting from the conversion of convertible bonds into ordinary shares.

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on March 5, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 68,999
Special reserve	$ 52,032
Cash dividends	$ 552,942
Cash Dividends per share (NT$)	$ 9.35

Additionally, on March 5, 2024, the board of directors proposed a cash distribution from the capital surplus, totaling $133,061 thousand, with a distribution of $2.25 per share.

The above appropriation for per-share cash dividends is calculated based on the total outstanding ordinary shares and capital collected in advance as of December 31, 2023, totaling 59,138 thousand shares.

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held in 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Appropriations in respect of		
Provided according to Article 41 of Securities and Exchange Act	$ 56,790	$ 88,316
First-time adoption of IFRS Accounting Standards	30,505	30,505
	$ 87,295	$ 118,821

e. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (87,295)	$ (118,821)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(63,665)	39,942
Share from associates accounted for using the equity method	(1,375)	(535)
Related income tax	13,008	(7,881)
Other comprehensive income recognized for the year	(52,032)	31,526
Balance at December 31	$ (139,327)	$ (87,295)

25. REVENUE

a. Description of customer contract - revenue from sales of goods

The Group's main operating revenue is from selling electronic connectors. As new products are frequently launched in the market and prices are highly volatile, the expected amount of discount is estimated using the expected value method, taking into consideration the range of discount previously given. All other goods are sold at their respective fixed amounts as agreed in the contracts.

b. Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable and trade receivables (related parties included) (Notes 10 and 32)	$ 979,883	$ 836,892	$ 1,065,711
Contract liabilities			
Sale of goods	$ 21,892	$ 24,011	$ 13,353

Revenue recognized from the contract liability balance at the beginning of the year for the years ended December 31, 2023 and 2022 was $24,011 thousand and $13,353 thousand, respectively.

c. Sales detail of customer contract

Refer to Note 38 for information on the detail of revenue classification.

26. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 67,244	$ 39,713
Wealth management products	6,607	12,379
	$ 73,851	$ 52,092

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	$ 1,110	$ 1,390
Government grants	5,271	2,175
Others	9,167	7,270
	$ 15,548	$ 10,835

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Loss on disposal of property, plant and equipment	$ (1,733)	$ (1,281)
Net foreign exchange gains	6,590	69,227
Gain/(loss) on financial assets/liabilities	7,354	(29,160)
Loss on product compensation	(13,138)	-
Others	(1,205)	(1,731)
	$ (2,132)	$ 37,055

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 770	$ 849
Interest on convertible bonds	11,376	10,344
Interest on lease liabilities	439	10
	$ 12,585	$ 11,203

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of deprecation by function		
Operating costs	$ 102,020	$ 125,251
Operating expenses	44,378	41,663
	$ 146,398	$ 166,914
An analysis of amortization by function		
Operating expenses	$ 4,001	$ 3,743

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	$ 24,414	$ 25,336
Defined benefit plans	(45)	(2)
	24,369	25,334
Other employee benefits	466,040	475,053
Total employee benefits expense	$ 490,409	$ 500,387
An analysis of employee benefits expense by function		
Operating costs	$ 191,996	$ 206,034
Operating expenses	298,413	294,353
	$ 490,409	$ 500,387

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 4% - 10% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 5, 2024 and March 3, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	7.00%	7.49%
Remuneration of directors	1.98%	1.98%

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	$ 55,833	$ 51,080
Remuneration of directors	$ 15,792	$ 13,485

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 74,607	$ 113,791
Foreign exchange losses	(68,017)	(44,564)
	$ 6,590	$ 69,227

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 125,617	$ 125,130
Income tax on unappropriated earnings	4,346	2,230
Adjustment for prior year	(5,164)	(7,235)
	124,799	120,125
Deferred tax		
In respect of the current year	(5,053)	(6,900)
Income tax expense recognized in profit or loss	$ 119,746	$ 113,225

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before income tax	$ 809,443	$ 667,311
Income tax expense calculated at the statutory rate (20%)	$ 161,889	$ 133,462
Nondeductible expenses in determining taxable income	805	3,965
Income tax on unappropriated earnings	4,346	2,230
Deferred tax effect of earnings of subsidiaries	(115,894)	(68,466)
Effect of different tax rates of group entities operating in other jurisdictions	73,764	49,269
Adjustments for prior years' tax	(5,164)	(7,235)
Income tax expense recognized in profit or loss	$ 119,746	$ 113,225

Alltop Electronic (Suzhou) Ltd. is a high-tech enterprise in accordance with the Enterprise Income Tax Law and Implementation Regulations of the People's Republic of China and was approved by the State Administration of Taxation of China with a low tax rate of 15%.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year:		
Translation of foreign operations	$(13,008)	$ 7,881
Remeasurement of defined benefit plans	72	272
Total income tax recognized in other comprehensive income	$(12,936)	$ 8,153

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ 3,682	$ 2,152
Current tax liabilities		
Income tax payable	$ 49,359	$ 59,254

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
Temporary differences					
Allowance for impairment loss	$ 2,014	$ 2,182	$ -	$ (54)	$ 4,142
Provision for impairment loss and obsolescence of inventory	9,731	2,326	-	(178)	11,879
Refund liabilities	2,517	(293)	-	-	2,224
Bonds issuance costs	942	(257)	-	-	685
Exchange differences on translating the financial statements of foreign operations	13,960	-	13,008	-	26,968
Unrealized foreign exchange gain or loss	482	1,095	-	-	1,577
	$ 29,646	$ 5,053	$ 13,008	$ (232)	$ 47,475

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
Temporary differences					
Share of the profit of associations	$ 35,852	$ -	$ -	$ -	$ 35,852
Defined benefit obligations	131	-	72	-	203
	$ 35,983	$ -	$ 72	$ -	$ 36,055

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
Temporary differences					
Allowance for impairment loss	$ 441	$ 1,575	$ -	$ (2)	$ 2,014
Provision for impairment loss and obsolescence of inventory	5,286	4,407	-	38	9,731
Refund liabilities	2,513	4	-	-	2,517
Bonds issuance costs	190	752	-	-	942
Exchange differences on translating the financial statements of foreign operations	21,841	-	(7,881)	-	13,960
Defined benefit obligations	141	-	(141)	-	-
Unrealized foreign exchange loss	320	162	-	-	482
	$ 30,732	$ 6,900	$ (8,022)	$ 36	$ 29,646

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
Temporary differences					
Share of the profit of associations	$ 35,852	$ -	$ -	$ -	$ 35,852
Defined benefit obligations	-	-	131	-	131
	$ 35,852	$ -	$ 131	$ -	$ 35,983

e. Deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Deductible temporary differences		
Allowance for impairment loss	$ 5,187	$ 9,004
Provision for impairment loss and obsolescence of inventory	16,736	32,212
	$ 21,923	$ 41,216

f. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized.

As of December 31, 2023 and 2022, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $2,758,346 thousand and $2,178,875 thousand, respectively.

g. Income tax assessments

The income tax returns through 2021 have been assessed by the tax authorities, and there is no unresolved litigation in dispute as of December 31, 2023.

28. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	$ 11.68	$ 9.41
Diluted earnings per share	$ 10.52	$ 8.75

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	$ 689,697	$ 554,086
Earnings used in the computation of basic earnings per share	$ 689,697	$ 554,086
Effect of potentially dilutive ordinary shares		
Interest and valuation loss on convertible bonds (after tax)	1,745	17,753
Earnings used in the computation of diluted earnings per share	$ 691,442	$ 571,839

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	59,035	58,853
Effect of potentially dilutive ordinary shares		
Convertible bonds	6,323	5,988
Compensation of employees	353	495
Weighted average number of ordinary shares used in the computation of diluted earnings per share	65,711	65,336

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2023 and 2022:

1) As of December 31, 2023 and 2022, the amounts unpaid for acquiring property, plant, equipment and intangible assets were $18,175 thousand and $22,555 thousand, respectively, which were included in other payables (refer to Note 21). Additionally, as of December 31, 2023 and 2022, the amounts of $428 thousand and $2,690 thousand, respectively, remained unpaid and were included in other payables - related parties (refer to Note 32).

2) The cash dividends approved in the shareholders’ meetings were not yet distributed as of December 31, 2023 and 2022, which were included in other payables (refer to Note 21).

3) For the years ended December 31, 2023 and 2022, convertible bonds with a par value of $10,200 thousand and $40,900 thousand were exercised by the bondholders in the fourth convertible bond issued by the Group. Additionally, for the years ended December 31, 2023 and 2022, convertible bonds with a par value of $100 thousand were exercised by the bondholders in the fifth convertible bond issued by the Group (refer to Note 20).

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	Operating Balance	Cash Flows	Non-cash Changes: Finance Cost	Non-cash Changes: New Leases	Non-cash Changes: Exchange Differences on Translating the Financial Statements	Non-cash Changes: Others (Note 1)	Closing Balance
Short-term borrowings	$ -	$ 129,900	$ -	$ -	$ -	$ -	$ 129,900
Bonds payable	925,928	-	11,376	-	-	(10,131)	927,173
Deposits received	542	46	-	-	(10)	-	578
Lease liabilities	124	(2,625)	439	18,493	(1,162)	(439)	14,830
	$ 926,594	$ 127,321	$ 11,815	$ 18,493	$ (1,172)	$ (10,570)	$ 1,072,481

Note 1: The conversion of bonds into ordinary shares amounted to $10,131 thousand and interest on lease liabilities amounted to $439 thousand. Refer to Note 20 for the convertible bonds.

For the year ended December 31, 2022

	Operating Balance	Cash Flows	Non-cash Changes: Finance Cost	Non-cash Changes: New Leases	Non-cash Changes: Exchange Differences on Translating the Financial Statements	Others (Note 2)	Closing Balance
Short-term borrowings	$ 600,000	$ (600,000)	$ -	$ -	$ -	$ -	$ -
Bonds payable	198,365	802,842	10,344	-	-	(85,623)	925,928
Deposits received	533	-	-	-	9	-	542
Lease liabilities	857	(733)	10	-	-	(10)	124
	$ 799,755	$ 202,109	$ 10,354	$ -	$ 9	$ (85,633)	$ 926,594

Note 2: The recognition of the liability and equity components from the convertible bonds amounted to $46,344 thousand, conversion of convertible bonds into ordinary shares amounted to $39,279 thousand and interest on lease liabilities amounted to $10 thousand. Refer to Note 20 for the convertible bonds.

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on a periodic basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the issuance of convertible bonds.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2023

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 927,173	$ -	$ -	$ 919,347	$ 919,347

December 31, 2022

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 925,928	$ -	$ -	$ 913,827	$ 913,827

Assuming that the convertible bonds will be redeemed at maturity, the fair values of the financial liabilities included in the Level 3 categories above have been determined in accordance with the risk discount rate, and the risk discount rate is based on the borrowing rate of the same industry chain company.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 1,120	$ 1,120

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 568	$ 568
Financial liabilities at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 9,040	$ 9,040

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Year Ended December 31	
	2023	2022
	Derivatives	Derivatives
Financial assets at FVTPL		
Balance at January 1	$ 568	$ 1,559
Recognized in profit or loss (included in other gains and losses)	(566)	(756)
Conversion exercised	(2)	(235)
Balance at December 31	$ -	$ 568
Financial liabilities at FVTPL		
Balance at January 1	$ (9,040)	$ -
Option of convertible bonds issued	-	(320)
Recognized in profit or loss (included in other gains and losses)	7,920	(8,720)
Balance at December 31	$ (1,120)	$ (9,040)

3) Valuation techniques and inputs applied for Level 3 fair value measurement：

The fair values of convertible bond options are determined using option pricing models.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ -	$ 568
Financial assets at amortized cost (1)	3,280,854	2,971,304
Financial liabilities		
FVTPL		
Held for trading	1,120	9,040
Amortized cost (2)	1,501,678	1,299,529

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, trade receivables - related parties, other receivables (excluding tax refund receivable), other receivables - related parties, refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, trade payables - related parties, other payables (excluding salaries, bonuses (including employee's compensation and remuneration of directors), dividend payable, business tax payable, insurance payable, pension payable), other payables - related parties, bonds payable (including current portion of bonds payable) and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets at amortized cost, financial assets and liabilities at FVTPL, receivables, short-term borrowings, payables, convertible bonds.

Financial risks related to Group's operation include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are mainly hedged by net exchange position and managed within approved policy parameters utilizing foreign exchange forward contracts as a supplement.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 36.

Sensitivity analysis

The Group is mainly exposed to the currency USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 1% change in foreign currency rates.

A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2023	**2022**
Profit or loss	$ 12,963	$ 7,517

The result was mainly attributable to the exposure on outstanding receivables and payables and foreign currency bank deposits in USD that were not hedged at the end of the year.

The Group's sensitivity to changes in the US dollar exchange rate decreased during the current year, primarily due to the decrease in net assets denominated in US dollars.

b) Interest rate risk

The Group is exposed to interest rate related to its deposits, financial assets at amortized cost, short-term borrowings, convertible bonds and lease liabilities at both fixed and floating interest rates.

The carrying amounts of the Group’s financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 1,928,937	$ 1,680,812
Financial liabilities	1,071,903	926,052
Cash flow interest rate risk		
Financial assets	259,839	371,878

Sensitivity analysis

The sensitivity analysis below was based on the Group’s exposure to interest rates for non-derivative instruments at the end of the year. For floating rate assets, the analysis was prepared assuming the amount of each asset outstanding at the end of year was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group’s pretax profits for the years ended December 31, 2023 and 2022 would have increased/decreased by $2,598 thousand and $3,719 thousand, respectively, which was mainly a result of the Group’s exposure to interest rates on its variable-rate bank deposits.

The Group’s sensitivity to interest rate decreased during the current year mainly due to the decrease in floating-rate assets.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group’s maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group rates the credit quality of major customers through customer credit management procedures which include establishing complete customer information files, obtaining other publicly available financial information, and maintaining transaction records with each other. The Group continues to monitor its credit exposure and the credit ratings of its counterparties. Credit exposure is controlled by setting a counterparty credit limit, which is approved and periodically reviewed by the risk management committee.

To minimize credit risk, management of the Group has delegated a team to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk was significantly reduced.

The Group's concentration of credit risk of 44% and 40% of total trade receivables as of December 31, 2023 and 2022, respectively, was related to the Group's largest ten customers.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of negative fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2023

	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities			
Non-interest bearing	$ 309,569	$ 134,484	$ 578
Lease liabilities	1,592	4,847	10,719
Fixed interest rate liabilities	130,115	156,800	799,900
	$ 441,276	$ 296,131	$ 811,197

December 31, 2022

	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities			
Non-interest bearing	$ 262,395	$ 110,687	$ 542
Lease liabilities	124	-	-
Fixed interest rate liabilities	-	167,000	800,000
	$ 262,519	$ 277,687	$ 800,542

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank loan facilities (reviewed annually):		
Amount used	$ 129,900	$ -
Amount unused	816,863	746,775
	$ 946,763	$ 746,775

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and the other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Prosper Radiant Ltd.	Associate
SanKag Electronic Technology (Taicang) Co., Ltd.	Associate's subsidiary

b. Sales of goods

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2023	2022
Sales	Associate's subsidiary - SanKag	$ 32	$ 110

The payment terms to related parties are T/T 90 days, the price and other transaction conditions are not significantly different from regular sales.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2023	2022
Associate's subsidiary - SanKag	$ 48,818	$ 45,111

The payment terms to related parties of purchase are T/T 120 days, the price and other transaction conditions are not significantly different from regular sales.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2023	2022
Trade receivables	Associate's subsidiary - SanKag	$ 10	$ 2
Other receivables	Associate's subsidiary - SanKag - collection and payment on behalf	$ -	$ 171
	Associates - Prosper Radiant - reduction of capital (Note)	4,509	4,519
		$ 4,509	$ 4,690

Note: Prosper Radiant Ltd. completed the capital reduction change registration on December 11, 2021. It is the amount that has not been collected as of December 31, 2023 and 2022. The company does not collect the guarantee for outstanding amounts receivable from related parties. No allowance for losses was made for amounts receivable from related parties in 2023 and 2022.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2023	2022
Trade payables	Associate's subsidiary- SanKag - goods payment	$ 20,428	$ 15,250
Other payables (Note 29)	Associate's subsidiary - SanKag - asset trades	$ 428	$ 2,690

The outstanding trade payables to related parties are unsecured.

f. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2023	2022
Associate's subsidiary- SanKag	$ 3,473	$ 7,545

g. Lease arrangements

Business lease rental

The Group leases out the factory buildings to its associate - SanKag under operating lease with lease term of 5 years. The lessee does not have the preferential right to purchase the real estate at the end of the lease period. The rent is based on a contract signed based on general market conditions, and the rent is charged on a monthly basis.

The total amount of lease payments to be received in the future for leasing owned property, plant and equipment under operating leases is as follows:

	December 31	
	2023	2022
First year	$ 430	$ 1,113
Second year	-	431
	$ 430	$ 1,544

The rental revenue recognized in 2023 and 2022 were $1,110 thousand and $1,390 thousand dollars.

h. Compensation of key management personnel

	December 31	
	2023	2022
Short-term employee benefits	$ 47,327	$ 41,732
Post-employment benefits	216	1,624
	$ 47,543	$ 43,356

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for tariff guarantee for imported raw material:

	December 31	
	2023	2022
Financial assets at amortized cost - non-current		
Time deposits with original maturities of more than 3 months	$ 2,603	$ 2,603

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

Significant Commitments

Unrecognized commitments were as follows:

	December 31	
	2023	**2022**
Acquisition of property, plant and equipment	$ 11,514	$ 10,283

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. $4,800 thousand were exercised by the bondholders in the fourth convertible bond issued by the Company. The conversion price is $73 with 65,750 ordinary shares converted.

b. In order to repay bank loans and bolster operating funds, on November 3, 2023, the board of directors resolved to issue the sixth unsecured convertible bond. The total issuance amount is $1,000,000 thousand, with no physical issuance, each with a face value of $100 thousand and a five-year issuance period. The bonds are issued at par value, and the conversion price for the convertible bonds is set at $223.2 per share. The case was notified to the Financial Supervisory Commission (FSC) and became effective on January 15, 2024. The aforementioned bonds have been traded on Taipei Exchange since January 29, 2024.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,829	30.705 (USD:NTD)	$ 455,336
USD	39,869	7.0827 (USD:RMB)	1,224,172
Non-monetary items			
Investment in associates accounted for using equity method			
USD	257	30.705 (USD:NTD)	7,889
Financial liabilities			
Monetary items			
USD	11,377	30.705 (USD:NTD)	349,327
USD	1,102	7.0827 (USD:RMB)	33,843

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 19,669	30.710 (USD:NTD)	$ 604,024
USD	13,202	6.9646 (USD:RMB)	405,448
Non-monetary items			
Investment in associates accounted for using equity method			
USD	324	30.710 (USD:NTD)	9,935
Financial liabilities			
Monetary items			
USD	7,210	30.710 (USD:NTD)	221,414
USD	1,186	6.9646 (USD:RMB)	36,408

For the years ended December 31, 2023 and 2022, net foreign exchange gains, including realized and unrealized, were $6,590 thousand and $69,227 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others (none)

2) Endorsements/guarantees provided (none)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (none)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (none)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (none)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (none)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 1)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2)

9) Trading in derivative instruments (Note 7)

10) Intercompany relationships and significant intercompany transactions (Table 3)

b. Information on investees (Table 4)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 6):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

38. SEGMENT INFORMATION

a. The connector manufacturing segment includes a number of connector production and sales units in various regions, each of which is considered separate operating segment by the chief operating decision maker. Operational segment information is not inapplicable because of the financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment while the Group takes into account the following factors:

1) The nature of the products and production processes are similar;

2) The pricing strategy of the products are similar;

3) The methods used to distribute the products to the customers are the same.

b. Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	For the Year Ended December 31	
	2023	2022
Connectors	$ 2,394,974	$ 2,309,878

c. Geographical information

The Group majorly operates in Taiwan and China.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan and China	$ 2,394,974	$ 2,309,878	$ 873,775	$ 908,416

Non-current assets exclude investments accounted for using the equity method, financial instruments, deferred tax assets, net defined benefit assets, and refundable deposits.

d. Information about major customers

Single customers contributed 10% or more to the Group's revenue are as follows:

	For the Year Ended December 31	
	2023	2022
Group A	(Note)	$ 296,107

Note: The revenue does not exceed 10% of the total revenue of the Group.

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Alltop Technology Co., Ltd.	Alltop Electronics (Suzhou) Ltd.	Subsidiary	Purchase	$ 771,545	98	T/T 270 days	Note 2	Note 2	$ (333,819)	(98)	Note 3
Alltop Electronics (Suzhou) Ltd.	Alltop Technology Co., Ltd.	Parent company	Sale	(771,545)	(40)	T/T 270 days	Note 2	Note 2	333,819	36	Note 3
	Liquan technology (Taicang) Co., Ltd.	Under same parent company	Purchase	104,838	15	Monthly payment: 120 days	Note 2	Note 2	(37,451)	(9)	Note 3
Liquan technology (Taicang) Co., Ltd.	Alltop Electronics (Suzhou) Ltd.	Under same parent company	Sale	(104,838)	(64)	Monthly payment: 120 days	Note 2	Note 2	37,451	100	Note 3

Note 1: Computed based on the amount or balance of the transactions with each seller and purchaser.

Note 2: Open account of 30-180 days for non-related parties.

Note 3: The transactions were eliminated in the consolidated financial statements.

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 1)	Allowance for Impairment Loss
					Amount	Actions Taken		
Alltop Electronics (Suzhou) Ltd.	Alltop Technology Co., Ltd.	Parent company	Trade receivables $ 333,819	2.88	$ -	-	$ 157,990	$ -

Note 1: The amount recovered from January 1, 2024 to March 5, 2024.

Note 2: The transactions were eliminated in the consolidated financial statements.

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
0	Alltop Technology Co., Ltd.	Alltop Electronics (Suzhou) Ltd.	a	Sale	$ 4,682	Monthly payment: 150 days	-
				Service revenue	30,746	Collected 30 days after approval by the local government	1
				Purchase	771,545	T/T 270 days	32
				Trade receivables	33,416	-	1
				Trade payables	333,819	-	8
		Alltop Technology (Vietnam) Co., Ltd.	a	Investment accounted for using equity method	62,318	-	1
1	Alltop Electronics (Suzhou) Ltd.	Liquan technology (Taicang) Co., Ltd.	c	Purchase	104,838	Monthly payment: 120 days	4
				Trade payables	37,451	-	1

Intercompany relationships:

Alltop Technology Co., Ltd. and Alltop Electronics (Suzhou) Ltd. mainly engages in manufacturing, selling, and developing electronic component; Liquan technology (Taicang) Co., Ltd. and Alltop Technology (Vietnam) Co., Ltd. mainly engages in manufacturing and selling electronic component. A-LIST International Ltd., Topwise Technology Ltd., Alltop Holding Ltd. and Mettle Enterprise Co., Ltd. are holding companies.

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The rest subsidiaries coding from 1.

Note 2: The Intercompany relationships are as follow (If the transaction is the same between the parent company and subsidiaries or between subsidiaries, there is no need to redisclose. For example, transactions between parent company and subsidiaries, if the parent company has disclosed, the subsidiaries will not need to disclose; transactions between subsidiaries, if one of them has disclosed, the other will not need to disclose.

a. Parent company to subsidiaries.
b. Subsidiaries to parent company.
c. Subsidiaries to subsidiaries.

Note 3: The calculation of the percentage of the transaction accounts for total consolidated revenues or total assets. For the assets and liabilities subject, they are calculated by the ending balance divided by the consolidated total assets. For the revenue and expense subjects, they are calculated by the accumulated amount at the end of period divided by the consolidated total revenue.

Note 4: The transactions were eliminated in the consolidated financial statements.

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars and Thousands of Shares, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Alltop Technology Co., Ltd.	A-LIST International Ltd.	Samoa	Holding company	$ 689,856 (US$ 21,141)	$ 689,856 (US$ 21,141)	-	100.0	$ 3,500,939	$ 588,786	$ 583,228	Notes 1, 3, 4 and 5
	Alltop Technology (Vietnam) Co., Ltd.	Vietnam	Manufacturing and selling of electronic components	62,318 (US$ 2,000)	-	-	100.0	55,020	(3,757)	(3,757)	Notes 1, 3 and 4
A-LIST International Ltd.	Topwise Technology Ltd.	Samoa	Holding company	84,610 (US$ 2,756)	84,623 (US$ 2,756)	-	100.0	106,194	5,458	5,458	Notes 1, 2, 3 and 4
	Alltop Holding Ltd.	Hong Kong	Holding company	517,705 (US$ 16,861)	517,789 (US$ 16,861)	-	100.0	3,414,470	582,770	582,770	Notes 1, 2, 3 and 4
Alltop Holding Ltd.	Mettle Enterprise Co., Ltd.	Republic of Seychelles	Holding company	35,015 (US$ 1,140)	35,021 (US$ 1,140)	-	29.4	43,081	7,771	2,285	Notes 1, 2, 3 and 4
	Prosper Radiant Ltd.	Samoa	Holding company	3,020 (US$ 98)	3,020 (US$ 98)	-	30.0	7,889	1,671	501	Notes 1, 2 and 4
Topwise Technology Ltd.	Mettle Enterprise Co., Ltd.	Republic of Seychelles	Holding company	84,108 (US$ 2,739)	84,122 (US$ 2,739)	-	70.6	105,440	7,771	5,486	Notes 1, 2, 3 and 4

Note 1: No market price for reference. The book value on the reporting date is used as the fair value instead.

Note 2: The amount of foreign currency investment was translated with the exchange rate on the reporting date.

Note 3: The transactions were eliminated in the consolidated financial statements.

Note 4: The recognition of investment gain and loss is recognized based on the financial statements of the investee company for the same period, as audited by the attesting CPA of parent company in Taiwan.

Note 5: Unrealized gross profit of up-stream and side-stream transactions were considered.

Note 6: For investments listed above, the highest ownership percentage indicated in the above table is equal to the ownership percentage as of December 31, 2023. In addition, such investments are not collateralized or secured.

TABLE 5

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2 b.(2))	Carrying Amount as of December 31, 2023 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Alltop Electronics (Suzhou) Ltd.	Manufacturing and selling and developing electronic components	$ 732,768 (US$ 23,250) (Note 3)	b. (1)	$ 509,988 (US$ 15,950)	$ -	$ -	$ 509,988 (US$ 15,950)	$ 579,947	100	$ 579,947 (Note 2 b.(2))	$ 3,350,666	$ -	Note 5
Liquan Technology (Taicang) Co., Ltd.	Manufacturing and selling electronic components	121,771 (US$ 3,843)	b. (2)	121,771 (US$ 3,843)	-	-	121,771 (US$ 3,843)	7,771	100	7,771 (Note 2 b.(2)	144,630	-	Note 5
Sankag Electronic Technology (Taicang) Co., Ltd.	Manufacturing and selling electronic components	8,717 (US$ 300)	b. (3)	8,717 (US$ 300)	-	-	8,717 (US$ 300)	2,046	30	614 (Note 2 b.(2)	6,079	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$640,476 (US$20,093)	$863,256 (US$27,393) (Note 3)	$1,565,912

Note 1: Three methods of investing in mainland China are as follows:

a. Directly invests in mainland China.

b. Investments in mainland China through an existing company established in a third region:

1) Investments in mainland China through an existing company established in a third region (A-LIST International Ltd. and Alltop Holding Ltd.)
2) Investments in mainland China through an existing company established in a third region (A-LIST International Ltd., Alltop Holding Ltd., Topwise Technology Ltd. and Mettle Enterprise Co.)
3) Investments in mainland China through an existing company established in a third region (A-LIST International Ltd., Alltop Holding Ltd. and Prosper Radiant Ltd.)

c. Other methods.

Note 2 In the column of investment gain (loss):

a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.
b. The basis for recognizing investment gain (loss) is as follows:

1) The financial statement audited by the attesting CPA of international accounting firm in cooperation with an accounting firm in the ROC.
2) The financial statement audited by the attesting CPA of parent company in Taiwan.
3) Other.

(Continued)

Note 3: Capital increase out of earnings US$7,300 thousand dollars has included.

Note 4: Includes the differences between the cost of investment and the net value of the equity.

Note 5: The transactions were eliminated in the consolidated financial statements.

Note 6: For investments listed above, the highest ownership percentage indicated in the above table is equal to the ownership percentage as of December 31, 2023. In addition, such investments are not collateralized or secured.

(Concluded)

ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, and

2. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

Related Party	Type	Purchase (Sale)		Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized Gain/(Loss)	Note
		Amount	% of Total		Payment Terms	Compare to Normal Transactions	Ending Balance	% of Total		
Alltop Electronics (Suzhou) Ltd.	Sale (technical service revenue included)	$ (35,428)	(3)	Market price	Monthly payment: 150 days and Collected 30 days after approval by the local government.	Non-significant difference	$ 33,416	1	$ -	Notes 2 and 4
	Purchase	771,545	98	Market price	T/T 270 days	Note 1	(333,819)	(8)	15,868	Notes 3 and 4

3. The amount of property transactions and the amount of the resultant gains or losses: Please refer to Note 32.

4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

5. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

6. Other transactions that have a component effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: Please refer to Note 32.

Note 1: The payment terms of non-related party are received in advance or from T/T 30 days to T/T 180 days.

Note 2: The transaction of Alltop Technology Co., Ltd. sales to Alltop Electronics (Suzhou) Ltd.

Note 3: The transaction of Alltop Electronics (Suzhou) Ltd. purchase from Alltop Technology Co., Ltd.

Note 4: The transactions were eliminated in the consolidated financial statements.

TABLE 7

ALLTOP TECHNOLOGY CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
PANJIT INTERNATIONAL INC.	11,315,009	19.13

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Appendix 3. 2023 Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Alltop Technology Co., Ltd.

Opinion

We have audited the accompanying financial statements of Alltop Technology Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the financial statements of the Company for the year ended December 31, 2023 is stated as follows:

For the year ended December 31, 2023, the revenue of the Company amounted to NT$1,219,117 thousand, which was a decrease compared to the previous year. Among which, those significant sales amounts with continuous growth accounted for approximately 37% of the total revenue. It is considered material for the financial statements. Therefore, the occurrence of revenue recognition related to sales of these customers is listed as a key audit matter in the financial statements for the year ended December 31, 2023. Refer to Note 4(l) and Note 22 for the accounting policies and relevant disclosure information regarding revenue recognition.

The audit procedures for the key audit matter are the following:

1. We understood and tested the design and operating effectiveness of the key control over revenue recognition to confirm and evaluate the effectiveness of the internal control while conducting a sale transaction.

2. We selected samples from the Company's sales details, reviewed both Company's and its customers' sales reconciliation data, invoice, delivery note and other relevant proof of delivery with signature. We also examined the remittance senders and collection process or other alternative audit procedures, to verify the occurrence of sales transactions.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Jui-Hsuan Ho and Keng-His Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2024

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

ALLTOP TECHNOLOGY CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Notes 4 and 6)	$ 52,076	1	$ 322,337	8
Financial assets at fair value through profit or loss - current (Notes 4, and 7)	-	-	568	-
Notes receivable (Notes 4, 9 and 22)	-	-	263	-
Trade receivables (Notes 4, 9 and 22)	385,611	9	375,821	10
Trade receivables from related parties (Notes 4, 22 and 29)	33,641	1	35,856	1
Other receivables (Notes 4 and 9)	571	-	601	-
Other receivables from related parties (Notes 4 and 29)	686	-	1,113	-
Inventories (Notes 4 and 10)	47,583	1	46,821	1
Other current assets (Note 15)	3,897	-	4,417	-
Total current assets	524,065	12	787,797	20
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 8 and 30)	2,603	-	2,603	-
Investments accounted for using the equity method (Notes 4 and 11)	3,555,959	85	2,979,210	77
Property, plant and equipment (Notes 4, 12 and 19)	69,669	2	71,648	2
Right-of-use assets (Notes 4 and 13)	880	-	121	-
Other intangible assets (Notes 4 and 14)	8,167	-	8,897	-
Deferred tax assets (Notes 4 and 24)	34,375	1	20,233	1
Net defined benefit assets - non-current (Notes 4 and 20)	3,412	-	3,010	-
Other non-current assets (Notes 4 and 15)	477	-	477	-
Total non-current assets	3,675,542	88	3,086,199	80
TOTAL	$ 4,199,607	100	$ 3,873,996	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 16)	$ 129,900	3	$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	1,120	-	9,040	-
Trade payables	7,960	-	12,706	-
Trade payables to related parties (Note 29)	333,819	8	202,094	5
Other payables (Notes 18 and 26)	124,411	3	116,356	3
Other payables to related parties (Notes 26 and 29)	-	-	62	-
Current tax liabilities (Notes 4 and 24)	14,722	1	40,415	1
Lease liabilities - current (Notes 4 and 13)	758	-	124	-
Current portion of bonds payable (Notes 4 and 17)	154,737	4	161,982	4
Other current liabilities (Notes 4 and 18)	12,102	-	13,118	1
Total current liabilities	779,529	19	555,897	14
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	772,436	18	763,946	20
Provision - non-current (Notes 4 and 19)	1,606	-	1,816	-
Deferred tax liabilities (Notes 4 and 24)	36,055	1	35,983	1
Lease liabilities - non-current (Notes 4 and 13)	128	-	-	-
Total non-current liabilities	810,225	19	801,745	21
Total liabilities	1,589,754	38	1,357,642	35
EQUITY (Notes 4 and 21)				
Share capital				
Ordinary shares	590,909	14	589,978	15
Capital collected in advance	472	-	-	-
Total share capital	591,381	14	589,978	15
Capital surplus	652,028	15	753,628	19
Retained earnings				
Legal reserve	498,021	12	442,504	12
Special reserve	87,295	2	118,821	3
Unappropriated earnings	920,455	22	698,718	18
Total retained earnings	1,505,771	36	1,260,043	33
Other equity	(139,327)	(3)	(87,295)	(2)
Total equity	2,609,853	62	2,516,354	65
TOTAL	$ 4,199,607	100	$ 3,873,996	100

The accompanying notes are an integral part of the financial statements.

ALLTOP TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)				
Sales	$ 1,219,117	100	$ 1,333,493	100
OPERATING COSTS (Notes 10, 23 and 29)				
Cost of goods sold	(799,224)	(66)	(828,425)	(62)
GROSS PROFIT	419,893	34	505,068	38
OPERATING EXPENSES (Note 22)				
Selling and marketing expenses	(79,413)	(6)	(81,601)	(6)
General and administrative expenses	(145,167)	(12)	(133,607)	(10)
Research and development expenses	(27,679)	(2)	(34,879)	(3)
Expected credit (loss) gain (Notes 4 and 9)	(7,105)	(1)	491	-
Total operating expenses	(259,364)	(21)	(249,596)	(19)
PROFIT FROM OPERATIONS	160,529	13	255,472	19
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 25)				
Interest income (Notes 4 and 23)	7,816	1	2,953	1
Other income (Notes 4 and 23)	653	-	2,356	-
Other gains and losses (Notes 4 and 23)	(9,991)	(1)	25,930	2
Finance costs (Notes 4, 17 and 23)	(12,162)	(1)	(11,203)	(1)
Share of profit or loss of subsidiaries accounted for using equity method (Note 4)	579,471	47	342,330	26
Total non-operating income and expenses	565,787	46	362,366	28
PROFIT BEFORE INCOME TAX	726,316	59	617,838	47
INCOME TAX EXPENSE (Notes 4 and 24)	(36,619)	(3)	(63,752)	(5)
NET PROFIT FOR THE YEAR	689,697	56	554,086	42
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	357	-	1,359	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(72)	-	(272)	-
	285	-	1,087	-

(Continued)

ALLTOP TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	$ (65,040)	(5)	$ 39,407	3
Income tax relating to items that may be reclassified subsequently to profit or loss	13,008	1	(7,881)	(1)
	(52,032)	(4)	31,526	2
Other comprehensive income (loss) for the year, net of income tax	(51,747)	(4)	32,613	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 637,950	52	$ 586,699	44
EARNINGS PER SHARE (Note 25)				
Basic	$ 11.68		$ 9.41	
Diluted	$ 10.52		$ 8.75	

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

ALLTOP TECHNOLOGY CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other Equity		
	Ordinary Shares	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statement of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	$ 582,224	$ 2,853	$ 802,178	$ 378,207	$ 108,988	$ 741,905	$ (118,821)	$ -	$ 2,497,534
Appropriation of 2021 earnings (Note 21)									
Legal reserve	-	-	-	64,297	-	(64,297)	-	-	-
Special reserve	-	-	-	-	9,833	(9,833)	-	-	-
Cash dividends	-	-	-	-	-	(524,230)	-	-	(524,230)
Equity component of convertible bonds (Notes 17 and 21)	-	-	46,024	-	-	-	-	-	46,024
Issuance of cash dividends from capital surplus (Note 21)	-	-	(128,717)	-	-	-	-	-	(128,717)
Convertible bonds converted to ordinary shares (Notes 17 and 21)	7,754	(2,853)	34,143	-	-	-	-	-	39,044
Net profit for the year ended December 31, 2022	-	-	-	-	-	554,086	-	-	554,086
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	1,087	31,526	-	32,613
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	555,173	31,526	-	586,699
BALANCE AT DECEMBER 31, 2022	589,978	-	753,628	442,504	118,821	698,718	(87,295)	-	2,516,354
Appropriation of 2022 earnings (Note 21)									
Legal reserve	-	-	-	55,517	-	(55,517)	-	-	-
Special reserve	-	-	-	-	(31,526)	31,526	-	-	-
Cash dividends	-	-	-	-	-	(444,254)	-	-	(444,254)
Issuance of cash dividends from capital surplus (Note 21)	-	-	(110,326)	-	-	-	-	-	(110,326)
Convertible bonds converted to ordinary shares (Notes 17 and 21)	931	472	8,726	-	-	-	-	-	10,129
Net profit for the year ended December 31, 2023	-	-	-	-	-	689,697	-	-	689,697
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	285	(52,032)	-	(51,747)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	689,982	(52,032)	-	637,950
BALANCE AT DECEMBER 31, 2023	$ 590,909	$ 472	$ 652,028	$ 498,021	$ 87,295	$ 920,455	$ (139,327)	$ -	$ 2,609,853

The accompanying notes are an integral part of the financial statements.

ALLTOP TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 726,316	$ 617,838
Adjustments for:		
Depreciation expenses	5,975	6,953
Amortization expenses	3,794	3,526
Expected credit loss recognized (reversed) on trade receivables	7,105	(491)
Net (gain) loss on fair value changes of financial instruments at fair value through profit or loss	(7,354)	18,305
Finance costs	12,162	11,203
Interest income	(7,816)	(2,953)
Share of profit of subsidiaries accounted for using equity method	(579,471)	(342,330)
Loss on disposal of property, plant and equipment	520	102
Write-downs of inventories	1,841	3,947
Net loss (gain) on foreign currency exchange	5,308	(13,113)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	(8,829)
Notes receivable	263	(252)
Trade receivables	(33,546)	255,142
Trade receivables from related parties	1,643	(524)
Other receivables	(217)	158
Inventories	(2,603)	27,544
Other current assets	520	228
Trade payables	(4,447)	(6,068)
Trade payables to related parties	141,042	115,261
Other payables	8,146	(10,080)
Provisions	(210)	(582)
Other current liabilities	(1,016)	(698)
Net defined benefit assets - non-current	(45)	(1,410)
Cash generated from operations	277,910	672,877
Interest paid	(702)	(1,008)
Income tax paid	(63,446)	(73,041)
Net cash generated from operating activities	213,762	598,828
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment accounted for using equity method	(62,318)	-
Payments for property, plant and equipment	(4,271)	(2,466)
Proceeds from disposal of property, plant and equipment	288	15
Decrease in refundable deposits	-	2
Increase in other receivables from related parties	-	(590)
Decrease in other receivables from related parties	444	-
Payments for intangible assets	(3,160)	(1,947)
Interest received	8,063	2,706
Net cash used in investing activities	(60,954)	(2,280)

(Continued)

ALLTOP TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	**2022**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 149,900	$ 69,000
Repayments of short-term borrowings	(20,000)	(669,000)
Proceeds from issuance of convertible bonds	-	808,000
Repayment of the principal portion of lease liabilities	(746)	(733)
Dividends paid to owners of the company	(554,577)	(652,944)
Payments for transaction costs attributable to the issuance of debt instruments	-	(5,158)
Net cash used in financing activities	(425,423)	(450,835)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	2,354	12,553
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(270,261)	158,266
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	322,337	164,071
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 52,076	$ 322,337

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

ALLTOP TECHNOLOGY CO., LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Alltop Technology Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) in November 1998 and commenced business in March 1999. The Company mainly manufactures, sells, researches and develops electronic connectors.

The shares of the Company have been listed on the Taipei Exchange (TPEx) Mainboard since November 2007. Due to the dispersed ownership, the company has no ultimate parent company or ultimate controlling entity. The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 5, 2024.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the financial statements were authorized for issue, the Company assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit assets which are measured at the fair value of plan assets less the present value of the defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order to align profit or loss, other comprehensive income and equity from the current year in the parent company only financial statements with those attributable to the owners of the Company, adjustments arising from the differences in accounting treatment with individual and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries accounted for using the equity method and the related equity items.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Company’s financial statements, transactions in currencies other than the Company’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity for any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

Unrealized profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are also allocated to the individual group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for notes receivable and trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 28.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option which is classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - other.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

l. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue comes from the sales of electronic connectors. Sales of electronic connectors are recognized as revenue when the goods are shipped, or when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and over the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been shipped or delivered to the customer.

Revenue from the sale of goods is measured at the fair value based on amounts received or receivable, net of estimated customer returns, discounts and other similar allowances. The Group, based on historical experience and considering various contract conditions, estimates potential sales returns and allowances, which are used to recognize refund liabilities (classified as other current liabilities).

2) Revenue from rendering of services

Revenue from the rendering of services comes from the technical consulting services and it is recognized when performance obligations are satisfied.

m. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax of unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Company's management, the accounting policies, estimates, and assumptions adopted by the Company have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 613	$ 1,314
Checking accounts and demand deposits	51,463	94,310
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	-	226,713
	$ 52,076	$ 322,337

The market rate intervals of cash in the bank at the end of the reporting period is as follows:

	December 31	
	2023	2022
Bank balance and cash equivalents	0.001%-1.45%	0.001%-4.26%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Convertible options	$ -	$ 568
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Convertible options	$ 1,120	$ 9,040

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Non-current		
Restricted assets - time deposits with original maturities of more than 3 months	$ 2,603	$ 2,603

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.575% and 1.045%-1.20% per annum as of December 31, 2023 and 2022, respectively. Refer to Note 30 for information relating to on assets pledged as collateral or for security.

The policy adopted by the Company is to invest only in debt instruments issued by entities with good creditworthiness. The Company's exposure is continuously monitored. The Company reviews debtors' material information and other publicly available information and makes an assessment whether there was a significant increase in credit risk since the last period to the reporting date. In order to minimize credit risk, the Company collects relevant information to assess the default risk of debt instrument investments. The Company uses publicly available financial information to rate the debtors.

In determining the expected credit losses for debt instrument investments, the Company considers the historical default situation of debtors, the current financial condition of debtors and the future prospects of the industries. As of December 31, 2023 and 2022, the Company assessed the expected credit loss rate of debt instrument investments as 0%.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount - operating	$ -	$ 263
Less: Allowance for impairment loss	-	-
	$ -	$ 263
Trade receivables		
At amortized cost		
Gross carrying amount	$ 395,353	$ 378,458
Less: Allowance for impairment loss	(9,742)	(2,637)
	$ 385,611	$ 375,821
Other receivables		
Tax refund receivable	$ 570	$ 353
Interest receivable	1	248
	$ 571	$ 601

a. Notes receivable

The average collection period of notes receivable is 30 to 180 days. Historical data of the Company indicates a favorable collection performance. As there are different loss patterns for various customer segments, the Company uses different provision matrixes based on customer segments by credit rating and determines the expected credit loss rate by reference to the past default experience of the customer, the customer's current financial position, as well as forward-looking information.

The Company measures the loss allowance of notes receivable as follows:

December 31, 2022

	Group A	Group B	Group C	Group D	Group E	Total
Expected credit loss rate	-	-	0%	0%	-	
Gross carrying amount	$ -	$ -	$ 117	$ 146	$ -	$ 263
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ -	$ -	$ 117	$ 146	$ -	$ 263

The aging analysis based on the accounts recognition date were as follows:

	December 31, 2022
0 to 60 days	$ 263
61 to 90 days	-
91 to 180 days	-
Over 181 Days	-
	$ 263

b. Trade receivables

The average credit period of sales of goods is 30 to 180 days and no interest is charged on overdue trade receivables. When determining the recoverability of trade receivables, the Company considers any changes in credit quality of trade receivables from the original credit date to the balance sheet date. Historical experience indicates that the majority of accounts are recovered well.

Before accepting new customers, the Company evaluates the credit quality of potential customers and sets their credit limits through customer credit management procedures. After the credit rating of the customer is assessed through credit rating procedures by the Company, it is then evaluated by responsible supervisors who allocate credit limits.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. As there are different loss patterns for various customer segments, the Company uses different provision matrixes based on customer segments by credit rating, and determines the expected credit loss rate by reference to the past default experience of the customer, the customer's current financial position, as well as forward-looking information.

The Company writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the loss allowance of trade receivable as follows:

December 31, 2023

	Group A	Group B	Group C	Group D	Group E	Total
Expected credit loss rate	0.11%	0.50%	2.02%	55.62%	49.90%	
Gross carrying amount	$ 261,917	$ 104,510	$ 13,279	$ 15,138	$ 509	$ 395,353
Loss allowance (Lifetime ECLs)	(279)	(522)	(268)	(8,419)	(254)	(9,742)
Amortized cost	$ 261,638	$ 103,988	$ 13,011	$ 6,719	$ 255	$ 385,611

December 31, 2022

	Group A	Group B	Group C	Group D	Group E	Total
Expected credit loss rate	0.10%	0.50%	2.03%	10.37%	50.26%	
Gross carrying amount	$ 283,318	$ 48,275	$ 37,649	$ 8,245	$ 971	$ 378,458
Loss allowance (Lifetime ECLs)	(288)	(240)	(766)	(855)	(488)	(2,637)
Amortized cost	$ 283,030	$ 48,035	$ 36,883	$ 7,390	$ 483	$ 375,821

The aging analysis based on the accounts recognition date were as follows:

	December 31	
	2023	2022
0 to 60 days	$ 156,323	$ 146,814
61 to 90 days	101,592	85,919
91 to 180 days	127,467	131,180
Over 181 Days	9,971	14,545
	$ 395,353	$ 378,458

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 2,637	$ 3,128
Add: Net remeasurement of loss allowance	7,105	-
Less: Net remeasurement of loss allowance	-	(491)
Balance at December 31	$ 9,742	$ 2,637

b. Other receivables

Other receivables mainly contain interest receivables. The Company adopted a policy of only dealing with entities of good credit standing. The Company continuously monitors and assesses the credit risk of other receivables by tracking and analyzing the past default records of counterparties as well as their current financial condition since the original recognition, to evaluate whether there has been a significant increase in credit risk and to measure expected credit losses. As of December 31, 2023 and 2022, the Group assessed the expected credit loss of other receivables as 0%.

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 47,503	$ 46,138
Raw materials and supplies	80	683
	$ 47,583	$ 46,821

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 797,383	$ 824,478
Inventory write-downs	1,841	3,947
	$ 799,224	$ 828,425

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
Investments of Subsidiaries	2023	2022
Non-listed companies		
A-LIST International Ltd.	$ 3,500,939	$ 2,979,210
Alltop Technology (Vietnam) Co., Ltd.	55,020	-
	$ 3,555,959	$ 2,979,210

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Subsidiary	2023	2022
A-LIST International Ltd.	100%	100%
Alltop Technology (Vietnam) Co., Ltd. (Note)	100%	-

Note: Alltop Technology (Vietnam) Co., Ltd. was incorporated in Vietnam on June 20, 2023, and the Group invested US$2,000 thousand in July 2023.

Refer to Tables 3 and 4 for the details of the subsidiaries indirectly held by the Company.

12. PROPERTY, PLANT AND EQUIPMENT - USED BY THE COMPANY

	Land	Buildings	Machinery and Equipment	Mold Equipment	Office Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2023	$ 32,000	$ 49,162	$ 12,369	$ 5,648	$ 2,389	$ 10,012	$ 111,580
Additions	-	-	438	-	-	3,617	4,055
Disposals	-	-	(1,870)	(4,364)	-	(2,139)	(8,373)
Balance at December 31, 2023	$ 32,000	$ 49,162	$ 10,937	$ 1,284	$ 2,389	$ 11,490	$ 107,262
Accumulated depreciation							
Balance at January 1, 2023	$ -	$ 18,487	$ 7,300	$ 4,820	$ 1,769	$ 7,556	$ 39,932
Depreciation expenses	-	1,649	1,582	641	188	1,166	5,226
Disposals	-	-	(1,073)	(4,364)	-	(2,128)	(7,565)
Balance at December 31, 2023	$ -	$ 20,136	$ 7,809	$ 1,097	$ 1,957	$ 6,594	$ 37,593
Carrying amounts at December 31, 2023	$ 32,000	$ 29,026	$ 3,128	$ 187	$ 432	$ 4,896	$ 69,669
Cost							
Balance at January 1, 2022	$ 32,000	$ 49,162	$ 10,717	$ 16,379	$ 2,279	$ 10,643	$ 121,180
Additions	-	-	1,652	-	280	702	2,634
Disposals	-	-	-	(10,731)	(170)	(1,333)	(12,234)
Balance at December 31, 2022	$ 32,000	$ 49,162	$ 12,369	$ 5,648	$ 2,389	$ 10,012	$ 111,580
Accumulated depreciation							
Balance at January 1, 2022	$ -	$ 16,836	$ 5,460	$ 13,713	$ 1,631	$ 8,184	$ 45,824
Depreciation expenses	-	1,651	1,840	1,838	191	705	6,225
Disposals	-	-	-	(10,731)	(53)	(1,333)	(12,117)
Balance at December 31, 2022	$ -	$ 18,487	$ 7,300	$ 4,820	$ 1,769	$ 7,556	$ 39,932
Carrying amounts at December 31, 2022	$ 32,000	$ 30,675	$ 5,069	$ 828	$ 620	$ 2,456	$ 71,648

There were no significant impairments in the Company’s property, plant and equipment for the years ended December 31, 2023 and 2022.

The above items of property, plant and equipment are depreciated on a straight-line basis over their useful lives estimated as follows:

Buildings	43 years
Machinery and equipment	5 years
Mold equipment	2 years
Office equipment	5 years
Other equipment	3-5 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Buildings	$ 880	$ 121
Additions to right-of-use assets		
Buildings	$ 1,508	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 749	$ 728

Except for the additions and depreciation expenses listed above, there were no significant sublease or impairment of the right-of-use assets of the Company for the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 758	$ 124
Non-current	$ 128	$ -

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.60%	2.20%

c. Material leasing-in activities and terms

The Company leases buildings for the use of warehouses and production lines with lease terms of 2 years. The Company does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 1,218	$ 1,220
Total cash outflow for leases	$ (1,980)	$ (1,963)

The Company's leases of parking spaces qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2023	$ 22,741
Additions	3,064
Disposals	(2,356)
Balance at December 31, 2023	$ 23,449
Accumulated amortization	
Balance at January 1, 2023	$ 13,844
Amortization expenses	3,794
Disposals	(2,356)
Balance at December 31, 2023	$ 15,282
Carrying amounts at December 31, 2023	$ 8,167
Cost	
Balance at January 1, 2022	$ 20,710
Additions	2,043
Disposals	(12)
Balance at December 31, 2022	$ 22,741
Accumulated amortization	
Balance at January 1, 2022	$ 10,330
Amortization expenses	3,526
Disposals	(12)
Balance at December 31, 2022	$ 13,844
Carrying amounts at December 31, 2022	$ 8,897

There was no significant impairments in the Company's other intangible assets for the years ended December 31, 2023 and 2022.

Computer software is amortized on a straight-line basis over the estimated useful lives of five years.

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by functions		
General and administrative expenses	$ 2,862	$ 1,808
Research and development expenses	932	1,718
	$ 3,794	$ 3,526

15. OTHER ASSETS

	December 31	
	2023	2022
Current		
Prepayments	$ 3,859	$ 4,262
Others	38	155
	$ 3,897	$ 4,417
Non-current		
Refundable deposits	$ 434	$ 434
Others	43	43
	$ 477	$ 477

16. SHORT-TERM BORROWINGS

	December 31	
	2023	2022
Unsecured borrowings		
Bank loans	$ 129,900	$ -

The range of interest rates on bank loans was 1.67%-1.68% per annum at December 31, 2023.

17. BONDS PAYABLE

	December 31	
	2023	2022
Unsecured domestic convertible bonds	$ 927,173	$ 925,928
Less: Current portion	(154,737)	(161,982)
	$ 772,436	$ 763,946

a. Fifth unsecured domestic convertible bonds

On February 14, 2022, the Company issued 8,000 units of NTD-denominated unsecured convertible bonds in Taiwan, with an interest rate of 0%, priced at 101% of the face value and the aggregate principal amount is $800,000 thousand. The bonds have a maturity period of five years, expiring on February 14, 2027.

Except for cases when the bonds are converted to the Company’s shares, bondholders will exercise their resale options and the Company will redeem the bonds before maturity, or when the Company repurchases the bonds from securities firms and cancels them, the bonds will be paid at par in cash at maturity.

Each holder of the bonds has the right during the conversion period, from May 15, 2022 (3 months after the issue date) to February 14, 2027 (the maturity date), to convert its bonds into ordinary shares through their securities broker, by notifying Taiwan Depository & Clearing Corporation (TDCC) and contacting the Company's Shareholder Services Department. Except for the following periods: (i) the period during which the Company may be required to close its share transfer books under the applicable laws and regulations; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of shares or cash dividends, the subscription of new shares due to a capital increase until the date ending on such record date; (iii) the period beginning on the date of a capital reduction until one day prior to the trading day on which the shares of the Company are reissued after such reduction; (iv) the period from the commencement of the conversion suspension date due to the change in the par value of the shares until the day before the start of trading of the new shares issued in exchange.

The price used by the Company in determining the number of ordinary shares to be issued upon conversion was initially NT$207.3 per share starting on July 30, 2023, the conversion price was adjusted to NT$179.6 per share.

The dates on which the convertible bonds were issued for three and four years (February 14, 2025, and February 14, 2026), serve as the base dates for bondholders to exercise their redemption rights. The Company shall notify the bondholders 40 days prior to the redemption base date (January 5, 2025, and January 5, 2026), and request the Taipei Exchange to announce the exercise of the bondholders' redemption rights.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the capital surplus - options. The effective interest rate of the liability component was 1.12% per annum on initial recognition. In 2023, convertible bonds with a face value of $100 thousand were converted, resulting in an increasing in ordinary shares capital of $6 thousand. Due to the exercise of the conversion right, the capital surplus - convertible bonds originally recognized decreased by $6 thousand, the discount on bonds payable decreased by $3 thousand, and the excess of the net conversion over the face value of ordinary shares was transferred to the capital surplus - conversion of bonds, amounting to $97 thousand.

Proceeds from issuance (less transaction costs of $5,158 thousand)	$ 802,842
Resale/redemption option component at the date of issue	(320)
Equity component	(46,024)
Liability component at the date of issue	756,498
Interest charged at an effective interest rate of 1.12%	7,448
Liability component at December 31, 2022	763,946
Interest charged at an effective interest rate of 1.12%	8,587
Convertible bonds converted into ordinary shares	(97)
Liability component at December 31, 2023	$ 772,436

b. Fourth unsecured domestic convertible bonds

On September 30, 2019, the Company issued 6,000 units of NTD-denominated unsecured convertible bonds in Taiwan, with an interest rate of 0%, priced at 101% of the face value and the aggregate principal amount is $600,000 thousand. The bonds have a maturity period of five years, expiring on September 30, 2024.

Except for cases when the bonds are converted to the Company's shares, bondholders will exercise their resale options and the Company will redeem the bonds before maturity, or when the Company repurchases the bonds from securities firms and cancels them, the bonds will be paid at par in cash at maturity.

Each holder of the bonds has the right during the conversion period, from December 31, 2019 (3 months after the issue date) to September 30, 2024 (the maturity date), to convert its bonds into ordinary shares through their securities broker, by notifying TDCC and contacting the Company's Shareholder Services Department, except for during the following periods: (i) the period during which the Company may be required to close its share transfer books under the applicable laws and regulations; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of shares or cash dividends, the subscription of new shares due to a capital increase until the date ending on such record date; and (iii) the period beginning on the date of a capital reduction until one day prior to the trading day on which the shares of the Company are reissued after such reduction.

The price used by the Company in determining the number of ordinary shares to be issued upon conversion was initially NT$73 per share starting on July 30, 2023, the conversion price was adjusted to NT$73 per share.

The dates on which the convertible bonds were issued for three and four years (September 30, 2022, and September 30, 2023) serve as the base dates for bondholders to exercise their redemption rights. The Company shall notify the bondholders 40 days prior to the redemption base date (August 21, 2022, and August 21, 2023) and request the Taipei Exchange to announce the exercise of the bondholders' redemption rights.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the capital surplus - options. The effective interest rate of the liability component was 1.70% per annum on initial recognition. In 2023 and 2022, the convertible bonds with face values of $10,200 thousand and $40,900 thousand were converted, resulting in an increase in ordinary shares of $1,397 thousand and $4,901 thousand, respectively. Due to the exercise of the conversion right, the capital surplus - convertible bonds originally recognized decreased by $759 thousand and $3,045 thousand, respectively, and the discount on bonds payable decreased by $166 thousand and $1,621 thousand, respectively. There was a decrease of $2 thousand and $235 thousand in financial assets at fair value through profit or loss, respectively, and the excess of the net conversion over the face value of ordinary shares was transferred to the capital surplus - conversion of bonds, amounting to $9,394 thousand and $37,188 thousand, respectively.

Proceeds from issuance (less transaction costs of $5,197 thousand)	$ 600,803
Resale/redemption option component at the date of issue	(4,620)
Equity component	44,671
Liability component at the date of issue	551,512
Interest charged at an effective interest rate of 1.70%	20,407
Convertible bonds converted into ordinary shares	(409,937)
Liability component at December 31, 2022	161,982
Interest charged at an effective interest rate of 1.70%	2,789
Convertible bonds converted into ordinary shares	(10,034)
Liability component at December 31, 2023	$ 154,737

18. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries and bonuses (including compensation of employees and remuneration of directors)	$ 100,531	$ 92,374
Payables for technical service	9,105	10,662
Payables for royalties	4,317	3,305
Payables for warehousing	1,664	1,551
Payables for insurance	1,476	1,456
Payables for professional service fees	1,458	1,255
Payables for pension	909	910
Payables for interest	84	-
Payables for purchases of equipment and intangible asset (Note 26)	65	315
Payables for dividends (Note 26)	26	23
Others	4,776	4,505
	$ 124,411	$ 116,356
Other liabilities		
Refund liabilities	$ 11,121	$ 12,584
Others	981	534
	$ 12,102	$ 13,118

19. PROVISIONS

	December 31	
	2023	2022
Non-current		
Employee benefits	$ 1,606	$ 1,816

	Employee Benefits
Balance at January 1, 2023	$ 1,816
Decrease for the year	(210)
Balance at December 31, 2023	$ 1,606
Balance at January 1, 2022	$ 2,398
Decrease for the year	(582)
Balance at December 31, 2022	$ 1,816

The provision for employee benefits represents accrual of long-term disability benefits for employees.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The Company has reported to the Supervisory Committee of Labor Retirement Reserve in April 2023 and April 2022 that the contributions to employees' retirement funds were suspended from April 2023 to March 2024 and from April 2022 to March 2023, respectively, and were approved by the relevant regulatory authorities.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 5,173	$ 5,396
Fair value of plan assets	(8,585)	(8,406)
Net defined benefit assets	$ (3,412)	$ (3,010)

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2023	$ 5,396	$ (8,406)	$ (3,010)
Net interest expense (income)	81	(126)	(45)
Recognized in profit or loss	81	(126)	(45)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(53)	(53)
Actuarial gain			
Changes in financial assumptions	(80)	-	(80)
Experience adjustments	(224)	-	(224)
Recognized in other comprehensive income	(304)	(53)	(357)
Balance at December 31, 2023	$ 5,173	$ (8,585)	$ (3,412)
Balance at January 1, 2022	$ 7,500	$ (7,741)	$ (241)
Net interest expense (income)	37	(39)	(2)
Recognized in profit or loss	37	(39)	(2)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(626)	(626)
Actuarial (gain) loss			
Changes in financial assumptions	(836)	-	(836)
Experience adjustments	103	-	103
Recognized in other comprehensive income	(733)	(626)	(1,359)
Benefits paid	(1,408)	-	(1,408)
Balance at December 31, 2022	$ 5,396	$ (8,406)	$ (3,010)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
General and administrative expenses	$ (45)	$ (2)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	2022
Discount rate	1.38%	1.50%
Expected rate of salary increase	3.50%	3.75%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rate		
0.25% increase	$ (168)	$ (188)
0.25% decrease	$ 174	$ 196
Expected rate of salary increase		
0.25% increase	$ 168	$ 189
0.25% decrease	$ (162)	$ (182)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

The analysis of the average duration of the defined benefit obligation was as follows:

	December 31	
	2023	2022
Expected contributions to the plans for the next year	$ -	$ -
Average duration of the defined benefit obligation	13.2 years	14.2 years

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	120,000	120,000
Share authorized, par value $10 (in thousands of dollars)	$ 1,200,000	$ 1,200,000
Shares issued and fully paid (in thousands of shares)	59,091	58,998
Share issued and fully paid (in thousands of dollars)	$ 590,909	$ 589,978

The authorized shares include 2,000 thousand shares allocated for the exercise of employee share options, preferred shares with options or corporate bonds with equity options.

Ordinary shares issued, which have a par value of NT$10, carry one vote per share and a right to dividends.

The change in the Company's share is due to the ordinary shares converted from convertible bonds.

In 2022, $4,901 thousand of ordinary shares were converted by the convertible bondholders. The subscription base dates were determined by the board of directors to be June 23, 2022, and November 4, 2022, respectively, coinciding with the dates of the board meetings, and registered on July 26, 2022, and November 15, 2022, respectively.

From August 15, 2023, to September 11, 2023, $931 thousand of ordinary shares were converted by the convertible bondholders. The subscription base date was determined by the board of directors to be November 3, 2023, coinciding with the dates of the board meetings, and registered on November 24, 2023.

From October 17, 2023, to December 26, 2023, $471 thousand of ordinary shares were converted by the convertible bondholders, and it was recognized as capital collected in advance. As of December 31, 2023, the change of registration has not yet been completed.

b. Capital surplus

A reconciliation to capital surplus is as follows:

	Paid-In Capital Arising from Issuance of Ordinary Shares	Paid-in Capital Arising from Bonds	Share Options	Others	Total
Balance at January 1, 2023	$ 20,479	$ 651,144	$ 58,457	$ 23,548	$ 753,628
Conversion of bonds	-	9,491	(765)	-	8,726
Cash dividends distributed by capital surplus	-	(110,326)	-	-	(110,326)
Balance at December 31, 2023	$ 20,479	$ 550,309	$ 57,692	$ 23,548	$ 652,028
Balance at January 1, 2022	$ 20,479	$ 742,673	$ 15,478	$ 23,548	$ 802,178
Equity component of convertible bonds	-	-	46,024	-	46,024
Conversion of bonds	-	37,188	(3,045)	-	34,143
Cash dividends distributed by capital surplus	-	(128,717)	-	-	(128,717)
Balance at December 31, 2022	$ 20,479	$ 651,144	$ 58,457	$ 23,548	$ 753,628

	December 31	
	2023	**2022**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 20,479	$ 20,479
Conversion of bonds	550,309	651,144
Settlement of convertible bonds	23,438	23,438

(Continued)

	December 31	
	2023	2022
<u>May be used to offset a deficit only</u>		
Share of changes in capital surplus of associates accounted for using equity method (2)	$ 110	$ 110
<u>May not be used for any purpose</u>		
Share options	57,692	58,457
	$ 652,028	$ 753,628

(Concluded)

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus).

2) It is the change in the net assets of associates accounted for using equity method and it could only be used to offset a deficit since there is no cash inflow from such capital surplus.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals the Company's paid-in capital, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit shall be distributed preferentially to preferred shares for dividends declared. Any balance left over together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors, please refer to Note 23(g).

In accordance with the Company's Articles, the Company's dividend policy is based on its current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition and shareholders' interests. Each year, no less than 50% of the distributable earnings may be contributed to the distribution of shareholders' bonuses. Dividends may be distributed to shareholders in cash or in shares, with cash dividends being no less than 10% of the total dividends.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company sets aside or reverses special reserve in accordance with Rule No. 1090150022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 21, 2023 and June 23, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	2021
Legal reserve	$ 55,517	$ 64,297
Special reserve	$ (31,526)	$ 9,833
Cash dividends	$ 444,254	$ 524,230
Cash Dividends per share (NT$) (Note)	$ 7.53	$ 8.89

Note: The cash dividend per share for 2021 was adjusted from $8.96 to $8.89 due to changes in the outstanding shares resulting from the conversion of convertible bonds into ordinary shares.

The shareholders' meeting also resolved a cash distribution from the capital surplus, totaling $110,326 thousand and $128,717 thousand, with a distribution of $1.87 and $2.20 per share, respectively. The per-share cash distribution amount determined at the shareholders' meeting on June 23, 2022, was adjusted from $2.20 to $2.18 due to changes in the outstanding shares resulting from the conversion of convertible bonds into ordinary shares.

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on March 5, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 68,999
Special reserve	$ 52,032
Cash dividends	$ 552,942
Cash Dividends per share (NT$)	$ 9.35

Additionally, on March 5, 2024, the board of directors proposed a cash distribution from the capital surplus, totaling $133,061 thousand, with a distribution of $2.25 per share.

The above appropriation for per-share cash dividends is calculated based on the total outstanding ordinary shares and capital collected in advance as of December 31, 2023, totaling 59,138 thousand shares.

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held in 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Appropriations in respect of		
Provided according to Article 41 of Securities and Exchange Act	$ 56,790	$ 88,316
First-time adoption of IFRS Accounting Standards	30,505	30,505
	$ 87,295	$ 118,821

e. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (87,295)	$ (118,821)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(65,040)	39,407
Related income tax	13,008	(7,881)
Other comprehensive income recognized for the year	(52,032)	31,526
Balance at December 31	$ (139,327)	$ (87,295)

22. REVENUE

a. Contract information

Revenue from the sales of goods

The Group's main operating revenue is from selling electronic connectors. As new products are frequently launched in the market and prices are highly volatile, the expected amount of discount is estimated using the expected value method, taking into consideration the range of discount previously given. All other goods are sold at their respective fixed amounts as agreed in the contracts.

Revenue from rendering of services

Revenue from the rendering of services comes from the technical consulting services, and is recognized when performance obligations are satisfied.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivables and trade receivables (related parties included) (Notes 9 and 29)	$ 419,252	$ 411,940	$ 669,314

c. Sales detail of customer contract

	For the Year Ended December 31	
	2023	2022
From the sales of goods		
Connectors	$ 1,188,371	$ 1,296,739
From rendering of services	30,746	36,754
	$ 1,219,117	$ 1,333,493

23. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 7,816	$ 2,953

b. Other income

	For the Year Ended December 31	
	2023	2022
Others	$ 653	$ 2,356

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gain/(loss) on financial assets/liabilities	$ 7,354	$ (18,305)
Net foreign exchange (losses) gains	(3,120)	44,337
Loss on disposal of property, plant and equipment	(520)	(102)
Loss on product compensation	(13,138)	-
Others	(567)	-
	$ (9,991)	$ 25,930

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 770	$ 849
Interest on convertible bonds	11,376	10,344
Interest on lease liabilities	16	10
	$ 12,162	$ 11,203

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of deprecation by function		
Operating costs	$ 2,447	$ 3,601
Operating expenses	3,528	3,352
	$ 5,975	$ 6,953
An analysis of amortization by function		
Operating expenses	$ 3,794	$ 3,526

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	$ 4,174	$ 4,304
Defined benefit plans	(45)	(2)
	4,129	4,302
Other employee benefits	192,391	188,526
Total employee benefits expense	$ 196,520	$ 192,828
An analysis of employee benefits expense by function		
Operating costs	$ 196,520	$ 192,828

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 4% - 10% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 5, 2024 and March 3, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	7.00%	7.49%
Remuneration of directors	1.98%	1.98%

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	$ 55,833	$ 51,080
Remuneration of directors	15,792	13,485

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and the remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 31,845	$ 75,378
Foreign exchange losses	(34,965)	(31,041)
	$ (3,120)	$ 44,337

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 31,308	$ 60,774
Income tax on unappropriated earnings	4,346	2,230
Adjustment for prior year	2,099	2,455
	37,753	65,459
Deferred tax		
In respect of the current year	(1,134)	(1,707)
Income tax expense recognized in profit or loss	$ 36,619	$ 63,752

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before income tax	$ 726,316	$ 617,838
Income tax expense calculated at the statutory rate (20%)	$ 145,263	$ 123,568
Nondeductible expenses in determining taxable income	805	3,965
Income tax on unappropriated earnings	4,346	2,230
Deferred tax effect of earnings of subsidiaries	(115,894)	(68,466)
Adjustments for prior years' tax	2,099	2,455
Income tax expense recognized in profit or loss	$ 36,619	$ 63,752

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ (13,008)	$ 7,881
Remeasurement of defined benefit plans	72	272
Total income tax recognized in other comprehensive income	$ (12,936)	$ 8,153

c. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	$ 14,722	$ 40,415

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Allowance for impairment loss	$ -	$ 1,090	$ -	$ 1,090
Provision for impairment loss and obsolescence of inventory	2,332	(501)	-	1,831
Refund liabilities	2,517	(293)	-	2,224
Bonds issuance costs	942	(257)	-	685
Exchange differences on translating the financial statements of foreign operations	13,960	-	13,008	26,968
Unrealized foreign exchange loss	482	1,095	-	1,577
	$ 20,233	$ 1,134	$ 13,008	$ 34,375

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Share of the profit of associations	$ 35,852	$ -	$ -	$ 35,852
Defined benefit obligations	131	-	72	203
	$ 35,983	$ -	$ 72	$ 36,055

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Provision for impairment loss and obsolescence of inventory	$ 1,543	$ 789	$ -	$ 2,332
Refund liabilities	2,513	4	-	2,517
Bonds issuance costs	190	752	-	942
Exchange differences on translating the financial statements of foreign operations	21,841	-	(7,881)	13,960
Defined benefit obligations	141	-	(141)	-
Unrealized foreign exchange loss	320	162	-	482
	$ 26,548	$ 1,707	$ (8,022)	$ 20,233

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Share of the profit of associations	$ 35,852	$ -	$ -	$ 35,852
Defined benefit obligations	-	-	131	131
	$ 35,852	$ -	$ 131	$ 35,983

e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized.

As of December 31, 2023 and 2022, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $2,758,346 thousand and $2,178,875 thousand, respectively.

f. Income tax assessments

The income tax returns through 2021 of the Company have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	$ 11.68	$ 9.41
Diluted earnings per share	$ 10.52	$ 8.75

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	**2022**
Profit for the year attributable to owners of the Company	$ 689,697	$ 554,086
Earnings used in the computation of basic earnings per share	$ 689,697	$ 554,086
Effect of potentially dilutive ordinary shares		
Interest and valuation loss on convertible bonds (after tax)	1,745	17,753
Earnings used in the computation of diluted earnings per share	$ 691,442	$ 571,839

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings per share	59,035	58,853
Effect of potentially dilutive ordinary shares		
Convertible bonds	6,323	5,988
Compensation of employees	353	495
Weighted average number of ordinary shares used in the computation of diluted earnings per share	65,711	65,336

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Company entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2023 and 2022:

1) As of December 31, 2023 and 2022, the amounts unpaid for acquiring property, plant, equipment and intangible assets were $65 thousand and $315 thousand, respectively, which were included in other payables (refer to Note 18). Additionally, as of December 31, 2022, the amounts of $62 thousand remained unpaid and were included in other payables - related parties (refer to Note 29).

2) The cash dividends approved in the shareholders’ meetings were not yet distributed as of December 31, 2023 and 2022, which were included in other payables (see Note 18).

3) For the years ended December 31, 2023 and 2022, convertible bonds with a par value of $10,200 thousand and $40,900 thousand were exercised by the bondholders in the fourth convertible bond issued by the Company. Additionally, for the years ended December 31, 2023 and 2022, convertible bond with a par value of $100 thousand were exercised by the bondholders in the fifth convertible bonds issued by the Company. Please refer to Note 17.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	Operating Balance	Cash Flows	Non-cash changes		Others (Note 1)	Closing Balance
			Finance Cost	New Leases		
Short-term borrowings	$ -	$ 129,900	$ -	$ -	$ -	$ 129,900
Bonds payable	925,928	-	11,376	-	(10,131)	927,173
Lease liabilities	124	(746)	16	1,508	(16)	886
	$ 926,052	$ 129,154	$ 11,392	$ 1,508	$ (10,147)	$ 1,057,959

Note 1: The conversion of bonds into ordinary shares amounted to $10,131 thousand and interest on lease liabilities amounted to $16 thousand. Refer to Note 17 for the convertible bonds.

For the year ended December 31, 2022

	Operating Balance	Cash Flows	Non-cash changes		Others (Note 2)	Closing Balance
			Finance Cost	New Leases		
Short-term borrowings	$ 600,000	$ (600,000)	$ -	$ -	$ -	$ -
Bonds payable	198,365	802,842	10,344	-	(85,623)	925,928
Lease liabilities	857	(733)	10	-	(10)	124
	$ 799,222	$ 202,109	$ 10,354	$ -	$ (85,633)	$ 926,052

Note 2: The recognition of the liability and equity components from the convertible bonds amounted to $46,344 thousand, conversion of convertible bonds into ordinary shares amounted to $39,279 thousand and interest on lease liabilities amounted to $10 thousand. Refer to Note 17 for the convertible bonds.

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company’s overall strategy remains unchanged.

The capital structure of the Company consists of net debt and equity attributables of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

The Company’s risk management committee reviews the capital structure on a periodic basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on the committee’s recommendations, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the issuance of convertible bonds.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2023

	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 927,173	$ -	$ -	$ 919,347	$ 919,347

December 31, 2022

	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 925,928	$ -	$ -	$ 913,827	$ 913,827

Assuming that the convertible bonds will be redeemed at maturity, the fair values of the financial liabilities included in the Level 3 categories above have been determined in accordance with the risk discount rate, and the risk discount rate is based on the borrowing rate of the same industry chain company.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 1,120	$ 1,120

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 568	$ 568
Financial liabilities at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 9,040	$ 9,040

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Year Ended December 31	
	2023	2022
	Derivatives	Derivatives
Financial assets at FVTPL		
Balance at January 1	$ 568	$ 1,559
Recognized in profit or loss (included in other gains and losses)	(566)	(756)
Conversion exercised	(2)	(235)
Balance at December 31	$ -	$ 568

	For the Year Ended December 31	
	2023	2022
	Derivatives	Derivatives
Financial liabilities at FVTPL		
Balance at January 1	$ (9,040)	$ -
Option of convertible bonds issued	-	(320)
Recognized in profit or loss (included in other gains and losses)	7,920	(8,720)
Balance at December 31	$ (1,120)	$ (9,040)

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of convertible bonds options are determined using option pricing models.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ -	$ 568
Financial assets at amortized cost (1)	475,052	738,675
Financial liabilities		
FVTPL		
Held for trading	1,120	9,040
Amortized cost (2)	1,420,321	1,162,383

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, trade receivables - related parties, other receivables (excluding tax refund receivable), other receivables - related parties, refundable deposits.

2) The balances included financial liabilities at amortized costs, which comprise short-term borrowings, trade payables, trade payables - related parties, other payables (excluding salaries, bonuses (including employee's compensation of employees and remuneration of directors), dividends payable, insurance payable, pension payable), other payables - related parties and bonds issued.

d. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, financial assets at amortized cost, financial assets and liabilities at FVTPL, receivables, short-term borrowings, payables and convertible bonds.

Financial risks related to Company's operation include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Company has foreign currency denominated sales and purchases, which expose the Company to foreign currency risk. Exchange rate exposures are mainly hedged by net exchange position and managed within approved policy parameters utilizing foreign exchange forward contracts as a supplement.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 32.

Sensitivity analysis

The Company is mainly exposed to the currency USD.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 1% change in foreign currency rates.

A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2023	**2022**
Profit or loss	$ 1,060	$ 3,826

The result was mainly attributable to the exposure on outstanding receivables and payables and foreign currency bank deposits in USD that were not hedged at the end of the year.

The Company's sensitivity to changes in the US dollar exchange rate decreased during the current year mainly due to the decrease in net assets denominated in US dollars.

b) Interest rate risk

The Company is exposed to interest rate related to its deposits, financial assets at amortized cost, short-term borrowings, convertible bonds and lease liabilities at both fixed and floating interest rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 2,603	$ 229,316
Financial liabilities	1,057,959	926,052
Cash flow interest rate risk		
Financial assets	51,463	94,305

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate assets, the analysis was prepared assuming the amount of each asset outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's pre-tax profits for the years ended December 31, 2023 and 2022 would have increased/decreased by $515 thousand and $943 thousand, respectively, which was mainly a result of the Company's exposure to interest rates on its variable-rate bank deposits.

The Company's sensitivity to interest rate decreased during the current year mainly due to the decrease in floating-rate assets.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company rates the credit quality of major customers through customer credit management procedures which include establishing complete customer information files, obtaining other publicly available financial information, and maintaining transaction records with each other.

The Company continues to monitor its credit exposure and the credit ratings of its counterparties. Credit exposure is controlled by setting a counterparty credit limit, which is approved and periodically reviewed by the risk management committee.

To minimize credit risk, management of the Company has delegated a team to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Company's credit risk was significantly reduced.

The Company's concentration of credit risk of 60% and 61% of total trade receivables as of December 31, 2023 and 2022, respectively, was related to the Company's largest ten customers.

3) Liquidity risk

As of December 31, 2023, the current ratio of the Company was 67%. For information regarding the issuance of the Company's sixth domestic unsecured convertible bonds in January 2024, please refer to Note 31. The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of negative fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up on the based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2023

	1-3 Months	**3 Months to 1 Year**	**1-5 Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 354,318	$ 8,956	$ -
Lease liabilities	191	574	128
Fixed interest rate liabilities	130,115	156,800	799,900
	$ 484,624	$ 166,330	$ 800,028

December 31, 2022

	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities			
Non-interest bearing	$ 176,737	$ 59,741	$ -
Lease liabilities	124	-	-
Fixed interest rate liabilities	-	167,000	800,000
	$ 176,861	$ 226,741	$ 800,000

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank loan facilities, reviewed annually:		
Amount used	$ 129,900	$ -
Amount unused	816,863	746,775
	$ 946,763	$ 746,775

29. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and the other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Alltop Electronics (Suzhou) Ltd.	Subsidiary
Liquan Technology (Taicang) Co., Ltd.	Subsidiary
Alltop Technology (Vietnam) Co., Ltd.	Subsidiary
A-LIST International Ltd.	Subsidiary
Mettle Enterprise Co., Ltd.	Subsidiary
Topwise Technology Ltd.	Subsidiary
Alltop Holding Ltd.	Subsidiary
SanKag Electronic Technology (Taicang) Co., Ltd.	Associate

b. Revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Sales of goods	Subsidiary - Alltop Electronics (Suzhou) Ltd.	$ 4,682	$ 4,180
	Subsidiary - Alltop Technology (Vietnam) Co., Ltd.	235	-
Rendering of services	Subsidiary - Alltop Electronics (Suzhou) Ltd.	30,746	31,772
		$ 35,663	$ 35,952

The payment terms for the sales of good to related parties are monthly payment: 150 days. The service rendered is collected 30 days after approval by the local government. The price and other transaction conditions are not significantly different from regular sales.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2023	2022
Subsidiary - Alltop Electronics (Suzhou) Ltd.	$ 771,545	$ 767,439

The payment terms to related parties of purchase are T/T 270 days while the terms to unrelated parties are monthly payment 30 days to 180 days.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2023	2022
Trade receivables	Subsidiary - Alltop Electronics (Suzhou) Ltd.	$ 33,416	$ 35,856
	Subsidiary - Alltop Technology (Vietnam) Co., Ltd.	225	-
		$ 33,641	$ 35,856
Other receivables	Subsidiary - A-LIST International Ltd. - collection and payment on behalf	$ -	$ 562
	Subsidiary - Alltop Electronics (Suzhou) Ltd. - collection and payment on behalf	427	551
	Subsidiary - Alltop Technology (Vietnam) Co., Ltd. - transaction with property, plant and equipment	259	-
		$ 686	$ 1,113

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Trade payables	Subsidiary - Alltop Electronics (Suzhou) Ltd.	$ 333,819	$ 202,094
Other payables (Note 26)	Subsidiary - Alltop Electronics (Suzhou) Ltd. - transaction with property, plant and equipment	$ -	$ 62

The outstanding trade payables to related parties are unsecured.

f. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2023	Purchase Price For the Year Ended December 31 2022
Subsidiary - Alltop Electronics (Suzhou) Ltd.	$ -	$ 978

g. Remuneration of key management personnel

	December 31 2023	December 31 2022
Short-term employee benefits	$ 46,847	$ 41,452
Post-employment benefits	216	1,624
	$ 47,063	$ 43,076

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for tariff guarantee for imported raw material:

	December 31 2023	December 31 2022
Financial assets at amortized cost - non-current		
Time deposits with original maturities of more than 3 months	$ 2,603	$ 2,603

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. From January 1, 2024 to March 5, 2024, convertible bonds with a face value of $4,800 thousand were exercised by the bondholders in the fourth convertible bonds issued by the Company. The conversion price is $73 with 65,750 ordinary shares converted.

b. In order to repay bank loans and bolster operating funds, on November 3, 2023, the board of directors resolved to issue the sixth unsecured convertible bonds. The total issuance amount is $1,000,000 thousand, with no physical issuance, each with a face value of $100 thousand, and a five-year issuance period. The bonds are issued at par value. The case was notified to the Financial Supervisory Commission (FSC) and became effective on January 15, 2024. The aforementioned bonds have been traded on Taipei Exchange since January 29, 2024.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,829	30.705 (USD:NTD)	$ 455,336
Non-monetary items			
Investments accounted for using the equity method			
USD	115,810	30.705 (USD:NTD)	3,555,959
Financial liabilities			
Monetary items			
USD	11,377	30.705 (USD:NTD)	349,327

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 19,669	30.710 (USD:NTD)	$ 604,024
Non-monetary items			
Investments accounted for using the equity method			
USD	97,011	30.710 (USD:NTD)	2,979,210
Financial liabilities			
Monetary items			
USD	7,210	30.710 (USD:NTD)	221,414

For the years ended December 31, 2023 and 2022, net foreign exchange (losses) gains, including realized and unrealized, were $(3,120) thousand and $44,337 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

   1) Financing provided to others (none)

   2) Endorsements/guarantees provided (none)

   3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (none)

   4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (none)

   5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (none)

   6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (none)

   7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 1)

   8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2)

   9) Trading in derivative instruments (Note 7)

b. Information on investees (Table 3)

c. Information on investments in mainland China

   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 4)

   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 5):

      a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

      b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

      c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

ALLTOP TECHNOLOGY CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Alltop Technology Co., Ltd.	Alltop Electronics (Suzhou) Ltd.	Subsidiary	Purchase	$ 771,545	98	T/T 270 days	Note 2	Note 2	$ (333,819)	(98)	-
Alltop Electronics (Suzhou) Ltd.	Alltop Technology Co., Ltd.	Parent company	Sale	(771,545)	(40)	T/T 270 days	Note 2	Note 2	333,819	36	-
	Liquan technology (Taicang) Co., Ltd.	Under same parent company	Purchase	104,838	15	Monthly payment: 120 days	Note 2	Note 2	(37,451)	(9)	-
Liquan technology (Taicang) Co., Ltd.	Alltop Electronics (Suzhou) Ltd.	Under same parent company	Sale	(104,838)	(64)	Monthly payment: 120 days	Note 2	Note 2	37,451	100	-

Note 1: Computed based on the amount or balance of the transactions with each seller and purchaser.

Note 2: Open account of 30 to 180 days for non-related parties.

ALLTOP TECHNOLOGY CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 1)	Allowance for Impairment Loss
					Amount	Actions Taken		
Alltop Electronics (Suzhou) Ltd.	Alltop Technology Co., Ltd.	Parent company	Trade receivables $ 333,819	2.88	$ -	-	$ 157,990	$ -

Note: The amount recovered from January 1, 2024 to March 5, 2024.

TABLE 3

ALLTOP TECHNOLOGY CO., LTD.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars and Thousands of Shares, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Alltop Technology Co., Ltd.	A-LIST International Ltd.	Samoa	Holding company	$ 689,856 (US$ 21,141)	$ 689,856 (US$ 21,141)	-	100.0	$ 3,500,939	$ 588,786	$ 583,228	Notes 1, 3, and 4
	Alltop Technology (Vietnam) Co., Ltd.	Vietnam	Manufacturing and selling of electronic components	62,318 (US$ 2,000)	-	-	100.0	55,020	(3,757)	(3,757)	Notes 1, and 3
A-LIST International Ltd.	Topwise Technology Ltd.	Samoa	Holding company	84,610 (US$ 2,756)	84,623 (US$ 2,756)	-	100.0	106,194	5,458	5,458	Notes 1, 2, and 3
	Alltop Holding Ltd.	Hong Kong	Holding company	517,705 (US$ 16,861)	517,789 (US$ 16,861)	-	100.0	3,414,470	582,770	582,770	Notes 1, 2, and 3
Alltop Holding Ltd.	Mettle Enterprise Co., Ltd.	Republic of Seychelles	Holding company	35,015 (US$ 1,140)	35,021 (US$ 1,140)	-	29.4	43,081	7,771	2,285	Notes 1, 2, and 3
	Prosper Radiant Ltd.	Samoa	Holding company	3,020 (US$ 98)	3,020 (US$ 98)	-	30.0	7,889	1,671	501	Notes 1, 2, and 3
Topwise Technology Ltd.	Mettle Enterprise Co., Ltd.	Republic of Seychelles	Holding company	84,108 (US$ 2,739)	84,122 (US$ 2,739)	-	70.6	105,440	7,771	5,486	Notes 1, 2, and 3

Note 1: No market price for reference. The book value on the reporting date is used as the fair value instead.

Note 2: The amount of foreign currency investment was translated with the exchange rate on the reporting date.

Note 3: The recognition of investment gain and loss is recognized based on the financial statements of the investee company for the same period, as audited by the attesting CPA of parent company in Taiwan.

Note 4: Unrealized gross profit of up-stream and side-stream transactions were considered.

Note 5: For investments listed above, the highest ownership percentage indicated in the above table is equal to the ownership percentage as of December 31, 2023. In addition, such investments are not collateralized or secured.

ALLTOP TECHNOLOGY CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2 b.(2))	Carrying Amount as of December 31, 2023 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Alltop Electronics (Suzhou) Ltd.	Manufacturing and selling and developing electronic components	$ 732,768 (US$ 23,250) (Note 3)	b. (1)	$ 509,988 (US$ 15,950)	$ -	$ -	$ 509,988 (US$ 15,950)	$ 579,947	100	$ 579,94 (Note 2 b.(2))	$ 3,350,666	$ -	-
Liquan Technology (Taicang) Co., Ltd.	Manufacturing and selling electronic components	121,771 (US$ 3,843)	b. (2)	121,771 (US$ 3,843)	-	-	121,771 (US$ 3,843)	7,771	100	7,771 (Note 2 b.(2)	144,630	-	-
Sankag Electronic Technology (Taicang) Co., Ltd.	Manufacturing and selling electronic components	8,717 (RMB 300)	b. (3)	8,717 (RMB 300)	-	-	8,717 (RMB 300)	2,046	30	614 (Note 2 b.(2)	6,079	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$640,476 (US$20,093)	$863,256 (US$27,393) (Note 3)	$1,565,912

Note 1: Three methods of investing in mainland China are as follows:

a. Directly invests in mainland China.

b. Investments in mainland China through an existing company established in a third region.

1) Investments in mainland China through an existing company established in a third region (A-LIST International Ltd. and Alltop Holding Ltd.).
2) Investments in mainland China through an existing company established in a third region (A-LIST International Ltd. ,Alltop Holding Ltd. ,Topwise Technology Ltd. and Mettle Enterprise Co.).
3) Investments in mainland China through an existing company established in a third region (A-LIST International Ltd. ,Alltop Holding Ltd. and Prosper Radiant Ltd.).

c. Other methods.

Note 2 In the column of investment gain (loss)

a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.

b. The basis for recognizing investment gain (loss) is as follows:

1) The financial statement audited by the attesting CPA of international accounting firm in cooperation with an accounting firm in the ROC.
2) The financial statement audited by the attesting CPA of parent company in Taiwan.
3) Others.

(Continued)

Note 3: Capital increase out of earnings US$7,300 thousand dollars has included.

Note 4: Includes the differences between the cost of investment and the net value of the equity.

Note 5: For investments listed above, the highest ownership percentage indicated in the above table is equal to the ownership percentage as of December 31, 2023. In addition, such investments are not collateralized or secured.

(Concluded)

ALLTOP TECHNOLOGY CO., LTD.

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, and the amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

Related Party	Type	Purchase (Sale)		Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized Gain/(Loss)	Note
		Amount	% of Total		Payment Terms	Compare to Normal Transactions	Ending Balance	% of Total		
Alltop Electronics (Suzhou) Ltd.	Sale (technical service revenue included)	$ (35,428)	(3)	Market price	Monthly payment: 150 days and Collected 30 days after approval by the local government.	Non-significant difference	$ 33,416	1	$ -	Note 2
	Purchase	771,545	98	Market price	T/T 270 days	Note 1	(333,819)	(8)	15,868	Note 3

2. The amount of property transactions and the amount of the resultant gains or losses: None.

3. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

4. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

5. Other transactions that have a component effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

Note 1: The payment terms of non-related party are received in advance or from T/T 30 days to T/T 180 days.

Note 2: The transaction of Alltop Technology Co., Ltd. sales to Alltop Electronics (Suzhou) Ltd.

Note 3: The transaction of Alltop Electronics (Suzhou) Ltd. purchase from Alltop Technology Co., Ltd.

ALLTOP TECHNOLOGY CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
PANJIT INTERNATIONAL INC.	11,315,009	19.13

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.