

WANSHIH ELECTRONIC CO., LTD.

2023 Annual Report

Printed on May 23, 2024

I. Spokesperson and Acting Spokesperson:

Title	Spokesperson	Acting Spokesperson
Name	Ping-Che Lee	Wen-Yi Chu
Position	Vice President	Senior Financial Manager
Tel.	(02) 2298-8066	(02) 2298-8066
Email	t3211@wanshih.com.tw	vicky.chu @wanshih.com.tw

II. Address and telephone number of the headquarter and branch offices:

Headquarter and factory: 3F, No. 72 Wugong 6th Rd., Wugu Dist., New Taipei Industrial Park,

New Taipei City

Telephone: (02)2298-8066(Main line)

Branch office: None

III. Stock transfer agent:

Name: Transfer Agency Department, CTBC Bank

Address: 5F, No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City

Tel: (02) 6636-5566

Website: www.chinatrust.com.tw

IV. Independent Auditors:

CPAs: Bo-Chuan Lee and Chun-Yao Lin

Accounting Firm: PwC Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City

Tel: (02) 2729-6666

Website: www.pwc.com/tw

V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities:

None (No securities are traded offshore)

VI. Company's Website: www.wanshih.com.tw

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Attachment I: Consolidated Financial Statements

Attachment II: Parent Company Only Financial Statements

Ladies and Gentlemen,

(I) In 2023, the complete lifting of COVID-19 pandemic restrictions marked the first year of relaxation. Consumer demand showed a gradual recovery; however, the cautious spending habits of consumers led to a 30% decrease in the demand for electronic devices. This decline placed additional strain on the supply chain to manage inventory clearance. As China's policy shifts from economic development to focusing on safety, the tension between China and the U.S. has accelerated foreign companies to withdraw from the Chinese market. Real estate, which accounts for 46% of the GDP, has dropped by 30%, causing uncertainty about the future; therefore, China's economy has entered into recession. The world's major economic entities also experienced recessions in 2023. The US faced inflation issues caused by increasing prices in energy, rents and cars. The European Union is experiencing a slowdown in consumer demand due to the prolonged Russia-Ukraine war and conflict in the Middle East. As a result, only the EV customers grew steadily in 2023; the video customers remained the same; the rest of our major customers including medical and energy storage industries suffered a sharp decline by 50%; therefore, the consolidated revenue decreased by NT\$320 million (22%) as compared to 2022, and the consolidated after-tax losses were NT\$20 million.

(II) Operating results for 2023:

Unit: NTD Thousands

Item	202	23	202	Increase (decrease)		
Item	Amount	Percentage	Amount	Percentage	%	
Operating Revenue	1,123,048	100	1,445,754	100	(22)	
Gross profit	287,009	26	244,019	17	18	
Operating expenses	358,452	32	360,368	25	(1)	
Profit (loss) from operations	(71,443)	(6)	(116,349)	(8)	39	
Profit (loss) before tax	(56,027)	(5)	(75,186)	(5)	25	

Note: The Company did not disclose its financial forecast, so there is no need to disclose the budget implementation status.

- (III) Analysis of receipts, expenditures, and profitability
 - 1. Analysis of receipts and expenditures:

Unit: NTD Thousands

Item	2023	2022	Amount increased (decreased)
Net cash inflow from operating activities	146,814	19	146,795
Net cash inflow (outflow) from investing activities	43,369	(245,842)	289,211
Net cash outflow from financing activities	(152,445)	191,803	(344,248)
Increase (decrease) in cash	25,042	(43,153)	68,195

2. Profitability (%) Analysis

Item	%
Debt to assets ratio (liabilities/total assets)	39.96
Current ratio (current assets/current liabilities)	289.52
Return on equity (after-tax profit/average total equity)	(5.86)
Net profit rate (after-tax profit/net sales)	(4.56)
Earnings per share (after-tax profit/weighted average number of shares issued)	NT\$(0.67)

(IV) Research and development work

The research and development (R&D) expenses for 2023 were \$89 million, a decrease of \$3.26 million as compared to 2022, with R&D expenses accounting for 8% of total revenue. The main development direction includes the new product development and the optimization of existing products. The development of new products encompasses:

- (1)E-mobility related wiring harness: development of automobile high-current cable, ADAS cable assembly, SMT module integration and vehicle wiring harness design service.
- (2) Medical wiring harness: optimization of endoscopic and ultrasonic cables.
- (3) Energy storage wiring harnesses: Development and design optimization for household photovoltaic storage systems, industrial and commercial large-scale energy storage systems, inverter for energy storage power stations, and connecting wiring harnesses for energy storage battery packs. (V) 2023 Business plan.

(V) Future prospects

As we look forward to 2024, geopolitical conflicts and the US elections will affect global economic development, and the external business environment remains unstable. The market is expected to recover in Q2 as the overall economy grows slowly; therefore, the business strategy adopted by the Company is "conservative and progressive". Take a conservative attitude in market recovery: Reduce material on-hand to de-stock inventory. Our goal is to de-stock most of the inventory in Q2; cut down on capital investment, we shall only invest when market demand is definite. Continuing to promote targeted industries: Increase investment in automotive, medical, and high-frequency industries, and continue to develop in the energy storage and surveillance video industries. The Company's businesses have been improved: The Company has continued to promote organizational optimization, simplify operational procedures, and improve factory efficiency; and, the Company has expanded its customer base and diversified its risk exposure by combining with SMT processing to secure orders from other countries

Expected sales volume for the coming year:

Unit:Thousand sets

Product Category	Estimated sales volume in 2024
Energy Storage Industrial Control	2,867
Automobile Electronics	13,373
Video Surveillance	4,327
Medical Products	219
Computer Wiring	5,768
Other Products	45,617
Total	72,080

The management team would like to thank for your support and encouragement in the past. We look forward to your continuing guidance and advice in the coming year.

The Company will share the results with everyone, based on its past management philosophy and efforts.

We wish you

All the best!





President: Lake Chang



Head-Finance&Accounting: Wen Yi Chu



Two. Introduction of the Company

I. Date of incorporationDate of incorporation: June 4, 1987

II. Company History

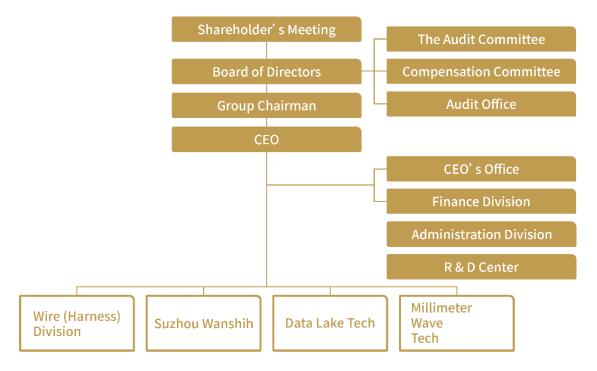
1987	The Company was formally established with a total capital of \$20 million. The factory was set up in Xinzhuang District, New Taipei City, Taiwan. The Company mainly
1989	supplies wiring for TVs, VCRs, computers, OA equipment, and other products. Introduced and developed D-Sub and Din Plug for molding machine, products have been certified with CSA and UL.
1990	Established Asahi Best Base, a joint venture with Japan Asahi, in Malaysia, to set up a wiring assembly plant and established Wanxu Electric (Hong Kong) Co.
1993	Increased capital to \$24 million.
1994	Increased capital to \$34 million. Moved the company and factory to Wantai Building in Wugu Industrial Park, New Taipei City Established Suzhou Wanshih Electronic Element Co., Ltd. as a joint venture with ASAHI Japan. Received the T-Mark mark from Japan Certified with ISO-9002 quality assurance
1997	Capital increased to \$46 million and annual turnover was \$550 million. Certified with ISO-14000 quality assurance.
1998	Increased capital to \$62 million. Signed a technical cooperation contract with Sumitomo Corporation of Japan for the assembly of very fine coaxial wires, and succeeded in mass production in the same year.
1999	Capital increased to \$90 million and annual turnover was \$700 million.
2000	Increased capital to \$150 million. The Securities and Futures Commission of the Ministry of Finance approved the IPO.
2001	Increased capital to \$202 million.
2002	Stock trading over the counter Increased capital to \$265 million. Developed and shipped several Wlan wireless antennas
	Capital increased to \$306 million and revenue exceeded \$1.2 billion
2003	Invested in Suzhou Wanshih Optical Communication Co., Ltd. to produce ultra-thin FPC for cell phones and DVDs
2004	Increased capital to \$390 million. Increased capital of US\$1,501,000 in cash to Suzhou Wanshih Electronic Element Co., Ltd. Increased capital of US\$440 thousand in cash to Wanshih Optical Communication Co., Ltd.
2005	Completed the development of very fine coaxial cable for cell phone and PDA, and started the delivery.
2006	Capital increased to \$540 million, developed very fine coaxial wire for LCD TV and started shipping.
2007	Capital increased to NT\$600 million, increased capital in cash to Suzhou Wanshih Electronic Element Co., Ltd. by US\$5 million. Siyang Wanshih Electronic Element Co., Ltd. was established.
2008	Increased capital to \$657 million. Increased the capital by US\$1 million in cash to Siyang Wanshih Electronic Element Co., Ltd.
2009	Increased capital to \$689.85 million. Increased the capital by US\$6 million in cash to Siyang Wanshih Electronic Element Co., Ltd. Invested in fuel cell product development

	Finished developing HDMI 1.4 very fine signal cable
2010	Developed USB 3.0 signal cable
	Established R&D ability in fuel cell integration from plate, stack to system
	Increased capital to \$827.82 million.
	Invested US\$900,000 to establish Chongqing Wanshih Electronics Component Co., Ltd.
	Increased the capital by US\$2 million in cash to Siyang Wanshih Electronic Element
2011	Co., Ltd.
	Increased the capital by US\$2 million in cash to Chongqing Wanshih Electronics
	Component Co., Ltd.
	Increased the capital by US\$2 million in cash to Chongqing Wanshih Electronics
2012	Component Co., Ltd.
2012	The amount of paid-in capital after the capital reduction from treasury stock
	cancellation was \$826.8 million.
2014	Increased capital to \$898 million.
	Issued the first domestic secured convertible bonds, the amount of capital after
	conversion was \$928 million.
	Increased the capital by US\$1.5 million in cash to Siyang Wanshih Electronic Element
2016	Co., Ltd.
	Discontinued the operation of Chongqing Wanshih Electronics Component Co., Ltd.
	Invested US\$100 thousand to establish Thailand Wanshih Electronics Component Co.,
	Ltd
	Issued the first domestic secured convertible bonds, the amount of capital after
	conversion was \$942 million.
2017	Increased capital of US\$1.1 million in cash to Wanshih Optical Communication Co.,
	Ltd.
	Invested NT\$5 million in Data Lake Co., Ltd.
2010	Discontinued the operation of Chenzhou Wanshih electronic company.
2018	Reduced the capital of Bright Master Co., Ltd. by US\$700 thousand in cash. Increased capital of NT\$6 million in cash to Data Lake Co., Ltd.
	Increased capital of NT\$4 million in cash to Data Lake Co., Ltd.
	Invested NT\$4 million in Wei Li Innovative Co., Ltd.
2019	Invested US\$100 thousand to establish (Vietnam) Wanshih Electronic Element
	Company Limited.
	Received a grant of NT\$16 million from the Ministry of Economic Affairs under the A ⁺
	Industrial Innovative R&D Program in August.
2020	In November, (1) reduced capital by NT\$267 million, resulting in paid-in capital to
2020	NT\$675 million.
	(2) Received NT\$50 million in private placements, the paid-in capital after the capital
	increase is NT\$725 million.
2021	Increased capital of NT\$4.5 million in cash to Millimeter Wave Tech Co., Ltd.
	Invested US\$600 thousand in Draco Electronics, LLC. established the subsidiary in US.
2022	Increased capital of NT\$10 million in cash to Data Lake Co., Ltd.
2022	Increased the capital by US\$2 million in cash to (Vietnam) Wanshih Electronic
	Element Company Limited.
	Increased capital of NT\$5.25 million in cash to Millimeter Wave Tech Co., Ltd.
2023	Increased capital of NT\$19 million in cash to Data Lake Co., Ltd.
	Invested RMB 1 million in Suzhou Jiuhang Cable Technology Co., Ltd.
202:	Invested RMB 1.6 million Suzhou Wanying New Energy Technology Co., Ltd.
2024	Increased capital of NT\$10 million in cash to Millimeter Wave Tech Co., Ltd.

Three. Corporate Governance Report

I. Organization

(I) Organization System



(II) Tasks of each principal departments

Wire (Harness) Division	Market development, marketing, services, and R&D in external electronic cables for various information products Production flow arrangement and control, material procurement, inventory management, wire processing Existing production lines, process improvement and automatic machine design, quality system planning and maintenance, and various product testings
Suzhou Wanshih Electronic Element Co., Ltd.	Market development, marketing, services, and R&D in external electronic cables for various information products, SMT punching module R&D Production flow arrangement and control, material procurement, inventory management, wire processing Existing production lines, process improvement and automatic machine design, quality system planning and maintenance, and various product testings
Millimeter Wave Tech Co., Ltd.	Market development, marketing, service and R&D of various radar and 5G products
Finance Division	Plan and implement the operation of general accounting, cost accounting and tax accounting Company capital management, investment management, and stock affairs
Administrative Division	Be responsible for personnel, welfare, general affairs and other administrative affairs and human resources, education and training related matters
Auditing Office	Establish, revise and review internal control and audit systems and conduct audits of departmental workflows Comply with relevant laws and regulations and provide regular follow-up and suggestions for improvement

II. Information on the Directors, Supervisors, President, Vice President, Assistant Vice President, the Chiefs of all the Company's Divisions and Branches

(I) Directors and Supervisors

A. Information on directors and supervisors Unit: shares, %, NT\$ thousand

April 15, 2024

Position	on Nationalit Name		me Gender/Age		Gender/Age	Date Elected	Terms	Date First Elected	Shares He		Shares Cur	rently Held	held by t and childr	r of shares he spouses ren of minor urrently	under o	of shares held other persons' names	Principal work experience and academic	Position(s) held concurrently in the Company and other companies	superviso or within	ficers, dire rs who are the secon of kinship	e spouses d degree	Remarks
	y			(Appointed		Elected	Shore	Percentage of Ownership	Number of Share	Percentage of Ownership	of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	qualifications		Position	Name	Relation			
Chairman	Taiwan	Lake Chang	Male 45 years old	2021.07.15	3 years	2021.07.15	1,230,000	1.69	1,330,000	1.83	0	0	0	_	EMBA,National Taiwan University	Chairman of Suzhou Wanshih Electronic Element Co., Ltd. Chairman of Siyang Wanshih Electronic Element Co., Ltd. Chairman of Dongguan Humen Wanshih Electronic Co., Ltd. Chairman of Suzhou Wanshih Optical Communication Co., Ltd. Chairman of Wanshih(H.K) Electronic Co., Ltd. Chairman of Bright Master Co.,LTD Chairman of Thailand Wanshih Electronic Element Company Limited Chairman of (Vietnam) Wanshih Electronic Element Company Limited Chairman of Suzhou Wanying New Energy Technology Co., Ltd. Chairman of Data Lake Co., Ltd. Director of Millilab Co., Ltd. Director of May Ming Investment Co., Ltd.	Director	Ringo Chang	father and son	Note		
		Wonderful Hi- Tech Co., Ltd	Not applicable.	2021.07.15	3 years	1987.06.04	18,309,272	25.23	17,497,272	24.11					Not a	pplicable.						
Director	Taiwan	Representative: Ringo Chang	Male 70 years old	2021.07.15	3 years	1987.06.04	33,930	0.05	33,930	0.05	39,251	0.05	0	0	St. John's University	Chairman of Wonderful Hi-Tech Co., Ltd. Director of Le Hao International Co., Ltd. Director of Lord Hero Company Limitde. Chairman of Wonderful Photoelectricity (Dong-Guan) Co., Ltd. Director of Wonderful Cayman Holding Co. Director of Wonderful Cayman	Chairman	Lake Chang	father and son	Note		

Position	Nationalit y	Name	Gender/Age	Date Elected (Appointed	Terms	Date First	Shares He	eld When	Shares Cur	rently Held	held by t and childs	of shares he spouses ren of minor urrently	under o	of shares held other persons' names	Principal work experience and academic	Position(s) held concurrently in the Company and other companies	superviso or within	ficers, dire ors who are the secon of kinship	spouses	Remarks
	y)		Elected	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	qualifications	Company and other companies	Position	Name	Relation	
																International Co. Director of Wonderful Thailand Holding Co. Ltd. Chairman of Thai Wonderful Wire Cable Co., Ltd. Chairman of Wonderful Photoelectricity Co., Ltd. Chairman of Wonderful(Vietnam) Wire & Cable Co., Ltd. Director of Wanshih(H.K) Electronic Co., Ltd. Director of Suzhou Wanshih Electronic Element Co., Ltd. Director of Asahi Best Base Sdn.Bhd Director of P Asahi Best Base Indonesia Chairman of Aba Industry Inc. Chairman of Inga Nano Technology Co., Ltd. Chairman of Actife Hi-Tech Co., Ltd Chairman of Leading LOHAS International Trading Company				
		Asahi Communications Co., Ltd.	Not applicable.	2021.07.15	3 years	1987.06.04	13,723,175	18.91	13,723,175	18.91			T		Not app	licable.				
Director	Japan	Representative: Kanno Takanobu	Male 56 years old	2021.07.15	3 years	1987.06.04	273,361	0.39	282,198	0.39	0	0	0	0	Graduated from the Department of Applied Physics, College of Engineering, Tokai University, Japan	President of Asahi Communications Co., Ltd. Director of Asahi Electronics Co.,Ltd. Director of Wanshih(H.K) Electronic Co., Ltd. Director of Suzhou Wanshih Electronic Element Co.,Ltd. Director of Dongguan Humen Wanshih Electronic Co., Ltd. Director of Bright Master Co.,Ltd Supervisor of Pt Asahi Best Base Indonesia	None	None	None	
Director	Japan	Japan Automatic Machine Co., Ltd.	Not applicable.	2021.07.15	3 years	2021.07.15	1,620,262	2.23	1,620,262	2.23					1	Not applicable.				

Position	Nationalit	Name	Gender/Age	Date Elected	Terms	Date First		eld When	Shares Cur	rently Held	held by t and child	r of shares the spouses ren of minor urrently	under o	of shares held other persons' names	Principal work experience and	Position(s) held concurrently in the Company and other companies	supervisor or within	ficers, dire ors who are the secon of kinship	spouses	Remarks
	у			(Appointed		Elected	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	academic qualifications	Company and other companies	Position	Name	Relation	
		Representative: Mizuno Masafumi	Male 57 years old	2021.07.15	3 years	2021.07.15	33,892	0.05	33,892	0.05	0	0	0	0	Graduated from Business School of Waseda University Master's degree from Rensselaer Polytechnic	President, Japan Automatic Machine Co., Ltd. Asahi Best Base Sdn. Director of Bhd	None	None	None	
Director	Taiwan	Ping-Che Lee	Male 61 years old	2021.07.15	3 years	2018.06.20	23,337	0.03	23,337	0.03	0	0	0	0	Graduated from the Department of Electrical Engineering, Chien Hsin University of Science and Technology	Deputy General Manager of Wanshih Electronic Co., Ltd. General Manager of Suzhou Wanshih Electronic Element Co.,Ltd. Director of Siyang Wanshih Electronic Element Co.,Ltd. Director of Suzhou Wanshih Optical Communication Co.,Ltd.	None	None	None	
Independent Director	Taiwan	Tu-Tsun Tsai	Male 76 years old	2021.07.15	3 years	2015.06.11	0	0	0	0	0	0	0	0	Graduated from the Department of Accounting and Statistics, National Chung Hsing University Master in Accounting, National Taiwan University Ph.D. in Accounting, Jinan University, Guangzhou	Responsible person of Xingyejia Consulting Company.	None	None	None	
Independent Director	Taiwan	Jui-Ming Chang	Male 71 years old	2021.07.15	3 years	2021.07.15	0	0	0	0	0	0	0		M.B.A., Tulane University, USA Master in Department of Labor and Human Resources, Chinese Culture University	Chief Executive Officer, Ju Fang Management Consultin g Ltd.	None	None	None	

Position	Nationalit	Name	Gender/Age	Date Elected (Appointed	Terms	Date First Elected	Shares He		Shares Cur	rently Held	held by	r of shares the spouses ren of minor urrently	under o	of shares held other persons' names	Principal work experience and academic	Position(s) held concurrently in the Company and other companies	supervisor or within	fficers, directions who are the second of kinship	e spouses ad degree	Remarks
	y)		Elected	Shore	Percentage of Ownership	Number of Share	Percentage of Ownership	of Share		Number of Share	Percentage of Ownership	qualifications	1	Position	Name	Relation	
															BAEP, National Chengchi University					
Independent Director	Taiwan	Cheng Ho Hsiao	Male 60 years old	2021.07.15	3 years	2021.07.15	0	0	0	0	0	0	0	0	EMBA, National Taiwan University Master's degree	Chairman of Chi Shan Long Feng Food Co., Ltd.	None	None	None	
Independent Director	Taiwan	Chao-Hsiang Cheng	Male 64 years old	2021.07.15	3 years	2021.07.15	0	0	0	0	0	0	0	0	Graduated from the Department of Business Administration, National Taiwan University MBA, Chiao Tung University	Director, CY CPAs Director of 3D GLOBAL BIOTECH INC.) Director, Taiwan Adventist Foundation Financial Consultant, Chinese Insurance Service Association	None	None	None	

Note: The Chairman of the Board of Directors (President) and Ringo Chang are father and son. This is due to the fact that the Company is a family business with a succession structure for the second generation; in order to make the Company's operation independent, the number of independent directors has been increased to four in response. In addition, a majority of the Company's directors are not also employees or managerial officers.

B. Major Shareholders of the Institutional Shareholder

April 11, 2023

Institutional Shareholder	The names of major shareholders of institutional shareholders (percentage of shareholding over 10% or top 10 shareholders)	Shareholding %
	May Ming Investment Co., Ltd.	8.22%
	Ringo Chang	7.08%
	Wanshih Electronic Co., Ltd.	2.59%
	Ming-Hua Chang	1.19%
	Rui-hua Lin	1.01%
Wonderful Hi-Tech Co., Ltd.	Fu San Machinery Co., Ltd.	0.94%
·	Lian-Zai Zhong	0.86%
	Mei-Ying Guo	0.71%
	Jia-Fang Zhang	0.71%
	Citigroup Trusteeship Barclays Capital Securities Limited Investment Fund	0.63%
	Kanno Takanobu	46.88%
	Kanno Toshio	33.12%
	Kanno Teruko	3.80%
	Kanno Tomo	2.50%
Asshi Communications Co. Ltd.	Asahi Corporation	2.11%
Asahi Communications Co., Ltd.	Tanaka Junichi	1.30%
	Akanuma HidetoI	1.30%
	Saito Kimihiko	1.20%
	Sato Yuji	1.10%
	Kubosu Toshiaki	1.10%
	Mizuno Masafumi	23.35%
	Mizuno and Company	14.62%
	Mizuno Yoshitake	11.99%
	Mizuno Narumi	11.97%
Japan Automatic Machine Co., Ltd.	Mizuno Yuko	8.33%
-	ShiraishiI Miko	6.72%
	Employee stock ownership plan	4.05%
	Mizuho Bank, Ltd.	3.32%
	Alps Alpine Co., Ltd.	2.49%
	Sumitomo Mitsui Banking Corporation	2.49%

C. Major Shareholders of the Institutional Shareholder

April 15, 2024

		April 13, 2024
Institutional Shareholder	Major Shareholders of the Institutional	Shareholding
2110121001201201201201201201201201201201	Shareholder	%
	Cheng-Bo Chang	22.24%
May Ming Investment Co. Ltd.	Lake Chang	20.86%
May Ming Investment Co., Ltd.	Cheng-Ya Chang	20.86%
	Cheng-Min Chang	20.86%
Wanshih Electronic Co., Ltd.	Please refer to page 66(4) of the annual rep major shareholders.	ort for the list of
Asahi Corporation, Mizuno and Company, Employee stock ownership plan, Alps Alpine Co., Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Hung Da Investment Development Co., Ltd.,	It was not easy to access, so it was not discl	osed.

Institutional Shareholder	Major Shareholders of the Institutional Shareholder	Shareholding %
Fu San Machinery Co., Ltd., Citigroup		
Trusteeship Barclays Capital Securities	It was not easy to access, so it was not discle	osed.
Limited Investment Fund		

D. Professional expertise and status of independence of the directors and supervisors:

D. I Totessionar	expertise and status of	independence of the directors	s and superviso	18.
Requirement	Professional qualification	Experience	Independence Status (Note 1)	The number of other listed companies that concurrently serve as independent directors
Lake Chang	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Chairman of Wanshih Electronic Co., Ltd. Special Assistant to the Chairman of the Board, NT Pharmaceutical Ltd.	(9).(11).(12)	None
Representative of Wonderful Hi-Tech Co., Ltd.: Ringo Chang	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Chairman of Wonderful Hi-Tech Co., Ltd. Former Chairman of Wanshih(H.K) Electronic Co., Ltd.	(3).(9).(11). (12)	None
Representative of Asahi Communications Co., Ltd.: Kanno Takanobu	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	President, Japan Automatic Machine Co., Ltd.	(3).(7).(9).(10). (11).(12)	None
Representative of Japan Automatic Machine Co., Ltd.: Mizuno Masafumi	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Work for Andersen Consulting Work for IBM Japan	(3).(4).(6).(7). (8).(9).(10).(11). (12)	None
Ping-Che Lee	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Executive Vice President of Wanshih Electronic Co., Ltd. Section Leader of H.F Hefeng Co., Ltd.	(3).(5).(6).(7). (9).(10).(11).(12)	None
Tu-Tsun Tsai	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Executive Vice President, the Institute of Internal Auditors- Chinese Taiwan Director, Computer Audit Association Finance Manager, Ford Lio Ho Motor Company Vice President, Westinghouse Electric Corporation, Taiwan Branch Chief Auditor, Acer Group (possessing finance or accounting expertise)	(1).(2).(3).(4). (5).(6).(7).(8). (9).(10).(11).(12)	None

Requirement Name	Professional qualification	Experience	Independence Status (Note 1)	The number of other listed companies that concurrently serve as independent directors
Jui-Ming Chang	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Consultant and Lecturer in Strategic Management and Human Resources Senior Director, Administration Division, Siemens Telecommunication Systems Ltd. Salary and Benefits Manager, Tce Television Taiwan, Ltd. Convener of the certification system, Chinese Human Resource Management Association	(1).(2).(3).(4). (5).(6).(7).(8). (9).(10).(11).(12)	None
Cheng Ho Hsiao	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Chairman, Wellcome Taiwan Co., Ltd. Chief Executive Officer, Mannings China General Manager, Orient Home Co., Ltd (Beijing) Vice President, Trust-Mart (China) Store Manager of Carrefour Taiwan Pingtung Store, Tamsui Store and Shiquan Store	(1).(2).(3).(4). (5).(6).(7).(8). (9).(10).(11).(12)	None
Chao-Hsiang Cheng	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Independent Director, Feng Tay Enterprise Co., Ltd. Partner, Proservace & Co., Cpas. Regional Manager, Nan Shan Life Insurance Company Senior Sales Representative, Principal Financial Securities Co., Ltd. Sales Representative, Far Eastern Securities Co., Ltd. (possessing finance or accounting expertise)	(1).(2).(3).(4). (5).(6).(7).(8). (9).(10).(11).(12)	None

^{*}All directors of the Company do not have any conditions defined in Article 30 of the Company Act.

Note 1:Independence Status of Directors two years prior to the election and during the term of office. (Those who are eligible are disclosed in the above table)

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or its associates (except for the case where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
 - (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking

- in the top 10 in holdings.
- (4) Not a spouse, or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer falling under (1), or of any of the persons in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (except for the case where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (6) A director, supervisor or employee of other companies who is not controlled by the same person as the majority of the directorships or voting shares of the company (except for the case where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (7) A director (officer), supervisor or employee of other company or institution who is not the same person or spouse as the chairman, president or person holding an equivalent position in the company (except for the case where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (8) A director, supervisor, managerial officer or shareholder holding 5% or more of the shares of a specified company or institution that does not have financial or business relationship with the Company (provided that if the specified company or institution holds more than 20% of the total number of issued shares of the Company and does not exceed 50%, and where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

- (11) Not been a person of any conditions defined in Article 30 of the Company Act.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

5. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors:

The Company's elected Board of Directors consists of five directors and four independent directors, and the Company's Board members is composed of experts in the industry and financial accounting fields. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- (A) Ability to make judgments about operations.
- (B) Accounting and financial analysis skill.
- (C) Operational management skill.
- (D) Crisis management skill.
- (E) Industry knowledge.
- (F) Global market perspective.
- (G) Leadership skill.
- (H) Decision making skill.
- (2) Independence of the Board of Directors: The Company emphasizes the independence of the Board of Directors and has established independent directors to replace the supervisors. The Company has 9 directors, including 4 independent directors (representing 44% of the total directors). The Chairman of the Board, Mr. Lake Chang, and Mr. Ringo Chang, the Representative of the Corporate Director of the Company, Wonderful Hi-Tech Co., Ltd., are relatives within the second degree of kinship. The remaining directors are not spouses or relatives within the second degree of kinship. Therefore, a majority of the current directors are not spouses, relatives within the second degree of kinship to each other as defined in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) Information on the company's President, Vice President, Assistant Vice Presidents, and the supervisors of all the company's divisions and branch units

April 11, 2023

D. W.	N: 11.	N	G 1	Date Elected		holding	spouse ar	shares held by nd children of nor age	under of	of shares held ther persons'	Main working (education)	Position(s) held concurrently	Manageri related to second	al officers the spou degree of	se or the	Remarks
Position	Nationality	Name	Gender	(Appointed)	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	experience	in other companies	Position	Name	Relation	
President	Taiwan	Lake Chang	Male	2015.06.11	1,330,000	1.83	0	0	0	0	EMBA, National Taiwan University	Chairman of Suzhou Wanshih Electronic Element Co., Ltd. Chairman of Siyang Wanshih Electronic Element Co., Ltd. Chairman of Dongguan Humen Wanshih Electronic Co., Ltd. Chairman of Suzhou Wanshih Optical Communication Co., Ltd. Chairman of Wanshih(H.K) Electronic Co., Ltd. Chairman of Bright Master Co., Ltd. Chairman of Thailand Wanshih Electronic Element Company Limited Chairman of (Vietnam) Wanshih Electronic Element Company Limited Chairman of Suzhou Wanying New Energy Technology Co., Ltd. Chairman of Data Lake Co., Ltd. Director of Millilab Co., Ltd. Director of May Ming Investment Co., Ltd.	None	None	None	Note 1
Vice President	Taiwan	Ping- Che Lee	Male	2012.07.06	23,337	0.03	0	0	0	0	Graduated from the Department of Electrical Engineering, Chien Hsin University of Science and Technology	Deputy General Manager of Wanshih Electronic Co., Ltd. General Manager of Suzhou Wanshih Electronic Element Co.,Ltd. Director of Siyang Wanshih Electronic Element Co.,Ltd. Director of Suzhou Wanshih Optical Communication Co.,Ltd.	None	None	None	

D. W.	N I (' 1')	N	C 1	Date Elected	Share	holding	spouse ar	shares held by nd children of nor age	under of	of shares held ther persons'	Main working (education)	Position(s) held concurrently	related to	ial officers the spou degree of	se or the	
Position	Nationality	Name	Gender	(Appointed)	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	Number of Share	Percentage of Ownership	experience	in other companies	Position	Name	Relation	
Vice President	Taiwan	Jung- Nan Lien	Male	2019.04.01	0	0	15,000	0.02	0	0	Engineering National	Director of Millimeter Wave Tech Co., Ltd.	None	None	None	
Senior Financial Manager.	Taiwan	Wen-Yi Chu	Female	2022.07.01	0	0	0	0	0	0	Chang Jung Christian	Supervisor of Data Lake Co., Ltd. Supervisor of Millilab Co., Ltd.	None	None	None	
Administrative Division Assistant Vice President	Taiwan	Chih- Chuan Kuo	Male	2019.04.01	0	0	0	0	0	0	Graduated from Graduate Institute of Human Resource Management, National Central University	None	None	None	None	
Wire (Harness) Division Assistant Vice President	Taiwan	Howard TU	Male	2023.03.01	30,000	0.04	0	0	0	0	Department of Land Management, Feng Chia University	None	None	None	None	

Note 1: The Chairman of the Board also concurrently serves as the President of the Company. In order to ensure the independence of the Company, the number of independent directors has been increased to four in response. In addition, a majority of the Company's directors are not concurrent employees or managerial officers.

III. The remuneration paid to Directors, Supervisors, President and Vice President in the most recent year

(I) 1. Remuneration paid to general directors and independent directors (disclose the name of each individual and the corresponding remuneration amount)

Unit: NTD Thousands

				F	Remuneration	paid to Dir	ectors						Ren	nuneration	paid to part	-time er	nployee	es		(A+B+	C+D+E+	Gti
D 11		Remun	eration (A)		ce Pay and ions (B)	remu	rector's ineration te 3) (C)	professio	nses from onal practice (D)		C+D) as a % et Income	i	ation, bonus and xpenses (E)	Pe	nce Pay and nsions (F)	Remune		employee (G)	s (Note 3)		ns a % of ncome	Compensati on Received from Non-
Position	Name	From the	From All Consolidated	From the	From All Consolidated	From the	From All Consolidated	From the	From All Consolidated	From the	From All Consolidated	From the	From All Consolidated	From the	From All Consolidated	Fron Com		Conso	m All olidated tities	From the	From All Consolidat	consolidate d Affiliates or Parent
		Company	Entities	Company	Entities	Company	Entities	Company	Entities	Company	Entities	Company	Entities	Company	Entities	Cash	Stock	Cash	Stock	Company	ed Entities	Company
Chairman	Lake Chang	0	0	0	0	0	0	25	25	NA	NA	2,691	2,691	0	0	0	0	0	0	NA	NA	None
Director	Ringo Chang (Note 1)	0	0	0	0	0	0	20	20	NA	NA	1,742	1,742	0	0	0	0	0	0	NA	NA	None
Director	Kanno Takanobu (Note 2)	0	0	0	0	0	0	25	25	NA	NA	0	0	0	0	0	0	0	0	NA	NA	None
Director	Mizuno Masafumi (Note 3)	0	0	0	0	0	0	15	15	NA	NA	0	0	0	0	0	0	0	0	NA	NA	None
Director	Ping-Che Lee	0	0	0	0	0	0	25	25	NA	NA	1,740	1,740	87	87	0	0	0	0	NA	NA	None
Independent Director	Tu-Tsun Tsai	420	420	0	0	0	0	60	60	NA	NA	0	0	0	0	0	0	0	0	NA	NA	None
Independent Director	Jui-Ming Chang	420	420	0	0	0	0	60	60	NA	NA	0	0	0	0	0	0	0	0	NA	NA	None
Independent Director	Cheng Ho Hsiao	420	420	0	0	0	0	50	50	NA	NA	0	0	0	0	0	0	0	0	NA	NA	None
Independent Director	Chao- Hsiang Cheng	420	420	0	0	0	0	50	50	NA	NA	0	0	0	0	0	0	0	0	NA	NA	None

^{1.} Please state the policy, system, standards and structure for the remuneration paid to independent directors and the linkage to the amount paid in respect of the responsibilities, risks, time and other factors that they are involved in:

The board of directors is authorized to determine the remuneration to the independent directors of the Company based on the level of their participation in the Company's operations, the value of their contribution and the standard of the industry, and may also pay transportation allowance.

Note 1: Representative of Wonderful Hi-Tech Co., Ltd.; Note 2: Representative of Asahi Communications Co. Ltd.; Note 3: Representative of Japan Automatic Machine Co., Ltd.

2.Remuneration paid to supervisors (disclose the name of each individual and the corresponding remuneration amount): Not applicable.

When the Company makes profits, it shall also distribute the profits in accordance with Article 27 of the Company's Articles of Incorporation.

^{2.} Except as disclosed in the preceding table, the remuneration paid to the directors of the Company for services rendered to all companies consolidated in the Financial Report (e.g. as non-employee consultants) in the most recent year: None of the directors listed above has received such remuneration.

3. Remuneration paid to president and vice president (aggregate remuneration information, with the name(s) indicated for each remuneration range)

Unit: NTD Thousands

		Sala	ary (A)		nce Pay and sions (B)	-	nus and expenses (C)	Rem	uneration (I		oyees	,	-D) as a % of Income	Compensation Received from Non-
Position	Name	From the Company	From All Consolidated	From the Company	From All Consolidated	From the Company	From All Consolidated		n the ipany	Consc	n All lidated ities	From the Company	From All Consolidated	consolidated Affiliates or Parent
		1,	Entities	17	Entities	- · · · ·	Entities	Cash	Stock	Cash	Stock		Entities	Company
President	Lake Chang													
Vice President	Ping-Che Lee	6,396	6,396	336	336	1,481	1,481	0	0	0	0	NA	NA	None
Vice President	Jung-Nan Lien													

Note: The Company did not distribute remuneration to directors and supervisors and bonuses to employees in 2022.

Remuneration Range Table

Range of Remuneration Paid to Presidents and Vice	Names of the Presid	dent and Vice President
Presidents	From the Company	From All Consolidated Entities
Under \$2,000,000	Ping-Che Lee and Jung-Nan Lien	Ping-Che Lee and Jung-Nan Lien
NT\$2,000,000 (inclusive) - NT\$5,000,000 (exclusive)	Lake Chang	Lake Chang
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)		
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)		
Over \$100,000,000		
Total	3 people	3 people

4. A company listed on the TWSE or the TPEx, it shall disclose the remuneration paid to each of its top five management personnel (individual names and remuneration method)

Unit: NTD Thousands

		Salary (A)		Severance Pay and Pensions (B)		Bonus and special expenses (C)		Remuneration to employees (D)			(A+B+C+D) as a % of Net Income		Compensatio n Received from Non-	
Position	Name	From the Company From All		From the Company	Consolidated	From the Company	From All Consolidated	From the Company		From All Consolidated Entities		From the Company	From All Consolidate	consolidated Affiliates or Parent
		Company	Entities	Company	Entities	Company	Entities	Cash	Stock	Cash	Stock	d Entities	d Entities	Company
President	Lake Chang	2,091	2,091	0	0	600	600							
Vice President	Ping-Che Lee	1,500	1,500	87	87	240	240					NA	NA	NA
Vice President	Jung-Nan Lien	1,482	1,482	87	87	240	240	0	0	0	0			
Assistant Vice President	Chih-Chuan Kuo	1,325	1,325	76	76	210	210				ı			
Assistant Vice President	Howard TU	1,275	1,275	73	73	180	180							

(II) Information on employee profit sharing granted to the management team

Unit: NTD Thousands

	Position	Name	Stock bonus amount (Note 1)	Cash bonus amount (Note 1)	Total	Proportion to Earnings After Tax (%)		
	President	Lake Chang						
	Vice President	Ping-Che Lee			0			
	Vice President	Li-Hsin Peng						
	Vice President	Jung-Nan Lien						
	Senior manager, Finance Division	Wen-Yi Chu						
Managerial officers	Division Assistant Vice President, Administrative Division	Chih-Chuan Kuo	0	0		NA		
	Division Assistant Vice President Wire Harness Division	Howard TU						

Note 1: The Company did not distribute any employees' compensation in 2023.

(III) An analysis of the proportion of the total remuneration paid to the Directors, Supervisors, President and Vice Presidents of the company and all the companies to the net profit after tax in the last two years, and an explanation of the policy, standard and combination of the remuneration, the procedures for setting the remuneration, and the relevance to the business performance:

Unit: NTD Thousands

			2023		2022				
Item	Total re	muneration	Percentage of n	et profits after tax	Total ren	nuneration	Percentage of net profits after tax		
Position	From the Company From All Consolidated Entities		From the Company From All Consolidated Entities		From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	
Director	8,184	8,184	NA	NA	9,753	9,753	NA	NA	
Supervisor	NA	NA	NA	NA	NA	NA	NA	NA	
President and Vice President	1,809	1,809	NA	NA	3,908	3,995	NA	NA	
Total	9,993	9,993	NA	NA	13,661	13,748	NA	NA	

- (1) Directors and Supervisors of the Company shall be entitled to transportation allowances for their duties regardless of profit or loss., and remuneration of up to 2% of the Company's net profit before tax, less any remuneration to employees and directors and supervisors, shall be provided in accordance with the Company's Articles of Incorporation. However, the Company should reserve the amount to make up for any accumulated losses in advance.
- (2) The Company has established a Remuneration Committee to assist the Board of Directors in determining the compensation of the Company's directors and managerial officers and the Company's compensation policies. The remuneration paid to directors and managerial officers shall be based on the level of their participation in the Company's operations and the value of their contribution, and the potential for future risks shall be minimized in accordance with the Company's Articles of Incorporation, the operation of the Remuneration Committee and the Board of Directors, in order to strike a balance between the Company's sustainability and risk control.

IV. Implementation of Corporate Governance

(I) (1) Information on implementation of Board of Directors

From January 1, 2023 to March 13, 2024, the Board of Directors met 7 times, and the attendance

of directors and supervisors was as follows:

Position Name		Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Chairman	Lake Chang	6	0	100%	
Director	Ringo Chang (Note 1)	5	1	83%	
Director	Kanno Takanobu (Note 2)	5	0	83%	
Director	Mizuno Masafumi (Note 3)	3	2	50%	
Director	Ping-Che Lee	6	0	100%	
Independent Director	Tu-Tsun Tsai	6	0	100%	
Independent Director	Jui-Ming Chang	6	0	100%	
Independent Director	Cheng Ho Hsiao	5	0	83%	
Independent Director	Chao-Hsiang Cheng	6	0	100%	

Note 1: Representative of Wonderful Hi-Tech Co., Ltd

Note 2: Representative of Asahi Communications Co., Ltd.

Note 3: Representative of Japan Automatic Machine Co., Ltd.

Other matters that require reporting:

- I. The implementation of the Board of Directors shall state the date and session of the Board meeting, the resolution, the opinions of all independent directors and the Company's response to such opinions, if any of the following circumstances apply:
 - (I) Matters specified in Article 14-3 of Taiwan's Securities and Exchange Act: Please refer to P.52~55 for important resolutions of the Board of Directors.
 - (II) Except for the preceding matters, other Board of Directors resolutions on which the independent directors express objections or reservations that have been included in records or stated in writing: No such situation.
- II. The implementation status of the directors' recusal from a resolution in which they may have interests shall include the directors' names, the contents of the resolution, the reasons for the recusal and the participation in voting:

Time	Director recused	Resolutions	Reasons for the recusal	implementation status and resolution
2023/03/17	Chang Ping-Che Lee Wan Vi	On January 13, 2023, the Remuneration Committee resolved the amount of the year-end bonus for the Company's managerial officers for 2022.	It is related to his/her interests.	As the matter involves the directors' interests, Chairman Lake Chang, Director Ping-Che Lee and CFO Wen-Yi Chu were absent from the meeting to refrain from voting. The independent director, Mr. Jui-Ming Chang, was appointed as the acting chairman. All directors present were consulted and the resolution was passed without objection.

Time	Director recused	Resolutions	Reasons for the recusal	Implementation status and resolution
2023/08/09	Lake Chang Ping-Che Lee Wen-Yi Chu	On June 9, 2023, the Remuneration Committee resolved the the bonus payout amount for H2 operating profit for the fiscal year 2022.	It is related to his/her interests.	As the matter involves the directors' interests, Chairman Lake Chang, Director Ping-Che Lee and CFO Wen-Yi Chu were absent from the meeting to refrain from voting. The independen director, Mr. Jui-Ming Chang, was appointed as the acting chairman. All directors present were consulted and the resolution was passed without objection.
2024/03/13	Lake Chang Ping-Che Lee Wen-Yi Chu	On January 23, 2024, the Remuneration Committee resolved the amount of the year-end bonus for the Company's managerial officers for 2022.	It is related to his/her interests.	As the matter involves the directors' interests, Chairman Lake Chang, Director Ping-Che Lee and CFO Wen-Yi Chu were absent from the meeting to refrain from voting. The independen director, Mr. Jui-Ming Chang, was appointed as the acting chairman. All directors present were consulted and the resolution was passed without objection.
2024/03/13	Lake Chang Ping-Che Lee Wen-Yi Chu	On January 23, 2024, the Remuneration Committee resolved the salary adjustment for managerial staff.	It is related to his/her interests.	As the matter involves the directors' interests, Chairman Lake Chang, Director Ping-Che Lee and CFO Wen-Yi Chu were absent from the meeting to refrain from voting. The independen director, Mr. Jui-Ming Chang, was appointed as the acting chairman. All directors present were consulted and the resolution was passed without objection.

- III. Information on evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors: Please refer to (2) Implementation Status of the Board of Directors' Evaluation.
- IV. Evaluation of targets for strengthening of the functions of the board during the current and immediately preceding fiscal years, and measures taken toward achievement thereof:

The Company applied in advance to establish an audit committee from the 12th term of the Board of Directors. The committee is composed of all independent directors to replace the supervisors in accordance with Article 14-4 of the Securities and Exchange Act, in order to effectively strengthen the functions of the Board of Directors. In addition, in order to strengthen the responsibility of the corporate governance unit in overseeing the financial reporting process, we arrange for two-way communication between the accountants and the governance unit on audit planning and matters to facilitate the implementation of corporate governance matters.

(2) Implementation of Board of Directors Evaluation:

Cycle	Period	Scope	Method	Content
Conduct once a year	January 1 to December 31, 2023	Evaluation Scope for 2023 (1) Board of Directors (2) Individual Board members (3) Functional committees	Method of evaluation for 2023 (1) Internal evaluation of the Board of Directors (2) Self-evaluation by the Board members Performance evaluation	include: (1) Performance evaluation of Board of Directors: There are five major aspects, including Participation in the operation of the company; Improvement of the quality of the Board of Directors' decision making; Composition and structure of the Board of Directors; Election and continuing education of the directors; and Internal control. (2) Performance evaluation of individual Board members: There are six major aspects, including Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; Election and continuing education of the directors; and Internal control. (3) Performance evaluation of functional committees: There are five major aspects, including Participation in the operation of the company; Awareness of the duties of the functional committee; Improvement of quality of decisions made by the functional committee; Improvement of quality of decisions made by the functional committee; Makeup of the functional committee and election of its members and internal control.

- (II) Information on operation of Audit Committee or the participation of supervisors in the operation of the Board of Directors:
- 1. Information on the operation of the Audit Committee:

The Audit Committee of the Company consists of 4 independent directors. The Committee operates with the primary purpose of overseeing the following matters:

- I. Proper presentation of the financial statements of the company.
- II. Appointment (discharge) of Certified Public Accountant (CPA) and independence and performance of CPA.
- III. Effective implementation of internal control of the company.
- IV. Company's compliance with relevant laws and regulations.
- V. Control of existing or potential risks of the company

The duties of the Committee are as follows:

- I. Adoption or amendment of an internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- II. Assessment of the effectiveness of the internal control system.
- III. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
- IV. A matter bearing on the personal interest of a director or supervisor.
- V. A transaction involving material asset or derivatives trading.
- VI. A material monetary loan, endorsement, or provision of guarantee.
- VII. The offering, issuance, or private placement of any equity-type securities.
- VIII. The hiring, dismissal or remuneration of an attesting certified public accountant.
- IX. The appointment or dismissal of a financial, accounting, or internal auditing officer.
- X. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the Chairman, managerial officer, and Head-Finance & Accounting
- XI. Any other material matter so determined by the company or the competent authority.

The Company established the Audit Committee on July 15, 2021. From January 1, 2023 to March 13, 2024, the Audit Committee met 7 times (A), and the attendance of the members is as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) [B/A]	Remarks
Independent Director	Tu-Tsun Tsai	6	0	100	
Independent Director	Jui-Ming Chang	6	0	100	
Independent Director	Cheng Ho Hsiao	5	0	83	
Independent Director	Chao-Hsiang Cheng	6	0	100	

Other matters that require reporting:

(1) Matters listed in Article 14-5 of the Securities and Exchange Act or the matter was not approved by the audit committee but had the consent of more than two-thirds of all directors, shall state the date of the audit committee meeting, the meeting session, the contents of the proposal, all dissent, reservation or major suggestions of independent directors, the results of the audit committee resolution and the Company's handling of the audit committee's opinion.

Date	Meeting Session	Proposals	Matters listed in Article 14-5 of the Securities and Exchange Act	Matter was not approved by the audit committee but had the consent of more than two-thirds of all directors
2023.03.17	The 10th meeting of the 1st term	 Approved the Company's 2022 financial statements. Approve the Year 2022 loss offset proposal Approved to apply for the renewal of credit facilities of Suzhou Wanshih Electronic Element Co., Ltd. with the Shanghai Commercial & Savings Bank, Ltd., under the endorsement and guarantee provided by the parent company. Approved the replacement of the CPA. Approved the evaluation of the independence and suitability of the Company's certified public accountants and their appointment. 	V V V V	None
		6. Approved the 2022 "Statement of Internal Control System" of the Company.7. Approved the amendments to the Company's "Procedures for the Acquisition or Disposal of Assets"		
2023.05.12	The 11th meeting of the 1st term	 Approved the Company's consolidated financial statements for Q1 2023. Approved the loaning of funds of US\$1 million to the subsidiary (VIETNAM) Wanshih Electronic Element Company Limited Approve Director of Corporate Governance appointment and dismissal proposal. By obtaining prior approval, the accounting firm and related entities provide non-assurance services to the Company and its subsidiaries. 	V	None
2023.08.09	The 12th meeting of the 1st term	 Approved the Company's consolidated financial statements for Q2 2023. Approved the loaning of funds of US\$1.5 million to the subsidiary Suzhou Wanshih Electronic Element Co., Ltd . 	V	None
2023.11.10	The 13th meeting of the 1st term	 Approved the Company's consolidated financial statements for Q3 2023. Approve Chief Information Security Officer appointment and dismissal proposal. 		None
2023.12.20	The 14th meeting of the 1st term	1. Approved to apply for the renewal of credit facilities of Suzhou Wanshih Electronic Element Co., Ltd. with the China Trust Bank, under the endorsement and guarantee provided by the parent company.		None
2024.03.13	The 15th meeting of the 1st term	1.Approved the Company's 2023 financial statements. 2.Approve the Year 2023 loss offset proposal 3.Approved the evaluation of the independence and suitability of the Company's certified public accountants and their appointment. 4.Approved the 2023 "Statement of Internal Control System" of the Company.	V V V	None
		5. Approved the amendments to the Company's "Procedure for Lending Funds to Others"	V	

- (2) The implementation status of the independent directors' recusal from a resolution in which they may have interests shall include the independent directors' names, the contents of the resolution, the reasons for the recusal and the participation in voting: No such situation.
- (3) Communication between the independent directors and the internal auditors and the independent auditors (including the major issues, methods and results of communication regarding the financial and operating positions of the Company).
 - A. Communication between the independent directors and the internal auditors: The audit unit provides regular audit reports to the independent directors so that they can understand the Company's operations and the implementation status of the audit.
 - B. Communication between the independent directors and the CPA: The CPA communicates with the independent directors regarding the audit plan, risk assessment and key audit issues, implementation and results during the audit planning stage and the auditing process for each year, and the independent directors express no opinion.
- 2. The participation of supervisors in the operation of the Board of Directors: The Company established an Audit Committee to replace the Supervisors.

(III) Information on continuing education of directors and supervisors:

				•	
Position	Name	Date	Organizer	Course Name	Continuing Education Hours
Director	Lake Chang	2023/08/09	Co-organized by the Chinese Association for Financial and Economic Development and the Taiwan Stock Exchange and OTC Listed Companies Association	The impact of carbon pricing on corporate operations	3
Independent Director	Chao- Hsiang Cheng	2023/06/07	The Taiwan Institute of Directors	The Future of Businesses in a Changing Landscape: Strategic Shifts & Strategic Transformation	3
Independent Director	Cheng Ho Hsiao	2023/08/22	The Chinese Corporate Governance Association	Sustainable and Digital Dual Transformation	3
Independent Director	Jui-	2023/01/09	The Institute of Internal Auditors-Chinese Taiwan	The Relationship between Payroll & Personnel cycle and Employment Law Compliance	6
	Ming Chang	2023/06/07	The Taiwan Institute of Directors	The Future of Businesses in a Changing Landscape: Strategic Shifts & Strategic Transformation	3

(IV) The operation of corporate governance and the difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

				Implementation Status	Difference from
				_	Corporate
					Governance
	Assessed Items	Yes	Νſο	Summary and Evalenation	Practice Principles
		res	NO	Summary and Explanation	for TWSE/TPEx
					Listed Companies
					and reasons
I	. Does Company follow "Corporate		V	The Company does not establish its principles.	The Company will
	Governance Best Practice Principles for TWSE/TPEx Listed				establish its
					Corporate
	Companies" to establish and				Governance Best

			Implementation Status	Difference from
Assessed Items	Yes	No	Summary and Explanation	Corporate Governance Practice Principles for TWSE/TPEx Listed Companies and reasons
disclose its corporate governance practices?				Practice Principles based on the actual operating conditions of the Company.
 II. Shareholding Structure & Shareholders' Rights (I) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly? 	V		(I) In addition to having a spokesperson and acting spokesperson, the Company also appoints a professional stock transfer agent to handle related matters on behalf of the Company.	No material difference.
(II) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	V		(II) In addition to having a spokesperson and acting spokesperson, the Company also appoints a professional stock transfer agent to handle related matters on behalf of the Company.	
(III)Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	V		(III) The Company has established the "Supervision and Management of Subsidiaries" in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" to implement the risk control mechanism for its subsidiaries.	
(IV)Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		(IV) The Company has established Ethical Corporate Management Best Practice Principles for establishing a sound internal mechanism for handling and disclosing material information to avoid any unauthorized disclosure of information.	No material difference.
 III. Composition and Responsibilities of the Board of Directors (I) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly? 	V		(I) The Article 3 of the Company's "Rules Governing the Election of Directors" clearly stipulates that the overall composition of the Board of Directors shall be taken into consideration in the selection of this Company's directors. The composition of the Board members should be diversified, and an appropriate diversification policy should be formulated. There are currently nine directors, including five general directors and four independent directors. Among the five	(I) No material difference.

	Implementation Status Difference from						
Assessed Items	Yes	No	Summary and Explanation	Corporate Governance Practice Principles for TWSE/TPEx Listed Companies and reasons			
			general directors, all of them possess professional experience and skills related to the operation of the company, except two of them are corporate directors. Among the other four independent directors, Tu-Tsun Tsai has an academic background in financial accounting and auditing; Chao-Hsiang Cheng has a professional background in financial accounting and taxation; Jui-Ming Chang has a professional background in human resources management and strategic development, and Cheng Ho Hsiao has a professional background in corporate management and strategic management of organizational operations.				
(II) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to set up other functional committees?	V		(II) The Company has established a Remuneration Committee as required by law and will establish various other functional committees in the future in accordance with the actual development needs of the Company.	(II) The Company will establish them depending on the actual conditions and future needs of its			
(III) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis and on a regular basis, and reported the results of the performance evaluation to the Board of Directors and used them as the reference for individual directors' remuneration and nomination for	V		(III) The Company has established the performance evaluation method for the Board of Directors in accordance with the law and submitted the results of the performance evaluation to the Board of Directors on March 13, 2024.	development. (III) No material difference.			
re-election? (IV) Does the Company regularly evaluate its external auditors' independence?	V		(IV) The Company's CPA has an internal rotation system that is in compliance with independence and is appointed by resolution of the Board of Directors. The Company internally assesses the independence of the CPA (as described in Note 1) and, except for the audit fee, the CPA does not serve as a director, managerial officer or exercise significant influence over the Company and has no other financial interests or business relationships, and the members of the CPA family do not violate the independence requirements and meet the	(IV) No material difference.			

			Implementation Status	Difference from
Assessed Items	Yes	No	Summary and Explanation	Corporate Governance Practice Principles for TWSE/TPEx Listed Companies and reasons
			independence and suitability requirements. The Board of Directors has evaluated the independence and suitability of the CPAs for the last two years, which were completed on February 20, 2023and February 20, 2024, respectively.	
IV. For a listed or OTC company, is it equipped with a competent and appropriate number of corporate governance personnel, and has it designated a corporate governance director to be responsible for corporate governance related matters (including but not limited to providing information required by Directors and Supervisors to carry out business, assisting Directors and Supervisors in complying with laws and regulations, managing related matters of the Board of Directors and shareholders' meeting in accordance with laws, taking minutes of the Board of Directors and shareholders' meeting, etc.)?	V		On May 12, 2023, the Board of Directors of our company resolved to appoint Ms. Wen-Yi Chu, Senior Manager of the Finance and Accounting Department, as the Director of Corporate Governance. She is responsible for handling matters related to the Board of Directors and Shareholders' Meetings in accordance with the law, preparing minutes of Board of Directors and Shareholders' Meetings, assisting directors in appointment and continuing education, providing necessary information for directors to carry out their duties, and assisting directors in compliance with laws and regulations.	No material difference.
V. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities? VI. Has the Company appointed a professional shareholders' Meetings?	V		The Company has set up a "Stakeholder Zone" on the Company's website to provide a communication channel so that the stakeholders can fully understand the Company's relevant financial and business status. For banks and other creditors, the Company also provides relevant financial and business information to help them understand the actual operation of the Company under the ethical management policy. Has the Company appointed a professional shareholder service agent for its Shareholders' Meetings?	No material difference. No material difference.

	Implementation Status Difference fr					
Assessed Items	Yes	No	Summary and Explanation	Corporate Governance Practice Principles for TWSE/TPEx Listed Companies and reasons		
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	V		(I) The Company has set up a website that contains the latest business development information and financial information, as well as detailed disclosure of corporate governance; other reportable information can also be available on the Market Observation Post System. (http://www.wanshih.com.tw)	No material difference.		
 (II) Does the Company use other information disclosure channels (e.g. maintaining an Englishlanguage website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline? 	V	V	annual financial statements audited by the CPA, approved by the Board of Directors and ratified by the Supervisors within three months after the end of each fiscal year in accordance with the law. The Company also announces and reports the financial statements reviewed by the CPA and submitted to the Board of Directors within 45 days after the end of the first, second and third quarters of each fiscal year. The monthly operating results are also announced by the tenth day of each month.	The Company is within the deadline filing of annual financial report. Not ahead of fiscal year within two months after the end report and report annual financial report		
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate	V		(I) Implementation status of employee rights and wellness: Please refer to Chapter 5, "V. Labor	No material difference.		
governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of			Relations" of the Annual Report. (II) Investor relations: The Company places great importance on investor rights and interests and has designated a dedicated staff to disclose relevant information on	No material difference.		

	Implementation Status Difference from					
Assessed Items	Yes	No	Summary and Explanation	Corporate Governance Practice Principles for TWSE/TPEx Listed Companies and reasons		
stakeholders, directors' and			the Company's website and financial			
supervisors' training records, the			operations on the Market Observation			
implementation of risk			Post System so that the investors can fully			
management policies and risk			understand the Company's operations.	No material		
evaluation measures, the			(III) Supplier relations: The Company has	difference.		
implementation of customer			established a "Regulations on Supplier	difference.		
relations policies, and purchasing insurance for directors and			Management" and pays close attention to issues related to			
supervisors)?			environmental/safety/hygiene control to			
			enhance the performance and			
			commitment of each supplier's social			
			responsibility, and also establishes good			
			communication and coordination with			
			suppliers.			
			(IV) Stakeholders' rights: The Company has	No material		
			set up a "Stakeholder Zone" on its	difference.		
			website to provide communication			
			channels and relevant information in			
			order to respect the rights of stakeholders.			
			(V) Directors and Symposiscus' continuing	No material		
			(V) Directors and Supervisors' continuing education: The Company reports the latest	difference.		
			laws and regulations and issues related to			
			finance, taxation and corporate			
			governance at the Board of Directors'			
			meetings occasionally, and provides			
			information on the continuing education			
			courses to each director, and discloses the			
			"Information on Directors' Continuing Education" in the annual report.			
			Education in the aimual report.			
			(VI) Implementation of risk management	No material		
			policies and risk evaluation measures:	difference.		
			Please refer to Chapter 7, "VI. Risk			
			Analysis and Evaluation" of the annual			
			report.			
			(VII) Regarding customer policies and	No material		
			implementation: We have improved our	difference.		
			implementation. we have improved our			

			Implementation Status	Difference from
Assessed Items	Yes	No	Summary and Explanation	Corporate Governance Practice Principles for TWSE/TPEx Listed Companies and reasons
			R&D process and production management to maintain stable quality and reasonable prices to gain customer satisfaction and long-term trust. (VIII) The status of the liability insurance for directors and supervisors: The Company has purchased liability insurance for directors and key managerial officers to support corporate governance and strengthen the protection of shareholders' rights and interests, and has disclosed the above information on the Market Observation Post System.	No material difference

IX. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange.

- I. The results of the Company's 2023 "Corporate Governance Evaluation" are in the range of 81-100% and 66-80% for the 2022 Corporate Governance Review.
- II. The items that have been improved are listed below:
 - (I) A dedicated corporate governance unit has been established in accordance with the law, and a Director of Corporate Governance has been appointed to oversee corporate governance matters, including matters related to the Board of Directors and Shareholders' Meetings. The completion of this appointment has been announced and filed as required.
 - (II) A dedicated information security unit has been established in accordance with the law, and a Chief Information Security Officer (CISO) has been appointed along with designated personnel responsible for information security. They are tasked with promoting, coordinating, supervising, and reviewing information security management matters.
 - (III) The English version of the shareholder meeting notice, agenda booklet, and supplementary meeting materials have been compiled, announced, and uploaded.
 - (IV) The English version of the annual report for shareholders has been compiled, announced, and uploaded
- III. The following are the measures taken to improve the unscored items:
 - (I) Continuing Education for Board Members: The Company's Board of Directors unit provides information on continuing education courses for directors occasionally, and each director may attend relevant courses as needed.
 - (II) Established the regulations of corporate governance, and approved by the board of directors.
 - (III) Establishment of a policy for board member diversity and disclosure of specific management objectives and implementation status accordingly.

Note 1: The Company's Board of Directors reviews the independence of the CPA annually. The evaluation process is as follows:

- (1) In accordance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", the Company shall evaluate the independence and suitability of the CPA engaged by the company regularly.
- (2) The Finance Department of the Company reviews the independence and suitability of the certified public accountants by referring to the provisions of The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 "Integrity, Objectivity and Independence."

- (3) As of the issuance date of the review report, no misconduct or breach of independence has been found on the Company's certified public accountants and their related personnel.
- (4) PwC Taiwan has issued a declaration of the independent auditor's role, responsibilities and independence in the "Communication with the Governance Unit".
- (5) After evaluating the independence and suitability of the CPA mentioned above, the Company proposes to continue to appoint CPA Po-Chuan Lin and CPA Chun-Yao Lin as the Company's auditors for the 2023 financial statement and taxation.

Wanshih Electronic Co., Ltd. Independent Auditor Assessment Form Date of assessment: February 20, 2024

I. Basic Information

Independent auditor: Po-Chuan Lin and Chun-Yao Lin

II. Content of assessment

With reference to Article 47 of the Accountants Act and The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10

T	Please check					
Item	Yes	No	Remarks			
1. No CPA has not been replaced for seven years as of the latest audit work.	V					
2. There is no material financial interest with the client.	V					
3. Avoid any improper relationship with the client.	V					
4. The CPA should ensure the honesty, impartiality and independence of his or her staff.	V					
5. The CPA shall not audit the financial statements from the companies previously worked with in the last two year prior to the commencement of practice.	V					
6. The CPA shall not permit others to practice under his or her name.	V					
7. Does not hold any shares of the Company or its affiliates.	V					
8. Does not engage in any monetary borrowing with the Company and its affiliates.	V					
9. Does not have a joint investment or profit-sharing relationship with the Company or its affiliates.	V					
10. Does not work concurrently with the Company or its affiliates on a regular basis and receives a fixed salary.	V					
11. Does not involve the management functions of the Company or its affiliates in decision making.	V					
12. Does not engage in any other business that may lose its independence.	V					
13. Does not have a spouse, lineal relative by blood or by marriage with the managerial officers of the Company	V					
14. Does not receive any business-related commissions.	V					
15. Up to now, there is no disciplinary action against the CPA or violation of the principle of independence.	V					

III.

- 1. Completed the audit works on time.
- 2. Provide financial and tax consultation services to the Company from time to time.

IV. Evaluation results:

The CPA meets the independence criteria and is able to provide timely and appropriate financial and tax advice and completes the audit work for the Company.

- (V) The Company shall disclose the following in establishing the Remuneration Committee:
- 1. Information on the members of the Remuneration Committee:

Req Title Nan	uirements	Professional qualification	Experience	Status of Independence	Number of other listed companies concurrently serving as members of remuneration committees
Independent Director (Convener)	Jui-Ming Chang	the area of commerce, law, finance or accounting, or otherwise	Consultant and Lecturer in Strategic Management and Human Resources Senior Director, Administration Division, Siemens Telecommunication Systems Ltd. Salary and Benefits Manager, Tce Television Taiwan, Ltd. Convener of the certification system, Chinese Human Resource Management Association	(1).(2).(3). (4).(5).(6). (7).(8).(9). (10).(11). (12)	None
Independent Director		Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Executive Vice President, the Institute of Internal Auditors-Chinese Taiwan Director, Computer Audit Association Finance Manager, Ford Lio Ho Motor Company Vice President, Westinghouse Electric Corporation, Taiwan Branch Chief Auditor, Acer Group (possessing finance or accounting expertise)	(1).(2).(3). (4).(5).(6). (7).(8).(9). (10).(11). (12)	None
Independent Director	Cheng Ho Hsiao	law, finance or accounting, or otherwise	Chairman, Wellcome Taiwan Co., Ltd. Chief Executive Officer, Mannings China General Manager, Orient Home Co., Ltd (Beijing) Vice President, Trust-Mart (China) Store Manager of Carrefour Taiwan Pingtung Store, Tamsui Store and Shiquan Store	(1).(2).(3). (4).(5).(6). (7).(8).(9). (10).(11). (12)	None

^{*}All directors of the Company do not have any conditions defined in Article 30 of the Company Act.

Note 1: Independence Status of Directors two years prior to the election and during the term of office. (Those who are eligible are disclosed in the above table)

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or its associates (except for the case where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's

- spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a spouse, or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer falling under (1), or of any of the persons in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (except for the case where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (6) A director, supervisor or employee of other companies who is not controlled by the same person as the majority of the directorships or voting shares of the company ((except for the case where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (7) A director (officer), supervisor or employee of other company or institution who is not the same person or spouse as the chairman, president or person holding an equivalent position in the company (except for the case where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (8) A director, supervisor, managerial officer or shareholder holding 5% or more of the shares of a specified company or institution that does not have financial or business relationship with the Company (provided that if the specified company or institution holds more than 20% of the total number of issued shares of the Company and does not exceed 50%, and where the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

- (11) Not been a person of any conditions defined in Article 30 of the Company Act.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.
- 2. Information on the operation of the Remuneration Committee
 - I. The Remuneration Committee consists of 3 members.
 - II. Scope of the Remuneration Committee's Powers:
 - 1. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.
 - 2. Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.
 - III. The term of office of the current members: July 15, 2021 to July 14, 2024. The Remuneration Committee met 3 times in 2023 and up to the date of publication of the Annual Report. The qualifications and attendance of the members are as follows:

Position	Name	Attendance in	Attendance by	Attendance Rate in Person	Remarks
1 OSITIOII	Name	Person	proxy	(%)	Remarks
Convener	Jui-Ming	2	0	100%	
Convener	Chang	3	U	100%	
Committee	Tu-Tsun	2	0	100%	
member	Tsai	3	U	100%	
Committee	Cheng Ho	2	0	100%	
member	Hsiao	3	U	100%	

Other matters that require reporting:

- (1) If the Board of Directors does not adopt or amend the recommendation of the Remuneration Committee, it shall state the date and period, the content of the resolution, the result of the resolution and the Company's handling of the recommendation of the Remuneration Committee (if the remuneration approved by the Board of Directors is better than the recommendation of the Remuneration Committee, it shall state the difference and the reasons for the difference): None.
- (2) Matters resolved by the Remuneration Committee, where the members expressed objections or reservations on the committee's resolutions, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None. Important resolutions of the Remuneration Committee for the year 2023 up to the date of publication of the Annual Report:

Date	Meeting Session	Proposals	Opinions of all members of the Remuneration Committee	The Company's handling of the recommendation of the Remuneration Committee
2023.01.13	The 4nd meeting of the 5th term	Approved the amount of 2022 year-end bonus for the Company's senior managerial officers.	Resolved by all members.	Resolved by all Directors present at the Board of Directors.
2023.06.09	The 5nd meeting of the 5th term	Approved the amount of project bonus for the Company's senior managerial officers. Approved the amount of 2022 Annual H2 Operational Profit Bonus for the Company's senior managerial officers.	Resolved by all members.	Resolved by all Directors present at the Board of Directors.
2024.01.23	The 6nd meeting of the 5th term	 Approved the amount of 2022 year-end bonus for the Company's senior managerial officers. Approved the salary adjustment for the senior managerial officers of the Company. 	Resolved by all	Resolved by all Directors present at the Board of Directors.

(3) Information on members of the nomination committee and on its operation: the company does not have a nomination committee

(VI) Sustainable Development Implementation Status and differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

			Implementation status	Difference from the
Assessment Item	Yes	No	Summary and Explanation	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		Our company appointed a Director of Corporate Governance on July 1, 2023, responsible for corporate governance affairs. Additionally, the responsibility for promoting sustainable development is delegated to each department according to their respective duties	No material difference.
II. Does the company conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy in accordance with the materiality principle?	V		 (I) To manage CSR in a sound manner, the Company conducts risk management and strategy related to the Company's operations in accordance with the materiality principle, including: Environmental Issues Environmental Issues Company has set up an energy-saving and carbon-reduction policy to promote environmental protection and to encourage our employees to do the same. Started the greenhouse gas inventory and verification schedule, and regularly report to the board. Social Issues Company has established and implemented employee welfare measures to meet the organizational goals and HR development. In addition, we have established guidelines for employee promotions and the operating rules for personnel review committees, as well as set up a clear reward and punishment system to encourage employees to share and exchange knowledge and improve their professional skills in order to accomplish their tasks. Corporate Governance Issues Company has followed the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" to 	No material difference.

			Implementation status	Difference from the
Assessment Item	Yes	No	Summary and Explanation	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
			establish and disclose its corporate governance best practice principles, as well as to conduct Board of Directors evaluation.	
III. Environmental Issues(I) Has the company established an appropriate environmental management system based on the industry characteristics?	V		(I) We have followed the environmental regulations set by the competent authority to clean up and recycle the waste. The Company has been certified with ISO14001 environmental management system, and has been committed to the environmental policy and regularly implements environmental tidying and cleaning activities, as well as environmental disinfection to maintain a healthy working environment.	No material difference.
(II) Is the Company committed to improving energy use efficiency and using renewable materials with low impact on the environment?	V		(II) Our products are made from materials that comply with ROHS regulations. The manufacturing process of our products also complies with the laws and regulations. We also carry out waste classification and resource recycling in our factory. We have appointed a professional waste disposal company to handle the waste regularly, and we are always ready to promote the importance of caring for the environment. The Company always cherishes the natural resources and protects the environment. We integrate the core business in environmental protection with the customer's trust to create sustainable development and give back to the society. We continue to promote waste reduction and reuse, EX: recycle and reuse packaging materials, implement waste classification, and reduce paper consumption by electronic documentation.	No material difference.
(III) Does the Company assess the potential risks and opportunities of climate change for the enterprise now and in the future and take	V		(III) The Company always cares for energy saving, carbon reduction and greenhouse gas reduction, and carries out temperature control for air conditioners during summer to	No material difference.

			Implementation status	Difference from the
Assessment Item	Yes	No	Summary and Explanation	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
measures to deal with climate-related issues? (IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V		effectively utilize energy, which has achieved the purpose of energy saving and carbon reduction. (IV) The Company has not yet compiled statistics, but it has formulated an energy-saving and carbon-reducing policy. The Company has been using LED lighting and actively promoting environmental protection concepts such as turning off lights, conserving water and implementing resource classification to its employees. The company is doing the greenhouse gas inventory and verification schedule, and regularly reports to the board.	No material difference.
 IV. Social Issues (I) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles? 	V		(I) The Company follows the Universal Declaration of Human Rights, the United Nations Global Compact, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, the local laws and regulations, and the United Nations Guiding Principles on Business and Human Rights, and respects the basic human rights recognized worldwide, including freedom of association, care for the disadvantaged, prohibition of child labor, elimination of all forms of forced labor, and elimination of discrimination in employment, and complies with the local labor laws and regulations of the location where the Company operates. The Company cares about human rights, we believe in equal work rights regardless of race, gender or age.	No material difference.
(II) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		(II) The Company provides various statutory measures in accordance with the Labor Standards Act. The Company also provides various employee compensation and benefits to stimulate employees' long-term commitment and contribution, and to attract and retain talents by appropriately reflecting operational performance or achievements. The Company also provides many welfare benefits to its	No material difference.

				Implementation status	Difference from the
	Assessment Item	Yes	No	Summary and Explanation	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
				employees. In addition to the labor insurance, health insurance, pension and parental leave as required by laws and regulations, we also appoint an employee welfare committee to conduct various activities and other welfare measures to promote harmonious labor relations.	1
(III)	Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		 (III) The Company is committed to providing a safe and healthy working environment. We plan and inspect workplace safety, and implement education and training as well as annual health checkups and group insurance for each employee. 1. The office premises are secured by the security company, so that employees can work safely. 2. Workplace environmental health: We perform regular environmental disinfection every year to maintain the sanitation in the workplace. 3. Set up proper fire-fighting equipment and cooperate with government units to carry out fire safety inspections every year. 	No material difference.
(IV)	Has the Company established effective career development training plans?	V		(IV) The Company provides comprehensive internal and external education and training, employee training subsidies, and constructs a dual career development system. We are committed to assisting our employees to develop their talents and meet their career development needs and goals.	No material difference.
(V)	Does the Company's products and services comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?	V		(V) The Company offers customers comprehensive and standardized procedures for handling customer complaints. The handling standards and timelines are set by the responsible unit, so that the company can regularly monitor the effectiveness of the implementation in order to improve the products and enhance the service process.	No material difference.

			Implementation status	Difference from the
Assessment Item	Yes	No	Summary and Explanation	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
(VI) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		(VI) The Company requires all suppliers to sign the Subcontractor/Supplier Social and Environmental Responsibility Commitment, committing to comply with local mandatory labor, health and safety standards and applicable international conventions and ISO14001, OHSAS18001 and SA8000 standards, and be willing to abide by the Company's Code of Conduct and be audited for corporate social responsibility.	No material difference.
V. Does the Company prepare the sustainability report and other reports that disclose the company's non-financial information in accordance with the international reporting standards or guidelines? Has the said Report acquire 3rd certification party verification or statement of assurance?		V	The Company does not prepare the sustainability report.	In accordance with legal requirements, we will prepare and submit a sustainability report starting in 2025.

VI. If the Company has its own sustainable development best practice principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies," please state the implementation status and the differences:

The Company does not establish the Sustainable Development Best Practice Principles.

VII. Any other important information that may help to understand the operation of sustainable development: None.

(VII)Execution status of climate-related information on OTC listings

1. Implementation Status of Climate-Related Information

Project	Execution status
1. Clearly state the oversight and governance by the Board of Directors and management on climate-related risks and opportunities.	The Board of Directors, as the highest governance body for sustainable development, regularly reviews climate change-related risks and opportunities. Our company designates the management department as the designated operational unit for greenhouse gas inventory related to climate change. It submits a detailed implementation schedule of greenhouse gas inventory plans to the Board of Directors quarterly, formulates a complete inventory procedure, and supervises and controls the progress of each stage of the project implementation.
2.Describe how the identified climate risks and opportunities impact the company's operations, strategies, and finances (short-term, medium-term, long-term).	The climate risks that the company may currently face include the impact of extreme weather events on business operations and assets, as well as the effects of government policy changes, technological advancements, or shifts in market demand on operations. (1)The short-term impacts of climate events may result in disruptions to business operations, affecting related supply chains and company performance. Management must devise strategies to address climate change, such as enhancing production processes to reduce carbon emissions. Financially, climate risks may lead to a decrease in asset values and the need to pay higher insurance premiums to cover climate-related risks. (2)In the medium to long term, climate change can lead to changes in market structure and consumer behavior, as well as trends towards carbon pricing and carbon taxation. Therefore, the company needs to conduct a comprehensive review of its current business model and value chain and consider the potential impact of climate change on the current supply and demand market. This involves adjusting products and services to meet market demand, investing in research and innovation projects to develop low-carbon and recyclable products or services. Financially, there may be additional capital investments required due to the transformation of products and industries caused by climate change, hence necessitating careful financial planning.
3. Describe the financial impact of extreme weather events and transformational actions on the company	Extreme weather events such as hurricanes, floods, and others can have both direct and indirect impacts on a company's operations and finances. Direct impacts may include production interruptions, facility damage, supply chain disruptions, all of which can lead to decreased revenue and profits. Indirect impacts may involve increased insurance costs, higher capital expenses, and declining stock prices, all of which can have negative effects on the financial situation of the company. Our company is currently assessing the specific financial impacts of extreme weather events and transformational actions. We are formulating response strategies to ensure that the company can adapt to these changes while maintaining financial stability throughout the transition process.

Project	Execution status
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	he process of identifying, assessing, and managing climate risks can be integrated into the overall risk management system through the following steps. (1) Risk Identification: Based on the company's business characteristics, climate risk and opportunity identification are conducted annually (2) Risk Assessment: The integration of overall risk assessment is conducted collaboratively with relevant responsible units.
5.If using scenario analysis to assess resilience to climate change risks, it should include descriptions of the scenario, parameters, assumptions, analysis factors, and major financial impacts.	Scenario analysis is a strategic planning tool used to assess possible future scenarios and understand their impact on the organization. The company has not yet utilized scenario analysis for evaluation but is carefully considering its use to enhance resilience to climate change risks.
6. If there is a transformation plan to manage climate-related risks, provide details of the plan's contents, as well as indicators and objectives used for identifying and managing physical and transitional risks. •	The actual transformation plan needs to be tailored to the specific circumstances of the company. Before implementation, the company must conduct detailed risk assessments and strategic planning to mitigate the impacts of climate change and transitional risks, viewing them as business opportunities. Currently, our company does not have a transformation plan in place to address extreme weather-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	Internal carbon pricing can measure and manage the cost of carbon emissions. Our company has not implemented internal carbon pricing yet. Prior to implementation, strategies and plans needed will be developed based on the specific circumstances of the company to establish the actual internal carbon price.
8. If climate-related goals are set, information should be provided on the activities covered, scope of greenhouse gas emissions, planning schedule, annual progress achieved, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the goals, details should be provided on the source and quantity of offset carbon emissions or the quantity of RECs exchanged.	Setting climate-related goals can help the company strategically reduce carbon emissions to adapt to climate change. The company will set climate-related goals for the fiscal year 2023, having completed the baseline year assessment, and will conduct detailed risk assessments and strategic planning for activities, emission scopes, and timelines to inform the goal-setting process. Greenhouse gas emission scopes: Scope 1: Direct greenhouse gas emissions from stationary combustion sources, mobile combustion sources, and fugitive emission sources. Scope 2: Indirect greenhouse gas emissions from purchased electricity. Scope 3: Indirect greenhouse gas emissions from transportation, including upstream and

	downstream transportation emissions, employee commuting, visitor and employee travel. Scope 4: Indirect greenhouse gas emissions from the use of products by the organization, including upstream production emissions from resources and raw materials, emissions from waste transportation, and downstream disposal emissions. Planning schedule: Data collection for the previous year is conducted in the first quarter of each year, followed by certification in the second quarter.
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans (also filled in sections 1-1 and 1-2).	The company established a baseline year for inventory in 2023 and will separately formulate reduction targets, strategies, and specific action plans based on the inventory results.

1-1 Recent two years' greenhouse gas inventory and assurance status of the company: Not applicable.

(VIII) Performance of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons:

Assessed Items			Implementation Status	Non-implementation and its
Assessed items	Yes	No	Summary and Explanation	reasons
 I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (I) Does the company have a clear 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		(I) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct", which are disclosed on the Company's website, in order to promote the policy of ethical management. The Company's internal management and external business activities are carried out in compliance with Ethical Corporate Management Best Practice Principles.	compliance with Articles 4,
(II) 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 paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		relevant laws and regulations specifying the procedures, guidelines for conduct, disciplinary actions and grievance system. The Company also defines misconduct in order to specify the	The Company is in compliance with Articles 2, 6, and 10-14 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(III)Special Assistance: Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	V		(III) The Company has established "Procedures for Ethical Management and Guidelines for Conduct", which are coordinated by the President's Office to prevent the occurrence of any illegal cases and to prevent the occurrence of unethical behavior through mechanisms such as audits by internal auditors and communication channels with external stakeholders. A review is also conducted periodically to revise the aforesaid procedures.	The Company is in compliance with Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Assessed Items				Implementation Status	Non-implementation and its
Assessed items	Yes	No		Summary and Explanation	reasons
II. Ethic Management Practice					
(I) Whether the company has assessed the ethics	V		(I)	We assess the legitimacy of new business contacts and the history	The Company is in
records of whom it has business relationship				of dishonesty before establishing business relationships with	compliance with Article 9 of
with and include business conduct and ethics				others to ensure that they are conducted in a fair and transparent	the Ethical Corporate
related clauses in the business contracts?				manner and do not solicit, offer nor accept bribes. Although it is	Management Best Practice
				not fully included in the contract between the parties, it will be	Principles for TWSE/GTSM
				included in the future when new contracts are signed.	Listed Companies.
(II) Whether the company has set up a unit which	V		(II)	The President's Office is responsible for promoting and	The Company is in
is dedicated to promoting the company's				overseeing the implementation of this policy and reports to the	compliance with Article 17
ethical standards and regularly (at least once a				Board of Directors annually on the status of the Company's	of the Ethical Corporate
year) reports directly to the Board of Directors				ethical management. The Company also discloses the "Ethical	Management Best Practice
on its ethical corporate management policy and				Corporate Management Best Practice Principles" and the	Principles for TWSE/GTSM
relevant matters, and program to prevent				"Procedures for Ethical Management and Guidelines for Conduct"	Listed Companies.
unethical conduct and monitor its				on the Company's website to encourage all employees and related	
implementation?)				parties to implement the ethical management policy.	
(III) Whether the company has established policies	V		(III)	In order to prevent conflicts of interest, the Company has	The Company is in
to prevent conflict of interests, provide				established the "Procedures for Ethical Management and	compliance with Articles 19
appropriate communication and complaint				Guidelines for Conduct" and the "Rules of Procedure for Board of	and 23 of the Ethical
channels and implement such policies				Directors Meetings" to specifically regulate practices and	Corporate Management Best
properly?				handling procedures and also to provide relevant reporting	Practice Principles for
				channels. The director, supervisor and managerial officer of the	TWSE/GTSM Listed
					Companies.
				director, supervisor and managerial officer or juristic person	
				represented by the them are interested party with respect to any	
				proposal for the Board of Directors, the director, supervisor and	
				managerial officer shall state the important aspects of the	
				interested party relationship at the Board of Directors. When	
				the relationship is likely to prejudice the interests of the Company,	
				the director, supervisor and managerial officer may not participate	
				in discussion or voting on that proposal and shall enter recusal	
				during the discussion and voting. The director also may not act as	

Assessed Items			Implementation Status	Non-implementation and its
Assessed items	Yes	No	Summary and Explanation	reasons
			another director's proxy to exercise voting rights on that matter.	
(IV) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	V		(IV) The accounting system and internal control system established by the Company are audited by internal auditors as planned. The Company also performs self-evaluation on the internal control system annually and appoints PwC to perform audits to ensure the effectiveness of the design and implementation of the internal control system.	The Company is in compliance with Article 20 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(V) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(V) We take the initiative to send our employees to participate in external training and seminars on ethical management, and share successful stories of other companies in our regular meetings to promote and educate our employees on the importance of ethical management.	No material difference.
III. Implementation status of whistleblowing				
procedures (I) Does the company establish specific whistleblowing and reward procedures, set up conveniently accessible reporting channels, and designate responsible personnel to handle the reports received?	V		(I) At the 6th meeting of the 10th term of the Board of Directors on March 16, 2016, the Company resolved to establish "Procedures for Ethical Management and Guidelines for Conduct", which specifies the responsible unit, reporting channels, handling procedures, rewards and punishments, and complaint system. Please refer to the Company's website (http://www.wanshih.com.tw) → Corporate Social Responsibility → Major Internal Regulations. The Company discloses the contact information on the Company's website for anyone who finds that the Company's employee has violated the ethical management policy, he/she can directly report to the Company. The Company also has an internal mailbox for employees and related personnel to report any misconduct.	The Company is in compliance with Article 23 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(II) Whether the company has established standard operation procedures for investigating the	V		(II) The Company's "Procedures for Ethical Management and Guidelines for Conduct" have specified a whistleblowing system.	The Company is in compliance with Article 23

Assessed Items			Implementation Status	Non-implementation and its
Assessed items	Yes	No	Summary and Explanation	reasons
complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?				of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(III) Does the company adopt proper measures to prevent improper treatment from retaliation for whistleblower?	V		(III) Based on the "Procedures for Ethical Management and Guidelines for Conduct", the Company shall keep the whistleblower's identification and the content of the report confidential, and shall commit to protect the whistleblower from being improperly punished as a result of filing the report.	The Company is in compliance with Article 23 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
IV. Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	V		Guidelines for Conduct" on the Company's website. The Company also discloses the implementation status of the ethical management and the measures taken on the Company's website and annual report. The	The Company is in compliance with Article 25 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

- V. If the company has its own ethical corporate management best practice principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please state the differences between its operation and the principles:

 In order to strengthen the ethical corporate culture and sustainable business environment, we have established the "Ethical Corporate Management Best Practice
- Principles" and "Procedures for Ethical Management and Guidelines for Conduct" with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations, in order to specifically regulate our employees in conducting business. There is no difference in the principle and practice of the regulation.
- VI. Other important information to facilitate better understanding of the company's implementation of ethical corporate management:
 - 1. When a proposal at a given Board of Directors concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managerial officers, and other stakeholders attending or present at the Board of Directors of the Company, the concerned person shall state the important aspects of the relationship of interest at the given Board of Directors. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.
 - - (IX) Disclose the inquiry method if the company has formulated the code of corporate governance and relevant rules and regulations: Please refer to the Company's website (http://www.wanshih.com.tw) → About us → Corporate Social Responsibility → Corporate Governance Structure.
 - (X) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed: None.

(XI) The implementation status of the company's internal control system:

1. The statement of the Internal Control System of the Company Wanshih Electronic Co., Ltd.

The statement of the Internal Control System of the Company.

Date: March 13, 2024

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

- I. The Company's Board of Directors and managerial officers are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The judgment items of the internal control system adopted in the "Regulations" are the process of management control, and the internal control system is divided into the following five components: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervision operation. There are several items in each key components. Please refer to the Regulations for the preceding items.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. Based on the findings of such evaluation, the Company believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
- VI. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the Board of Directors of the Company on March 13, 2024. Of the <u>9</u> directors present, there was <u>no</u> objection, and the rest agreed with the contents of this Statement.

Wanshih Electronic Co., Ltd.

Chairman: Lake Chang

President: Lake Chang

- 2. If CPA was engaged to conduct a special audit of internal control system, provide its audit report : None.
- (XII) During the most recent year and up to the date of printing of the annual report, the punishment of the company and its insiders in accordance with the law, the company's punishment on its insiders for violating the provisions of the internal control system, and the major deficiencies and improvement: None.
- (XIII) Important resolutions of shareholders' meetings and Board of Directors in the most recent year and as of the date of printing of the annual report.
 - 1. Important resolutions and implementation status of the 2023 Annual Shareholders' Meeting.

Date	Proposals	Implementation status
	Adoption of the 2022 Business Report and Financial Statements.	The Company has announced and disclosed the information on MOPS.
2023.06.09 Regular Shareholders Meeting	Adoption of the 2022 loss offset proposal.	The Company's beginning retained earnings in 2022 were NT\$34,094,160, adding adjustment to retained earnings of NT(\$5,872,563) and subtracting the after-tax loss of NT\$66,109,154 for the current period, the year-end accumulated deficit stands at NT\$37,887,557. The disclosure process on the public information website has been completed.
	Approved the amendments to the Company's "Shareholders' Meeting Rules".	The Company has operated in accordance with the amended Shareholders' Meeting Rules.
	Approved the amendments to the Company's "Procedures for the Acquisition or Disposal of Assets".	The Company has operated in accordance with the amended Procedures for the Acquisition or Disposal of Assets.

2. Important resolutions of the Board of Directors for the year 2023 and up to the publication date of the annual report:

			Matters		Company's
			listed in		Response to
			Article 14-	Opinion	Independent
Date	Meeting	Proposals	3 of the	from all	Director's
Date	Session	Troposais	Securities	independent	Dissenting
			and	directors	Opinion or
			Exchange		Qualified
		Act		Opinion	
		1. Approved the Company's 2022 financial	V		
		statements.			
		2. Approve the Year 2022 loss offset proposal.			
		3. Approved the arrangements for convening the			
	The 11th	2023 Annual Shareholders' Meeting of our			
2023.03.17	meeting	company.		None	None
	of the	4. Approved the renewal of the credit line between		2,0220	- 1 3 - 2 2
	12th term	Suzhou Wanshih Electronic Components Co.,	V		
		Ltd. and the Shanghai Commercial Bank, with			
		endorsement guarantee provided by the parent			
		company.			

Date	Meeting Session	Proposals	Matters listed in Article 14- 3 of the Securities and Exchange Act	Opinion from all independent directors	Company's Response to Independent Director's Dissenting Opinion or Qualified Opinion
		5. Handling the credit limits and renewal cases between our company and the Taiwan Cooperative Bank.			- Spinou
		6.Approved the replacement of the CPA.7.Approved the assessment and appointment of the company's certified public accountant for their independence and suitability.	V V		
		8.Approved the 2022 "Statement of Internal Control System" of the Company. 9.According to the resolution made by the	V		
		Compensation Committee on January 13, 2023, the amount of year-end bonuses for managers for the fiscal year 2022 has been determined. 10. Approved the amendments to the Company's			
		"Shareholders' Meeting Rules". 11.Approved the amendments to the Company's "Procedures for the Acquisition or Disposal of Assets".	V		
		12.Approved the amendments to the Company's "Board Meeting Regulations".			
		 Approved the Company's financial statements for Q1 2023. Approval of the issuance of new shares through the conversion of domestically secured convertible corporate bonds for the second time and setting the record date for capital increase. 	V		
2023.05.12	The 12th meeting of the 12th term	 3.Approval of the provision of a \$1 million loan to our subsidiary, Vietnam Wanshih Electronic Components Co., Ltd. 4.Approval of appointments and dismissals for the head of corporate governance at our company. 	V	None	None
		 5.Approval of the extension of the credit line between our company and the bank (Hua Nan Commercial Bank). 6.Approval of the proposed pre-approval for auditing accounting firms and their related entities to provide non-assurance services to our company and its subsidiaries. 			
2023.08.09	The 13th meeting of the 12th term	 Approved the Company's financial statements for Q2 2023. Approval of the amendment to the budget plan for the fiscal year 2023 by our company. Approval of a \$1.5 million loan to our subsidiary, Suzhou Wanshih Electronic Components Co., Ltd. Approval of the extension of the credit line between our company and the banks (Cathay United Bank and KGI Bank). 	V	None	None

Date	Meeting Session	Proposals	Matters listed in Article 14- 3 of the Securities and Exchange Act	Opinion from all independent directors	Company's Response to Independent Director's Dissenting Opinion or Qualified Opinion
		 5.Approval of the sale of Wonderful Hi-Tech stock investment by our company. 6.Approval of the amount for special bonuses to senior managers of our company, as resolved by the Compensation Committee on June 9, 2023. 7.Approval of the amount for operational profit bonuses to senior managers of our company, as resolved by the Compensation Committee on June 9, 2023. 			·
2023.11.10	The 14th meeting of the 12th term	 Approved the Company's financial statements for Q3 2023. Approval of the extension of the credit line between our company and the banks (Mega International Commercial Bank, the Shanghai Commercial Bank, Yuanta Commercial Bank, Hua Nan Commercial Bank). Approval of appointments and dismissals for the head of information security at our company. 		None	None
2023.12.20	The 15th meeting of the 12th term	 1.Approval of the establishment of the operational plan for the fiscal year 2024 by our company. 2.Approval of the extension of the credit line between our company and the bank (CTBC Bank). 3.Approval of the application for the renewal of the credit line between Suzhou Wanshih Electronic Components Co., Ltd. and CTBC Bank, with the endorsement guarantee provided by the parent company. 4.Approval of the establishment of the internal audit plan for the fiscal year 2024 by our company. 	V	None	None
2024.03.13	The 16th meeting of the 12th term	 Approved the Company's 2023 financial statements. Approved the Company's 2023 financial statements. Approval of the proposal to elect new directors (including independent directors) as the term of office for current directors of our company has expired. Approval of the list of director nominees (including independent directors) nominated by the Board of Directors of our company. Approval of the resolution to lift the prohibition on director's competitive activities. Approval of arrangements for convening the 2024 Annual General Meeting of Shareholders. 	V	None	None

Date	Meeting Session	Proposals	Matters listed in Article 14- 3 of the Securities and Exchange Act	Opinion from all independent directors	Company's Response to Independent Director's Dissenting Opinion or Qualified Opinion
		 7. Approval of the extension of the credit line between our company and the bank (Taiwan Cooperative Bank). 8. Approval of the assessment and appointment of independent auditors for our company, ensuring their independence and suitability. 9. Approval of the amount for year-end bonuses to senior managers for the fiscal year 2023, as resolved by the Compensation Committee on January 23, 2024. 10. Approval of the salary adjustment for senior managers of our company, as resolved by the Compensation Committee on January 23, 2024. 11. Approval of the 'Internal Control System Statement' for the fiscal year 2023 by our company. 12. Approval of the amendment to the 'Procedure for Loans to Others' by our company. 13. Approval of the amendment to the 'Audit Committee Organization Rules' by our company. 14. Approval of the amendment to the 'Shareholders' Meeting Rules' by our company. 15. Approval of the amendment to the 'Board Meeting Regulations' by our company. 	V		

- (XIV) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.
- (XV) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's personnel related to the financial statement reporting include Chairman, President, Head-Finance & Accounting, Chief Financial Officer, Chief Internal Auditor, Chief Corporate Governance Officer, and Chief Research and Development Officer: None.

V. Information Regarding the Company's CPAs

Accounting firm	Name of CPA		Name of CPA		Audit period	Remark
PwC Taiwan	Po- Chuan Lin	Chun- Yao Lin	2023	None		

Unit: NTD Thousands

Fe	Professional Fees e Range	Audit Fees	Non-Audit Fees	Total
1	Under \$2,000 thousand		283	283
2	\$2,000 thousand (included) to \$4,000 thousand	3,021		3,021
3	\$4,000 thousand (included) to \$6,000 thousand			
4	\$6,000 thousand (included) to \$8,000 thousand			
5	\$8,000 thousand (included) to \$10,000 thousand			

Unit: NTD Thousands

				Non-Au	dit Fees			CPA's		
Accounting firm	Name of CPA	Audit Fees	System (policy) design	Business Registration	Human resource	Others	Subtotal	Andit	Remark	
PwC Taiwan	Po- Chuan Lin Chun- Yao Lin	3,021				283	283		1.Assist in translating in Japanese 2.Issuance of transfer pricing report 3.Tax auditing	

- (I) The proportion of non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises is at least one-fourth of the audit fees: No such situation.
- (II) If the accounting firm is changed and the audit fee paid in the year of change is less than that in the year before the change, disclose the amount and percentage of and reason for the reduction inaudit fees: No such situation.
- (III) The audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10% or more, disclose the amount and percentage of and reason for the reduction in audit fees: No such situation.

VI. Information on replacement of certified public accountant

(I) Regarding the former accountant

Change the date	March 17, 2023						
	Due to internal organizational adjustments at PricewaterhouseCoopers,						
D	starting from the financial statements for t	he first quarter of	2023, the				
Reasons for the change and explanation	signing auditors have been changed from Accountant Po-Chuan Lin and						
CAPILITATION	Accountant Shu-Chiung Chang to Accountant Po-Chuan Lin and						
	Accountant Chun-Yao Lin.	Accountant Chun-Yao Lin.					
Explanation regarding	Parties Involved						
termination or refusal of	Situation	Accountant	Appointor				
appointment by either the	Voluntary termination of appointment						
appointor or the accountant	Decline (to continue) appointment.	V					

The opinions and reasons stated in the audit reports issued within the last two years, excluding unqualified opinions	None					
Whether there are any differing opinions with the issuer	Yes None Explanation	V	Accounting principles or practices Disclosure of financial reports Audit scope or procedures Other			
Other disclosure matters (to be disclosed in accordance with Article 10, Paragraph 6, Sub-paragraphs 4 to 7 of this standard)			Not applicable			

(II) Regarding the successor accountant

The name of the firm	PwC Taiwan
Accountant's name	Accountant Chun-Yao Lin
Date of appointment	March 17, 2023
Consultations and outcomes	
regarding accounting treatment	
methods or principles for specific	Not applicable
transactions prior to appointment, and	••
potential opinions on financial	
reporting	
Written opinions of the successor	
accountant regarding areas of	Not applicable
disagreement with the former	not applicable
accountant	

(III) The former accountant's response regarding the items 1 and 3 of Article 10, Paragraph 6 of this standard: Not applicable.

VII. Whether the chairman, president, or managerial officer in charge of financial or accounting affairs of the company has worked in the firm of the CPAs or its affiliated enterprises in the past year: None.

VIII. For the most recent year and as of the publication date of the annual report, equity transfer and equity pledge by directors, supervisors, managerial officers an shareholders with a shareholding ratio of more than 10%

(I) Changes in shareholdings:

Unit: shares

					Offic. shares
		2023		As of April	1 15, 2024
Position	Name	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman/General manager	Lake Chang	40,000	0	0	0
Director	Wonderful Hi- Tech Co., Ltd.	(319,000)	0	0	0
Director	Representative: Ringo Chang	0	0	0	0
Director	Asahi Communications Co., Ltd.	0	0	0	0
Director	Representative: Kanno Takanobu	0	0	0	0
Director	Japan Automatic Machine Co., Ltd.	0	0	0	0
Director	Representative: Mizuno Masafumi	0	0	0	0
Independent Director	Tu-Tsun Tsai	0	0	0	0
Independent Director	Jui-Ming Chang	0	0	0	0
Independent Director	Chao-Hsiang Cheng	0	0	0	0
Independent Director	Cheng-Ho Hsiao	0	0	0	0
Director/Vice President	Ping-Che Lee	0	0	0	0
Vice President	Jung-Nan Lien	0	0	0	0
Finance manager/Corporate governance officer	Wen-Yi Chu(Note 2)	0	0	0	0
Division Assistant Vice President, Administrative Division/Information security officer	Chih-Chuan Kuo(Note 3)	0	0	0	0
Division Assistant Vice President, Wire (Harness) Division	Chih-Hao Tu(Note 1)	0	0	0	0
Division Assistant Vice President, Millimeter Wave Division	Yu-Cheng Lin(Note 2)	0	0	0	0

Note 1: The company's personnel changes dated 2023/03/01 only reveal term of service information.

Note 2: The company's personnel changes dated 2023/06/01 only reveal term of service information.

Note 3: The company's personnel changes dated 2023/12/01 only reveal term of service information.

(II) Information on the share transfer:

April 15, 2024

Name	Reason for transferring the share	Transaction Date	Trading Counterpart	Relationship between the trading counterpart and the company, the directors, supervisors, managerial officers and shareholders holding more than 10% of the shares	Number of Share	Transaction price
Wen-Yi Chu	Amendment	2023/02	None	None	2,005	-
Wonderful Hi-Tech Co., Ltd.	Disposed	2023/04	Sold from OTC	None	70,000	-
Wonderful Hi-Tech Co., Ltd.	Disposed	2023/05	Sold from OTC	None	249,000	-
Lake Chang	Acquired	2023/08	Acquired from OTC	None	10,000	-
Lake Chang	Acquired	2023/10	Acquired from OTC	None	30,000	-

(III) Information on the share pledge:

Unit: Thousand Shares

Name	Reasons for pledge change	Date of change	I radıng	Relationship between the trading counterpart and the company, the directors, supervisors, and shareholders holding more than 10 percent of the shares	Number of Share	Shareholding %	Pledge %	Amount pledged	
	None								

IX. Information on the relationship among the top ten shareholders in terms of shareholding ratio who are related persons, spouses or second-tier relatives

April 15, 2024

Name	Number of s in per	son	Number of shares held by spouse and children of minor age		shares he other p	nes	The names and relationships of the top ten shareholders who are related parties or are related to each other as a spouse or second degree of kinship	
	Number of Share	Share holding (%)	Number of Share	Share holding (%)	Number of Share	Share holding (%)	Name (or Name)	Relation
Wonderful Hi- Tech Co., Ltd.	17,497,272	24.11	0	0	0	0	None	None
Wonderful Hi- Tech Co., Ltd. Representative: Ringo Chang	33,930	0.05	39,251	0.05	0	0	Lake Chang	father and son
Asahi Communications Co., Ltd.	13,723,175	18.91	0	0	0	0	None	None
Asahi Communications Co., Ltd. Representative: Kanno Takanobu	282,198	0.39	0	0	0	0	None	None
FCN Fullconn Industry Inc.	5,000,000	6.89	0	0	0	0	None	None
Japan Automatic Machine Co., Ltd.	1,620,262	2.23	0	0	0	0	None	None
Representative of Japan Automatic Machine Co., Ltd.: Mizuno Masafumi	33,892	0.05	0	0	0	0	None	None
Lake Chang	1,330,000	1.83	0	0	0	0	Ringo Chang	father and son
Ren-Hao Liao	411,000	0.57	0	0	0	0	None	None
Hsiang-Liang Sung	377,000	0.52	0	0	0	0	None	None
Shao-Ming Hong	355,000	0.49	0	0	0	0	None	None
Shi-Han Zheng	343,000	0.47	0	0	0	0	None	None
Hong-Ren Chen	320,000	0.44	0	0	0	0	None	None

X. The number of shares held by the company, its directors, supervisors, managerial officers and the company's indirectly controlled enterprises in the same reinvested enterprise, and the consolidated shareholding ratio

April 15, 2024 Unit: Thousand Shares; %

	1			O1	iit. Tiious	and Shares, 70	
Investment Business	Invested by	the Company	directors manageria compani	ent made by , supervisors, al officers and es directly or ontrolled by them	Consolidated Investments		
	Number of	Shareholding	Number of	Shareholding		Shareholding	
	Share	(%)	Share	(%)	of Share	(%)	
Wanshih (H.K) Electronic Co., Ltd.	9,593	53.29	7,987	44.38	17,580	97.67	
Suzhou Wanshih Electronic Element Co., Ltd.	-	87.26	-	12.74	-	100.00	
Suzhou Wanshih Optical Communication Co., Ltd.	-	87.26	-	12.74	-	100.00	
Bright Master Co., Ltd.	-	100.00	-	-	-	100.00	
Siyang Wanshih Electronic Element Co., Ltd.	-	87.26	-	12.74	-	100.00	
Dongguan Humen Wanshih Electronic Co., Ltd.	-	53.29	-	44.38	-	97.67	
Weicheng Electronic Element Limited.	-	87.26	-	12.74	-	100.00	
Suzhou Jiuhang Cable Technology Co., Ltd.	-	21.82	-	3.18	-	25.00	
Suzhou Wanying New Energy Technology Co., Ltd.	-	49.86	1	7.28	ı	57.14	
(Thailand) Wanshih Electronic Element Company Limited.	-	100.00	ı	-	1	100.00	
(VIETNAM) Wanshih Electronic Element Company Limited.	-	100.00	-	-	-	100.00	
Data Lake Co., Ltd.	5,100	35.17	2,350	16.89	7,650	52.55	
Millimeter Wave Tech Co., Ltd.	2,300	32.86	100	1.43	2,400	34.29	
Draco Electronics, LLC.	-	60.00	-	-	-	60.00	

I. Capital and Shares

- (I) Source of capital and types of share
 - (1) Source of share capital

April 15, 2024

		A41 •	and comits!	D-:1 '	agnital	1	•	13, 2024
	}	Authori	zed capital	Paid-in	capitai	<u></u>	Remarks	1
Year/ month	Issuance price (NTD)	Shares (in thousand)	Amount (in thousand)	Shares (in thousand)	Amount (in thousand)	Source of share capital	Contribution to share capital with non-cash assets	Others
1987/06	10	20	20,000	20	20,000	Fund for incorporation: \$20,000	None	None
1993/02	10	24	24,000	24	24,000	Capital increase from earnings \$4,000	None	None
1994/05	10	34	34,000	34	34,000	Capital increase from earnings \$10,000	None	None
1997/10	10	46	46,000	46	46,000	Capital increase from earnings \$12,000	None	None
1998/09	10	62	62,000	62	62,000	Capital increase from earnings \$16,000	None	None
1999/12	10	90	90,000	90	90,000	Capital increase from earnings \$28,000	None	None
2000/05	10	20,000	200,000	15,000	150,000	Cash capital increase of \$30,000 Capital increase from earnings \$30,000	None	None
2001/06	10	20,800	208,000	20,200	202,000	Cash capital increase of \$15,000 Capital increase from earnings \$37,000	None	Note 1
2002/09	10	33,000	330,000	26,500	265,000	Cash capital increase of \$30,000 Capital increase from earnings \$33,000	None	Note 2
2003/08	10	33,000	330,000	30,600	306,000	Capital increase from earnings \$41,000	None	Note 3

		Authori	zed capital	Paid-in	capital		Remarks	
Year/ month	Issuance price (NTD)	Shares (in thousand)	Amount (in thousand)	Shares (in thousand)	Amount (in thousand)	Source of share capital	Contribution to share capital with non-cash assets	Others
2004/08	10	57,000	570,000	39,000	390,000	Capital increase from earnings \$53,400 Capital increase from capital surplus \$30,600	None	Note 4
2006/03	10	57,000	570,000	49,000		Cash capital increase of \$100,000	None	Note 5
2006/08	10	57,000	570,000	54,000		Capital increase from earnings \$5,900 Capital increase from capital surplus \$44,100	None	Note 6
2007/08	10	100,000	1,000,000	60,000		Capital increase from earnings \$60,000	None	Note 7
2008/07	10	100,000	1,000,000	66,900	669,000	Capital increase from earnings \$69,000	None	Note 8
2009/02	10	100,000	1,000,000	65,700	657,000	Capital reduced from treasury shares \$12,000	None	Notes 9 and 10
2009/08	10	100,000	1,000,000	68,985	689,850	Capital increase from earnings \$32,850	None	Note 11
2010/08	10	100,000	1,000,000	82,782	827,820	Capital increase from earnings \$137,970	None	Note 12
2012/04	10	100,000	1,000,000	82,680	826,800	Capital reduced from treasury shares \$1,020	None	Note 13
2014/02	10	100,000	1,000,000	89,800	898,000	Cash capital increase of \$71,200	None	Note 14
2016/11	10	100,000	1,000,000	92,800	928,000	Conversion of new shares from corporate bonds \$30,000	None	Note 14
2017/03	10	100,000	1,000,000	94,271	942,706	Conversion of new shares from corporate bonds \$14,706	None	Note 14

		Authori	zed capital	Paid-in	capital	I	Remarks	
Year/ month	Issuance price (NTD)	Shares (in thousand)	Amount (in thousand)	Shares (in thousand)	Amount (in thousand)	Source of share capital	Contribution to share capital with non-cash assets	Others
2020/11	10	150,000	1,500,000	72,580	725,799	Capital reduction for offsetting losses \$266,906 Issuance of new shares (private placement) \$50,000	None	Note 15
2023/05	10	150,000	1,500,000	72,585	725.845	Domestic secured convertible corporate bonds conversion of \$46,000	None	Note 16

- Note 1: Approved by the Securities and Futures Commission of the Ministry of Finance on April 30, 2001 by Letter (90) Tai-Cai-Zheng-(I)-Zi No. 122380.
- Note 2: Approved by the Securities and Futures Commission of the Ministry of Finance on May 30, 2002 by Letter (91) Tai-Cai-Zheng-(I)-Zi No. 128202.
- Note 3: Approved by the Securities and Futures Commission of the Ministry of Finance on June 19, 2003 by Letter (92) Tai-Cai-Zheng-(I)-Zi No. 0920127284.
- Note 4: Approved by the Securities and Futures Commission of the Ministry of Finance on June 4, 2004 by Letter (93) Tai-Cai-Zheng-(I)-Zi No. 0930124744.
- Note 5: Approved by the Financial Supervisory Commission of the Executive Yuan on January 2, 2006 by the Letter Jin-Guan-Zheng-Yi-Zi No. 0940158755.
- Note 6: Approved by the Financial Supervisory Commission of the Executive Yuan on June 21, 2006 by the Letter Jin-Guan-Zheng-Yi-Zi No. 0950125419.
- Note 7: Approved by the Financial Supervisory Commission of the Executive Yuan on July 2, 2007 by the Letter Jin-Guan-Zheng-Yi-Zi No. 0960033432.
- Note 8: Approved by the Financial Supervisory Commission of the Executive Yuan on June 26, 2008 by the Letter Jin-Guan-Zheng-Yi-Zi No. 0970031879.
- Note 9: Approved by the Financial Supervisory Commission of the Executive Yuan on November 4, 2008 by the Letter Jin-Guan-Zheng-San-Zi No. 0970060132.
- Note 10: Approved by the Financial Supervisory Commission of the Executive Yuan on December 31, 2008 by the Letter Jin-Guan-Zheng-San-Zi No. 0970072108.
- Note 11: Approved by the Financial Supervisory Commission of the Executive Yuan on June 24, 2009 by the Letter Jin-Guan-Zheng-Zi No. 0980031548.
- Note 12: Approved by the Financial Supervisory Commission of the Executive Yuan on June 23, 2010 by the Letter Jin-Guan-Zheng-Fa-Zi No. 0990032296.
- Note 13: Approved by the Financial Supervisory Commission of the Executive Yuan on January 20, 2012 by the Letter Jin-Guan-Zheng-Jiao-Zi No. 1010002962.
- Note 14: Approved by the Financial Supervisory Commission of the Executive Yuan on November 20, 2013 by the Letter Jin-Guan-Zheng-Fa-Zi No. 10200441481.
- Note 15: Approved by the Financial Supervisory Commission of the Executive Yuan on November 5, 2020 by the Letter Jin-Guan-Zheng-Fa-Zi No. 1090372043.
- Note 16: Approved by The Ministry of Economic Affairs on May 31, 2023 by the approval letter with reference No. 11230090900.

2. Type of shares

April 15, 2024

Tyma of	Authorized capital			
Type of shares	No. of shares outstanding	No. of shares unissued	Total	Remarks
Common share	72,584,549	77,415,451	150,000,000	

3. Information on Shelf Registration System: Not applicable.

(II) Shareholder structure

April 15, 2024

Shareholder structure Number	Government agencies	Financial institutions	Other legal persons	Individual	Foreign institutions and foreigners	Total
Number of people	0	1	106	10,458	17	10,582
Number of shares held	0	297,964	22,726,732	33,385,407	16,174,446	72,584,549
Shares Ratio	0	0.41%	31.31%	46.00%	22.28%	100%

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

(III) Diffusion of ownership of common shares

April 15, 2024

April 13				
Range of no. of shares held	Number of shareholders	Number of shares held	Shareholding (%)	
1 to 999	5,460	554,300	0.76%	
1,000 to 5,000	4,017	8,431,486	11.62%	
5,001 to 10,000	583	4,590,797	6.32%	
10,001 to 15,000	160	2,038,769	2.81%	
15,001 to 20,000	107	1,980,575	2.73%	
20,001 to 30,000	90	2,354,354	3.24%	
30,001 to 40,000	57	2,037,394	2.81%	
40,001 to 50,000	17	756,437	1.04%	
50,001 to 100,000	45	3,291,927	4.54%	
100,001 to 200,000	33	4,741,639	6.53%	
200,001 to 400,000	7	2,225,162	3.07%	
400,001 to 600,000	1	411,000	0.57%	
600,001 to 800,000	0	0	0.00%	
800,001~ 1,000,000	0	0	0.00%	
1,000,001 or above	5	39,170,709	53.96%	
Total	10,582	72,584,549	100.00%	

April 15, 2024

Shares Name of major shareholder	Number of shares held	Shareholding (%)
Wonderful High-tech Co., Ltd.	17,497,272	24.11
Asahi Communications Co., Ltd.	13,723,175	18.91
Fullconn Industry Inc.	5,000,000	6.89
Japan Automatic Machine Co., Ltd.	1,620,262	2.23
Lake Chang	1,330,000	1.83
Hsiang-Liang Sung	377,000	0.52
Ren-Hao Liao	411,000	0.57
Shao-Ming Hong	355,000	0.49
Hong-Ren Chen	320,000	0.44
Shi-Han Zheng	343,000	0.47
Total	40,976,709	56.46

(V)Share price, net worth per share, earnings per share, and dividends per share information

() /	8			
Item	Year	2022	2023	As of March 31 of the current year (Note 8)
Share price	Highest	33.2	29.75	23.5
	Lowest	15.8	18.45	18.7
(Note 1)	Average	26.01	24.67	21.54
Net worth per share	Before distribution	10.23	10.02	10.23
(Note 2)	After distribution	-	-	-
Earnings per share (EPS)	Weighted average number of shares (thousand shares)	72,580	72,584	72,584
	Earnings per share (Note 3)	(0.91)	(0.67)	(0.20)
Dividends per share	Cash dividends	0.1	-	-
	Bonus	-	-	-
	shares	-	-	-
	Cumulative unpaid dividends (Note 4)	-	-	-
Return on investment	Price earnings ratio (Note 5)	NA	NA	NA
	Price-dividend ratio (Note 6)	260.1	-	-
	Cash dividend yield (Note 7)	0.38%	-	-

- * If shares are distributed in connection with a capital increase out of earnings or capital surplus, 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 yearend. 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.

(VI) Dividend policy and implementation status

1. Dividend policy as stipulated in the Company's Articles of Incorporation: When the Company makes a profit in a year, 2% to 5% of the pre-tax profit before deducting the remuneration to employees and remuneration to directors and supervisors shall be appropriated as employees' compensation and up to 2% as remuneration to directors and supervisors. However, the Company should reserve the amount to make up for any accumulated losses in advance.

The distribution of employees' compensation shall be resolved by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting.

When the Company's annual final accounts show a surplus, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total paid-in capital. The Company also sets aside or reverses the special reserve depending on the Company's operating needs and legal regulations, and if there is still a surplus, the Board of Directors shall, proposes a resolution to the shareholders' meeting to distribute the remaining surplus together with the accumulated undistributed surplus from previous years, and the amount of the distribution shall not exceed 75% of the current year's after-tax earnings. The Company's dividend policy is divided into cash dividends and stock dividends, of which cash dividends shall not be less than 10% of the total dividends, except that if the cash dividend per share is less than \$0.10, stock dividends may be paid instead.

2. The proposed distribution of dividends at the shareholders' meeting is as follows: The Company has proposed the following statement of profit and loss distribution for fiscal 2023 as a result of net loss after tax:



<u>Item</u>	Amount	
Unappropriated retained earnings at the beginning of the period	(37,887,557)	
Add: Retained earnings adjustment for fiscal 2023(Note 1)	56,949,353	
Add: Net loss after tax for fiscal 2023	(48,770,843)	
Deficit yet to be compensated at the yearend	(29,709,047)	

Note 1: The actuarial gain of \$340,946 on the benefit plan due to actuarial report adjustments, income taxes related to components of other comprehensive income and loss (\$68,189), changes in ownership interests in subsidiaries (\$580,972) and Disposal of equity instruments measured at fair value through other comprehensive income amounted to \$57,257,568.

Chairman: Lake Chang



Managerial officer: Lake Chang



Head-Finance&Accounting:

Wen-Yi Chu



Unit: NT\$

(VII) Impact of the stock dividend distribution proposed by the shareholders' meeting on the Company's operating performance and earnings per share: There is no stock dividend distribution proposed to this shareholders' meeting, so it is not applicable.

(VIII) Employees' Compensation and Remuneration to Directors and Supervisors

- 1. The information on the employees' compensation and remuneration to directors and supervisors in Articles of Incorporation is as follow:
 - Article 27: When the Company makes a profit in a year, 2% to 5% of the pre-tax profit before deducting the remuneration to employees and remuneration to directors and supervisors shall be appropriated as employees' compensation and up to 2% as remuneration to directors and supervisors.

 However, the Company should reserve the amount to make up for any accumulated losses in advance. The distribution of employees' compensation shall be resolved by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting.
- 2. The basis for estimating the amount of employees' compensation, remuneration to directors and supervisors is to allocate 2% to 5% of the pre-tax profit before deducting employees' compensation and remuneration to directors and supervisors as employees' compensation, and up to 2% as directors' and supervisors' compensation. Any difference between the actual distribution amount and the estimated amount is recognized as current expense in the year of distribution.
- 3. Remuneration distribution approved by the Board of Directors: The Company's net loss after tax for 2023 is NT\$48,770,843. In accordance with the Company's Articles of Incorporation, no employee and director compensation will be paid due to the loss for the year.
- 4. The actual distribution of employees' compensation and remuneration to directors and supervisors in the previous year:

Unit: NTD Thousands

	March 17, 2023	June 09, 2023	
Item	Resolved by the	Resolved by the	Difference
	Board of Directors	Board of Directors	
Remuneration to directors and	-	-	-
supervisors			
Employee bonuses are paid in cash	-	_	-
Employee bonuses are paid in stock	-	1	ı

(IX) The company's buyback of its shares: None.

II. Issuance of Corporate Bonds:

(I) Issuance of corporate bonds

Corporate bond type	The second domestic secured convertible bond				
Issuance (processing) date	June 14, 2022				
Face Value	NT\$ 100,000				
Issuance and transaction place	Issued domestically and listed on the TPEx				
Issue price	NT\$ 116.2300				
Total amount	NT\$ 200,000,000				
interest rate	Coupon rate 0%				
Maturity	Three years				
Maturity	Maturity date: June 14, 2025				
Guarantee institution	CTBC Bank Co., Ltd.				
Trustee	The Shanghai Commercial & Savings Bank, Ltd.				
	CTBC Securities Co. Ltd.				
Underwriting institution	Taiwan Cooperative Securities Investment Trust Co., Ltd.				
	Tachan Securities CO.,Ltd.				
Certified public lawyer	Handsome Attorneys-at-law Attorney Yang-Wen Chiu				
Certified public accountants	PwC Taiwan CPA Po-Chuan Lin, CPA Shu-Chiung				
Certified phone decountains	Chang				
	The principal shall be repaid in cash at face value upon				
Repayment Methods	maturity, except in cases of conversion by the creditor,				
FJ	early redemption by the Company, early resale by the				
	creditor, or repurchase and cancellation by the Company.				
Outstanding principal	NT\$ 199,900,000				
Covenants for redemption or early	Please refer to the prospectus of this convertible bond for				
repayment	further information.				
Restrictive covenants	None				
Name of credit rating agency, rating	None				
date, rating result of corporate bonds					
As of the printing date of this annual					
report, converted amount of	4,651 shares				
(exchanged or subscribed) ordinary	1,001 516105				
shares, GDRs or other securities					
itta itta	For more details, please refer to the Market Observation				
(exchanged or subscribed) ordinary shares, GDRs or other securities Issuance and conversion, exchange	Post System (at http://mops.twse.com.tw). Click on				
or subscription method	investment section/Corporate Bonds and look for company				
	code "6134".				
Issuance and conversion, exchange or					
subscription method, issuing condition	Not applicable				
dilution and impact on existing	Transfer and the second				
shareholders' equity					
Name of transfer agent for the transfer	Not applicable				
subject matter	**				

(II) Information on corporate bond conversion

Corporate	bond type	Second domestic secured convertible bonds			
Year Item		2023	Up to April 15, 2024 for the current year		
Market price	Highest	132.00 119.65			
of the	Lowest	106.00	106.25		
corporate bond	orporate bond Average		114.30		
Conversi	on price	21.50 21.50			
Issue date and	d conversion	June 14, 2022			
price at i	ssuance	21.60			
Performance of obligation			Issuance of new shares		

- (III) Detailed information on convertible corporate bonds: None.
- (IV) Summary of bonds issues: None.
- (V) Detailed information on corporate bonds with warrants: None.
- III. Issuance of Preferred Shares: None.
- IV. Issuance of Global Depositary Receipt: None.

V. Exercise of employee share subscription warrants

- (I) Employee subscription warrants: None.
- (II) Names and Acquisition and Subscription Status of Managerial Officers Who Have Acquired Employee Share Subscription Warrants and the Top Ten Employees (Ranked by the Number of Subscribed Shares) Who Have Acquired Share Subscription Warrants: None.
- VI. New restricted employee shares: None.
- VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.
- VIII. Implementation of the company's capital allocation plans: None.

I. Business Content

- (I) Scope of businesses
 - 1. Major lines of business
 - (1) Cable assembly and related components assembly and sales.
 - (2) Electronics components manufacturing.
 - (3) Finished product assembly service.
 - (4) R&D, design, manufacture and sales of mechanical equipment.
 - (5) R&D, manufacturing and sales of automobile safety management system equipment.
 - (6) The SMT surface mounting and precision processing services and the overall mechanism design, assembly, testing and packaging services.
 - (7) Development and manufacturing of WIFI6(6E) and WiFi 7 antennas.
 - (8) Millimeter wave (mmWave) radar.

2. Revenue proportion

Unit: NTD Thousands

Product Name	Operating revenue in	Weight of operating
Floduct Name	2023	revenue
Automobile Electronics	279,798	25%
Video Surveillance	273,806	24%
Netcomm Industrial Control	235,482	21%
Computer Wiring	132,200	12%
Medical Products	74,773	7%
TV Products	41,155	4%
SMT Modules	2,682	0%
Other Products	83,152	7%
Total	1,123,048	100%

- 3. The Company's current main products and services
 - (1) Wire Harness:

Includes internal and external wire harnesses for IT products.

The products applied to consumer electronics and smart home products include: NB, tablet PC, smart TV, smart phone, smart control appliance, wearable device, drone, AR/VR smart device, desktop computer, industrial computer, monitor, projector, digital camera, DVD, digital video recorder and other digital products. Cable for medical equipment is used in ultrasound, ECG, endoscopy and other devices.

- <1>Automobile wire: applied to automobile peripherals, electric vehicles such as surround-view display, window lift, instrumentation, audio-visual entertainment system, digital instrument panel (large screen display), central control system, etc. and electric bicycle related.
- <2> Energy Storage: applied to internal and external connections of green energy light storage/charging related equipment, including inverters, stack batteries, charging piles. Products cover various applications such as small household energy storage, AIO commercial energy storage, and container-type large-scale energy storage power stations.
- <3>Wires for the industrial control industry : applied to electrical equipment, smart meters, servers, robotic arms, and waterproof and special specification

grade wire sets.

(2) Antenna:

Includes internal and external antenna, MIMO antenna, LTE antenna, WiFi antenna, Bluetooth antenna, Sub6G antenna, for IT products. The applications cover smart home networking devices, smart city networking devices, small base stations, security monitors, industrial networking devices, medical networking devices, smartphones, NBs, tablets, OCAs, PCs, TVs, and other products.

(3) SMT surface mounting:

Applied to cell phone and NB fingerprint module, camera module, car LCD dashboard, car audio-visual entertainment navigation module, car windows, air conditioner, defogger, gearshift, Buzzers, smart network cards for automotive T-box (telemetric box) and servers and other control modules.

(4) On mmWave:

Including 24GHz/60GHz radar for bio signal detection and presence detection

4. New products planned for development

- (1) USB 4 Gen3 C to C cable (40G) with high-speed transmission cable and PD function, which can reach 5A/48V/240W and has been certified by USB-IF Association. In response to the customization requirements for cable lengths used in consumer applications and AR/VR, we will develop USB 4 Active Cables of long meter lengths to enhance the comprehensiveness of product lineups.
- (2) In response to the high-frequency/high-speed/high-resolution gaming and high-definition screen requirements of consumer displays, internal wiring will undergo the development of LVDS high transmission rate 5G or above harnesses. For instance, high-frequency server cables like SLIM/MINI SAS and MCIO 16G. The materials required for these, such as low-loss SUPER LOW LOSS wire specifications, can also be applied to servers, autonomous vehicles, and high-speed data transmission equipment.
- (3) To promote the Xpert Gear brand, in addition to increasing the development of high-speed wire such as USB4 and HDMI 2.1, we also added multi-materials for the new brand products, and introduced bending resistant wire with metal structure to highlight the diversity of customized products. We have launched the Xpert Gear brand on domestic and overseas e-commerce platforms and we plan to introduce the cross-border e-commerce operations to promote new products through the B2C2B model. We will combine GaN (gallium nitride) chargers and peripheral products to expand the breadth and depth of our products and enhance the diversity and added value to our brand.
- (4) The high end gaming market with the major brands of gaming monitors will require more high definition and high resolution monitors, we need to develop lower power consumption cable sets to meet the needs of our clients.
- (5) We will step up the development of electric mirrors cable, parking sensor cables, audio/video all round view cables, blind spot monitoring cables to address the growing demand of automotive electronics and auxiliary devices, and provide customers with more diverse solutions.
- (6) Continuing advancements in medical device applications, tailored towards various camera modules and equipment, such as the development of second-generation

- applications for medical endoscopes, offering customers more customized solutions and design plans for medical device harnesses.
- (7) Due to the wide adoption of 5G mobile communication systems, Wi-Fi6/6E and SUB6G are now the focus of network product development.
- (8) The next generation Wi-Fi7 is about to come. This will be the focus of network product development.
- (9) We have used the intelligent products to apply to our daily lives, so the demand for applications of these products is increasing. We are developing intelligent products for control systems, care systems, monitoring systems, energy saving systems and related applications.

(II) Industry Overview:

1. Current status and development of industry

• Electric Vehicle

In 2023, the global automotive market showed a slight recovery, growing by 6.1% to reach 85 million vehicles, mainly influenced by improvements in global chip supply and a decrease in the impact of the pandemic. Global electric vehicle sales are expected to continue growing, surpassing 20 million vehicles in 2023, with battery electric vehicles accounting for 46.0%, exceeding the market share of hybrid vehicles. China, the United States, and Japan are the top three countries in terms of electric passenger car sales. The hydrogen-powered commercial vehicle market will see opportunities and become a focus of development in the era of net-zero emissions. The importance and value of vehicle electrification systems continue to rise, influenced by software-defined vehicles, leading to structural transformations in the industry. Globally, there will be a shift towards the development of medium and heavy-duty commercial vehicles and green hydrogen supply. The electric motorcycle market is expected to transition to electrification driven by the trend towards net-zero emissions, with the global market reaching 4.5 million vehicles and a market share of 7.8%.

In 2024, global electric vehicle sales are forecasted to grow by 21% year-on-year, reaching 14.9 million vehicles, accounting for 24.6% of new car sales, with over half of them coming from China. Countries are actively promoting policies to ban the sale of fuel-powered vehicles, accelerating the development of electric vehicles. It is projected that electric vehicle sales will reach 51 million vehicles by 2027. Taiwan aims to achieve a 30% market share for electric vehicles by 2030, requiring the establishment of at least 6,000 charging piles. As of June 2023, Taiwan has already established 1,631 charging stations. By 2040, it is estimated that over two-thirds of passenger cars globally will be electrically driven electric vehicles.

Medicare

In 2023, the global economy faces challenges. The global digital healthcare market was valued at \$206 billion in 2022 and is projected to reach \$416.1 billion by 2027, with a compound annual growth rate (CAGR) of 15.1%. The global medical equipment market reached \$483.3 billion in 2022 and is expected to grow to \$589.7 billion by 2025, with a CAGR of 6.7%.

It is predicted that the global digital healthcare market will reach \$416.1 billion by 2027, with a CAGR of 15.1%. The global medical equipment market is expected to reach

\$589.7 billion by 2025, with a CAGR of 6.7%. Telemedicine has become an important solution due to COVID-19, leading Taiwan's smart healthcare companies to invest in research and development. More than 65% are willing to increase costs to hire technical personnel. In the field of medical devices, AI/ML-assisted diagnosis has become standard. The development of medical devices is moving towards decentralization, intelligence, and integration, continuing towards personalized medical services. Wearable technology and AI/ML-enabled medical devices are expected to become trends, with a projected change in the healthcare market's business model by 2024.

Biotech and medicare is one of the six strategic industries promoted by the Taiwan government. Furthermore, medical equipment is the subsector reporting the highest production value, export ratios and growth in the Taiwanese biotech/medicare industry. There have been continuous innovations in medical equipment in Taiwan over recent years, to meet clinical requirements. Innovative products such as mobile robots, smart diagnosis, automated inspections and high-end medical equipment based on artificial intelligence, cloud computing and mobile sensing technology have achieved great results as validated use cases. The Taiwan medical equipment industry will continue to innovate and create value in the global smart medicare and precision health market.

Surveillance

The numerous blacklists under the U.S.'s National Defense Authorization Act (NDAA) since May 2020 has placed a ban on the U.S. government's purchase of video surveillance equipment (including semi-finished goods) from China. The NDAA's ban on installation of the blacklisted products since August 2022 has shifted orders to the Taiwanese surveillance equipment industry.

According to the 2023 security report, the global revenue of cloud software services has achieved a compound annual growth rate (CAGR) of 22% over the past five years. The overall revenue growth of global video surveillance and services (VSaaS) exceeded 28% in 2023. The global video surveillance market is expected to experience significant growth, reaching \$181.37 billion by 2030, with a CAGR of 16.06%.

With the integration of generative AI, edge technology, and security applications, newly introduced network cameras commonly feature deep learning capabilities, enhancing analysis accuracy. They also assist operators in interpreting scene events and provide customer support.

E-bikes

In 2023, Taiwan's bicycle industry experienced a downturn, with both export volume and export value declining. Influenced by inventory destocking in the European and American markets, Taiwan's exports of electric-assisted bicycles (E-Bikes) in 2023 decreased by 33.74% to 686,500 units. Although the average export unit price increased to \$1,767, a year-on-year increase of 17.85%, the overall export value still declined by 21.91% to \$1.213 billion.

However, both the bicycle industry and foreign securities firms generally anticipate that the downturn in the bicycle industry has bottomed out. In 2024, as inventory gradually clears, demand for replenishing inventory is expected to emerge, bringing new vehicle manufacturing orders for complete bicycle manufacturers by the latter half of 2025. Component manufacturers will also see increased shipments. Therefore, it is expected that Taiwan's bicycle export volume in 2024 will perform better than in 2023.

Internet of Things

In 2023, AI has been deeply integrated across various industries, driving the transition of the Internet of Things (IoT) from hardware-centric to software-hardware integrated systems and application services. The total output value of Taiwan's IoT industry surpassed 2 trillion NT dollars in 2022, with growth momentum shifting towards system integration and application services. It is estimated that enterprise IoT spending will continue to grow by approximately 20% in 2023. Generative AI is opening up applications in multiple fields and bringing new challenges amidst global supply chain restructuring and the net-zero carbon trend. Experts recommend that businesses thoroughly evaluate the impact of AI, seize opportunities for digital and green transformation, and prepare to compete in the IoT industry.

By the end of 2024, it is estimated that there will be over 207 billion devices connected to the Internet, including various machines, vehicles, home appliances, toys, etc., forming a network that covers people's daily lives. These devices may even become intelligent devices equipped with artificial intelligence technology capable of making autonomous decisions. In 2024, sustainable operation becomes a prerequisite for businesses, with IoT technology helping in smart energy management, efficiency improvement, waste reduction, and aiming to reduce global greenhouse gas emissions by 16.5% by 2030. Intel research indicates that using IoT solutions in the energy sector can reduce energy consumption by 30%, as real-time data monitoring and analysis help identify inefficient processes and optimize energy usage.

Mobile computing devices (pan-PC/tablet/phone)

In 2023, global laptop shipments reached approximately 166 million units, a decrease of 10.8% compared to 2022, with the decline rate converging from the previous year. Impacted by global inflation, market demand remained weak. However, as inventory pressures from major laptop manufacturers eased, it is anticipated that the global notebook computer market will return to a healthy supply-demand cycle in 2024. The main growth momentum will come from the gradual release of replacement demand in the end-user business market and the continued expansion of certain niche markets such as Chromebooks and gaming laptops.

The replacement cycle for AI PCs and enterprise PCs will primarily support the shipment growth in 2024, with an expected year-on-year increase of 5%. Despite the decrease in disposable income for consumers, the possibility of widespread adoption remains feasible in the long term due to price reductions and diversification of applications. It is projected that by 2025, the penetration rate of AI notebooks could reach 50%.

TV Monitor

In 2024, due to anticipated price increases, the June 18th Festival (618), preparations for the French Olympics, and the prolonged shipping time caused by the Red Sea conflict, demand is expected to significantly rebound. TrendForce forecasts that the shipment volume of television panels in Q1 2024 will reach 55.8 million units, a quarter-on-quarter increase of 5.3%.

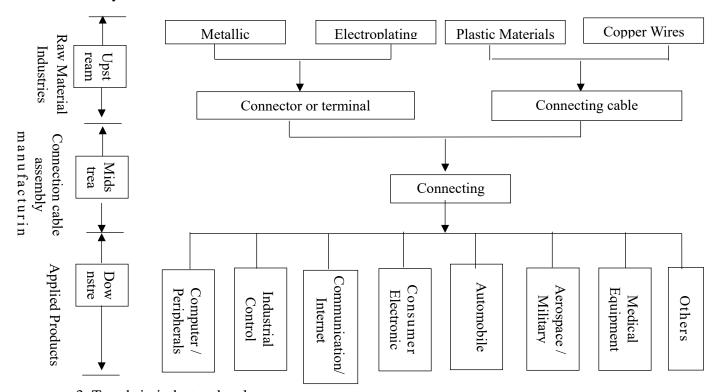
Millimeter wave radar

The mmWave technology market is expected to rapidly expand in the coming years with a compound annual growth rate (CAGR) of 23%, reaching \$6.86 billion. Growth during the forecast period is primarily driven by increasing bandwidth demands, expansion of applications in environmental sensing and weather monitoring, adoption

of energy-efficient solutions, rising demand for IoT connectivity, and the promotion of smart city initiatives and industrial automation.

Market trends include advancements in 5G technology, integration with artificial intelligence, advancements in silicon photonics technology, and integration of mmWave technology with machine learning. The widespread adoption of autonomous driving vehicles will also drive the application of mmWave technology, with companies like Tesla making significant progress in their autonomous driving models. The expansion of the Internet of Things (IoT) will also stimulate the mmWave technology market, with global IoT connections expected to increase from 13.2 billion in 2022 to 34.7 billion by 2028, driving demand for mmWave technology.

2. Links between the upstream, midstream, and downstream segments of the industry
The Company's main products include computer wiring, network antenna, cell phone
modules, automobile electronic wiring, industrial wiring and medical equipment wiring. We
purchase wires, connectors, terminals and other electronic components, cut, press, crimp,
assemble and mold them, and then strictly test and inspect them, and sell them directly to
customers or through our distributors. The upstream and downstream of the industry are
briefly described as follows:



- 3. Trends in industry development
 - Automotive / electric vehicles Since 2019, the electric vehicle market has experienced over 50% sales growth, but saw a downturn in the fourth quarter of 2023. Despite global conditions, Chinese manufacturers continued to see sales growth. In 2024, electric vehicle development will focus on six main technological aspects:
 - (A) Low-cost compact electric vehicles:

 Driven by Chinese manufacturers, these vehicles use low-cost materials, downsizing, and new battery technologies (such as sodium batteries, iron phosphate lithium batteries) to address battery cost issues, maintaining lightweight construction and improving cost-effectiveness.
 - (B) Application of semi-solid-state batteries:

 To solve the problems associated with solid-state batteries, semi-solid-state

lithium batteries are expected to enter mass production by the end of 2024, enhancing battery safety and range.

(C) Diverse applications of functional electric vehicles:

Manufacturers are introducing battery-centric modular electric vehicle platforms. As modular applications continue to be introduced in 2024, manufacturers can share chassis to stack modular electric vehicles with different functionalities to capture specialized application markets.

(D) AI driving level improvement:

Tesla utilizes AI and Dojo supercomputers to advance autonomous driving to Level 3, achieving partially autonomous driving under certain conditions.

(E) Increased sensor quantity:

With the development of smart cabins, there will be an increased demand for automotive sensors. It is expected that the number of sensors in new vehicles will increase to 30 per vehicle by 2024, enhancing driving safety.

(F) Cost reduction of LiDAR systems:

The cost of LiDAR systems has decreased to \$400, making it one of the mainstream sensor systems, improving the performance and cost-effectiveness of autonomous driving systems.

Overall, the electric vehicle market in 2024 will see multifaceted technological development, including cost reduction, battery technology innovation, functional applications, AI promotion, and focus on mature technology and AI computation, aiming for steady growth through cost control.

Automotive sensor systems are mainly divided into two main streams: cameras and LiDAR. LiDAR systems, with advantages such as high precision, minimal susceptibility to lighting conditions, and powerful 3D modeling capabilities, help relieve the computational burden of autonomous driving systems. However, the main issue with LiDAR-based systems lies in their high cost, usually only applied to higher-priced vehicles. In recent years, solid-state LiDAR and semi-solid-state LiDAR have entered mass production successively. It is expected that by 2024, the price of LiDAR systems will decrease to \$400-500, potentially increasing market share in mid-range vehicles among various manufacturers.

Internet of Things

IoT has become a part of our daily lives, and the number of devices is expected to grow to about 17 billion by 2024. The exponential growth of IoT is imminent, and disruptive innovation is essential in this process. Significant changes have already taken place in 2024, with major events occurring on a broader societal level, discussed from the following four aspects:

(A) Flexible architecture:

Open-source architecture has proven to be a successful solution, enabling developers to build applications with agile environments, high scalability, and continuous optimization across various platforms.

(B) Role of ultra-low-power SoCs in driving AI in IoT:

Artificial intelligence plays a crucial role in business workflows, and ultra-low-power SoCs reduce energy consumption, enabling efficient computation.

(C) IoT security and AI applications:

Machine learning models serve as effective defense measures, with models such as Support Vector Machines (SVM) and Random Forest efficiently detecting suspicious activities and enhancing network security.

(D) IoT regulatory mechanisms and legal regulations:

Governments worldwide are starting to strengthen regulation of IoT. By the end of 2023, the US and UK governments passed comprehensive security regulations for connected products. Suppliers must comply with relevant regulations to ensure the security of IoT applications. Hardware suppliers will need to be capable of meeting the growing processing demands of businesses and adapting to evolving environments to unleash the true potential of IoT.

Laptop

Restrained Growth in the Second Half of 2023: Uncertain economic prospects in the US and Europe led to a modest growth forecast of only 3.8% for laptop shipments in the third quarter of 2023, with an estimated annual shipment volume of 163 million units, representing a 12.2% decrease compared to the previous year.

Global Laptop Shipments Rebound in 2024: With market inventory transitioning towards a healthier state, laptop shipments are expected to rebound in 2024, with an estimated annual growth rate of approximately 2 to 5%.

The AI PC market is considered an emerging market, focusing on both software and hardware aspects. On the software side, Microsoft's AI assistant Copilot, based on the GPT large language model, provides AI processing capabilities for Windows 11 users, currently relying on cloud servers. On the hardware side, CPU manufacturers are focusing on AI processing capabilities for terminal devices, such as Intel NPU, AMD Ryzen AI, Apple Neural Engine, Qualcomm NPU, etc., combining neural acceleration engines to achieve real-time, local storage, and cost-effective client-side AI applications. It is expected that the launch of new processors in 2024 will establish the direction for efficient computing in AI PCs.

TV Monitor

LCD TV panel inventory returned to healthy levels in the first quarter of 2023, with demand gradually picking up, and TV panel prices began to rise from March 2023. Despite a price decline in the fourth quarter of 2023 due to lower-than-expected sales of branded end terminals, panel manufacturers reacted swiftly, implementing production strategies to control the extent of the price drop. The LCD TV panel industry is expected to gradually recover in 2024, with estimated shipments of approximately 242 million units, representing a year-on-year growth rate of around 3.4%. However, there is a possibility of an 8.6% annual increase in shipment area due to larger product sizes.

4. Competition

The Company has been developing and manufacturing electronic cables on an economic scale for a long time. In terms of quality, service and price which are the main competitive factors, the Company has the following relative competitive advantages:

- (A) In terms of quality, the Company has been manufacturing electronic cable products for 35 years and has accumulated considerable manufacturing experience and technology. Our quality assurance system has been certified by SGS (UK) to ISO 9001:2000 and ISO 14001. In addition, we have been certified with ISO 13485 for medical wiring and TS/ISO 16949 for automobile wiring, and we have also been certified to the highest standards by Apple.
- (B) In terms of services, leading technological capabilities enable the provision of customized technical design services. Additionally, through investments in subsidiary companies, production bases have been established in various regions including Suzhou, Dongguan, Vietnam, and the United States, facilitating the rapid

fulfillment of diverse customer demands.

(C) In terms of pricing, leveraging efficient automated equipment and processing production in overseas subsidiaries not only reduces production costs but also enables offering customers more competitive prices, thus generating better profits for the company. The company will continue to increase the utilization rate of machine equipment production and shift products that require more manual labor to subsidiaries where labor is relatively cheaper. This strategy will effectively lower production costs and enhance the company's competitiveness.

(III) Technology and R&D status

R&D expenses and technologies and products developed during the year and up to the publication date of the annual report:

Unit:NTD Thousands

Year	R&D expenses	R&D results
2023	89,749	 Development of automotive millimeter-wave radar beamforming. USB 4.0 Type-C 240W 0.8M certified by the USB Implementers Forum, with the USB Association approval number TID: 9995. IP CAM outdoor cable harness waterproof design meets IP67 standards, developed airtight fixtures, and achieved a finished cable pass rate of 99.65%. Development of processing techniques for high-current cable harnesses such as automotive battery leads and energy storage wiring. Automatic wire cutting/stripping processing for wires with a maximum conductor diameter of 27mm and cross-section of 150mm^2, with a maximum crimping stroke of 40mm and crimping force of 30 KN. Development of low-earth orbit satellite high-speed signal cables, with each channel of the cable harness capable of a maximum transmission rate of 40 Gbps.
		1. Development of second-generation low-earth orbit satellite cables capable of transmitting high-speed signals of 56 Gbps or higher.
Q1 2024	24,404	2. Development of wiring harnesses with a cross-sectional area of 70mm ² , a safe current of 250A, and a tensile strength of 350kg for energy storage applications.
		3. Development of high-frequency servo cables SLIM/MINI SAS and MCIO 16G.
		4. Development and optimization of wire structures for the second generation of medical endoscope applications.

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

In order to respond to the industrial development trend and the rapid changes in the domestic and overseas business environment, the Company has adopted various long-term and short-term plans to adjust its corporate structure and enhance its overall competitiveness. A summary of the Company's long- and short-term plans is as follows:

1. Short-term development

Production:

- (1) Improve the production equipment, increase the automation ratio, and reduce the demand for direct labor.
- (2) By utilizing Taiwan's outstanding R&D capabilities and production lines in Taiwan

- together with the production bases in China and Vietnam, we can achieve the most powerful advantages in quality, efficiency and cost.
- (3) We establish a fast and flexible production model to reduce inventory and reduce the risk of inventory decline and obsolescence.
- (4) Development of fully automated equipment to produce antennas at a lower cost and with high yields.
- (5) Increase of R&D equipment to boost competitiveness.
- (6) Review existing suppliers and materials to optimize costs by reducing the variety and quantity of materials.
- (7) Optimize the process capability and reduce the waste of ineffective manpower and man-hours through TQC and introduction of Toyota-style production.
- (8) Reduce the risk of material obsolescence by introducing the PSI (Production/Sales/Inventory) management system.

R&D:

- (1) Development of surveillant security products with special specifications such as wires for use in drones, aerial cameras and outdoor surveillance equipment under harsh environments (high/low temperatures, high humidity and water-resistance).
- (2) Investing in high-frequency cable harness specifications for applications such as low-earth orbit satellites and servo transmission.
- (3) Increase investment in 350A high-current development equipment, such as: 95 square meters of large wire diameter cutting equipment, 30-ton crimping machines and reliability testing equipment, such as: 500KG tensile machines, temperature rising test instruments, etc.
- (4) Increase the personnel for PCBA design, Layout and testing to strengthen the efficiency of product development.
- (5) Acquire software and hardware for related development needs to shorten development time and reduce possible defects, and upgrade the automated production line process to increase production capacity and maintain the electrical and physical stability of the wire.
- (6) Enhancement of knowledge management and establishment of the "onsite training" mechanism to convert methods, information and experience into the experience of learners.
 - A. Design of fixtures and equipment, measurement of IE work hours and establishment of analytics rules
 - B. Strengthening of professional knowledge in biotech, learning and teaching materials completion, performance reviews and target achievement.
- (7) ODM module integration and mass production, by integrating SMT modules, wiring assembly design services for complete cars, WIFI 6E PCB antenna and WIFI metal antennas, to meet a variety of customer needs.
- (8) We develop WIFI6(E) and Wi-Fi 7 antennas independently to improve the depth and breadth of WiFi antenna products.
- (9) Improvement of simulation capability in patch arrays for antennas of small-cell base stations.

(10) Development of long-range 24GHz radar to meet the demand of bicycle and e-bike customers.

Marketing:

- (1) Secure the relationship with long-term customers and build up the ability to develop active customers.
- (2) Develop new products and enhance technical services for customers.
- (3) Strengthen marketing in Japan, Europe, the United States, emerging countries and other overseas markets through technical partners and marketing networks with overseas affiliates.

2. Long-term development

Production:

- (1) Produce the niche products with competitive advantage and expand the production capacity in our investees to meet the needs of our customers and to secure the orders from our outbound customers.
- (2) Strengthen the production process management to continuously reduce production costs.
- (3) Continue to increase automated production equipment and strengthen the production process.

R&D:

- (1) Continue to develop new high-frequency cable products, electric vehicle-related cables, medical cables, and other products to meet customer needs.
- (2) Training and development of local technical personnel, to transfer technology to non-China production; operation of processing equipment for wirings/attennas /patch cords and development of manufacturing processes reduction of difficulty in accessing development materials by locally sourcing of materials and support.
- (3) Strengthening of development capability in equipment automation, acceleration in introduction of new equipment and manufacturing processes (high currents, laser welding and next generation production line planning, etc.)
- (4) Development of 60GHz radar for breathing rate and heart rate detection to meet the requirements of medical customers.

Marketing:

- (1) Establish sales offices in major business clusters in order to provide prompt delivery to meet customers' needs.
- (2) We will actively train our sales professionals, enhance our international marketing capabilities, and strive for more cooperation projects with world-class manufacturers.

II. Market, Production and Sales Overview

- (I) Market analysis
 - 1. Markets for the Company's main products

Unit: NTD Thousands

Region	Region Operating revenue in 2023	
Asia	696,524	62%
Europe and America	127,352	11%
Taiwan	267,252	24%
Others	31,920	3%
Total	1,123,048	100%

2. Main Competitors

- (1) The main competitors in laptop cable assembly and very fine coaxial cable are Luxshare, Golden Bridge, and High-tek.
- (2) The main competitors for external I/O cable sets are Luxshare, BizLink, and Joinsoon.
- (3) The main competitors for automobile cable sets are Lorom, Joinsoon, and Sinbon.
- (4) The main competitors for millimeter wave radar are CUBTEK, and Wistron NeWeb.

3. Supply, demand and market growth in the future

The Company's main products are electronic cable products and wireless antennas. The demand for wireless antennas will gradually increase as various consumer products tend to be designed wirelessly. Traditional laptops and 2-in-1 PC are replacing desktops rapidly. The increasing popularity in smart home appliances (TV/AI speakers/appliances, etc.) and the demand from emerging markets are expected to drive the demand for cable products, which is expected to grow in the coming years.

SMT is a fundamental process for all electronic products and has a huge market opportunity. The surface mount technology market is expected to grow at a CAGR of 7.46% between 2020 and 2025. PCBA is becoming more and more important in the automobile market, and the demand for no failure rate is an important driver for quality control in SMT production lines.

The surface mount technology market is growing rapidly in the Asia Pacific region, mainly due to the availability of various PCB manufacturing facilities in the region. There are many PCB manufacturing facilities in China. AT&S' most important production department is located in Shanghai and specializes in multilayer PCBs. This is because the company has been concentrated on mobile customers in China. The smartphone penetration rate is increasing, and according to the GSM Association, by 2025, four out of five connections will be smartphones. This trend is expected to increase the use of surface mount technology in consumer electronics products in the area.

4. Competitive niches

- (1) Excellent product technology and equipment development capability
 Our R&D and technical team has strong technical capability and experience to launch
 niche products in line with market demand. We have the ability to develop our own
 automatic assembly machines, and can develop production equipment with the best
 process configuration to increase production capacity and reduce manufacturing costs.
- (2) Ability to customize and supply goods quickly

 We have established companies and factories in Taiwan, China, the U.S. and

 Vietnam to fully control the rapid changes in the market and to meet the demands of
 our customers. We provide high value-added products and quality services to our

customers through customized research and development, flexible production, immediate delivery and global transportation.

(3) Comprehensive product line and production line

We have been in the electronics industry for over 35 years and have built a complete production line and are actively developing diversified products, including internal and external antennas, surveillance monitors, industrial networking equipment, notebooks, tablets, smart TVs, smart phones, ultrasound, endoscopes, automobile wiring, and more, to meet our customers' needs.

(4) Professional and reliable management team

The Company's management team possesses management capabilities and technical experience for many years, and is able to keep up with overall market changes and maintain a good competitive advantage.

5. Positive and negative factors for development, and responding strategies

Positive factors:

- (1) High flexibility in production and fast delivery capability.
- (2) The mature production technology and excellent quality.
- (3) We have set up manufacturing and marketing bases in Taiwan, China, Thailand, Vietnam, and the U.S. to maintain the competitive advantage by providing goods to customers locally and quickly.
- (4) We have established long-term partnership with our customers to maintain close relationship with them.

Negative factors and responding strategies:

(1) Part of the production process relies on a large number of manual labor, labor costs are relatively high

Countermeasures:

- A. Continue to make process improvements and increase the efficiency of automated production to reduce production costs and dependence on labor.
- B. Adopt the international professional division of labor to transfer the mature and large quantity of product manufacturing to the mainland and Vietnam to reduce the cost.
- (2) Impact on order switching due to the relocation of the electronic industry

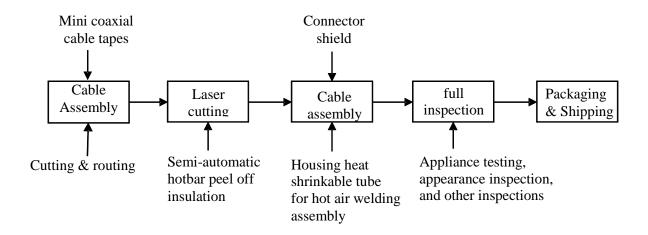
Countermeasures:

We set up companies in Hong Kong, Dongguan, Suzhou, Thailand, and Vietnam in our customers' business clusters through re-investment to take orders from outbound customers. At the same time, we are also increasing our automated production lines and strengthening our technological capabilities in Taiwan to reduce the impact of industrial migration caused by external environmental and political factors on the Company. We provide differentiated services to target niche customers by focusing on high-end wiring processing and antenna needs.

(II) Main utilization and production/manufacturing process of key products: A. Main utilization of key products

Product Name	Main Applications
Automobile Electronics	Used in the wire harnesses and external cables for automobiles, electric vehicles and electric bicycles (electric auxiliary vehicles); such as: central control system / car network / ADAS advanced driving assistance system / new energy vehicle power system / multiscreen display system / motor drive system/ automotive displays, and new energy vehicle thermal management systems.
Video Surveillance	Cable sets for surveillance, video conferencing, and drone.
Netcomm Industrial Control	Reception and transmission of wireless signals on gateways, routers, Smart TV, streaming media equipment and tablets, etc.
Computer Wiring	It is used to make connector wires for the internal electronic connection of consumer electronic devices such as computer/NB/tablet/cell phone and the internal wiring connector for very fine coaxial wires.
Medical Products	It is used in medical equipment, medical monitoring device cable set and variety of disposal wirings for endoscopes; i. e. MRI / ultrasound / ECG / blood pressure / blood glucose equipment connection cable.
TV Products	Used for connecting the wire harness inside the electronic devices of consumer TVs and to connect the wire harness inside the mini fine coaxial cable.
SMT Modules	It is used in camera modules and fingerprint modules.
Energy storage products	It is used for internal and external connections of green energy optical storage and charging related equipment, including inverters, stacked batteries, and charging piles. The products cover various market application scenarios such as small household storage, AIO industrial and commercial energy storage, and container-type large-scale energy storage power stations.
Other Products	Wire harness and external cables that are not part of the above wiring applications.

B.Product manufacturing process.



(III) Supply Status of Main Raw Materials

Name of main raw material	Supply Sources	Supply Information	
Cable	Wonderful Hi-tech, Dongguan Vaconn ,Wonderful Cabling System, Xinhongye,and Shanghai San-Kuo		
Connector	I-PEX and, Tarng Yu	Good	
Assembly and SMT processing	Shzhou an lei cheng	Good	

(IV)Names of customers who have accounted for more than 10% of the total purchases (sales) in any of the last two years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease in the above figures. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

1. Information of Major Suppliers in the last two years

	2022			2022 2023			Q1 2024					
Item	Name		As Percentage of Annual Net Sales (%)	Relation with the issuer	Name	Amount	As Percentage of Annual Net Sales (%)	Relation with the issuer	Name	Amount	As % of total purchases during the most recent quarter of the	Relation with the issuer

Unit: NTD Thousands: %

Note 1: The Company has no suppliers who provided more than 10% of the total purchases in the last two years, so there is no change.

2. Information of Major Customers in the last two years

Unit: NTD Thousands: % 2023 O1 2024 2022 As % of total Percentage of Relation Percentage of Relation sales during the Relation Annual Net with the Name Annual Net with the with the Item Name Amount Amount Name Amount most recent Sales (%) issuer Sales (%) issuer quarter of the issuer current year 10.42 Company B 150,691 None Company B Company B 24,439 8.26 None None 141,893 12.63 271,392 1,295,063 89.58 Others 981,155 87.37 Others 91.74 Others 100.00 100.00 1,445,754 1,123,048 295,831 Net sales Net sales Net sales 100.00

Note 1: The Company's customer accounted for more than 10% of the sales in the last two years was Company B. Its sales have decreased due to reduced order demand.

(V) Production volumes and values during the most recent two years

Unit: thousand sets, NTD thousands

Production		2022				
volume/value	Production	Production	Production	Production	Production	Production
Major product	capacity	volume	value	capacity	volume	value
Automobile Electronics	12,142	11,904	225,728	10,513	10,307	219,292
Video Surveillance	5,630	5,520	252,133	2,414	2,367	199,542
Netcomm Industrial Control	21,742	21,316	210,299	17,659	17,313	166,055
Computer Wiring	6,098	5,978	129,251	4,570	4,480	108,256
Medical Products	14,714	14,425	82,840	119	117	49,960
TV Products	7,631	7,481	50,682	3,283	3,219	31,970
SMT Modules	3,873	3,797	128,740	99	97	(3,264)
Other Products	17,197	16,860	122,061	11,053	10,836	64,228
Total	89,027	87,281	1,201,734	49,710	48,736	836,039

Note 1: Production capacity refers to the production volume that the Company can produce under normal operation using existing production equipment after considering necessary shutdowns, holidays, and other factors.

(VI) Sale volumes and values during the most recent two years

Unit: thousand sets, NTD thousands

Sale volumes	2022 2023							
	Domest	tic sales	Exp	orts	Domest	tic sales	Exp	orts
and values	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Automobile Electronics	464	43,632	11,440	233,880	1,031	105,293	9,276	174,505
Video Surveillance	684	59,741	4,836	262,495	507	47,442	1,860	226,364
Netcomm Industrial	4,960	56,335	16,356	213,276	2,146	30,457	15,167	205,025
Computer Wiring	851	36,594	5,127	105,553	1,009	44,337	3,471	87,863
Medical Products	21	2,185	14,404	114,095	11	2,442	106	72,331
TV Products	9	1,206	7,472	60,688	2	179	3,217	40,976
SMT Modules	-	-	3,797	97,935	-	-	97	2,682
Other Products	11,658	49,665	5,202	108,474	1,463	24,060	9,373	59,092
Total	18,647	249,358	68,634	1,196,396	6,169	254,210	42,567	868,838

Note 2: If the production of each product is substitutable, it can be combined to calculate the production capacity, include a note to explain.

III. Information on the employees

Information on the employees during the most recent two years and as of the print date of the annual report:

Y	Year		2023	May 23, 2024
ΠZ	Direct labor	624	427	430
lum mp	Indirect labor	375	341	312
Number of Employees	Administrative staff	62	54	55
of	Total	1,061	822	797
Average age		39	40	41
Averag	ge tenure	6.8	7	8
0 I	Doctoral Degree	0.2%	0.2%	0.3%
)isti f ed 1	Master's degree	1.5%	2.3%	2.6%
ribu luc; eve	College	19.10%	25.30%	24.80%
Distribution of education level	High school (and under)	79.20%	72.10%	72.30%

Note: Definition of Administrative Staff: Supervisors at the section level or above are included.

IV. Environmental protection expenses

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

The Company has been constantly working on environmental protection management and pollution prevention, and there are no fines imposed for environmental pollution and violations. We continue to control the quality of our products in compliance with the EU ROHS (Restriction of Hazardous Substances Directive,) and have fulfilled the requirements for environmental regulations in the parts procurement and manufacturing process. We regularly implement cleaning and tidying activities and disinfecting the environment to maintain a healthy working environment.

- (II) In order to ensure the waste disposal flow and ensure that all waste is legally and properly disposed or reused, we appoint qualified professional waste disposal companies to remove the waste in accordance with the regulations and implement the garbage classification.
- (III) Waste water from factories and domestic wastewater: The wastewater treatment is centrally managed in the New Taipei Industrial Park. The Company complies with the environmental policy of the New Taipei Industrial Park Service Center to prevent and control pollution and maintain environmental quality.
- (IV) Countermeasure and estimate of possible expenses that could be incurred in the future: No significant environmental expenses are estimated.

V. Labor Relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:
 - 1. Employee benefit plans and the implementation status:
 - (1) Employees are important assets of the Company. They should not be paid differently on the basis of gender, race, religion, political party, or marital status. To ensure that employees can work safely, the Company provides various benefits and social insurance in accordance with the law. In addition, the Company reviews and improves group insurance coverage year by year based on external market trends and the Company's operating conditions so that employees can live without worries.
 - (2) Welfare measures: The Company conducts health checkups more frequently than required by law. The "Employee Welfare Committee" is established to manage employee welfare matters in accordance with the annual budget.

Benefit item	Target
Lunch provided at the employee cafeteria	All Employees
Labor insurance, national health insurance, pension and employee group insurance	All Employees
Year-end bonuses, performance bonuses, R&D patent bonuses, license and certification awards	All Employees
Paid leave for encouraging employees to participate in physical activities (e.g., road running) and incentive awards	All Employees
Wedding and funeral payments or condolences	All Employees
Employee health checkup	All Employees
Three-holiday bonuses, birthday grant and other gifts	All Employees
Domestic employee travel	All Employees
Holiday activities and monthly tea time	All Employees
Year-End party	All Employees
Comprehensive education and training (New employee orientation and comprehensive professional education—and training plan, etc.)	All Employees
Flexible working hours	Office staff (Non-production line)
Dormitory for Overseas Staff	Overseas employees

- (3) Provide a comfortable working environment for our employees by periodically cleaning and disinfecting, maintaining air conditioners, and water fountains. Fire safety drills are held regularly to raise the safety awareness among the employees.
- 2. Continuing education and training status:

We plan the career development for various positions and executives at all levels in accordance with our overall talent development policy. The following is a summary of all general education courses, employee training for various positions and executive development:

- (1) General Education Course: Job skills training courses required by employees in each department.
- (2) Training for various duties: New employee orientation, professional training for various positions, legal compliance, risk management and other related courses.
- (3) Executive Talent Development: Develop international perspective and strategic decision-making skills for middle and senior-level executives.
- (4) The actual status of continuing education are as follows:

Туре	Course content	Hours	Amount (NTD)
	Urgent Order Handling and Exception Progress Control Techniques in Production Planning.	6	2,900
Tachnical Skills	Procurement Bargaining Strategies and Negotiation 6hr	6	3,300
Technical Skills	Radiation Protection Course 2023 Annual Refresher Training	6	1,800
	Management Skills Training for Manufacturing Managers	7	1,800
	Managerial Training (Building Trust)	7	77,080
	Managerial Training (Department Heads' Understanding of Labor Laws and Employee Management Skills)	7	61,400
D	Director's Association Annual Conference	4	11,430
Business Management	Independent Director Continuing Education Program	12	6,157
	Strategic Mapping Education and Training	7	55,000
	Senior Management Professional Development Program	40	91,559
	CAT (Computer-Aided Testing) Motion Control	6	1,500
	7 Major Techniques for Industrial Engineering Improvement	7	3,800
	Electric Vehicle Charging Education and Training	12	5,000
Technical Skills	Analysis and Measurement Techniques Related to High Frequency and High Speed	30	14,000
	IATF 16949 Internal Auditor Training	18	18,720
	Development and Application of Medical Polymer Materials	7	5,070
	Internal Auditors' Practices in Auditing and Controlling Information Security	6	3,500
A 414	Practical Investigation and Case Analysis of Corporate Fraud	6	3,500
Audit	Cost of Training Course for Internal Audit Personnel in the Enterprise	6	3,500
	Interpreting Financial Statements for Auditing and Detecting Financial Statement Fraud Analysis	6	3,500
Marketing Management	GA4 Website Data Analysis	3	2,150
Triancome francement	GTM Beginner to Advanced	3	4,000
Corporate Sustainability	Greenhouse Gas Inventory Education and Training Fees	12	16,000
Finance	Continuing Education for Accounting Supervisors	24	16,000

Туре	Course content	Hours	Amount (NTD)
Online Training	Tianxia Innovation Academy	1000	240,000
	In-service training and refresher course for occupational safety and health supervisors in organic solvent operations	6	1,500
	In-service education and training for first aid personnel	6	1,600

3. Pension system and implementation status:

Apply for old system:

- (1) The Company's pension plan was stipulated in accordance with the Labor Standards Act and the Labor Pension Fund Supervisory Committee was established in June 1991.
- (2) The Company's pension fund is allocated to the pension account in the Trust Department of Bank of Taiwan at a certain percentage of the total salary every month in accordance with the law, and the committee is responsible for the management and utilization of the pension fund. The Company estimates the balance of the Labor Retirement Reserve Fund before the end of each year. If the balance is not sufficient to pay the estimated amount of pension benefits to the retired employees in the following year, the difference should be withdrawn in one lump sum before March of the following year.
- (3) All employees of the Company have the right and obligation to comply with the pension system.
- (4) The criteria for payment of worker pensions under the Labor Standards Act are two bases given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months;

Apply for new system:

The Company has adopted a defined contribution pension plan since July 1, 2005 in accordance with the Labor Pension Act (hereinafter referred to as the "new system"). The Company contributes at least 6% of the statutory monthly wages to the pension fund and deposits it in individual labor pension accounts established by the Labor Insurance Bureau for employees who have elected to be covered by the new system or who have joined the Company after the implementation of the new system.

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

Labor relations are based on mutual trust between the two parties. The Company elects labor representatives from its employees and negotiates with the management on a regular basis. Both parties not only strive to create an atmosphere of mutual trust between the management and the employees, but also focus on internal communication by using internal meetings, announcements and relevant electronic platforms/communication software to establish multiple channels of communication. So far, labor relations have been very harmonious since the Company was founded. We have not suffered any losses or disputes due to labor disputes and do not expect any such losses in the future.

5. Employee Code of Conduct or Ethical Guidelines

- (1) The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, the Company has adopted the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations governing the operations of Wanshih Electronic and its group companies and organizations, and has prepared a "Declaration of Ethical Management for Conduct" to be signed by all employees.
- (2) The Company has adopted Procedures for Handling Material Inside Information and shall conduct educational campaigns to promote awareness among all directors, supervisors, managerial officers, and employees with respect to these Procedures and related laws and regulations in order to establish sound mechanisms for the handling and disclosure of material inside information to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public.

6. Working Environment and Personal Safety Protection Measures

- (1) Formulate a safety and health codes to provide safety management rules for employees to follow.
- (2) To plan and supervise the labor safety and health management, labor safety and health education and training, and safety and health inspection of each department in accordance with labor safety and health related laws and regulations.
- (3) Equipment safety
 - A. Establish detailed instructions for the safe operation for all kinds of machines and equipment, and prepare work safety equipment and configurations, and train operators to properly manage and use them properly.
 - B. The elevator is regularly inspected by a professional contractor and the inspection results are recorded.
 - C. The contractors shall be informed about safety and environmental protection at the time of signing the contract.

(4) Environmental Health

In order to maintain a clean workplace, the following measures should be taken: workplaces should be kept clean at all times, garbage should be cleaned and removed daily, water supply and drainage should be maintained and kept free of obstruction, toilets and bathrooms should be kept clean, dining rooms and rest areas should be kept clean, ventilation and lighting should be paid attention to, and the environment should be cleaned and disinfected regularly.

(5) Medical care

Newly hired employees shall have a medical examination done when they are on board; current employees shall have a health examination in accordance with the Labor Health Protection Rules.

- (6) Fire safety
 - Install a complete fire protection system in accordance with the Fire Protection Act, and regularly inspect and implement fire safety protection drills.
- (II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company's HR regulations are in compliance with or better than the Labor Standards

Act. The management and employees are harmonious, so there are no losses caused by labor disputes.

(III) The estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company always places great importance on the employees' welfare. We provide excellent working environment and emphasize on two-way communication with employees to make the relationship between management and employees harmonious. In addition, we have established working rules and regulations in accordance with laws and regulations stipulated by the government, and we have comprehensive rules on salary, working hours, vacation, and pension. We have also taken welfare measures such as safety and health, education and training. Therefore, there are no major labor disputes so far, and the possibility of future losses from labor disputes is extremely low.

VI. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management. The Company has established relevant procedures for handling computer and information system in order to implement internal control systems and maintain cyber security policies. Starting from the year 2023, the Information Security Office was established, appointing a Chief Information Security Officer and personnel dedicated to evaluating security regulations and procedures through annual reviews to ensure their appropriateness and effectiveness. The key points of the information security policy are as follows:

(1) Staff education and training

External learning: Each information system administrator regularly arranges professional training courses on cyber security every year to fully understand the latest information security control technology and to assess and deal with various types of information risks accordingly.

Internal promotion:Regularly conduct cyber security education for internal employees to inform them of various potential risks and teach each employee to follow the company's cyber security policy when operating computers and information systems to avoid any possible damage to data or systems.

(2) Stable service operation

- All kinds of servers and personal computer are managed by dedicated personnel and cannot be arbitrarily used, disassembled or changed.
- It is prohibited to use unauthorized or unknown hardware or software to respect intellectual property rights.
- Anti-virus software is installed on all types of computers. The virus codes are updated regularly.
- We have updated all computers in accordance with the system vendor's update notice to reduce system vulnerabilities.
- Sign a maintenance service contract with SI professional vendors to ensure that when the server breaks down, it can be solved immediately to reduce service downtime.
- System files and data are backed up locally and off-site on a daily basis. System data
 ecovery tests and drills are performed annually to ensure system operation and data
 protection, so that the risk of data loss due to unpredictable natural and man-made
 disasters can be reduced.
- •Regularly conduct security assessments on all information systems and complete the remediation of system vulnerabilities..

(3) Outsourcing Service Management

• For all kinds of system installation and maintenance personnel, the system and data scope that they can access are regulated and limited. If, based on actual operational

- needs, short-term and temporary system accounts and passwords may be issued for their use, and their access privileges will be revoked immediately after use.
- When contractors install or maintain important software and hardware facilities, they should only do so under the supervision and accompaniment of our system administrators.

(4) Network Security Management

- Except for the Company's external website, which may be accessed by external parties, all other information services are only accessible through the internal network. The external network is isolated from direct access and multiple network security systems have been adopted. The firewall, intrusion detection system, and mail content security control system installed at the front end of the network are responsible for filtering the content of incoming and outgoing network connections, preventing external network attacks, and immediately blocking the latest malware, harmful website links, spam emails, and other threats.
- The Company's external website is limited to publicly accessible information and may not contain information or documents that are confidential or sensitive.
- Visitors to the company are not allowed to connect to the intranet unless they have applied in advance. Authorized users may only access network resources within the scope of the authorization and may not deliver the relevant usage information to others for use.
- Starting from 2023, join the Taiwan CERT/CSIRT Alliance to obtain the latest cybersecurity intelligence and promptly address various information security risks.

(5) System access control

User accounts and privileges are set according to each business scope and authority. Access to data is subject to the approval and application process by each responsible supervisor before use and change. The user's account and privileges will be revoked as soon as the user leaves his or her original position in order to prevent unauthorized use. Each unit is required to periodically review the appropriateness of its personnel's access authority and adjust it immediately according to the actual usage requirements.

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

VII. Important Contracts

Contract nature	Client	Contract start and end dates	Main content	Restrictions
House Lease	Wonderful Hi-Tech Co., Ltd.	2022.01.01-2027.12.31	Office Lease	None
	Flowery International Investment Co., Ltd.	2022.02.10-2026.02.10	Office Lease	None
	Suzhou Shuangzhou Electronics Limited	2018.06.01-2026.05.31	Office Lease	None

I. Condensed Balance Sheet and Statement of Comprehensive Income for the Last Five Years

(I) Condensed Balance Sheet and Statement of Comprehensive Income - IFRS

1. Condensed Balance Sheet

Unit: NTD Thousands

	Year Financial Information for the Last Five Years (Note 1)						Financial Information for
Item		2019	2020	2021	2022	2023	the current year as of March 31, 2024 (Note 3)
Current	asset	1,029,222	1,294,238	1,101,115	1,057,961	908,576	918,780
Property, P Equipment		260,704	269,111	281,537	266,739	211,959	206,643
Intangible	e asset	5,132	889	2,203	4,145	4,145	2,831
Other asset	s (Note 2)	215,575	234,033	358,474	392,675	353,380	387,648
Total as	ssets	1,510,633	1,798,271	1,743,329	1,721,520	1,478,060	1,515,902
Current	Before distribution	580,215	791,541	670,100	594,923	313,817	336,329
liability	After distribution	580,215	791,541	677,358	594,923	(Note 4)	-
non-current		124,244	135,856	76,193	265,434	276,784	277,094
Total liabilities	Before distribution	704,459	927,397	746,293	860,357	590,601	613,423
Total flaofiffies	After distribution	704,459	927,397	753,551	860,357	(Note 4)	-
Equity attrib		662,054	743,769	892,921	742,382	727,720	742,504
Share ca	apital	942,706	725,799	725,799	725,799	725,845	725,845
Additional pai		1,871	12,129	12,129	51,654,	55,302	55,302
Retained	Before distribution	(253,909)	36,042	44,503	(34,737)	(26,559)	(40,911)
earnings	After distribution	(253,909)	36,042	37,245	(34,737)	(Note 4)	-
Other equities		(28,614)	(30,201)	110,490	(334)	(26,868)	2,268
Treasury shares		0	0	0	0	0	0
Non-controlling interest		144,120	127,105	104,115	118,781	159,739	159,975
Total Equity	Before distribution	806,174	870,874	997,036	861,163	887,459	902,479
	After distribution	806,174	870,874	989,778	861,163	(Note 4)	-

Note 1: Financial statements in each year were audited by the CPAs.

Note 2: No asset revaluation was performed in each year.

Note 3: Q1 2024 financial statements were reviewed by the CPAs.

Note 4: The 2023 appropriation of Profit & Loss has not been approved by the shareholders' meeting.

2. Condensed Consolidated Statements of Comprehensive Income

Unit: NTD Thousands Financial Information Year Financial Information for the Last Five Years (Note 1) for the current year as of March 31, 2024 Item 2020 2021 2022 2019 2023 (Note 2) 1,440,783 1,570,513 1,673,707 1,445,754 1,123,048 Operating Revenue 295,831 Operating margin (gross 245,885 287,205 271,723 244,019 287,009 66,493 loss) (64,029)(23,938)(69,359) (116,349)(71,443)(28,885)Operating profit (loss) Non-operating income 49,431 41,813 28,760 41,163 15,416 10,112 and expense (56,027)(14,598)17,875 (40,599)(75,186)(18,773)Loss before tax Income from continuing (7,588)24,630 (47,837)(72,038)(51,231)(18,336)operation Loss from discontinued 0 0 0 0 0 0 operations Net loss for the period (7,588)24,630 (47,837)(72,038)(51,231)(18,336)Other comprehensive (36,291)(1,618)186,223 (105,891)29,321 32,124 income (net of tax) Total comprehensive income in the current (43,879)23,012 138,386 (177,929)(21,910)13,788 period Net profit attributable to 29,617 (39,031)(48,771)7,437 (66,109)(14,352)shareholders of the parent Net profit attributable to (15,025)(4,987)(8,806)(5,929)(2,460)(3,984)non-controlling interest Total comprehensive income attributable to (21,142)26,522 149,152 (176,714)(17,775)14,784 shareholders of the parent Total comprehensive income attributable to (22,737)(3,510)(10,766)(1,215)(4,135)(996)non-controlling interest Earnings per share 0.08 0.44 (0.54)(0.91)(0.67)(0.20)

Note 1: Financial statements in each year were audited by the CPAs. Note 2: Q1 2024 financial statements were reviewed by the CPAs.

3. Condensed Balance Sheet (parent company only)

Unit: NTD Thousands

	Year	Financial	Financial Information for the Last Five Years (Note 1)				
Item		2019	2020	2021	2022	2023	
Current as	sset	246,635	391,827	439,089	370,226	291,174	
Property, Pla Equipment (N		33,352	31,001	30,965	46,094	44,456	
Intangible a	asset	0	0	0	0	0	
Other ass	ets	732,572	744,592	801,243	841,196	802,135	
Total asse	ets	1,012,559	1,167,420	1,271,297	1,257,516	1,137,765	
Current liability	Before distribution	269,774	341,763	304,060	266,550	144,271	
Current natinity	After distribution	269,774	341,763	311,318	266,550	(Note 3)	
Other liabil	lities	80,731	81,888	74,316	248,584	265,774	
Total liabilities	Before distribution	350,505	423,651	378,376	515,134	410,045	
Total habilities	After distribution	350,505	423,651	385,634	515,134	(Note 3)	
Share cap	ital	942,706	725,799	725,799	725,799	725,845	
Additional paid-	in capital	1,871	12,129	12,129	51,654	55,302	
Retained	Before distribution	(253,909)	36,042	44,503	(34,737)	(26,559)	
earnings	After distribution	(253,909)	36,042	37,245	(34,737)	(Note 3)	
Other equ	ities	(28,614)	(30,201)	110,490	(334	(26,868)	
T . 1 F	Before distribution	662,054	743,769	892,921	742,382	727,720	
Total Equity	After distribution	662,054	743,769	885,663	742,382	(Note 3)	

Note 1: Financial statements in each year were audited by the CPAs. Note 2: No asset revaluation was performed in each year.

Note 3: The 2023 appropriation of Profit & Loss has not been approved by the shareholders' meeting.

4. Condensed Statement of Comprehensive Income (Parent Company Only)

Unit: NTD Thousands

Year	Financial Information for the Last Five Years (Note 1)					
Item	2019	2020	2021	2022	2023	
Operating Revenue	504,838	647,774	765,003	725,119	617,280	
Gross profit	67,786	115,352	136,569	119,895	99,809	
Operating profit (loss)	(36,593)	946	(6,146)	(43,480)	(53,397)	
Non-operating income and expense	38,615	13,733	(27,853)	(26,900)	(3,607)	
Profit before tax	2,022	14,679	(33,999)	(70,380)	(57,004)	
Loss from discontinued operations	0	0	0	0	0	
Net profit	7,437	29,617	(39,031)	(66,109)	(48,771)	
Other comprehensive income recognized for the period Profit after tax	(28,579)	(3,095)	188,183	(110,605)	30,996	
Total comprehensive income in the current period	(21,142)	26,522	149,152	(176,714)	(17,775)	
Earnings per share	0.08	0.44	(0.54)	(0.91)	(0.67)	

Note 1: Financial statements in each year were audited by the CPAs.

(IV) Names of CPA in the Last Five Years and Their Review Opinions

Audited Year	Accounting firm	Name of CPA	Review Opinion
2019	PwC Taiwan	Pei-Ling Du and Shu-Chiung Chang	Unqualified opinion
2020	PwC Taiwan	Shu-Chiung Chang and Pei-Ling Du	Unqualified opinion
2021	PwC Taiwan	Po-Chuan Lin and Shu-Chiung Chang	Unqualified opinion
2022	PwC Taiwan	Po-Chuan Lin and Shu-Chiung Chang	Unqualified opinion
2023	PwC Taiwan	Po-Chuan Lin and Chun-Yao Lin	Unqualified opinion

II. Financial Analysis for the Last Five Years

(I) Consolidated Financial Analysis - Adopting the International Financial Reporting Standards

1. Consolidated Financial Statements

1.0	Year (Note 1)		al Analysis	s for the L	ast Five	Years	2024 As of
Analysis it	em (Note 2)	2019	2020	2021	2022	2023	March 31
Financial	Debt to assets ratio (%)	46.63	51.57	42.81	49.98	39.96	40.47
structure	Long-term fund to property, plant and equipment ratio (%)	356.89	374.09	381.20	422.36	549.28	570.83
	Current ratio (%)	177.39	163.51	164.32	177.83	289.52	273.18
Solvency	Quick ratio (%)	137.57	117.07	128.10	135.84	299.23	218.09
	Interest coverage ratio	(0.43)	3.48	(4.53)	(5.94)	(3.40)	(1.11)
	Accounts receivable turnover (times)	2.53	2.88	3.02	2.92	2.83	3.25
	Days sales outstanding	144.26	126.73	120.86	125.00	128.97	112.30
	Inventory turnover (times)	4.00	3.36	3.62	3.67	2.74	3.37
Operating efficiency	Accounts payable turnover (times)	5.06	4.55	4.78	6.23	6.05	6.98
ciffciency	Days inventory outstanding	91.25	108.63	100.82	99.45	133.21	108.30
	Property, plant and equipment turnover (times)	5.07	5.93	6.08	5.27	4.69	5.65
	Total asset turnover (times)	0.91	0.95	0.95	0.83	0.70	0.79
	Return on assets (%)	0.04	1.84	(2.37)	(3.66)	(2.57)	(4.42)
	Return on equity (%)	(0.91)	2.94	(5.12)	(7.75)	(5.86)	(8.20)
Profitability	Ratio of income before tax to paid-in capital (%)	(1.55)	2.46	(5.59)	(10.36)	(7.72)	(2.59)
	Net margin (%)	(0.53)	1.57	(2.86)	(4.98)	(4.56)	(6.20)
	Earnings per share (NTD)	0.08	0.44	(0.54)	(0.91)	(0.67)	(0.20)
	Operating cash flow ratio (%)	9.91	9.10	7.04	0.00	46.78	(14.35)
Cash flow	Cash flow adequacy ratio (%)	91.05	62.84	56.14	42.78	62.66	45.89
	Cash re-investment ratio (%)	2.75	4.12	2.44	(0.70)	7.54	(2.79)
Lavarage	Operating leverage	N/A	N/A	N/A	N/A	N/A	N/A
Leverage	Financial leverage	N/A	N/A	N/A	N/A	N/A	N/A
					(7.0.4		

Please provide an analysis of changes in the financial ratios for the preceding 2 fiscal years (If the change is less than 20%, the analysis can be exempted)

(I) Financial structure

1.Debt to assets ratio (decreased over the previous period)

The main reason is the decrease of short-term borrowings by 192,354 thousand in the current period.

2.Long-term fund to property, plant and equipment ratio (increased over the previous period) – This is mainly due to the increase in total shareholders' equity by approximately \$26,296 thousand as compared to the previous period.

(II) Solvency:

1. Current ratio, Quick ratio (increased over the previous period) -

The main reason is the decrease of short-term borrowings by 192,354 thousand in the current period.

2.Interest coverage ratio (increased over the previous period) -

The main reason is the decrease in pre-tax net loss for the current period compared to the previous period by 19,159 thousand.

(III) Operating efficiency:

1.Inventory turnover (times) (decreased over the previous period) –

This is mainly due to the decrease in cost of goods sold compared to the previous period by 365,696 thousand...

2.Accounts payable turnover (times) (increased over the previous period) -

This is mainly due to the decrease in average accounts payable for the current period compared to the previous period.

3. Days inventory outstanding (increased over the previous period) -

This is mainly due to the increase in inventory turnover rate compared to the previous period.

(IV) Profitability:

Return on assets, return on equity, Ratio of income before tax to paid-in capital, n Earnings per share (increased over the previous period) -

The net loss before tax for the current period was \$56,027thousand, and the net loss before tax for the previous period was \$75,186thousand, the net loss after tax for the period was decreased by \$19,159 thousand.

(IV) Cash flows:

1. Cash flow ratio, Cash reinvestment ratio (increased over the previous period) -

This is mainly due to the increase in cash flow from operating activities in the current period.

2. Cash flow adequacy ratio (increased over the previous period) -

This is mainly due to the increase in net cash flows from operating activities during the past five years.

2. Parent Company Only Financial Statements

	Year (Note 1)	Financial Analysis for the Last Five Years				
Analysis iter	ns (Note 2)	2019	2020	2021	2022	2023
Financial structure	Debt to assets ratio (%)	34.62	36.29	29.76	40.96	36.04
	Long-term fund to property, plant and equipment ratio (%)	1,985.05	2,399.18	2,883.65	1,610.58	1,636.94
	Current ratio (%)	91.42	114.65	144.41	138.90	201.82
Solvency	Quick ratio (%)	77.30	100.26	129.95	126.70	179.03
	Interest coverage ratio	1.57	7.77	(24.70)	(19.13)	(9.32)
	Accounts receivable turnover (times)	2.63	3.14	3.07	3.04	3.13
	Days sales outstanding	138.78	116.24	118.89	120.07	116.61
0	Inventory turnover (times)	8.31	8.23	9.54	10.32	9.48
Operating efficiency	Accounts payable turnover (times)	3.69	3.40	3.38	3.91	4.20
efficiency	Days inventory outstanding	43.92	44.35	38.26	35.37	38.5
	Property, plant and equipment turnover (times)	14.27	20.13	24.69	18.82	13.63
	Total asset turnover (times)	0.51	0.59	0.63	0.57	0.52
	Return on assets (%)	1.03	2.88	(3.11)	(5.01)	(3.07)
	Return on equity (%)	1.10	4.21	(4.77)	(8.09)	(6.64)
Profitability	Ratio of income before tax to paid-in capital (%)	0.21	2.02	(4.68)	(9.70)	(7.85)
	Net margin (%)	1.47	4.57	(5.10)	(9.12)	(7.90)
	Earnings per share (NTD)	0.08	0.44	(0.54)	(0.91)	(0.67)
	Cash flow ratio (%)	(2.30)	5.21	0.13	4.68	(5.90)
Cash flow	Cash flow adequacy ratio (%)	110.03	15.00	16.74	46.42	18.32
	Cash reinvestment ratio (%)	(1.07)	2.72	0.06	0.75	(1.15)
Leverage	Operating leverage	NA	595.21	NA	NA	NA
Leverage	Financial leverage	NA	(0.77)	NA	NA	NA

Please provide an analysis of changes in the financial ratios for the preceding 2 fiscal years (If the change is less than 20%, the analysis can be exempted)

(I)Solvency:

1.Current ratio, Quick ratio (Increased over the previous period)

This is mainly due to the decrease in short-term borrowings for this period is due to 65,000 thousand.

2. Interest coverage ratio (decreased over the previous period)

This is mainly due to the decrease in pre-tax net loss for the current period compared to the previous period by 13,376 thousand.

(II) Operating Performance:

Property, plant and equipment turnover (times) (decreased over the previous period) -

This is mainly due to the decrease in revenue for the current period compared to the previous period by 107,838 thousand. (III) Profitability:

Return on assets, Earnings per share (increased over the previous period)

This is mainly due to the decrease in pre-tax net loss for the current period compared to the previous period by 13,376 thousand.

.(IV) Cash flows:

1. Cash flow ratio, Cash reinvestment ratio (decreased over the previous period) -

This is mainly due to the net cash outflow from operating activities for the current period.

2. Cash flow adequacy ratio (decreased over the previous period) -

This is mainly due to the decrease in cash flow from operating activities in the current period.

- Note 1: Parent company only financial statements in each year were audited by the CPAs.
- Note 2: The following calculation formula should be shown at the end of this table in the annual report:
 - 1. Financial structure
 - (1) Liabilities 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) Interest coverage ratio = earnings before interest and taxes / interest expenses
- 3. Management capacity
- (1) Turnover rate of receivables (times) (including accounts receivable and notes receivable due to business) turnover rate = net sales/balance of average receivables for each period (including accounts receivable and notes receivable due to business).
- (2) Days sales outstanding=365/Accounts receivable turnover
- (3) Inventory turnover $= \cos t$ of goods sold / average inventory
- (4) Turnover rate of payables (including accounts payable and bills payable due to business) = cost of goods sold/balance of payables for each period (including accounts payable and notes payable due to business).
- (5) Days inventory outstanding 365 / inventory turnover
- (6) Turnover rate of property, plant and equipment = net sales/average net property, plant and equipment.
- (7) Turnover rate of total assets = net sales/total average assets.
- 4. Profitability
 - (1) Return on assets = [after-tax profit and loss + interest expense \times (1-tax rate)]/average total assets.
 - (2) Return on equity = after-tax profit and loss/average total equity.
 - (3) Net margin = net income / net sales
 - (4) Earnings per share = (profit and loss attributable to owners of the parent company preferred stock dividends)/weighted average number of shares issued. (Note 3)

5. Cash flow

- (1) Operating cash flow ratio = Net cash flow from operating activities / current liabilities
- (2) Cash flow adequacy ratio = Net cash flows from operating activities during the past five years / (capital expenditure + increase in inventory + cash dividends) during the past five years
- (3) Cash reinvestment ratio = (net cash flow from operating activities cash dividends)/(gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)
- 6. Leverage:
 - (1) Operating leverage = (net operating income variable operating costs and expenses)/operating profit (Note 6).
 - (2) Financial leverage = operating profits / (operating profits interest expenses)
- Note 3: The above calculation of earnings per share should take into account the following issues:
 - 1. It is based on the number of weighted average ordinary shares, not the number of issued shares at year end.
 - 2. Rights issues or treasury share transactions should be taken into account according to the outstanding period in the calculation of the number of weighted average shares.
 - 3. Capitalization of earnings or capital surplus via share issuance should be retrospectively adjusted pro rata for earnings per share of prior years and half years, without taking into consideration the issuance periods.
 - 4. If preferred shares are cumulative and not convertible, dividends for the current year (whether issued or not) should be deducted from net incomes or added to net losses. If preferred shares are non-cumulative, dividends to preferred shares should be deducted from net incomes but no adjustment is required for net losses.
- Note 4: The cash flow analysis should take into account the following issues:
 - 1. Net cash flows from operating activities refer to the net cash inflows from operating activities in the statement of cash flows.
 - 2. Capital expenditures refer to the cash outflows each year on capex.
 - 3. The increase in inventory is only calculated when the ending balance is greater than the opening balance. If the inventory is reduced at year end, it is counted as zero.
 - 4. Cash dividends include cash dividends to ordinary shares and to preferred shares.
 - 5. Gross property, plant and equipment refers to the total value of property, plant and equipment before accumulated depreciation.
- Note 5: The issuer should divide all operating costs and expenses by nature into fixed and variable. Any estimates or subjective judgement should be reasonable and consistent.
- Note 6: If the Company's stock has no par value or the par value per share is not NT\$10, the calculation of the ratio of paid-in capital is changed to the ratio of equity attributable to the owners of the parent company in the balance sheet.

III. Audit Committee's Review Report of the Latest Annual Financial Report

Wanshih Electronic Co., Ltd.

Audit Committee's Review Report

The Company's Board of Directors submitted the proposed financial statements, business report, and appropriation of profit or loss for 2023. The 2023 financial statements were audited by independent auditors of PwC Taiwan and an independent auditor's report was issued accordingly. The above-mentioned 2023 financial statements, business report and proposal for earnings distribution plan have been audited by the Audit Committee and did not find any discrepancy. A report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act; please verify.

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To

2024 Shareholders' Meeting of Wanshih Electronic Co., Ltd.

Convener of the Audit Committee: Tu-Tsun Tsai

March 13, 2024

IX. If the company and its affiliated companies had any financial difficulties in the most recent year and as of the publication date of the annual report, state the impact on the company's financial status: None

Seven. Review and Analysis of Financial Status and Performance and Risk Issues

I. Financial Status

Unit: NTD Thousands

Year Item	2023	2022	Amount increased (decreased)	Percentage increased (decreased) (%)
Current asset	908,576	1,057,961	(149,385)	(14.12%)
Property, Plant and Equipment	211,959	266,739	(54,780)	(20.54%)
Other assets	357,525	396,820	(39,295)	(9.90%)
Total assets	1,478,060	1,721,520	(243,460)	(14.14%)
Current liabilities	313,817	594,923	(281,106)	(47.25%)
Non-current liabilities	276,784	265,434	11,350	4.28%
Total liabilities	590,601	860,357	(269,756)	(31.35%)
Share capital	725,845	725,799	46	0.01%
Additional paid-in capital	55,302	51,654	3,648	7.06%
Retained earning	(26,559)	(34,737)	8,178	23.54%
Other equities	(26,868)	(334)	(26,534)	(7,944.31%)
Total equity attributable to shareholders of the parent	727,720	742,382	(14,662)	(1.97%)
Non-controlling interest	159,739	118,781	40,958	34.38%
Total Equity	887,459	861,163	26,296	3.05%

The main reasons for and the effects of the changes in the previous and subsequent years by 20% or more and by an amount of NT\$10 million or more is as follows:

- 1. Property, Plant and Equipment: The main reason is due to the renovation of the Vietnam factory in 2022.
- 2. Current liabilities: The main reason is the decrease in short-term borrowings and accounts payable compared to 2022.
- 3. Total assets: The main reason is the decrease in short-term borrowings and accounts payable compared to 2022.
- 4. Other equity: The decrease was mainly due to the decrease in unrealized valuation gain or loss on financial assets at fair value through other comprehensive income.
- 5. Non-controlling interest: The main reason is the recognition of changes in equity attributable to owners of subsidiaries in the current period.

II. Financial performance

(I) Comparison and Analysis of Financial Performance

Unit: NTD Thousands

Accounting item	2023	2022	Amount increased (decreased)	Change ratio %
Operating Revenue	1,123,048	1,445,754	(322,706)	(22.32%)
Operating cost	836,039	1,201,735	(365,696)	(30.43%)
Gross profit	287,009	244,019	42,990	17.62%
Operating expenses	358,452	360,368	(1,916)	(0.53%)
Operating profit	(71,443)	(116,349)	44,906	38.60%
Non-operating income and expense	15,416	41,163	(25,747)	(62.55%)
Profit before tax	(56,027)	(75,186)	19,159	25.48%
Income tax expense	4,796	3,148	1,648	52.35%
Current period net profit	(51,231)	(72,038)	20,807	28.88%
Other comprehensive income recognized for the period	29,321	(105,891)	135,212	127.69%
Total comprehensive income in the current period	(21,910)	(177,929)	156,019	87.69%
Net loss attributable to:				
Owners of the parent company	(48,771)	(66,109)	17,338	26.23%
Non-controlling interest	(2,460)	(5,929)	3,469	58.51%
Total comprehensive loss attributable to:				
Owners of the parent company	(17,775)	(176,714)	158,939	89.94%
Non-controlling interest	(4,135)	(1,215)	(2,920)	(240.33%)

The main reasons for and the effects of the changes in the previous and subsequent years by 20% or more and by an amount of NT\$10 million or more is as follows:

- 1. Operating Revenue: The main reason is the global economic recession in 2023, resulting in a decrease in operating income compared to the previous year.
- 2. Operating cost: The main reason is the decrease in operating income, leading to a corresponding decrease in operating costs.
- 3. Operating profit: The main reason is the product structure adjustment and process improvement in 2023, resulting in an increase in gross profit from sales compared to the previous year.
- 4. Non-operating income and expense: The main reason is the decrease in compensation income recognized for the current period compared to 2023
- 5. Profit before tax and current period net profit: Mainly due to the increase in operating expenses and decrease in gross profit as compared to the previous period.
- 6. Other comprehensive income for the period, total comprehensive income for the period: It is mainly due to the decrease in unrealized valuation gains on investments in equity instruments at fair value through other comprehensive income or loss in the current period as compared to the previous period.
- 7. Net loss attributable to owners of the parent company: The main reason is the decrease in net loss for the current period..
- 8. Comprehensive profit or loss attributable to the parent company: It is mainly due to the decrease in unrealized valuation gains on investments in equity instruments at fair value through other comprehensive income or loss in the current period as compared to the previous period.

(II) The expected sales volume in the coming year, the possible impact on the Company's future financial operations and the measures to be taken:

Please refer to "One. Letter to Shareholders" on pages 1~2.

III. Cash Flows

(I) Analyze any cash flow changes during the past two fiscal years:

Year Item	2023	2022	Increase/decrease (%)
Operating cash flow ratio	46.78	0.00	N/A
Cash flow adequacy ratio	62.66	42.78	46.47%
Cash re-investment ratio	7.54	(0.70)	(1177.14%)

The percentage change by 20% or more is analyzed as follows:

Increased of the cashflow ratio, the cashflow adequacy ratio and the cashflow reinvestment ratio from the previous period:

Primarily due to the increase of cash flows from operating activities during the period.

(II) Cash flow liquidity for the next year

Cash balance at the	Expected net cash flows from	Expected net cash flows from other (shortage) Remedies for shortage			
beginning of	operating activities	activities for the	amount	Investment	Financing
the period	for the year	year	amount	plan	plan
272,934	150,000	(131,900)	291,034	None	None

- 1. Analyze any cash flow changes during the most recent fiscal year:
 - (1) Operating activities: The Company's operations and profitability are expected to remain stable, so operating activities will generate net cash inflows.
 - (2) Investing activities: The Company expects to acquire production equipment, spend on plant repairs and make long-term investments; therefore, investing activities shall generate net cash outflow.
 - (3) Financing activities: A net cash outflow is expected from investing activities and the funding gap will be met with credit facilities from banks.
- 2. Expected remedies for cash shortfalls and liquidity analysis: No such situation.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year

The Company's capital expenditures in 2023 were \$33,466 thousand,, which were primarily related to the equipment and plant renovation expenditures for developing the Company's business, and were financed by its own funds.

V. Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) In 2023, the complete lifting of COVID-19 pandemic restrictions marked the first year of relaxation. Consumer demand showed a gradual recovery; however, the cautious spending habits of consumers led to a 30% decrease in the demand for electronic devices. This decline placed additional strain on the supply chain to manage inventory clearance. As China's policy shifts from economic development to focusing on safety, the tension between China and the U.S. has

accelerated foreign companies to withdraw from the Chinese market. Real estate, which accounts for 46% of the GDP, has dropped by 30%, causing uncertainty about the future; therefore, China's economy has entered into recession. The world's major economic entities also experienced recessions in 2023. The US faced inflation issues caused by increasing prices in energy, rents and cars. The European Union is experiencing a slowdown in consumer demand due to the prolonged Russia-Ukraine war and conflict in the Middle East. As a result, only the EV customers grew steadily in 2023; the video customers remained the same; the rest of our major customers including medical and energy storage industries suffered a sharp decline by 50%; therefore, the consolidated revenue decreased by NT\$320 million (22%) as compared to 2022, and the consolidated after-tax losses were NT\$20 million.

(II) As we look forward to 2024, geopolitical conflicts and the US elections will affect global economic development, and the external business environment remains unstable. The market is expected to recover in Q2 as the overall economy grows slowly; therefore, the business strategy adopted by the Company is "conservative and progressive". Take a conservative attitude in market recovery: Reduce material on-hand to de-stock inventory. Our goal is to de-stock most of the inventory in Q2; cut down on capital investment, we shall only invest when market demand is definite. Continuing to promote targeted industries: Increase investment in automotive, medical, and high-frequency industries, and continue to develop in the energy storage and surveillance video industries. The Company's businesses have been improved: The Company has continued to promote organizational optimization, simplify operational procedures, and improve factory efficiency; and, the Company has expanded its customer base and diversified its risk exposure by combining with SMT processing to secure orders from other countries.

VI. Risk Analysis and Evaluation

- 1. The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:
 - (1) The Company's net interest expense for 2023 was \$8,951 thousand, representing 0.80% of net operating income, an increase of \$289 thousand as compared to the net interest expense for 2022. The Company's financing policy with banks is based on the Group's overall efficiency and will continue to maintain close relations with banks to obtain more favorable terms for loans.
 - (2) Effect on the Company of exchange rate fluctuations:

Unit: NTD Thousands

Item	Year	2023
Foreign currency exchange (loss) gain (A)		5,757
Net operating income (B)		1,123,048
Operating profit (loss) (C)		(71,443)
(A)/(B)		0.51%
(A)/(C)		(8.06%)

In 2023, the Company's net foreign currency exchange gain was \$5,757 thousand, representing 0.51% of operating income, which was relatively low. However, since the foreign market accounts for a significant portion of the Company's revenue, the Company always pays attention to the exchange rate fluctuations in the international market and uses the same currency (U.S. dollars) for payment and receipt to reduce the impact of exchange rate fluctuations. However, in order to effectively reduce the impact of exchange rate fluctuations on overall profitability, the Company has adopted the following specific measures:

- A. Forward Exchange Pre-sales and Pre-purchases
 - The Group's management has established policies and guidelines to hedge the functional currency in each business unit. To manage exchange rate exposure from future commercial transactions and assets and liabilities recognized, the Finance Department may use instruments such as forward exchange contracts for hedging purposes. The principle of not holding exchange rate exposure positions is used to reduce the impact of foreign exchange fluctuations on the Group's profit or loss.
- B. Payments for materials are made from the sales revenue in the same currency.

 We use the same currency as the sales revenue to cover the purchase expenses as much as possible to achieve the effect of natural hedging of foreign currency revenue and expenses.

 The remaining portion is flexibly adjusted and sold in New Taiwan dollars when the timing is favorable.
- C. Favorable combination of parent-subsidiary division of labor

 The Company's products are manufactured in overseas subsidiaries to take advantage of the cheaper labor in overseas countries to produce low-cost products. By using the parent company in Taiwan as the base for research and development and product marketing, the Company can improve its gross profit and increase its flexibility in response to exchange rate fluctuations. On the one hand, it can improve gross profit and increase flexibility in response to exchange rate changes, and on the other hand, it can diversify the exchange rate risk and increase the sales base.
- D. Other measures
 - Contact the bank for analysis and advice on exchange rate movements. We consider the possible changes in exchange rates when receiving orders and making quotations, and then adjust the selling price to protect the company's existing profit. The Company keeps an eye on the international financial situation, understands the information of the latest exchange rate changes, and studies the trend of the exchange rate in order to make reference to the exchange rate changes and reserve room for making price quotations for products.
- (3) The impact on the Company's profit and loss and future measures to cope with the inflation in the recent year:
 - The Company has not been materially affected by inflation so far. In addition to closely monitoring market price fluctuations, the Company maintains good relationships with suppliers and customers to appropriately adjust product prices and raw material inventories, which should effectively reduce the impact from inflation.
- Policies regarding highly-risky, highly-leveraged investments, lending, endorsements and guarantees, and derivatives trading; main reasons for related profits or losses, and responding measures
 - (1) The Group does not engage in high-risk, high-leverage investment activities.
 - (2) Lending of funds to others and endorsement and guarantee are for the operational needs of the Group's subsidiaries and are carried out in accordance with the "Procedures for Lending of Funds to Others" and "Regulations for Endorsement and Guarantee".
 - (3) All derivative transactions are for hedging purposes. The Company follows the "Procedures for the Acquisition or Disposal of Assets" to stabilize its operating profit and loss.
- 3. Research and development work to be carried out in the future, and further expenditures expected for research and development work:
 - The focus of new product and technology development is on electric transportation related wiring harnesses, wires for high-current automotive applications, ADAS wiring assemblies, high-frequency external wiring harnesses, special specification security products, etc.In addition to the development of new products and introduction of more automated equipment, to reduce work hours and labor requirements, boost capacity and quality, satisfy the comprehensive needs of customers and drive towards the Company's growth target.

(1) Future Research Development Plan:

- Coaxial cable is a cable for signal transmission, usually made of single-core bare copper wire, multi-core copper stranded wire, copper-clad steel wire, or tinned copper wire as the central conductor of the cable, and then surrounded by four layers of circular covering material from inside to outside. Because the cross section of the coaxial cable is concentric, its structure is shielded for electromagnetic signal transmission and is less susceptible to external noise interference. Although the electromagnetic impedance varies depending on the dielectric material of the coaxial cable, we will continue to focus on the development of low attenuation coaxial cables to accommodate customers' requirements due to the widespread use of high-speed transmission. The application for coaxial cable can be extended to AR/VR and miniaturized monitor, Drone and Smart Root, POS System, and high-frequency signal cable application in IP-Camera, these are very good material choices. Coaxial provides better anti-interference solution for high-speed signals. Therefore, we will continue to focus on the development of process equipment and product applications for 0.25/0.3mm process cable sets, as well as the refinement and improvement of layer equipment this year.
- High Frequency Wire Harness refers to a set of connectors used for high-frequency signal transmission, typically consisting of high-frequency wires, terminals, connectors, shielding layers, and other components. Its characteristics include low loss, low noise, high stability, and high reliability, making it suitable for high-speed and high-definition communication and imaging applications. As the market demand for high-frequency wire harnesses continues to expand into various fields such as electronic products, computers, audio-visual systems, household appliances, automatic control systems, automobiles, public transportation systems, traffic equipment, mechanical equipment, monitoring systems, aerospace industry, medical equipment, etc., high-frequency wire harnesses can provide high-quality signal transmission and reception to meet various functional and performance requirements. Therefore, we are continuously investing in the development and application of high-frequency wire harnesses, overcoming factors such as signal frequency, bandwidth, impedance, loss, interference, temperature, humidity, vibration, bending, etc. We optimize processes and enhance precision equipment, coupled with the introduction of reliable testing instruments, to ensure that high-frequency wire harnesses comply with relevant standards and specifications in design and manufacturing, such as IEEE, ANSI, IEC, UL, CE, etc., ensuring the quality and safety of high-frequency wire harnesses and maintaining industry-leading standards.
- At present, USB-IF is working actively to promote the USB 4 specification. Under the discussion in the association, USB 4 and Thunderbolt are also being actively integrated. USB 4 replaces the previous USB 2.0 and USB 3.0 specifications, and the transmission speed is increased from the original 480Mbps to 5Gbps & 10Gbps & 20Gbps. USB4 further increases the bandwidth to 20Gbps & 40Gbps, and raises the original 5A/20V/100W to another level of 5A/48V/240W. In addition to transmission and PD power output, USB4 also supports the ALT Mode and Display Port, and further supports HD displays. It can be seen that the USB4 type C specification has overcome all the limitations of the current I/O interface. The size of USB4 type C is smaller than the previous USB A & USB B type, which makes the application more and more extensive, and will be the focus of our company's development in the future.
- Due to the application of 5G, we are planning different products based on the manufacturing process of automobile cables, focusing on docking, welding, and material selection. The evaluation of HSD cable, Fakra cable, Mini Frakra, and HMTD cable is included. We will invest more equipment in the production process and include subsequent product verification.
- Wi-Fi 7 is the up-and-coming new specification, also known as IEEE 802.11be EHT (Extremely High Throughput). It is applicable to three spectrums (2.4GHz, 5GHz and 6GHz) and can fully utilize spectrum resources. Wi-Fi 7 allows for 320MHz ultra-wide bandwidth, 4096-QAM, Multi-RU and multiple connections. As it is 4.8x faster than Wi-Fi 6 and 13x faster than Wi-Fi 5, the design of multiple antennas is even more difficult. The development requires continued investment of manpower and resources. Therefore, it is more difficult to design multiple antennas which requires more labor and resources to develop them.

- Due to the wide adoption of 5G, the utilization of existing licensed spectrums continues and the sub-6GHz and mmWave spectrums are also included. 5G technology is driving the advancement of network architectures. 5G New Radio (NR) is the global standard for the wireless air interface. It covers the spectrums not utilized by 4G and provides more powerful functions. MIMO (multiple-input and multiple-output) antennas can accommodate multiple transmitters and receivers and hence more data. So we will strengthen our antenna development capabilities in this area and invest more resources in antenna development in the future.
- The demand for mmWave radar will rise significantly in 2023, mainly in the IoT and the electric vehicle markets. We have established long-standing cooperation with National Taiwan University of Science and Technology and Fu Jen Catholic University and have created a development roadmap for the next five years and beyond.
- (2) Estimated additional R&D expenses: The estimated additional R&D expenses are approximately NT\$100 million.
- 4. Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: The Company conducts all business activities in accordance with the laws and regulations stipulated by the competent authority and maintains close consultation with the appointed legal advisors and accountants to always be aware of the impact on financial and business operations of important domestic and foreign policy and legal changes, and to plan countermeasures.
- 5. Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

 Due to the oversupply in the electronics industry, the market must continue to compete and merge with each other. In order to ensure that the Company can continue to operate, we will continue to pursue product development and transformation. Therefore, the Company will actively develop other wiring products. We will also strengthen our internal cost structure, enhance plant management to reduce operating costs, improve our technology development capabilities, as well as the management of our overseas investment business in order to enhance our external competitiveness. The Company has established a robust computer and network security management system, to ensure information and communication security. Technological changes do not have material and adverse effects on the Company's information security and will not result in major operational risks.
- 6. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:
 The Company has always been operating under the innovative and ethical management principles, paying attention to corporate image, risks and compliance with laws and regulations; currently there is no foreseeable crisis.
- 7. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.
- 8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.
- 9. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: None.
- 10. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.
- 11. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

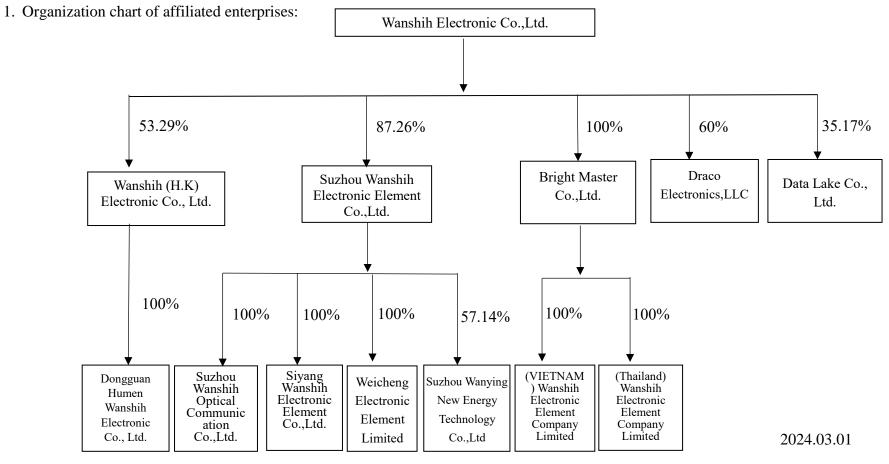
- 12. Litigation or non-litigation events: It is necessary to describe major litigations, non-litigations or administrative litigations with confirmed judgments or still ongoing involved by the Company or any of its directors, supervisors, General Manager, de facto responsible persons, major shareholders with at least 10% stakes or any of the subordinated companies. If the outcome may have material influence on shareholders' equity or securities prices, it is necessary to disclose the matters in contention, underlying amounts, start dates of the litigations, main parties involved and progress: None.
- 13. Other important risks and responding measures: None.

VII. Other important matters: None.

Eight. Special Notes & Supplementary Information

I. Information related to the company's affiliates

- (I) Consolidated financial statements of affiliated companies
 - In 2023, the related entities that are required to be included in the preparation of the Consolidated Financial Statements of the Company, under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 "Consolidated Financial Statements." there will be no separate preparation of affiliated enterprises' Consolidated Financial Statements.
- (II) Business report on affiliations



2. Basic information of the company's affiliates

Unit: NTD Thousands

Company name	Establishment Date	Address	Paid-in Capital	Main businesses or production activities
Suzhou Wanshih Electronic Element Co., Ltd.	1994.1.18	No.168 Wen Du Road, Wang Ting Town, Xiangcheng District, Suzhou City, China	USD 16,000	Manufacturing and sales of mini coaxial cable (main products are antenna, medical cable, automobile cable, electronic wire harness and external cable as well as SMT module)
Wanshih (H.K) Electronic Co., Ltd.	1990.08.07	21 Lam Hing Street Kowloon Bay, Hong Kong, Metro Centre II Room 2026	HKD 18,000	Sales of electronic components, computers and peripheral products
Bright Master Co., Ltd.	2007.12.28	NO.4,Franky Building Providence Industrial Estate, Mahe, Seychelles	USD 18,077	Investee and holding companies
Suzhou Wanshih Optical Communication Co., Ltd.	2003.07.15	No.168 Wen Du Road, Wang Ting Town, Xiangcheng District, Suzhou City, China	USD 5,200	SMT product processing and assembly
Siyang Wanshih Electronic Element Co., Ltd.	2008.01.21	No. 88, Huaihai East Road, the Eastern Economic Development Zone of Siyang Country, Suqian City, Jiangsu Province, China	USD 11,500	Manufacturing of wire harnesses and external cables for electronic products
Weicheng Electronic Element Limited	2010.01.26	Room 2702-3, Integrated Centre, 302-8 Hennessy Road, Hong Kong Bay, Hong Kong	USD 130	Sales of electronic components, computers and peripheral products
Dongguan Humen Wanshih Electronic Co., Ltd.	2010.02.09	Long Yan Village, Hu-men, Dongguan City, Guangdong, China	USD 1,000	Manufacturing of wire harnesses and external cables for electronic products, medical cables and automobile cables
(VIETNAM) Wanshih Electronic Element Company Limited	2019.03.28	Workshop G4, G6, Lot XN6-II, Dai An expansion Industrial Zone, Lai Cach town, Cam Giang district, Hai Duong province, Vietnam	USD 2,100	Sales of electronic components, computers and peripheral products

Company name	Establishment Date	Address	Paid-in Capital	Main businesses or production activities
(Thailand) Wanshih Electronic Element Company Limited	2016.08.26	52-52/1 Moo 5 T.Nongkakha A.Pantong Chonburi	USD 100	Sales of electronic components, computers and peripheral products
Data Lake Co., Ltd.	2015.12.07	No. 72, Wugong 6th Rd., Wugu Dist., New Taipei City	NTD 72,750	Assembly of electric-assist bicycle kits, sale of related materials, and integration of three-electric systems.
Draco Electronics, LLC	2010.02.08	4575 Cushing Pkwy, Fremont, CA 94538, USA	USD 1,000	Wire harnesses and external cables for electronic products
Suzhou Wanying New Energy Technology Co., Ltd	2023.10.08	2nd Floor,No.168 Wen Du Road, Wang Ting Town, Xiangcheng District, Suzhou City, China	RMB 2,800	The design, development, and sales of electric vehicle charging connectors for new energy vehicles.

- 3. Same shareholder information for presumption of a relationship of control or subordination: None.
- 4. The industries covered by the business operated by the affiliates overall. Where connections exist among the businesses operated by individual affiliates, a description of the mutual dealings and division of work among such affiliates should be provided:
 - (1) The scope of business of the Group's affiliated companies covers the following industries: cable assembly and ultra-thin flexible circuit board manufacturing, processing and sales.
 - (2) Where connections exist among the businesses operated by individual affiliates, a description of the mutual dealings and division of work among such affiliates should be provided:

A. China:

- (I) Suzhou Wanshih Electronic Element Co., Ltd. is responsible for receiving orders and manufacturing orders for the delta trade. We have established Suzhou Wanshih Electronic Element Co., Ltd. as the largest manufacturing entity in China. The Company has adjusted Dongguan Humen Wanshih to undertake the processing orders of Suzhou Wanshih Electronics, in order to effectively integrate the Group's production and processing technology and the development of the domestic market in China.
- (II) Suzhou Wanying mainly focuses on the design, development, and sales of electric vehicle charging connectors for new energy vehicles.
- (III) Wei Cheng Electronics is a wholly-owned subsidiary of Suzhou Wanshih established in Hong Kong, mainly to respond to the restriction of 90 days payment term in Mainland China since 2009. In response to the foreign exchange control in Mainland China, some of the orders were placed through Wei Cheng and then transferred to Suzhou Wanshih.

B. Other areas except for China:

- The Company invests in SMT manufacturing plants in Taiwan to meet business growth and MIT manufacturing opportunities by enhancing labor and production scale in the Taiwan plant.
- (I) The establishment of Vietnam Wanshih Electronic Element Company Limited by our company is primarily aimed at giving our products a cost advantage in manufacturing

- and ensuring stable production output, thereby enhancing customer trust and reliance on Wanshih products.
- (II) Draco primarily offers rapid one-stop services in the United States, including anticipated support, in-house prototype design, manufacturing production services, and the ability to provide rapid sampling services within 3-5 days.
- (III)Data Lake Co., Ltd primarily enhances the development capabilities of e-bike and integrates resources in Wanshih Electronic. This also create sales in e-bike wirings and the capability in integration and assembly of the three electric systems.

5. The names of the directors, supervisors, and general manager of each affiliate and the details of their shareholding or capital contribution in such affiliate:

Unit: Thousand Shares

			Shareho	
Company name	Position	Name or representative	Shares (in thousand)	Shares Ratio
	Chairman	Lake Chang Wanshih Electronic Co., Ltd.	13,962	87.26%
	Director	Ringo Chang Wonderful Hi Tech Co., Ltd.	410	2.56%
	Director	Ping-Che Lee Wanshih Electronic Co., Ltd.	13,962	87.26%
Suzhou Wanshih Electronic Element Co., Ltd.	Director	Kanno Takanobu Asahi Communications Co., Ltd.	1,629	10.18%
	Director	Kanno Toshio Asahi Communications Co., Ltd.	1,629	10.18%
	Supervisor	Yu-Hsiu Hsu Wanshih Electronic Co., Ltd.	13,962	87.26%
	Supervisor	Saito Kimihiko Asahi Communications Co., Ltd.	1,629	10.18%
	Chairman	Lake Chang Wanshih Electronic Co., Ltd.	9,593	53.29%
	Director	Ping-Che Lee Wanshih Electronic Co., Ltd.	9,593	53.29%
	Director	Ringo Chang Wonderful Hi Tech Co., Ltd.	3,068	17.04%
Wanshih (H.K) Electronic Co., Ltd.	Director	Kanno Takanobu Asahi Communications Co., Ltd.	4,920	27.33%
	Director	Kanno Toshio Asahi Communications Co., Ltd.	4,920	27.33%
	Supervisor	Yu-Hsiu Hsu Wanshih Electronic Co., Ltd.	9,593	53.29%
	Supervisor	Saito Kimihiko Asahi Communications Co., Ltd.	4,920	27.33%
Bright Master Co.,Ltd.	Chairman	Lake Chang Wanshih Electronic Co., Ltd.	18,077	100.00%
(Note 1)	Director	Kanno Takanobu	0	0%

			Shareho	
Company name	Position	Name or representative	Shares (in thousand)	Shares Ratio
Suzhou Wanshih Optical	Chairman	Lake Chang Suzhou Wanshih Electronic Element Co., Ltd.	4,538	87.26%
Communication Co., Ltd.	Supervisor	Wen-Yi Chu Suzhou Wanshih Electronic Element Co., Ltd.	4,538	87.26%
Siyang Wanshih Electronic Element	Chairman	Lake Chang Suzhou Wanshih Electronic Element Co., Ltd.	10,035	87.26%
Co., Ltd.	Supervisor	Wen-Yi Chu Suzhou Wanshih Electronic Element Co., Ltd.	10,035	87.26%
Weicheng Electronic Element Limited	Chairman	Lake Chang Suzhou Wanshih Electronic Element Co., Ltd.	104	87.26%
Suzhou Wanying New Energy Technology Co., Ltd	Chairman	Lake Chang Suzhou Wanshih Electronic Element Co., Ltd.	1,600	57.14%
	Supervisor	Yu-Hua Wang Suzhou Wanshih Electronic Element Co., Ltd.	1,600	57.14%
	Chairman	Lake Chang Wanshih (H.K) Electronic Co., Ltd.	510	53.29%
Dongguan Humen Wanshih Electronic	Director	Ping-Che Lee Wanshih (H.K) Electronic Co., Ltd.	510	53.29%
Co., Ltd.	Director	Kanno Takanobu Asahi Communications Co., Ltd.	273	27.33%
	Supervisor	Wen-Yi Chu Wanshih (H.K) Electronic Co., Ltd.	510	53.29%
(VIETNAM) Wanshih Electronic Element Company Limited (Note 2)	Chairman	Lake Chang Bright Master Co., Ltd.	2,100	100%
(Thailand) Wanshih Electronic Element Company Limited (Note 2)	Director	Lake Chang Bright Master Co., Ltd.	100	100%

			Shareholding	
Company name	Position	Name or representative	Shares (in thousand)	Shares Ratio
	Chairman	Lake Chang Wanshih Electronic Co., Ltd.	5,100	35.17%
Data Lake Co., Ltd.	Director	Yu-Hsuan Lee	3,400	23.45%
	Supervisor	Wen-Yi Chu Wanshih Electronic Co., Ltd.	5,100	35.17%
Draco Electronics, LLC	Shareholder	Lake Chang Wanshih Electronic Co., Ltd.	-	60.00%

Note 1: It is a holding company.

Note 2: Indirect investment in Thailand and Vietnam through Bright Master Co.,Ltd. in Seychelles.

(III)Affiliation Report

The Company does not conform to the definition of a subordinate company to a controlling company in the Affiliated Enterprises Chapter of the Company Act, so it is not required to prepare a report on the relationship between itself and its controlling company (the "affiliation report").

II. Handling of private placement securities in the last year and as of the date of publication of the annual report:

T.	First Private Placement of 2020				
Item	Date of Issuance: December 25, 2020				
Type of Private Placement Securities	Common share				
Date of approval by the shareholders meeting and amount approved		ureholders' meeting: October 1 Up to 6,000,000 common share		d may be issu	ed in lump
Basis and rationality of the price setting	The price of the private placement is determined in accordance with the resolution of the 2020 interim shareholders' meeting held on October 15, 2020, and shall be no less than 80% of the higher of the following two calculations prior to the price date of the Company: (1) The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. (2) The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. The higher of the two calculations listed above will determine the price. Based on the above price determination method, the reference price of the private placement is NT\$14.01 and the price of the private placement is set at NT\$11.25, which is 80.3% of the reference price and no less than 80% of the reference price resolved by				
Method of selection of qualified persons		the time of the meeting. defined in Article 43-6 of the	Securities and	d Exchange A	ct
Reason for necessity of private placement Share payment completion	Considering the effectiveness and convenience of the private placement method, as well as the plan to bring in strategic investors for the Company's development, the private placement method was adopted.				
date	November 18, 202	0			
Information on the placees	Counterparty of the private placement	Qualifications	Subscription quantity	Relationship with the Company	Participation in the Company's operations
-	Fullconn Industry Inc.	Eligible persons as defined in Article 43-6 of the Securities and Exchange Act	5,000 thousand shares	None	None
Actual subscription (or conversion) price	NT\$11.25 per shar	e			
Discrepancy between the actual subscription (or conversion) price and the reference price	placement is set at	e of the private placement is N NT\$11.25, which is 80.3% of ce price resolved by the sharel	the reference	price and no l	ess than
Effect of the private placement on shareholder equity (for example: increase in accumulated losses)	placement securitie	Exchange Act imposes a three es, and there are also restriction egree of protection for shareho	ns on the qual	ifications of tl	
Status of utilization of the funds and plan implementation progress	As of the first quar	ter of 2021, all funds have bee	en used to repa	ay the bank lo	ans.
Realization of private placement benefits	the overall financia adjustment, repay l	e private placement will be use al structure of the Company an oans and reduce debt ratio, whe erations and positively contrib	d strengthen thich will direct	the flexibility of the	of capital ly benefit

- III. Status of holding or disposal of the company's shares by subsidiaries in the last year and as of the date of publication of the annual report: None.
- IV. Other necessary supplementary explanations: None.
- V . In the most recent year and as of the date of publication of the annual report, if there is any matter that has a significant impact on shareholders' rights and interests or the price of securities as specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

Attachment I: Consolidated Financial Statements

Wanshih Electronic Co., Ltd. and Subsidiaries
Consolidated Financial Statements and
Independent Auditors' Report
The Years Ended December 31, 2023 and 2022
(Stock Code: 6134)

Address: 3-4F, No. 72 Wugong 6th Rd., Wugu Dist., New Taipei Industrial Park, New Taipei City

Tel: (02)2298-8066

Wanshih Electronic Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022

and Independent Auditors' Report

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Wanshih Electronic Co., Ltd.

Representation Letter

For the Company in 2023 (from January 1, 2023 to December 31, 2023), the entities to be

included in the consolidated financial statements of affiliated companies according to the Criteria

Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated

Financial Statements of Affiliated Enterprises are identical with the entities to be included in the

parent's consolidated financial statements under the International Financial Reporting Standards

(IFRS) 10. As the consolidated financial statements of affiliated companies are disclosed in the

parent's consolidated financial statements, the consolidated financial statements of affiliated

companies are not separately prepared.

Declared by

Wanshih Electronic Co., Ltd.

Responsible Person: Lake Chang

March 13, 2024

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Independent Auditors' Report

(113) Tsai-Shen-Bao Zi No. 23004965

To the Board of Directors of Wanshih Electronic Co., Ltd.:

Review Opinion

We have audited the accompanying consolidated financial statements of Wanshih Electronic Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets for the years ended December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to December 31, 2023 and 2022, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of from January 1 to 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 Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the R.O.C. 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 of the Group 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.

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

Inventory Valuation

Description

Please refer to Notes 4(14), 5(2) and 6(5) to the consolidated financial statements for a description of the accounting policies, uncertainties in accounting estimates and assumptions, and accounting items related to the inventory valuation.

The Group is engaged in the sale of electronic parts and components, computer and peripheral products, and the production and sale of mini coaxial cable assemblies. As the products are affected by market demand changes and production technology updates, the product prices may be vulnerable to fluctuations or unsatisfactory product sales, which may affect the estimated net realizable value of the inventory valuation.

The Group adjusts its inventory in response to its market and development strategy. Since electronic cables and antennae are the main sales items, the related inventory amounts are significant. The management evaluates inventories based on the lower of cost or net realizable value. Given that such process involves subjective judgment, we believe that this accounting estimate has a significant effect on the inventory valuation, so we have listed it as one of the key audit matters for the year.

How our audit addressed the matter

The key audit procedures performed by us are described below:

- 1. Assessing the policy of allowance for inventory impairment with the understanding of the Group's operations and the nature of the industry.
- 2. Testing the price basis of net realizable value was consistent with the policy set by Group, and randomly checking the correctness of net realizable value for each inventory item.
- 3. Checking the management's details of outdated inventories as well as relevant documentary evidence.

Existence of sales

Description

Please refer to Note 4(27) to the consolidated financial statements for the accounting policy on revenue recognition and Note 6(20) to the consolidated financial statements for the existence of sales description of operating income items.

The Group primarily engages in the sale of electronic parts and components, computer and peripheral products, and the manufacturing and sale of mini coaxial cable sets. As the orders for these products are easily affected by the customers' project cycles, the Group needs to develop new markets and take orders from new projects, so the sales customers may change from year to year. With that, we have listed the existence for incorporating the revenues of Group's existence of sales as one of the key audit matters.

How our audit addressed the matter

The key audit procedures performed by us are described below:

- 1. For the assessment and testing of the financial statements, the internal control procedures of sales transactions are based on the Group's internal control system.
- 2. Obtaining and sampling relevant vouchers for the transactions involving operating revenue of the newly listed sales customers.

Other Matters—The previous financial statements were audited by other auditors.

The financial statements of certain subsidiaries and investees accounted for using the equity method that are included in the consolidated financial statements of the Group have not been audited by us, but by other auditors. Therefore, our opinion expressed herein on the above consolidated financial statements relates to amounts included in the financial statements are solely based on the audit reports of other auditors. As of December 31, 2023 and 2022, the aforesaid company had total assets (including investments accounted for using the equity method) of NT\$81,060 thousand and NT\$8,757 thousand, respectively, which both represented 5% &1% of the consolidated total assets. Net operating revenues for the years ended December 31, 2023 and 2022were NT\$3,497 thousand and NT\$1,329 thousand, respectively, both representing 0% of the consolidated net operating revenues.

Others-parent company only financial statements

We have audited the parent company only financial statements of Wanshih Electronic Co., Ltd. as at and for the years ended December 31, 2023 and 2022, and expressed an unqualified opinion with other matter section.

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 IFRSs, IASs, IFRC, 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.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in 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 propriety of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

We 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 2023 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Po-Chuan Lin

Certified Public Accountant

Chun-Yao Lin

Financial Supervisory Commission (FSC)
Certificate No. Approved: Jin-Guan-Zheng-Shen-Zi No. 1100350706
(Formerly known as) Securities and Futures
Commissin, Ministry of Finance
Approval reference: (85)-Tai-Cai-Zheng-(VI) No.68702

March 13, 2024



Unit: NTD Thousands

	Assets	Note	Note December 31, 2023 Amount				December 31, 202 Amount		
	Current asset			Timount	<u>%</u>		mount	%	
1100	Cash and cash equivalents	6(1)	\$	272,934	19	\$	247,892	14	
1110	Financial assets measured at fair value through	6(2)		,		·	,		
	profit or loss - current			20	-		7,072	_	
1136	Current financial assets at amortized cost	6(3) and 8		95,719	7		64,493	4	
1150	Notes receivable, net	6(4)		19,516	1		13,888	1	
1170	Accounts receivable, net	6(4)		299,085	20		436,819	25	
1180	Receivables from related parties, net	7		5,174	_		10,022	1	
1200	Other receivables	7		5,102	-		10,096	1	
1220	Income tax assets for the period			28	-		2	-	
130X	Inventories	6(5)		189,198	13		249,821	14	
1410	Prepayments			15,561	1		10,178	1	
1479	Other current assets - others			6,239			7,678		
11XX	Total current asset			908,576	61		1,057,961	61	
1	Non-current asset								
1517	Financial assets at fair value through other	6(6) and 8							
	comprehensive income or loss - non-current			148,299	10		285,216	17	
1535	Non-current financial assets at amortised cost	6(3) and 8		75,088	5		-		
1550	Investments accounted for using equity method	6(7)		4,012	-		-	-	
1600	Property, Plant and Equipment	6(8),(12)							
		and 8		211,959	14		266,739	15	
1755	Right-of-use assets	6(9) and 7							
		and 8		54,232	4		44,314	3	
1780	Intangible asset	6(11)		4,145	-		4,145	-	
1840	Deferred income tax assets	6(26)		52,841	4		46,223	3	
1930	Long-term notes and accounts receivable			6,000	1		8,400	-	
1990	Other non-current assets - others			12,908	1		8,522	1	
15XX	Total non-current asset			569,484	39		663,559	39	
1XXX	Total assets	<i>(c</i> , .	\$	1,478,060	100	\$	1,721,520	100	
		(Continue	ed)						



Unit: NTD Thousands

				December 31, 202	23		December 31, 20)22
	Liabilities and Equity	Note		Amount	%		Amount	%
	Current liability							
2100	Short-term loans	6(13)	\$	77,886	5	\$	270,240	16
2150	Notes payable			626	-		-	-
2170	Accounts payable			92,985	6		146,174	9
2180	Accounts payable - related parties	7		13,945	1		22,535	1
2200	Other payables	6(14) and 7		94,661	7		138,453	8
2230	Income tax payable for the period			36	-		-	-
2280	Lease liabilities - current	7		14,907	1		13,206	1
2399	Other current liabilities - others			18,771	1		4,315	
21XX	Total current liabilities			313,817	21		594,923	35
	non-current liabilities							
2530	Bonds payable	6(15)		193,867	13		189,923	11
2570	Deferred income tax liabilities	6(26)		45,463	3		47,595	3
2580	Non-current lease liabilities	7		33,932	3		23,971	1
2640	Net defined benefit liability - non-current	6(16)		3,522	_		3,945	
25XX	Total non-current liabilities			276,784	19		265,434	15
2XXX	Total liabilities			590,601	40		860,357	50
	Equity attributable to shareholders of the parent							
	Share capital	6(17)						
3110	Common share			725,845	49		725,799	42
	Additional paid-in capital	6(18)						
3200	Additional paid-in capital			55,302	4		51,654	3
	Retained earnings	6(19)						
3310	Legal capital reserve			3,150	-		3,150	-
3350	Unappropriated retained earnings		(29,709)	(2)	(37,887)	(2)
	Other equities							
3400	Other equities		(26,868)	(2)	(334)	
31XX	Total equity attributable to shareholders of the							
	parent			727,720	49		742,382	43
36XX	Non-controlling interest	4(3)		159,739	11		118,781	7
3XXX	Total Equity			887,459	60		861,163	50
	Significant Events							
3X2X	Total Liabilities and Equity		\$	1,478,060	100	\$	1,721,520	100

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



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Unit: NTD Thousands (Except Earnings Per Share - in New Taiwan dollar)

				2023		2022				
	Item	Note		Amount	%		Amount	%		
4000	Operating Revenue	6(20) and 7	\$	1,123,048	100	\$	1,445,754	100		
5000	Operating cost	6(5), (25)								
		and 7	(836,039) (74)	(1,201,735) (83)		
5900	Gross profit			287,009	26		244,019	17		
	Operating expenses	6(25) and 7								
6100	Selling expenses		(126,326) (11)	(119,440) (8)		
6200	General and administrative									
	expenses		(144,058) (13)	(148,461) (10)		
6300	Research & development expenses		(89,749) (8)	(93,005) (7)		
6450	Expected credit gains (losses)			1,681			538			
6000	Total operating expenses		(358,452) (32)	(360,368) (25)		
6900	Operating loss		(71,443) (6)	(116,349) (8)		
	Non-operating income and expense									
7100	Interest income	6(21)		3,784	-		2,164	-		
7010	Other income	6(22) and 7		36,425	3		50,728	4		
7020	Other gain and loss	6(23)	(11,738) (1)	(876)	-		
7050	Financial costs	6(24) and 7	(12,735) (1)	(10,826) (1)		
7060	Share of profit or loss of associates	6(7)								
	and joint ventures accounted for using equity method		(320)	-	(27)	-		
7000	Total non-operating income and									
	expenditure			15,416	1		41,163	3		
7900	Net income (loss) before tax		(56,027) (5)	(75,186) (5)		
7950	Income tax gain (expense)	6(26)		4,796			3,148			
8200	Net income (loss) for the year		(\$	51,231) (5)	(\$	72,038) (5)		
8200	Net income (loss) for the year		(\$	51,231) (5)	(\$	72,038) (

(Continued)

Unit: NTD Thousands (Except Earnings Per Share - in New Taiwan dollar)

			2023			2022		
	Item	Note		Amount	%		Amount	%
C	Other comprehensive income for the year,							
n	et of income tax							
It	tems that are not reclassified to profit or							
lo	oss							
8311	Remeasurements of defined benefit plans	6(16)	\$	341	-	\$	274	-
8316	Unrealized valuation gains/losses on	6(6)						
	investments in equity instruments at fair							
	value through other comprehensive income							
	or loss			36,147	3	(112,593) (8
8349	Income tax expense related to items that	6(26)						
	are not reclassified		(69)		(55)	-
8310	Total items that are not reclassified to			• • • • •	_			
_	profit or loss			36,419	3	(112,374) (8
	tems that may be reclassified							
	ubsequently to profit or loss							
8361	Exchange differences arising on translation		(0.204)			6.024	1
8370	of foreign operations		(8,384)	-		6,924	1
3370	Share of other comprehensive income of associates and joint ventures accounted for							
	using equity method, components of other							
	comprehensive income that will be							
	reclassified to profit or loss		(71)	_		_	_
3399	Income tax related to components of other	6(26)	(71)				
	comprehensive income that will be	-()						
	reclassified to profit or loss			1,357		(441)	-
8360	Components of other comprehensive income that will be reclassified to profit							
	or loss		(7,098)	_		6,483	1
8300	Other comprehensive income for the							
	year, net of income tax		\$	29,321	3	(\$	105,891) (7
3500	Total comprehensive income in the					-		
	current period		(\$	21,910)	(2)	(\$	177,929) (12
N	let income (loss) attributable to:		-			-		
8610	owners of the parent company		(\$	48,771)	(5)	(\$	66,109) (5
8620	Non-controlling interest		(2,460)	_	(5,929)	-
	Total		(\$	51,231)	(5)	(\$	72,038) (5
T	otal comprehensive income attributable to:							
3710	owners of the parent company		(\$	17,775)	(2)	(\$	176,714) (12
8720	Non-controlling interest		(4,135)	-	(1,215)	-
	Total		(\$	21,910)	(\$	177,929) (12
Е	arnings (losses) per share	6(27)						
9750	Basic earnings (losses) per share		(\$		0.67	(\$		0.91

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



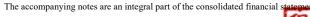
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Unit: NTD Thousands

					٥	Equity att	ributable to share							
				Additional p	oaid-in capita		-	Retained earning	gs	Other	equities	_		
	N o t e	Common share	Common share Share issued at premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Share options	Legal capital reserve	Special capital reserve	Unappropriated retained earnings (for offsetting losses)	Exchange differences arising on translation of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensiv e income	Total	Non- controlling interest	Total Equity
<u>2022</u>														
Balance, January 1, 2022		\$ 725,799	\$ 12,129	<u>s -</u>	\$ -	\$ -	\$ 2,304	\$ 30,201	\$ 11,998	(\$ 42,729)	\$ 153,219	\$ 892,921	\$ 104,115	\$ 997,036
Net loss for the period		-	-	-	-	-	-	-	(66,109)	-	-	(66,109)	(5,929)	(72,038)
Other comprehensive income recognized for the period	6(6)				<u>-</u>		<u>-</u>	<u> </u>	219	1,769	(112,593_)	(110,605_)	4,714	(105,891_)
Total comprehensive income in the current period									(65,890)	1,769	(112,593_)	(176,714)	(1,215_)	(177,929_)
Appropriations of earnings in 2021:	6(19)													
Legal capital reserve		-	-	-	-	-	846	-	(846)	-	-	-	-	-
Special capital reserve		-	-	-	-	-	-	(30,201)	30,201	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(7,258)	-	-	(7,258)	-	(7,258)
Issuance of convertible bonds	6(15)	-	-	-	-	39,525	-	-	-	-	-	39,525	-	39,525
Changes in equity ownership of subsidiaries	6(28)	-	-	-	-	-	-	-	(6,092)	-	-	(6,092)	6,092	-
Change in non-controlling interest	6(29)												9,789	9,789
Balance, December 31, 2022		\$ 725,799	\$ 12,129	<u>s</u> -	\$ -	\$ 39,525	\$ 3,150	\$ -	(\$ 37,887)	(\$ 40,960)	\$ 40,626	\$ 742,382	\$ 118,781	\$ 861,163
<u>2023</u>														
Balance, January 1, 2023		\$ 725,799	\$ 12,129	<u>\$</u>	\$ -	\$ 39,525	\$ 3,150	\$ -	(\$ 37,887)	(\$ 40,960)	\$ 40,626	\$ 742,382	\$ 118,781	\$ 861,163
Net loss for the period		-	-	-	-	-	-	-	(48,771)	-	-	(48,771)	(2,460)	(51,231)
Other comprehensive income recognized for the period	6(6)	-	<u>-</u>		<u>-</u>		<u>-</u>	<u>-</u>	272	(5,423_)	36,147	30,996	(1,675_)	29,321
Total comprehensive income in the current period									(48,499_)	(5,423_)	36,147	(17,775)	(4,135_)	(21,910_)
Conversion of convertible bonds	6(15)	46	68	-	-	(20)	-	-	-	-	-	94	-	94
Difference between consideration and carrying amount of subsidiaries disposed	6(28)	-	-	1,442	-	-	-	-	-	-	-	1,442	358	1,800
Changes in equity ownership of subsidiaries	6(28)	-	-	-	2,158	-	-	-	(581)	-	-	1,577	41,120	42,697
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(6)	-	-	-	-	-	-	-	57,258	-	(57,258)	-	-	-
Change in non-controlling interest					_		_	_			<u>-</u>		3,615	3,615
Balance, December 31, 2023		\$ 725,845	\$ 12,197	\$ 1,442	\$ 2,158	\$ 39,505	\$ 3,150	<u>\$</u>	(\$ 29,709)	(\$ 46,383)	\$ 19,515	\$ 727,720	\$ 159,739	\$ 887,459

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Wanshih Electronic Co. Ltd. and Subsidiaries Consolidated Statements of Cash Flows For the Years Ended Describer 31, 2023 and 2022

Unit: NTD Thousands

	Note	January 1 December		January 1. December	
Cash Flow from Operating Activities					
Income (loss) before income tax		(\$	56,027)	(\$	75,186)
Adjustments for		(4	20,027	(4	,0,100)
Adjustments to reconcile profit					
Depreciation expense	6(25)		79,577		86,575
Expected credit losses (gains)	-()	(1,681)	(538)
Net gain on financial assets at fair value through loss	6(2) and(23)	`	440	`	400
Interest expense	6(24)		12,735		10,826
Interest income	6(21)	(3,784)	(2,164)
Dividend income	6(22)	(16,004)		11,864)
Share of loss of associates accounted for using equity	6(7)	`	, ,	`	, ,
method	. ,		320		27
Loss on disposal and obsolescence of property, plant	6(23)				
and equipment	. ,		11,600		805
Impairment loss on property, plant and equipment	6(12) and(23)		841		3,869
Profit from disposals of investments	6(23)	(20)	(5,045)
Write off gain on accounts payable	6(22)	(4,672)	(53)
Changes in operating assets and liabilities:					
Changes in operating assets, net					
Financial assets at fair value through profit or loss			-	(6,612)
Notes receivable		(5,628)	(4,774)
Accounts receivable			139,415		28,484
Receivables from related parties			4,848		30,823
Other receivables			315		17,383
Inventories			63,145		6,438
Prepayments		(5,383)	(522)
Other current assets - others			1,439		628
Long-term notes and accounts receivable			2,400	(8,400)
Changes in operating liabilities, net					
Notes payable			626	(1,800)
Accounts payable		(53,189)	(24,267)
Accounts payable - related parties		(8,590)	(24,307)
Other payables		(38,525)	(24,253)
Other current liabilities - others			14,456		1,492
Net defined benefit liability - non-current		(82)	(586)
Cash generated by operating activities			138,572	(2,621)
Interest received			3,784		2,164
Dividend received			16,004		11,864
Interest paid		(8,876)	(8,491)
Income tax paid			771		495
Income tax refunded		(3,441)	(3,392)
Net cash inflow from operating activities			146,814		19
	Continued)				

(Continued)



Unit: NTD Thousands

	Note		oer 31, 2023 to per 31, 2023		ary 1, 2022 to mber 31, 2022
Cash Flow from Investing Activities					
Proceeds from disposal of financial assets at fair value through profit					
or loss		\$	6,612	\$	-
Acquisition of financial assets at amortized cost		(106,314)	(41,435)
Acquisition of financial assets at fair value through other					
comprehensive income or loss		(2,000)	(121,802)
Disposal of financial assets at fair value through other comprehensive	6(6)				
income or loss			175,064		-
Acquisition of investments accounted for using equity method		(4,432)		-
Proceeds from disposal of investments accounted for using equity	6(7)				
method			20		-
Cash inflow from merger			-		1,164
Acquisition of property, plant and equipment	6(30)	(34,080)	(88,063)
Disposal of property, plant and equipment	6(30)		12,885		6,030
Increase in other non-current assets		(4,386)	(1,736)
Net cash used in investing activities			43,369	(245,842)
Cash Flow from Financing Activities					
Decrease in short-term loans, net	6(31)	(184,405)	(2,181)
Issuance of convertible bonds	6(31)		-		226,423
Prepayment of long-term bank loans	6(31)		-	(10,000)
Repayment of the principal portion of lease liabilities	6(31)	(15,955)	(15,181)
Cash dividends	6(19)		-	(7,258)
Change in non-controlling interest			47,915		<u>-</u>
Net cash generated by (used in) financing activities		()	152,445)		191,803
Foreign exchange adjustments		()	12,696)		10,867
NET INCREASE (DECREASE) IN CASH AND CASH					
EQUIVALENTS			25,042	(43,153)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR			247,892		291,045
CASH AND CASH EQUIVALENTS, END OF YEAR		\$	272,934	\$	247,892

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







Wanshih Electronic Co., Ltd. and Subsidiaries Notes to Consolidated Financial Statements For the Years Ended December 31, 2023 and 2022

Unit: NTD Thousands (Unless Specified Otherwise)

I. Company History

Wanshih Electronic Co., Ltd. (hereinafter referred to as the "Company") was established in the Republic of China on June 4, 1987. The Company and its subsidiaries (hereinafter referred to as the "Group") are mainly engaged in the sales of electronic components, computer and peripheral products, and the production and sale of mini coaxial cables. The Company's stock has been publicly traded on Taipei Exchange since January 8, 2002.

II. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 13, 2024.

III. Application of New and Revised International Financial Reporting Standards

(I) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2023:

	Effective Date Issued
New, Revised or Amended Standards and Interpretations	by IASB
Amendments to IAS 1 "Reference to the Conceptual Framework"	January 1, 2023
Amendments to IAS 8 "Property, Plant and Equipment - Proceeds	January 1, 2023
before Intended Use"	
Amendments to IAS 12"Onerous Contracts-Cost of Fulfilling a	January 1, 2023
Contract"	·
Amendments to IAS 12, "International tax reform - pillar two model rules	May 23, 2023

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

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

Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2024:

	Effective Date Issued
New, Revised or Amended Standards and Interpretations	by IASB
Amendments to IAS 16 "Disclosure of Accounting Policies"	January 1, 2024
Amendments to IAS 1 "Definition of Accounting Estimates"	January 1, 2024
Amendments to IAS 1 "Deferred Tax related to Assets and	January 1, 2024
Liabilities arising from a Single Transaction"	
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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

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

The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC:

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

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

IV. Summary of Significant Accounting Policies

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

(I) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(II) Basis of Preparation

- 1. The consolidated financial statements have been prepared on the historical cost basis except for the following the important items:
 - (1) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- 2. The preparation of financial statements in conformity with requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of Consolidation

- 1. The basis for the consolidated financial statements
- (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
- (4) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over its subsidiaries are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.
- (5) Upon loss of control over a subsidiary, the Group remeasures any investment retained in the former subsidiary at fair value, which are recognized as the fair value of the financial assets originally recognized or the cost of the investment in a related party or joint venture originally recognized. Any difference between fair value and carrying amount is recognized in profit or loss. The amounts previously recognized in other comprehensive income and in relation to the subsidiary are reclassified to profit or loss if the accounting treatment is the same as the Group's disposal of relevant assets or liabilities, i.e., previously recognized as gain or loss in other comprehensive income. Such a gain or loss will be reclassified to profit or loss upon loss of control of the subsidiary.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Scope of Business	Percentage of	Ownership	Descri
			December 31,	December 31,	ption
			2023	2022	
Wanshih	Wanshih (H.K) Electronic	Sales of electronic	53.29%	53.29%	
Electronic Co.,	Co., Ltd.	components, computers			
Ltd.	(Wanshih H.K.)	and peripheral products			
Wanshih	Bright Master Co., Ltd.	Investee and holding	100%	100%	
Electronic Co.,		companies			
Ltd.					
Wanshih	Data Lake Co., Ltd.	Assembly of electric-	35.17%	62.5%	Note1
Electronic Co.,	(Data Lake)	assist bicycle kits, sale			and.2
Ltd.		of related materials, and			and 3
		integration of three-			and 4
		electric systems.			

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Wanshih	Suzhou Wanshih	Manufacturing and	87.26%	87.26%	
Electronic Co.,	Electronic Element Co.,	sales of mini coaxial			
Ltd.	Ltd.	cable (main products			
	(Suzhou Wanshih	are antenna, medical			
	Electronics)	cable, automotive cable,			
		electronic wire harness			
		and external cable as			
		well as SMT module)			
Wanshih	Millimeter Wave Tech	Sales of electronic	65.00%	60.00%	Note 5
Electronic Co.,	Co., Ltd. (Millimeter	components, computers			
Ltd.	Wave)	and peripheral products			
Wanshih	Draco Electronics, LLC	wire harnesses and	60.00%	60.00%	Note 6
Electronic Co.,	Braco Erceromes, EEC	external cables for	00.0070	00.0070	1,010
Ltd.		electronic products			
Wanshih (H.K)	Dongguan Humen	Manufacturing of wire	100%	100%	
Electronic Co.,	Wanshih Electronic Co.,	harnesses and external	10070	10070	
Ltd.	Ltd. (Dongguan Humen)	cables for electronic			
		products, medical			
		cables and automobile			
		cables			
Suzhou Wanshih	Suzhou Wanshih	SMT product	100%	100%	
	Optical Communication	processing and			
Co., Ltd.	Co., Ltd. (Suzhou	assembly			
	Wanshih Optical)				
Suzhou Wanshih	Weicheng Electronic	Sales of electronic	100%	100%	
Electronic Element	Element Limited	components, computers			
Co., Ltd.	(Weicheng Electronic)	and peripheral products			
Suzhou Wanshih	Siyang Wanshih	Manufacturing of wire	100%	100%	
	Electronic Element Co.,	harnesses and external			
Co., Ltd.	Ltd. (Siyang Wanshih)	cables for electronic			
		products			
Suzhou Wanshih	Suzhou Wanying New	Design, development,	57.14%	_	Note 7
	Energy Technology Co.,	and sales of charging	37.1470		11010 /
Co., Ltd.	Ltd(Suzhou Wanying)	connectors for new			
Co., Liu.	Ltd(Suzilod Wallyllig)				
		energy vehicle electric			
Deight Master C	(Theiland) Warratile	accessories	1000/	1000/	
-	(Thailand) Wanshih	Sales of electronic	100%	100%	
Ltd.	Electronic Element	components, computers			
	Company Limited	and peripheral products			
	(Thailand Wanshih)				
	(VIETNAM) Wanshih	Production and sales of	100%	100%	
Ltd.	Electronic Element	ultra-fine coaxial cables			
	Company Limited	(mainly for antennas,			
	(Vietnam Wanshih)	medical wires,			
		automotive wires,			
		internal and external			
		wires for electronic			
		products)			
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Note 1: In April 2022, the Group did not subscribe for a cash capital increase of \$10,000 in Data Technology Co., Ltd. according to the shareholding ratio. After the capital increase, the shareholding ratio was 62.5%, please refer to Note 6(28).

Note 2: This group sold a 22.5% equity stake in Data Technology Co., Ltd. in April 2023, reducing its ownership to 40%. Although this ownership falls below 50%, the group retains control over the financial, operational, and personnel policies of the company. As a result, Data Technology Co., Ltd. is included as a consolidated entity in the preparation of financial reports. For further details, please refer to Note 6(28).

- Note 3: The Group did not subscribe to the shares of Data Technology Co., Ltd. in October 2023 according to its shareholding proportion. Following the capital increase, the Group's shareholding proportion amounted to 35.56%. For further information, please refer to Note 6 (28).
- Note 4: This group did not subscribe to the cash increase of Data Technology Co., Ltd. in December 2023 according to its ownership proportion, which amounted to \$19,000. After the capital increase, the ownership percentage stands at 35.17%. For further details, please refer to Note 6(28).
- Note 5: In March 2023, the Group subscribed for a cash capital increase of NT\$5,250 from Millimeter Wave Technology Co., Ltd. After the capital increase, the Group's shareholding percentage is 65%. please refer to Note 6(28).
- Note 6: In January 2022, the Group subscribed for a cash capital increase of NT\$16,625 from Draco Electronics, LLC After the capital increase, the Group's shareholding percentage is 60%. Since the Group has more than half of the voting rights, the Group has included Draco Electronics, LLC in the consolidated financial statements, please refer to Note 6(29).
- Note 7: The company was established in December 2023.
- 3. Subsidiaries not included in the consolidated financial statements: No such situation.
- 4. Adjustment for subsidiaries with different balance sheet dates: No such situation.
- 5. Significant restrictions: No such situation.
- 6. Subsidiaries that have non-controlling interests that are material to the Group:

The Group's total non-controlling interests as of December 31, 2023 and 2022 were NT\$159,739 and NT\$118,781, respectively. The following is information about the non-controlling interests and subsidiaries that are material to the Group:

			Non-controlling interest					
	Main	Decemb	per 31, 2023	-	December 31, 2022			
Name of	Business		Shareholding			Shareholding	Descr	
Subsidiary	Locations	Amount	Percentage		Amount	Percentage	iption	
Wanshih (H.K)	Hong	\$ 52,933	46.71%	\$	54,985	46.71%		
Electronic Co.,	Kong							
Ltd.								
(Wanshih H.K.)								
Suzhou Wanshih	China	48,119	12.74%		49,045	12.74%		
Electronic								
Element Co., Ltd.								
(Suzhou Wanshih								
Electronics)								
Data Lake	Taiwan	39,845	64.83%		560	37.50%		
Co.,Ltd.(Data								
Lake)								
•								

Summarized financial information of the subsidiaries:

Balance Sheet

	Wanshih H.K.					
	De	cember 31, 2023		December 31, 2022		
Current asset	\$	49,623	\$	56,123		
Non-current asset		73,518		73,815		
Current liability	(9,817)	(12,220)		
Total net assets	\$	113,324	\$	117,718		
		Suzhou Wans	hih l	Electronics		
	De	cember 31, 2023		December 31, 2022		
Current asset	\$	491,496	\$	707,929		
Non-current asset		176,124		241,128		
Current liability	(248,180)	(527,910)		
non-current liabilities	(41,748)	(36,186)		
Total net assets	\$	377,692	\$	384,961		
		Data	ı Lak	Ke		
	De	cember 31, 2023		December 31, 2022		
Current asset	\$	61,462	\$	3,253		
Current liability		<u>-</u>	(1,763)		
Total net assets	\$	61,462	\$	1,490		

Statement of Comprehensive Income

	Wanshih H.K.					
		2023	2022			
Revenues	\$	31,940	\$	48,815		
Income (loss) before tax		583	(3,195)		
Income tax expense		-	(1,123)		
Profit (loss)		583	(4,318)		
Other comprehensive income (net						
tax)	(1,425)		5,900		
Total comprehensive income in		_				
the current period	(\$	842)	\$	1,582		
Total comprehensive income attributable to non-controlling			<u> </u>			
interest	(\$	393)	\$	739		
Dividends paid to noncontrolling						
interests	\$	1,658	\$			

	Suzhou Wanshih Electronics					
		2023	2022			
Revenues	\$	872,546	\$	1,184,647		
Loss before tax	(198)	(66,638)		
Income tax expense		_		<u>-</u>		
Loss for the year	(198)	(66,638)		
Other comprehensive income (net						
tax)	(7,071)		6,765		
Total comprehensive income in						
the current period	(\$	7,269)	(\$	59,873)		
Total comprehensive income attributable to non-controlling						
interest	(<u>\$</u>	926)	(\$	7,628)		

	Data Lake				
		2023		2022	
Revenues	\$	-	\$	-	
Income (loss) before tax	(28)		9,242	
Income tax expense		_		_	
Income (loss) for the year	(\$	28)	\$	9,242	
Total comprehensive income in					
the current period	(\$	28)	\$	9,242	
Total comprehensive income	-	_			
attributable to non-controlling					
interest	(\$	42)	\$	3,466	

Statement of Cash Flows

	Wanshih H.K.			
		2023		2022
Net cash flows from (used in) operating activities	\$	904	(\$	12,567)
Net cash flows from (used in) investing activities	(8,679)		2,914
Net cash flows from (used in) financing activities	(3,550)		-
Effect of exchange rate fluctuations on cash and cash equivalents	(1,425)		5,900
Net Decrease In Cash and Cash Equivalents	(12,750)	(3,753)
Cash and Cash Equivalents ,Beginning of Year		17,800		21,553
Cash and Cash Equivalents ,End of Year	\$	5,050	\$	17,800

	Suzhou Wanshih Electronics			
		2023		2022
Net cash flows from (used in) operating				
activities	\$	176,232	(\$	2,560)
Net cash used in investing activities	(21,583)	(28,393)
Net cash flows from (used in) financing activities	(168,535)		7,592
Effect of exchange rate fluctuations on cash				
and cash equivalents	(7,071)		6,765
Net Decrease In Cash and Cash Equivalents	(20,957)	(16,596)
Cash and Cash Equivalents ,Beginning of Year		79,643		96,239
Cash and Cash Equivalents ,End of Year	\$	58,686	\$	79,643
		Data La	ake	
		2023		2022
Net cash inflow (outflow) from operating				
activities	(\$	1,612)	\$	540
Net cash provided by investing activities		104		756
Net cash provided by financing activities		60,000		-
Net Increase In Cash and Cash Equivalents		58,492		1,296
Cash and Cash Equivalents, Beginning of Year		2,581		1,285
Cash and Cash Equivalents ,End of Year	\$	61,073	\$	2,581

(IV) Foreign currency translation

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

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates. not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within "other gains and losses".

2. Translation of foreign operations

- (1) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and C. All resulting exchange differences are recognized in other comprehensive income.

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

(V) Classification of current and non-current items

- 1. Assets that meet one of the following criteria are classified as current assets:
 - (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (2) Liabilities arising mainly from trading activities;
 - (3) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above criteria as non-current assets.

- 2. Liabilities that meet one of the following criteria are classified as current liabilities:
 - (1) Liabilities that are expected to be settled within the normal operating cycle;
 - (2) Assets held mainly for trading purposes;
 - (3) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all liabilities that do not meet the above criteria as non-current liabilities.

(VI) <u>Cash equivalents</u>

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

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

- 1. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- 2. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- 3. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

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

- 1. Financial assets at fair value through other comprehensive income comprise equity securities that are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.
- 2. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- 3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following

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

(IX) Financial assets at amortized cost

- 1. Financial assets at amortized cost are those that meet all of the following criteria:
 - (1) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (2) The assets' contractual cash flows represent solely payments of principal and interest.
- 2. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- 3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- 4. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(X) Accounts and notes receivable

- 1. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- 2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XI) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(XII) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(XIII) Operating leases (lessor)

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

(XIV) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw

materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes loan costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(XV) Investments accounted for using equity method - associates

- 1. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- 2. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- 3. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- 4. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- 5. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- 6. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(XVI) Property, Plant and Equipment

- 1. Property, plant and equipment are initially recorded at cost.
- 2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- 3. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- 4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of

the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change.

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

Buildings and structures: 20 to 25 years Machinery and equipment: 2 to 10 years

Transportation equipment: 5 years

Leasehold improvements: 2 to 15 years

Other equipment: 2 to 20 years

(XVII) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

- 1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- 2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments includes the fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- 3. At the commencement date, the right-of-use asset is stated at cost comprising:
 - (1) The amount of the initial measurement of lease liability; and
 - (2) Any initial direct costs incurred by the lessee..

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

(XVIII) Intangible asset

1. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method. Goodwill is recognized as the difference of acquisition price minus fair value of identifiable net assets.

2. Customer Relationship

Customer relationships are acquired through business combinations and are recognized at fair value on the acquisition date. The fair value is recorded based on appraisal reports.

(XIX) <u>Impairment of non-financial assets</u>

1. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss

for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

- 2. The recoverable amounts of goodwill that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
- 3. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(XX) Loans

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

(XXI) Notes and accounts payable

- 1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- 2. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XXII) Convertible bonds payable

The convertible bonds payable issued by the Group are embedded with the conversion right (i.e., the right of the holder to choose the conversion of common shares of the Group, and a fixed amount for conversion of a fixed quantity of shares) and right of redemption. During the initial issuance, the issuance price classified into financial assets, financial liabilities or equity according to the issuance criteria, and the handling is as follows:

- 1. Embedded redemption right: During the initial recognition, its net fair value is used for recognition under the "financial assets at fair value through profit or loss". For subsequent balance sheet date, valuation is made according to the fair value at that time, and the difference is recognized under the "gain or loss on financial assets at fair value through profit or loss".
- 2. Main contracts of bonds: It is measured at fair value during the initial recognition, and the difference from the redemption price is recognized under the discount on bonds payable. Subsequently, the effective interest method is adopted according to the amortization procedure for recognition under the profit or loss during the circulation period, which is also used as the adjustment of the "financial costs".
- 3. Embedded conversion right (complying with the definition of equity): During the initial recognition, after the aforementioned "financial assets at fair value through profit or loss" and "bonds payable" are deducted from the issuance amount, the remaining value is recognized under the "capital surplus subscription right", and no remeasurement is further made subsequently.
- 4. Any transaction costs that can be attributed directly are amortized to the liability and equity component according to the initial carrying amount ratio of the aforementioned components.

5. During holder conversion, the liability components recognized (including "bonds payable" and "financial assets at fair value through profit or loss") are handled according to the subsequent measurement method classified, followed by adding the carrying value of the "capital surplus - subscription right" according to the carrying value of the liability component in order to be used as the issuance cost for the conversion of common shares.

(XXIII) Derecognition of financial liabilitie

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

(XXIV) Offsetting financial instruments

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

(XXV) Employee benefits

1. Short-term employee benefits

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

2 Pensions

(1) Defined contribution plan

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

(2) Defined benefit plan

- A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- B. Remeasurements arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

3. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

4. Employees' compensation and remuneration to directors

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

(XXVI) Income tax

- 1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- 2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- 3. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- 4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(XXVII) Revenue recognition

Sales of goods

- 1. The Group is engaged in manufacturing and sales of computer wire harnesses, external signal cables, wireless antennas and other related products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- 2. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(XXVIII) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the

grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(XXIX) <u>Business combinations</u>

- 1. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- 2. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(XXX) Operating segments

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

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

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

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

No such situation.

(II) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of the Group's inventories was NT\$189,198.

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	\$ 691	\$ 1,079
Checking accounts and		
demand deposits	266,322	240,201
Time deposits	5,921	6,612
	\$ 272,934	\$ 247,892

- 1. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- 2. As of December 31, 2023, the Group has pledged its cash and cash equivalents to others, please refer to Note 8 for more information.

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

	December 31,	2023	Deceml	ber 31, 2022	
Current items:					
Financial assets at fair value through profit or loss Derivatives-Convertible bond redemption					
right	\$	860	\$	860	
Financial products		_		6,612	
		860		7,472	
Adjustments for change in value	(840)_(400)
	\$	20	\$	7,072	

1. Detail of the financial assets at fair value through profit or loss recognized under profit or loss is as follows:

	20	23	2022
Financial assets and liabilities at fair values compulsorily through profit or loss Derivatives	(<u>\$</u>	440)(\$	400)

- 2. The Group has not pledged financial assets at fair value through profit or loss.
- 3. Please refer to Notes 12(2) for information relating to credit risk of financial assets (liabilities) at fair value through profit or loss.

(III) Financial assets at amortized cost

	Decem	ber 31, 2023	December 31, 2022		
Current items:					
Time deposits	\$	95,402	\$	64,179	
Restricted bank deposits		317		314	
	\$	95,719	\$	64,493	
Non-Current items: Pledged time certificate of					
deposit	\$	75,088	\$		

- 1. Time deposits are bank deposits with maturity in excess of three months.
- 2. Information on recognized gains and losses on financial assets at amortized cost is as follows:

	 2023	 2022	
Interest income	\$ 2,040	\$	761

- 3. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$170,807 and \$64,493, respectively.
- 4. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- 5. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(IV) Notes and accounts receivable

	Decen	nber 31, 2023	December 31, 2022			
Notes receivable	\$	19,516	\$	13,888		
	\$	302,185	\$	441,617		
Accounts receivable	(3,100)	(4,798)		
Less: Allowance for bad debts	\$	299,085	\$	436,819		

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

		December	r 31	, 2023	December 31, 2022					
Accounts receivable		Notes receivable			Accounts receivable	Notes receivable				
Not past due	\$	300,401	\$	19,516	\$	439,739	\$	13,888		
Up to 30 days		4,977		-		8,259		-		
31 to 60 days		26		-		-		-		
61 to 90 days		-		-		856		-		
Over 91 days		1,955		-		2,785		-		
	\$	307,359	\$	19,516	\$	451,639	\$	13,888		

The above ageing analysis was based on past due date.

- 2. Accounts receivable and notes receivable (including related parties) as of December 31, 2023 and 2022 were arising from customer contracts. As of January 1, 2022, the accounts receivable balance and allowance for bad debts on customer contracts were NT\$524,488 and NT\$14,304, respectively
- 3. Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of the Group's notes and accounts receivable (including related parties) as of December 31, 2023 and 2022 were the carrying amounts.
- 4. Please refer to Note 12(2) for information on the credit risk of notes and accounts receivable.

(V) Inventories

			Decer	nber 31, 2023				
			All	owance for		Carrying		
		Cost	decl	ine in value		amount		
Raw materials	\$	149,163	(\$	59,193)	\$	89,970		
Work in progress		27,833	(3,459)		24,374		
Finished goods		94,347	(19,493)		74,854		
	\$	271,343	(\$	82,145)	\$	189,198		
	December 31, 2022							
			Allowance for			Carrying		
		Cost	decl	ine in value		amount		
Raw materials	\$	186,571	(\$	63,670)	\$	122,901		
Work in progress		40,902	(1,235)		39,667		
Finished goods		109,504	(22,251)		87,253		
	\$	336,977	(\$	87,156)	\$	249,821		
		C .1						

The cost of inventories recognized as expense for the year:

		2023	2022		
Cost of inventories sold	\$	814,129	\$	1,159,214	
Loss on disposal of inventory		27,679		31,545	
(Gain from price recovery)					
Loss on inventory obsolescence					
and market price decline(Note)	(5,290)		11,193	
Revenue from sale of scraps	(562)	(342)	
Loss on physical inventory		83		125	
	\$	836,039	\$	1,201,735	

Note: The main reason for the profit rebound generated in the fiscal year 2023 is primarily due to this group's proactive management of stagnant inventory.

(VI) Financial assets at fair value through other comprehensive income or loss

	Decen	nber 31, 2023	December 31, 2022		
Non-current items:	-				
Equity instruments					
Listed shares	\$	97,364	\$	215,170	
Unlisted shares		31,420		29,420	
		128,784		244,590	
Valuation adjustment		19,515		40,626	
	\$	148,299	\$	285,216	

- 1. Based on the Group's business model, the investments in equity instruments held for strategic investments were elected to classify as "financial assets at fair value through other comprehensive income". As of December 31, 2023 and 2022 the fair values of these investments were NT\$148,299 and NT\$285,216, respectively.
- 2. The Group sold its investment in equity instruments with a fair value of NT\$175,064 in 2023 for operating planning purpose, and the accumulated proceeds from disposal was NT\$57,258.
- 3. Amounts recognized in profit or loss and comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	 2023		2022
Equity instruments at fair value through other comprehensive			
income or loss			
Fair value change recognized in other comprehensive income	\$ 36,147	(\$	112,593)
Cumulative gains reclassified to retained earnings due to			
derecognition	\$ 57,258	\$	<u>-</u>
Dividend income recognized in profit or loss held at the end			
of the year	\$ 16,004	\$	11,864

- 4. Regarding the situation that the company will provide pledges of financial assets measured at fair value through other comprehensive profit and loss, Please refer to Note 8
- 5. Please refer to Note 12(2) for information on the credit risk for financial assets at fair value through other comprehensive income.

(VII) Investments accounted for using equity method - associates

1. Details are as follows:

	Decem	ber 31, 2023	December 31, 2022			
Suzhou Jiuhang Cable						
Technology Co., Ltd.	\$	4,012	\$	-		
(Suzhou Jiuhang)						
Wei Li Innovative Co., Ltd.						
(Wei Li Innovative)		-		1,709		
		4,012		1,709		
Accumulated impairments		-	(1,709)		
	\$	4,012	\$	_		

2. Share of profit or loss of associates accounted for using equity method:

		2023	2022
Suzhou Jiuhang	(\$	320) \$	-
Wei Li Innovative		- (27)
	(\$	320) (\$	27)

The Group's loss in Willy Innovation is equivalent to the Group's stake in Willy Innovation Co., Ltd. Therefore, the Group has stopped recognizing further loss unless the Group incurs statutory obligations, constructive obligation or has paid for its dues. The unrecognized loss in 2022 was \$223.

3. Basic information on the Group's affiliates is as follows:

	Main	Percentage o	f Ownership		Measure
	Business			Nature of	ment
Name of Company	Locations	December 31, 2023	December 31, 2022	Relationship	methods
				20% or more of the	Equity
Suzhou Jiuhang	China	25%	-	voting rights	method
Wei Li Innovative	Taiwan	=	22.22%	20% or more of the	Equity
				voting rights	method

⁽¹⁾ This group acquired a 25% equity interest in Suzhou Jiuhang on January 12, 2023. Due to its significant influence, the equity method is adopted for valuation.

⁽²⁾ On February 23, 2023, this group disposed of 22.22% equity interest in Willy Innovation, recognizing a disposal investment profit of \$20. Furthermore, from that date onwards, the equity method valuation was discontinued.

(VIII) Property, Plant and Equipment

2023 Buildings and structures Machinery and equipment Other equipment Unfinished Assets Assets construction Assets subject to subject to subject to and Assets used Assets used Assets used by the by the operating Transportation Leasehold by the operating operating equipment Group Group Group leases Total leases leases equipment improvements acceptance January 1 \$ Cost \$ 212,750 \$ 85,990 \$ 553,791 \$ 46,782 \$ 5,636 38,436 251.955 \$ 9.041 \$ 22,926 1,227,307 Accumulated depreciation and impairment 160,176) 58,688) 487,917) 14,468) 3,464) 25,982) 206,738) 3,135) 960,568) 52,574 27,302 \$ 65.874 32.314 2,172 12,454 45,217 5,906 22,926 266,739 \$ 32,314 \$ 2,172 22,926 January 1 \$ 52,574 \$ 27,302 \$ 65,874 \$ 12,454 45,217 \$ 5,906 \$ 266,739 307 9,446 225 Additions 1,049 7,325 15,114 33,466 77) disposed 18,016) (1,713) 19,806) Reclassifications (Note 1) 40.016 25,450) 8,209 7,614 (5,256) (27,655) (2.522) Depreciation expense 25,228) (1,423) (4,552) 12,210) (188) 62,716) 14,656) (3,858) (601) (Impairment losses 72) (-) 769) - (841) Net exchange differences 442) (736) 178) (23) (104) 24) 386 2,361) 735) 505) 211,959 37,490 71,284 5,263 1,696 438 10,771 December 31 \$ 23,002 16,287 45,728 December 31 700 Cost \$ 209,705 \$ 84,410 \$ 521,082 \$ 11,253 \$ 4,881 \$ 47,113 233,607 \$ 10,771 \$ 1,123,522 Accumulated depreciation and 30,826) 187,879) 262) 911,563) impairment 172,215) 61,408) (449,798) 5,990) (3,185) (37,490 \$ 23,002 71,284 5,263 1,696 16,287 45,728 438 10,771 211,959

2022

		uildings an	dote	nioturos	1/1	lachinery and	1 00	uinmant		20	122			Other equ	inm	nnt .	I I.a.	finished		
		ununigs an			IVI	iacililery and								Other equ						
		. 1		Assets		. 1		Assets						. 1		Assets	con	struction		
	A	ssets used		abject to	A	ssets used		ubject to		ransport			A	ssets used		bject to		and		
		by the		perating		by the	O	perating		ation		Leasehold		by the		erating	-	uipment		
		Group		leases		Group	_	leases	eq	uipment	im	provements		Group	_1	eases	acc	ceptance		Total
January 1																				
Cost	\$	202,841	\$	84,742	\$	576,772	\$	-	\$	5,482	\$	35,298	\$	247,940	\$	-	\$	15,306	\$	1,168,381
Accumulated																				
depreciation and																				
impairment	(140,153)	(54,023)	(463,764)		<u>-</u>	(2,948)	(22,794)	(203,162)					(886,844)
	\$	62,688	\$	30,719	\$	113,008	\$	_	\$	2,534	\$	12,504	\$	44,778	\$	-	\$	15,306	\$	281,537
			_				_													
January 1	\$	62,688	\$	30,719	\$	113,008	\$	_	\$	2,534	\$	12,504	\$	44,778	\$	_	\$	15,306	\$	281,537
Additions		4,441		_		5,276		_		· -		1,938		5,163		71		66,696		83,585
Acquired by business		,				,						,		,				,		,
combination		-		-		284		_		-		-		106		-		-		390
disposed		_		_	(13,214)	(4,312)		_		-	(788)		_		-	(18,314)
Reclassifications					`	, ,	`	, ,		200			`	·					`	, ,
(Note 1)		-		-	(8,707)		43,680		309		870		5,905		7,232	(58,580)	(9,291)
Depreciation expense	(15,591)	(3,882)	Ì	32,850)	(3,548)	(700)	(2,997)	(10,536)	(914)	`		Ì	71,018)
Impairment losses	`		`		`		(3,404)	`		`		`		(465)		_	Ì	3,869)
Net exchange							`	, ,							`	,			`	, ,
differences		1,036		465		2,077	(102)		29		139		589	(18)	(496)		3,719
December 31	\$	52,574	\$	27,302	\$	65,874	\ <u></u>	32,314	\$	2,172	\$	12,454	\$	45,217	` \$	5,906	\$	22,926	\$	266,739
		,			-	35,51	_	,				,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-,,	-			
December 31																				
Cost	\$	212,750	\$	85,990	\$	553,791	\$	46,782	\$	5,636	\$	38,436	\$	251,955	\$	9,041	\$	22,926	\$	1,227,307
Accumulated	Ψ	212,730	Ψ	65,990	Ψ	333,791	Ψ	40,762	Ψ	3,030	Ψ	36,430	Ψ	231,933	Ψ	9,041	Ψ	22,920	Ψ	1,227,307
depreciation and																				
impairment	(160,176)	(58,688)	(487,917)	(14,468)	(3,464)	(25,982)	(206,738)	(3,135)			(960,568)
шраншын	(<u>_</u>		(_	27,302	(65,874	(_		\$	2,172	(<u></u>	12,454	(45,217	(<u></u>	5,906	•	22.026	(_	
	Ф	52,574		21,302	Ф	03,874	3	32,314	D	2,1/2	Ф	12,434	Ф	43,217	Ф	3,900	Ф	22,926	Ф	266,739

Note 1: The reclassifications were transferred to inventories and Other non-current assets in 2023 and 2022.

Note 2: Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(IX) Leasing arrangements - lessee

- 1. The Group leases various assets including land, buildings, machinery equipment, office equipment and transportation equipment. Lease contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- 2. Short-term leases with a lease term of 12 months or less comprise certain land, buildings and machinery and equipment. The subject assets leased are low value office equipment.
- 3. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

		De	cember 31, 2023								
	 Accumulated										
	Cost		depreciation	Carrying amount							
Land	\$ 8,813	(\$	1,622)	\$	7,191						
Buildings	94,006	(47,951)		46,055						
Transportation											
equipment	 2,481	(1,495)		986						
	\$ 105,300	(\$	51,068)	\$	54,232						
	 December 31, 2022										
	 Accumulated										
	Cost		depreciation	Carry	ing amount						
Land	\$ 8,958	(\$	1,316)	\$	7,642						
Buildings	72,116	(36,599)		35,517						
Transportation											
equipment	 2,302	(1,147)		1,155						
	\$ 83,376	(<u>\$</u>	39,062)	\$	44,314						
		20	222	2	022						

	2023 Depreciation expense		2022 Depreciation expense		
Land	\$	330	\$	327	
Buildings		15,989		14,703	
Transportation equipment		542		527	
	\$	16,861	\$	15,557	

- 4. For the years ended December 31, 2023 and 2022, the additions to the Group's right-of-use assets were NT\$26,871 and NT\$25,103, respectively.
- 5. The information on profit and loss accounts relating to lease contracts is as follows:

	2023		2022
'	_	'	
\$	2,001	\$	1,914
	3,756		3,806
	412		217
\$	6,169	\$	5,937
	\$ \$	\$ 2,001 3,756 412	\$ 2,001 \$ 3,756 412

- 6. For the years ended December 31, 2023 and 2022, the Group's total cash outflow relating to lease contracts was NT\$22,124 and NT\$21,118, respectively.
- 7. Please refer to Note 8 for information on the pledge of right-of-use assets.

(X) Leasing arrangements - lessor

- 1. The underlying assets of the Group's lease include lands, buildings, machinery equipment and other equipment. The lease contract durations are typically for 2 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To ensure the proper use of the leased assets, the lessee is normally required not to use the leased assets as collateral for borrowings or the lessee is required to provide a residual value guarantee.
- 2. The Group recognized rental income of NT\$8,597 and NT\$9,668 for the years ended December 31, 2023 and 2022, respectively, based on operating lease agreements, none of which were variable lease payments.
- 3. The maturity dates for the Group's lease payments under operating leases are analyzed as follows:

	Decem	ber 31, 2023	December 31	, 2022
Less than 1 year	\$	6,008 \$		17,208
1 to 5 years		8,207		17,851
	\$	14,215 \$		35,059

2023

(XI) Intangible asset

	G	oodwill		astomer ationship		Total
January 1(That is December 31 st) Cost	\$	21,039	\$	6,916	\$	27,955
Accumulated amortization and impairment	(16,894)	(6,916)	(23,810)
mpunnent	\$	4,145	\$		\$	4,145
				2022		
	G	oodwill		ustomer ationship		Total
January 1		OOGWIII	KCI	attonship		Total
Cost Accumulated amortization and	\$	19,097	\$	6,916	\$	26,013
impairment	(16,894)	(6,916)	(23,810)
	\$	2,203	\$		\$	2,203
January 1 Additions - acquired through	\$	2,203	\$	-	\$	2,203
business combinations (Note)		1,942				1,942
December 31	\$	4,415	\$		\$	4,145
December 31	ф	21.020	Φ.	. 01.	ф	25.055
Cost Accumulated amortization and	\$	21,039	\$	6,916	\$	27,955
impairment	(16,894)	(6,916)	(23,810)
-	\$	4.145	\$	_	\$	4 415

Note: Goodwill arising from the acquisition of the ownership in Draco Electronics LLC by the Group, see Note 6(29)

1. Goodwill is allocated to the Group's cash generating units identified by operating segment.

	Decemb	per 31, 2023	December 31, 2022		
Wire Harness Division	\$	4,145	\$	4,145	

- 2. Goodwill is allocated to the cash generating units identified by the Group, the recoverable amount of which is assessed based on value in use and is calculated by using pre-tax cash flow projections over four to five years.
- 3. Management determined budgeted gross margin based on past performance and their expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports and the projected future operating scale of the cash-generating unit. The discount rate used is a pre-tax rate and reflects the specific risks associated with the relevant operating segment.

(XII) Impairment of non-financial assets

1. The Group recognized an impairment loss for the years ended December 31, 2023 and 2022 were NT\$841 and NT\$3,869, respectively.

_	2023		2022
	Recognized in profit	Re	ecognized in profit
	or loss for the period	or	loss for the period
Impairment losses - leasehold improvements \$	769	\$	-
Impairment losses - Machinery equipment	72		3,404
Impairment losses - Other equipment	_		465
\$	841	\$	3,869

2. The following is a disclosure of the above impairment loss by segment:

		2023		2022
	Recog	nized in profit	Reco	gnized in profit
	or loss for the period		or loss for the period	
China Career	\$	841	\$	3,869

(XIII) Short-term loans

Type of loans Bank loans	<u>December 31, 2023</u>	Interest rate range	Collateral
Secured loans	\$ 77,886	2.00%~4.80%	Property, Plant and Equipment and Right-of-use assets
Type of loans Bank loans	<u>December 31, 2022</u>	Interest rate range	Collateral
Secured loans Unsecured loans	\$ 205,240 65,000	$1.06\% \sim 6.47\%$ $1.50\% \sim 1.65\%$	Property, Plant and Equipment and Right-of- use assets
	\$ 270,240		

The interest expense recognized in profit or loss for the years ended December 31, 2023 and 2022 were NT\$6,138 and NT\$6,658, respectively.

(XIV) Other payable

	Decen	nber 31, 2023	December 31, 2022		
Awards and salaries payable Payable on processing fees	\$	59,533 16,434	\$	78,923 31,041	
Payable on professional fees Payables for equipment		3,933 2,003		7,085 2,617	
Others		12,758		18,787	
	\$	94,661	\$	138,453	

(XV) Bonds payable

	1	December 31, 2023	December 31, 2022	
Bonds payable	\$	199,900	\$ 200,000	_
Less: Bonds payable discount	(6,033) (10,077))
	\$	193,867	\$ 189,923	

- 1. The Company issued the two time of domestic secured convertible bonds (referred to as "domestic two convertible bonds) on June 14, 2022, with the issuance total amount of NT\$200,000, and issued at 116% of par value. The main issuance criteria are as follows:
- (1) Issuance period: 3 years, from June 14, 2022 to June 14, 2025 for maturity.
- (2) Coupon rate: fixed annual interest rate of 0%.
- (3) Redemption method:

Unless the Company has redeemed early, repurchased and written off or the holders of the two convertible bonds has exercised the conversion right or put right, during the maturity date of the two convertible bonds, the Company will redeem the two convertible bonds based on the par value of the two convertible bonds plus the earning rate of annual interest rate of 0.0%.

(4) Conversion period:

Except that the two convertible bonds have been redeemed or repurchased early, or the suspension of transfer period prescribed in the law and specified in the trust contract, up to the end of the next day when the issuance of the two convertible bonds has reached three full months, the holders of the two convertible bonds may request the Company to convert the two convertible bonds into common shares newly issued by the Company.

(5) Conversion price:

The conversion price of the two convertible bonds is 102% of the reference price, i.e. NT\$21.5. The reference price is selected from the simple arithmetic average of the closing prices of the company's common stock on the one business day, three business days, and five business days before the base date set by the company on the day of the securities trading center.

(6) Callable right:

Under the following conditions, the Company may redeem the fifth convertible bonds early:

a. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the closing price of the common shares of the Company in Taiwan continues to reach more than 30% of the conversion price at that time for thirty business days, the Company may redeem all of the fifth convertible bonds early based on the early redemption amount.

- b. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the balance of the outstanding fifth convertible bonds is lower than 10% of the original total issuance amount, the Company may redeem all of the fifth convertible bonds early based on the early redemption amount.
- 2. During the issuance of the convertible bonds of the Group, according to the regulations of IAS 32 "Financial Instruments: Presentation", the conversion right of equity nature is separated from the liability component, which is recognized under the "Capital surplus subscription right" at an amount of NT\$\$39,525. In addition, with regard to the embedded callable right, according to IFRS 9 "Financial Instruments", since it is not closely related to the economic characteristic and risk of the debt instruments of the main contract, it is handled separately, and its net value is recognized under the "financial assets at fair value through profit or loss".
- 3.As of December 31, 2023, convertible bonds with a face value of \$100 have been converted into 4,651 common shares. The conversion price was NT\$21.5 per share, and the change has been registered.

(XVI) Pensions

- 1. (1) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by March 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.
 - (2) The amounts recognized in the balance sheet are as follows:

	Decemb	per 31, 2023	December 31, 2022			
Present value of defined		_		_		
benefit obligation	\$	8,087	\$	8,256		
Fair value of plan assets	(4,565)	(4,311)		
Net defined benefit		_		_		
liability	\$	3,522	\$	3,945		

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

` '				2023					
		Present value of							
		defined benefit	Fa	ir value of plan		Net defined			
		obligation		assets		benefit liability			
January 1	\$	8,256	(\$	4,311)	\$	3,945			
Current service cost		36	,	-		36			
Interest expense (income)		103	(58)		45			
2		8,395	(4,369)	_	4,026			
Remeasurements:									
Return on plan assets (excluding amounts included in interest income or expense)		-	(33)	(33)			
Experience adjustments	(308)		_	(308)			
Experience adjustments	(308)	(33)	(-	341)			
Pension fund contribution	`		<u>`</u> —	163)	(163)			
December 31	\$	8,087	(\$	4,565)	\$				
20011100101	<u> </u>								
				2022					
		Present value of	_			37 1 07 1			
		defined benefit	Fa	ir value of plan		Net defined			
	_	obligation		assets	_	benefit liability			
January 1	\$	8,188	(\$	3,383)	\$	4,805			
Current service cost		35		-		35			
Interest expense (income)		53	(27)	_	26			
_		8,276	(3,410)	_	4,866			
Remeasurements: Return on plan assets (excluding amounts included in interest									
income or expense)		-	(254)	(254)			
Change in financial									
assumptions	(453)		-	(453)			
Experience adjustments		433				433			
	(20)	(254)	(_	274)			
Pension fund contribution			(647)	(_	647)			
December 31	\$	8,256	(\$	4,311)	\$	3,945			

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

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

	2023	2022
Discount rate	1.25%	1.25%
Future salary increase rate	2.50%	2.50%

Assumptions regarding future mortality experience are set based on the Taiwan Standard Ordinary Experience Mortality Table.

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

	Discount rate				Future salary increase rate			
		crease 25%		crease 25%	Incre	ease 1%	Ι	Decrease 1%
December 31, 2023 Effect on present value of defined benefit obligation	(\$	158)	\$	162	\$	663	<u>(\$</u>	604)
December 31, 2022 Effect on present value of defined benefit obligation	(<u>\$</u>	179)	\$	184	\$	756	<u>(\$</u>	684)

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

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

- (6) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to NT\$163.
- (7) As of December 31, 2023, the weighted average duration of that retirement plan is 10.4 years.
- 2. (1) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
 - (2) The subsidiaries in mainland China have defined contribution pension plans and the Group contributes an amount monthly based on certain percentage of employees' monthly salaries. The plan is administered by the government of mainland China. Other than the monthly contributions, the Group does not have further pension liabilities.
 - (3) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were NT\$29,315 and NT\$32,306 respectively.

(XVII) Share capital

1. As of December 31, 2023, the Company's authorized capital was NT\$1,500,000, the paidin capital was NT\$725,845 and the par value was NT\$10 per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (shares in thousands) outstanding are as follows:

		Unit: Thousand Shares
	2023	2022
January 1	72,580	72,580
Conversion of convertible bonds	5	-
December 31	72,585	72,580

2. The 5,000,000 shares in the issued share capital on December 31, 2023 and 2022 are the privately placed ordinary shares handled by the company in 2020. The rights and obligations of the privately placed ordinary shares are the same as those of the original issued shares. The rights and obligations for the common shares issued in this private placement are the same as the original shares issued. In addition, in accordance with the Securities and Exchange Act, the shares issued in the Company's private placement may not be sold within three years from the delivery date, except for under the transfer terms stipulated in Article 43-8 of the Securities and Exchange Act.

(XVIII) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(XIX) Retained earnings

- 1. The Company's Article of Incorporation provides that, when the Company's annual final accounts show a surplus, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total paid-in capital. The Company also sets aside or reverses the special reserve depending on the Company's operating needs and legal regulations, and if there is still a surplus, the Board of Directors shall, proposes a resolution to the shareholders' meeting to distribute the remaining surplus together with the accumulated undistributed surplus from previous years, and the amount of the distribution shall not exceed 75% of the current year's after-tax earnings.
- 2. The Company's dividend policy is divided into cash dividends and stock dividends, of which cash dividends shall not be less than 10% of the total dividends, except that if the cash dividend per share is less than NT\$0.10, stock dividends may be paid instead.
- 3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the

reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- 4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- 5. The appropriations of earnings for 2021 had been resolved at the shareholders' meeting on June 10, 2022. Details are summarized below:

		2021			
	A	amount		ends per (NTD)	
s are summarized below Legal					
capital reserve	\$	846			
Reversal of special reserve	(30,201)			
Cash dividends		7,258	\$	0.1	

- 6. The appropriation of loss for 2022 had been resolved at the shareholders' meeting on June 9, 2023.
- 7. As of March 13, 2024, the aforesaid appropriation of loss has not been resolved at the shareholders' meeting.

(XX) Operating Revenue

	2023	2022	
Revenue from contracts			
with customers	\$ 1,123,048	\$ 1,445,754	

Disaggregation of revenue from contracts with customers

The Group's revenue is derived from the provision of goods that are transferred at a certain point in time; revenues generated can be subdivided into the following major product lines:

	Video	Computer	SMT	Netcomm Industrial	Automobile		Medical		
<u>2023</u>	Surveillance		Modules	Control	Electronics	TV Products	Products	Others	Total
Segment income	\$ 273,806	\$ 132,200	\$ 2,682	\$ 235,482	\$ 279,798	\$ 41,155	\$ 74,773	\$ 83,152	\$ 1,123,048
Income recognized at a	,	· · · · · · · · · · · · · · · · · · ·							
certain point in time	\$ 273,806	\$ 132,200	\$ 2,682	\$ 235,482	\$ 279,798	\$ 41,155	\$ 74,773	\$ 83,152	\$ 1,123,048
	Video	Gt	SMT	Netcomm	A 4 1- :1 -		Medical		
2022	Surveillance	Computer Wiring	Modules	Industrial Control	Automobile Electronics	TV Products	Products	Others	Total
Segment income	\$ 322,237		\$ 97,935	\$ 269,611	\$ 277,512	\$ 61,894	\$ 116,280	\$ 158,138	\$ 1,445,754
Income recognized at a									
certain point in time		\$ 142,147	\$ 97,935	\$ 269,611	\$ 277,512	\$ 61,894	\$ 116,280	\$ 158,138	\$ 1,445,754

(XXI) Interest income

	 2023	 2022
Financial assets at amortized cost Interest income	\$ 2,040	\$ 761
Interest income from bank deposits	1,644	480
Other interest income	 100	 923
	\$ 3,784	\$ 2,164

(XXII) Other income

	2023	2022
Dividend income	\$ 16,004	\$ 11,864
Rental revenue	8,597	9.668
Government grants revenue (Note)	2,901	9,030
Compensation Income	2,896	15,601
Write off gain on accounts payable	4,672	53
Other income	 1,355	4,512
	\$ 36,425	\$ 50,728

Note: The government subsidy income refers to the subsidy from the MOEA's technology research and development projects.

(XXIII) Other gain and loss

		2023	2022
Losses on disposal of property,			
plant and equipmen	(\$	11,600) (\$	805)
Foreign currency exchange			
gains		5,757	1,973
Impairment loss on property,			
plant and equipmen	(841) (3,869)
Financial assets measured at fair			
value through loss	(440) (400)
Profit from disposals of			
investments		20	5,045
Other loss	(4,634) (2,820)
	(\$	11,738) (\$	876)

(XXIV) Financial costs

	 2023	 2022
Interest expense		
Bank loans	\$ 6,138	\$ 6,678
Convertible corporate bonds	4,039	2,165
Lease liabilities	2,001	1,914
Other financial expense	557	69
-	\$ 12,735	\$ 10,826

(XXV) Employee benefit and depreciation expenses

By function	2023				
By item	Operating costs	Operating expenses	Total		
Employee benefit expense					
Wages and salaries	\$ 169,820	\$ 161,103	\$ 330,923		
Labor and health					
insurance fees	2,475	7,727	10,202		
Pension costs	21,599	7,797	29,396		
Other personnel					
expenses	25,905	10,971	36,876		
Depreciation expense	32,143	47,434	79,577		

By function		2022	
By item	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 199,464	\$ 175,336	\$ 374,800
Labor and health			
insurance fees	2,274	7,633	9,907
Pension costs	23,526	8,841	32,367
Other personnel			
expenses	32,032	12,716	44,748
Depreciation expense	44,664	41,911	86,575

- 1. The Company's Article of Incorporation provides that, when the Company makes a profit in a year, 2% to 5% of the pre-tax profit before deducting the remuneration to employees and remuneration to directors and supervisors shall be appropriated as employees' compensation and up to 2% as remuneration to directors. However, the Company should reserve the amount to make up for any accumulated losses in advance.
- 2. The Company did not distribute employees' compensation and remuneration to directors due to the loss incurred in 2022 and 2023. Information about employees' compensation and remuneration to directors of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXVI) Income tax

1. Income tax gain

(1) Components of income tax gain:

		2023		2022
Current tax:				
Current tax on profits for the year	\$	3,439	\$	1,123
Prior year income tax over estimation	(773)	(245)
Total current tax		2,666		878
Deferred tax:				
Origination and reversal of temporary				
differences	(7,462)	(4,026)
Income tax gain	(\$	4,796)	(\$	3,148)

(2) The income tax relating to components of other comprehensive income is as follows:

		2023	2022
Exchange differences on translation of foreign operations Remeasurement of defined benefit	(\$	1,357)	\$ 441
obligation		69	55
	(\$	1,288)	\$ 496

2. Reconciliation between income tax gain and accounting profit:

	2023	2022
Tax calculated based on profit (loss) before tax and statutory tax rate (Note) Expenses disallowed (allowed) by tax regulation Temporary differences not recognised	(\$9,318)(890	\$22,837) 7,609
as deferred tax assets Tax losses unrecognized as deferred tax assets	1,970 (3,324	1,887) 14,212
Change in realized valuation for deferred income tax assets Prior year income tax over estimation Income tax gain	(889) (773)((<u>\$4,796</u>)(245) \$ 3,148)

Note: The basis for computing the applicable tax rate are the rates applicable in the respectiveCountries where the Group entities operate.

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

				2	023			
					Recogn	nized in		
			Re	cognized	otl	her		
			in	profit or	compre	hensive	D	ecember
	Ja	nuary 1		loss	ince	ome		31
Temporary differences:								
- Deferred tax assets:								
Loss on market price decline	\$	4,670	(\$	580)	\$	-	\$	4,090
Defined benefit obligation		789	(16)(69)		704
Bad debt expense		4,748		66		-		4,814
Tax loss		35,448		7,215		-		42,663
Unpaid annual leave		568		2		-		570
•		46,223		6,687 (69)		52,841
- Deferred income tax liabilities:				`				<u> </u>
Unrealized exchange gain	(983)		977		_	(6)
Share of profit or loss of subsidiaries	`	ĺ					`	,
and associates accounted for using								
equity method	(35,602)	(202)		-	(35,804)
Exchange differences arising on								
translation of foreign operations	(11,010)				1,357	(9,653)
	(47,595)		775		1,357	(45,463)
	(\$	1,372)	\$	7,462	\$	1,288	\$	7,378

					2022			
	Ja	nnuary 1		cognized profit or loss		other other omprehensive income	D	ecember 31
Temporary differences:								
- Deferred tax assets:								
Loss on market price decline	\$	3,500	\$	1,170	\$	-	\$	4,670
Defined benefit obligation		961	(117)	(55)		789
Bad debt expense		4,412		336		-		4,748
Tax loss		32,351		3,097		-		35,448
Unpaid annual leave		554		14		-		568
•		41,778		4,500	(55)		46,223
- Deferred income tax liabilities:					` —			
Unrealized exchange gain	(405)	(578)		_	(983)
Share of profit or loss of subsidiaries and associates accounted for using								
equity method	(35,706)		104		-	(35,602)
Exchange differences arising on								
translation of foreign operations	(10,569)		-	(441)	(11,010)
	(46,680)	(474)	(441)	(47,595)
	(\$	4,902)	\$	4,026	(\$	496)	(\$	1,372)
		,				,		

4. Expiration dates of unused net operating tax losses of the Company and amounts of unrecognized deferred tax assets are as follows:

December 31, 2023							
			Unrecognized	_			
Year	Amount		deferred tax				
incurred	filed/assessed	Unused amount	assets	Expiry year			
2017	\$ 15,343	\$ 15,343	\$	- 2027			
2018	27,487	27,487		- 2028			
2019	30,557	30,557		- 2029			
2020	84,052	84,052		- 2030			
2022	6,911	6,911		- 2032			
2023	48,965	48,965		- 2033			
	\$ 213,315	\$ 213,315	\$	_ - _			
December 31, 2022							

	2 ************************************								
			Unrecognized						
Year	Amount		deferred tax						
incurred	filed/assessed	Unused amount	assets	Expiry year					
2017	\$ 15,343	\$ 15,343	\$ -	2027					
2018	27,487	27,487	-	2028					
2019	30,557	30,557	-	2029					
2020	84,052	84,052	-	2030					
2022	19,799	19,799	-	2032					
	\$ 177,238	\$ 177,238	\$ -	•					

5. The deductible temporary differences for which no deferred income tax assets have been recognized:

	D	ecember 31, 2023	December 31, 2022
Deductible temporary differences	\$	255,477	\$ 251,103

6. The tax authorities have examined income tax returns of the Company through 2021.

(XXVII) Earnings (losses) per share

		Profit	2023 Weighted-average common shares outstanding	Losses per share
Basic losses per share		after tax	(in thousands)	(NTD)
Net loss for the period attributable to common				
shareholders of the Parent	(\$	48,771)	72,584	(\$ 0.67)
			2022	
			Weighted-average	
			common shares	Losses per
			outstanding	share
	Profi	t after tax	(in thousands)	(NTD)
Basic losses per share				
Net loss for the period attributable to common				
shareholders of the Parent	(\$	66,109)	72,580	(\$ 0.91)

Note: The above retroactive adjustments to the number of shares outstanding have been made based on the number of outstanding shares after the capital reduction effective date in 2023 and 2022.

(XXVIII) Transactions with non-controlling interests

1. Disposal of subsidiary equity (without loss of control)

On April 1, 2023, the Group sold a 22.5% equity interest in its subsidiary, Data Technology, for \$1,800. The carrying amount of non-controlling interests in Data Technology on the sale date was \$598. This transaction increased non-controlling interests by \$358 and increased equity attributable to the owners of the parent company by \$1,442. The impact of the change in equity of Data Technology for the year 2023 on equity attributable to the owners of the parent company is as follows:

	December 31, 202	
Carrying amount of disposed non-controlling interests	(\$	358)
The consideration received for non-controlling interests		1,800
Capital surplus, difference between consideration and		
carrying amount of subsidiaries acquired or disposed	\$	1,442

- 2. Subsidiary cash capital increase, the Group did not subscribe in accordance with the shareholding ratio
- (1) The Group's subsidiary Millimeter wave technology Co., Ltd. issued new shares for cash on March 31, 2023. The Group did not subscribe to the rights issue on a pro rata basis. The stake was increased by 5%. The transaction increased non-controlling interest by \$2,081 and reduced the equity attributable to the owners of the parent by \$581. The impact on the equity attributable to the owners of the parent due to change in ownership of Millimeter wave technology Co., Ltd. in 2023 is as follows:

	Decer	nber 31, 2023
Non-controlling interest: capital increase by rights issue	\$	1,500
Increase the noncontrolling interest	(2,081)
Reduction of retained earnings attributable to the owners of		
the parent	(\$	581)

(2)The Group's subsidiary Data Lake Co., Ltd. issued new shares for cash on October 6, 2023. The Group did not subscribe to the rights issue on a pro rata basis. The stake was reduced by 4.44%. The transaction increased non-controlling interest by \$3,290 and increased the equity attributable to the owners of the parent by \$1,710. The impact on the equity attributable to the owners of the parent due to change in ownership of Data Lake Co., Ltd. in 2023 is as follows:

	Decen	nber 31, 2023
Non-controlling interest: capital increase by rights issue	\$	5,000
Increase the noncontrolling interest	(3,290)
Capital Surplus, changes in ownership interests in		
subsidiaries	\$	1,710

(3) The Group's subsidiary Data Lake Co., Ltd. issued new shares for cash on December 1, 2023. The Group did not subscribe to the rights issue on a pro rata basis. The stake was reduced by 0.39%. The transaction increased non-controlling interest by \$35,680 and increased the equity attributable to the owners of the parent by \$320. The impact on the equity attributable to the owners of the parent due to change in ownership of Data Lake Co., Ltd. in 2023 is as follows:

	December 31, 2023	
Non-controlling interest: capital increase by rights issue	\$	36,000
Increase the noncontrolling interest	(35,680)
Capital Surplus, changes in ownership interests in		_
subsidiaries	\$	320

(4)The Group's subsidiary Data Lake Co., Ltd. issued new shares for cash on April 1, 2022. The Group did not subscribe to the rights issue on a pro rata basis. The stake was increased by 12.5%. The transaction increased non-controlling interest by \$6,092 and reduced the equity attributable to the owners of the parent by \$6,092. The impact on the equity attributable to the owners of the parent due to change in ownership of Data Lake Co., Ltd. in 2022 is as follows:

	December 31, 2022	
Non-controlling interest: capital increase by rights issue	\$	-
Increase the noncontrolling interest	(6,092)
Reduction of retained earnings attributable to the owners of		_
the parent	(\$	6,092)

(XXIX) Business combinations

- 1. On January 12, 2022, the Group subscribed to shares of Draco Electronics, LLC for a total of \$16,625 and increased its stake to 60% after this rights issue. Draco Electronics, LLC was consolidated into the financials from that day onward because of ownership of over half voting rights. The U.S. is one of the important markets in the world. To service and attract orders from U.S. customers, the Company invested in Draco Electronics, LLC to stay close to the market and shorten the lead time for sampling. This is essential to the development of niche products and customer outreach.
- 2. Information on the consideration paid for the acquisition of Droco Electronics, LLC, the fair value of the assets acquired and liabilities assumed at the acquisition date, and the share of non-controlling interests in the acquiree's identifiable net assets at the acquisition date is as follows:

	Jan 12, 2022	
Purchase consideration	-	
Cash	\$	16,625
Share of non-controlling interests in the acquiree's identifiable net assets		9,789
	\$	26,414
Fair value of the identifiable assets acquired and		
liabilities assumed		
Cash	\$	17,789
Accounts receivable		4,540
Inventory		4,238
Other current assets		350
Property, Plant and Equipment		390
Other non-current assets		212
Accounts payable	(2.163)
Other current assets	(884)
Total identifiable net assets	\$	24,472
Goodwill	\$	1,942

3. Since the Group merged with Draco Electronics, LLC on January 12, 2022, the operating income and net loss before tax contributed by Millimeter Wave Technology were NT\$59,121 and 2,893. respectively. Had Draco Electronics, LLC been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of NT\$1,445,754 and loss before income tax of (NT\$75,186).

(XXX) Supplemental cash flow information

Investing activities with partial cash payments:

		2023		2022
Purchase of property, plant and equipment	\$	33,466	\$	83,585
Add: Opening balance of payable on equipment Less: Ending balance of payable		2,617		7,095
on equipment Cash paid during the year	(2,003) 34,080	(2,617) 88,063

		2023		2022
Disposal of book value of property,				
plant and equipment	\$	19,806	\$	18,314
Add: Opening receivables for		11.450		
equipment sold		11,479		-
Less: Loss on disposal of property,	(11 (00)	(905)
plan and equipment Less: End-of-period receivables for	(11,600)	(805)
equipment sold	(6,800)	(11,479)
	\		\	<u> </u>
Cash receive during the year	\$	12,885	\$	6,030

(XXXI) Changes in liabilities from financing activities

					202	3			
		Short-t	erm loans	Le	ase liabilities	Bon	ıds payables		otal liabilities om financing activities
January 1		\$	270,240	\$	37,177	\$	189,923	\$	497,340
Decrease in short-term loans		(184,405)		-		-	(184,405)
Repayment of the principal portion of	of lease								
liabilities			-	(15,955)		-	(15,955)
Changes in other non-cash items		(7,949)		27,617		3,944	(23,612)
December 31		\$	77,886	\$	48,839	\$	193,867	\$	320,592
					2022				
	Short-terr		g-term loans	Lease	liabilities	Bonds	s payables		otal liabilities rom financing activities
January 1	\$ 269,		10,000	\$	26,542 \$		-	\$	306,370
Decrease in short-term loans	(2,	181)	-		-		-	(2,181)
Prepayment from long-term bank loans Repayment of the principal portion		- (10,000)		-		-	(10,000)
of lease liabilities		-	-	(15,181)		-	(15,181)
Issuance of convertible bonds		_	-		-		226,423		226,423
Changes in other non-cash items December 31	\$ 270,	593 240 \$	<u>-</u>	\$	25,816 (37,177 \$		36,500) 189,923	(8,091) 497,340
2000	~ 270,	<u> </u>		4	υ., ψ		107,723	Ψ	177,510

VII. Related-party Transactions

(I) Names of related parties and relationship

Names of related parties	Relationship with the Group
WONDERFUL HI-TECH CO., LTD.	Entities with significant influence to the Group
(Wonderful)	(Company accounted for using the equity method for the
	Group)
WONDERFUL CABLING SYSTEMS CORP.	Entities with significant influence to the Group
(Wonderful Cabling)	(Subsidiary accounted for using the equity method for
	the Group)
LORD HERO COMPANY LIMITED (Lord	Entities with significant influence to the Group
Hero H.K.)	(Subsidiary accounted for using the equity method for
W 1 C1DI (1 ('' (D)) C I (1	the Group)
Wonderful Photoelectricity (Dongguan)Co., Ltd.	Entities with significant influence to the Group
(Dongguan Wonderful)	(Subsidiary accounted for using the equity method for the Group)
THAI WONDERFUL WIRE CABLE CO.,	Entities with significant influence to the Group
LTD. (Thai Wonderful)	(Subsidiary accounted for using the equity method for
	the Group)
ACTife HI-TECH CO., LTD. (ACTife HI)	Entities with significant influence to the Group
	(Subsidiary accounted for using the equity method for
	the Group)
ABA Industry, Inc. (A.B.A.)	Entities with significant influence to the Group
	(Company accounted for using the equity method for the
	Group)
Asahi Communications Corporation (Asahi	Entities with significant influence to the Group
Japan)	(Major shareholder of the Company)
Asahi Electronics Corporation (Asahi	Other related party
Electronics)	(A brother-sister corporation of a major shareholder of
A CALLI DECT DACE CON DUD (A.D.D.)	the Company)
ASAHI BEST BASE SDN. BHD.(A.B.B.)	Other related party (The major shareholder of said company is the same as
	the major shareholder of the Company)
ASAHI BEST BASE TRADING (HK) CO.,	Other related party
Ltd.(A.B.B.HK)	(The major shareholder of said company is the same as
	the major shareholder of the Company)
Suzhou Jiuhang Cable Technology Co., Ltd.	Associate of the Group
(Suzhou Jiuhang)(Note1)	(Company accounted for using the equity method for the
<u>-</u>	Group)
Wei Li Innovative Co., Ltd. (Wei Li	Associate of the Group
Innovative)(Note2)	(Company accounted for using the equity method for the
	Group)

Note1: Since January 12, 2023, Suzhou Jiuhang has been an associated enterprise of the Group.

Note2: Willy Innovation was originally an associated enterprise of the Group. However, after disposing of its equity on February 23, 2023, and losing significant influence, it ceased to be an associated enterprise of the Group from that date onwards.

(II) Significant related party transactions

1. Sales of goods and services:

	2023	2022		
Sales of goods: — Entities with significant influence to the Group	\$ 17,065	\$	40,045	
— Other related party	1,301		2,592	
1 2	\$ 18,366	\$	42,637	
	2023		2022	
Other income: — Entities with significant				
influence to the Group	\$ 634	\$	78	

The Group's sales prices to related parties are not comparable due to different products sold and are based on the contracted sales prices and conditions. Amounts due from related parties are mainly from sales of goods and are due within 60 to 90 days after the monthly closing date on the following month of the sales date, and 30 to 150 days after the monthly closing date on the following month of the sales date for general customers.

2. Purchase of goods and services:

2023	2022		
 _	'		
\$ 65,275	\$	104,399	
913		6,741	
4,197		-	
\$ 70,385	\$	111,140	
2023		2022	
\$ 1,856	\$	2,192	
1,135		1,151	
\$ 2,991	\$	3,343	
\$	\$ 65,275 913 4,197 \$ 70,385 2023 \$ 1,856 1,135	\$ 65,275 \$ 913 4,197 \$ 70,385 \$ 2023 \$ 1,856 \$ 1,135	

The Group's purchase prices to related parties are not comparable due to different products purchased and are based on the contracted purchase prices and conditions. Payable mounts due to related parties are mainly from purchase of goods and are due within 60 to 90 days after the monthly closing date on the following month of the purchase date, and 30 to 120 days after the monthly closing date on the following month of the purchase date for general suppliers.

3. Receivables from related parties

	Decem	ber 31, 2023	December 31, 2022		
 Entities with significant 		_		_	
influence to the Group	\$	5,174	\$	10,022	

4. Payables	from	related	parties

5.

	Decei	mber 31, 2023		December 31, 2022
Entities with significant influence to the GroupOther related party	\$	12,675 248	\$	21,506 1,029
— Associate of the Group	\$	1,022 13,945	\$	22,535
Other ending balance				
Other receivables from related parties	Decer	mber 31, 2023	<u> </u>	December 31, 2022
Entities with significant influence to the GroupAssociate of the Group	\$	279	\$	390 84
	\$	279	\$	474
	Decer	mber 31, 2023		December 31, 2022
Other payables to related parties — Entities with significant influence to the Group	\$	240	\$	403

6. Leasing arrangements - lessee

— Other related party

(1) The Group leases the office and warehouse from Wonderful for the period from January 1, 2023 to December 31, 2027. The rent is determined based on the general rental rate and the area used in the location of the leased premises, and is payable monthly.

(2) Acquisition of use-of-right assets

	2023			2022	
 Entities with significant influence to the Group 					
Wonderful	\$	26	5,470	\$	-

259

499

503

906

December 31, 2022

(3) Lease liabilities

A. Outstanding balance:

 Entities with significant 				
influence to the Group				
Wonderful				
Current	\$	6,678	\$	6,351
Non-current	\$	20,640	\$	6,432
B. Interest expense				
•	2023		2022	
— Entities with significant				
influence to the Group				
Wonderful	\$	450	\$	199

December 31, 2023

(III) Key management compensation

	2023	2022	
Salaries and other short-term	 		
employee benefits	\$ 11,893	\$	19,147
Post-employment benefits	 382		595
	\$ 12,275	\$	19,742

VIII. Pledged Assets

Information on the Group's pledged assets is as follows:

	(
					Guarantee
Asset Item	December 31	1, 2023	December 3	31, 2022	purpose
Pank denosits pladged time	\$	317	\$	314	Short-term
Bank deposits, pledged time deposits and reserve accounts					Loans and
1					Guarantee for
(Listed as Current financial					the Customs
assets at amortised cost)					Duties
Property, Plant and Equipment		38,887		44,260	"
Right-to-use assets - land		6,440		6,738	"
Pledged time certificate of					Convertible
deposit(Listed as Non-current					bonds
financial assets at amortised					
cost)		75,088		_	
Non-current financial assets at fair					**
value through other					
comprehensive income	1	28,940		179,865	
-	\$ 2	49,672	\$	231,177	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

No such situation.

(II) Commitments

No such situation.

X. Significant Disaster Loss

No such situation.

XI. Significant Events

No such situation.

XII. Others

(I) Capital Management

The Group's objectives when managing capital are to maintain a positive credit rating and an optimal capital ratio to support the Group's operations and to maximize the shareholders' equity.

(II) <u>Financial instruments</u>

1. Financial instruments by category

]	December 31, 2023		December 31, 2022
Financial assets				
Financial assets measured at fair				
value through profit or loss				
Compulsive financial assets				
measured at fair value through				
profit or loss	\$	20	\$	7,072
Equity instruments that are				
designated by the financial assets				
at fair value through other				
comprehensive income or loss	\$	148,299	\$	285,216
Financial assets at amortized cost				-
Cash and cash equivalents	\$	272,934	\$	247,892
Current financial assets at				
amortized cost- current		95,719		64,493
Notes receivable		19,516		13,888
Accounts receivable		299,085		436,819
Accounts receivable due from		,		,
related parties		5,174		10,022
Other receivables		5,102		10,096
Non-current financial assets at				
amortised cost		75,088		-
Long-term notes and accounts				
receivable		6,000		8,400
	\$	778,618	\$	791,610
		December 31, 2023		December 31, 2022
Financial liabilities				
Financial assets at amortized				
cost				
Short-term loans	\$	77,886	\$	270,240
Notes payable		626		-
Accounts payable		92,985		146,174
Accounts payable to				
related parties		13,945		22,535
Other payables		94,661		138,453
Bonds payable		193,867	_	189,923
	\$	473,970	\$	767,325
Lease liabilities	\$	48,839	\$	37,177

2. Risk management policies

- (1) The Group's daily operations are affected by various financial risks, e.g., market risks (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) Finance Department is in charge of reviewing and evaluating the financial risks and is in close co-operation with the Group's operating units to do the financial risk tasks.
- 3. Significant financial risks and degrees of financial risks
 - (1) Market risk

Foreign exchange risk

- A. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and JPY. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.
- B. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, HKD and CNY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

			December 31, 202	23	
					Carrying
					amount
	F	oreign			
	Cl	ırrency			(NTD
	(the	ousands)	Exchange rate	T	housands)
(Foreign currency:					
functional currency)					
Financial assets					
Monetary items					
USD: NTD	\$	5,419	30.71	\$	166,390
USD : CNY		5,458	7.096		167,588
Financial liabilities					
Monetary items					
USD: NTD	\$	2,962	30.71	\$	90,948
USD : CNY		697	7.096		21,401
JPY : CNY		35,735	0.050		7,762

			December 31, 202	22	
	I	Foreign			Carrying
	c	urrency		am	ount (NTD
	(th	ousands)	Exchange rate	t	housand)
(Foreign currency:					
functional currency)					
Financial assets					
Monetary items					
USD : NTD	\$	7,510	30.71	\$	230,632
USD : CNY		13,177	6.970		404,666
JPY : CNY		24,248	0.053		5,635
USD : HKD		699	7.83		21,466
Financial liabilities					
Monetary items					
USD : NTD	\$	4,184	30.71	\$	128,491
USD: CNY		12,537	6.970		385,011
JPY : CNY		39,607	0.053		9,205

C. All exchange gains and losses (both realized and unrealized) arising from significant foreign exchange variation on the monetary items held by the Group. were NT\$5,757 and NT\$1,973 for the years ended December 31, 2023 and 2022, respectively.

D. Analysis of foreign currency market risk arising from significant foreign exchange variation:

, arrayrom			2023		
		Sen	sitivity an	alys	sis
	Degree of variation	Ef		Effect on other comprehensive income	
(Foreign currency:					
functional currency)					
Financial assets					
Monetary items					
USD: NTD	1%	\$	1,664	\$	-
USD : CNY	1%		1,676		-
Financial liabilities					
Monetary items					
USD: NTD	1%	\$	909	\$	-
USD : CNY	1%		214		-
JPY: CNY	1%		78		-

		2022			
	Sen	sitivity an	alys	sis	
Degree of variation				Effect on other comprehensive income	_
1%	\$	2,306	\$		-
1%		4,047			-
1%		56			-
1%		215			-
1%	\$	1,285	\$		-
1%		3,850			-
1%		92			-
	1% 1% 1% 1% 1% 1%	Degree of variation Prof	Degree of variation Effect on profit or loss 1% \$ 2,306 1% 4,047 1% 56 1% 215 1% \$ 1,285 1% 3,850	Degree of variation	Sensitivity analysis Effect on other comprehensive variation profit or loss

2022

Price risk

- A. The Group's equity instruments exposed to price risk are Financial assets measured at fair value through profit or loss financial assets at fair value through other comprehensive income.
- B. The Group mainly invests in equity instruments and open-end funds issued by domestic companies, of which the price of equity instruments will be affected by uncertainty of future value of the investment target. If the price of such equity instrument rises or falls by 1%, with all other factors held constant, The net profit after tax in 2023 and 2022 will increase or decrease by \$0 and \$71 respectively due to the benefit or loss of equity instruments measured at fair value through profit and loss; the gain or loss on other comprehensive income classified as equity investments at fair value through other comprehensive income would have increased or decreased by NT\$1,483 and NT\$2,852 for the years ended December 31, 2023 and 2022, respectively.

Cash flow and fair value interest rate risk

- A. The Group's main interest rate risk arises from short-term loans with variable rates which expose the Group to cash flow interest rate risk. During the years ended December 31, 2023 and 2022, the Group's loans at variable rate were denominated in the NTD, USD and CNY.
- B. As of December 31, 2023 and 2022, if interest rates on denominated loans at that date had been 1% higher with all other variables held constant, net profit (loss) for the years ended December 31, 2023 and 2022 would have been NT\$623 and NT\$2,162 higher, respectively, mainly as a result of higher (lower) interest expense on floating rate loans.

(2) Credit risk

A. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.

- B. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, the Group is responsible for managing and analyzing the credit risk for its new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- C. The Group adopts the assumptions under IFRS 9. The Group determines that the default occurs when the contract payments were past due over 30 days based on the terms.
- D. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- E. The Group classifies notes and accounts receivable (to related parties included) based on the characteristics of trade credit risk and uses the simplified preparation matrix to estimate expected credit losses.
- F. he Group has written off the recoverable amount of financial assets that could not reasonably be estimated after recourse, but will continue to pursue recourse to preserve its rights. As of December 31, 2023 and 2022, the Group had no recourse claims that had been written off.
- G. The Group considers the Business Indicators Data Base provided by the National Development Council to future prospects when adjusting the loss rate that is set up based on historical and current loss period information, in order to estimate the loss of notes receivables and allowance for doubtful accounts of customers with general credit quality. The provision matrix as of December 31, 2023 and 2022 is as follows:

December 31, 2023	I	Not past due	U	p to 30 days	31 to	60 days		l to 90 days	Ove	r 91 days	Total
Expected loss rate	0.3	27-0.38%	0.2	7-0.38%	6.20%	5-18.65%		50%	509	%-100%	
Total book value	\$	319,917	\$	4,977	\$	26	\$	-	\$	1,955	\$ 326,875
Allowance for uncollectible											
accounts	\$	1,133	\$	10	\$	2	\$	_	\$	1,955	\$ 3,100
December 31,	1	Not past	U	p to 30			61	l to 90			
2022		due		days	31 to	60 days		days	Ove	r 91 days	Total
Expected loss rate	0.3	28-0.36%	0.2	8-0.36%	8.62%	5-15.35%		50%	509	%-100%	
Total book value	\$	453,627	\$	8,259	\$	-	\$	856	\$	2,785	\$ 465,527
Allowance for uncollectible											
accounts	\$	1,961	\$	10	\$		\$	428	\$	2,399	\$ 4,798

H. The aging analysis of notes and accounts receivable (including related parties) that were past due but not impaired is as follows:

	204
January 1 \$ 4,798 \$ 14.	30 4
Reversal	
for impairment loss (1,681) (538)
Amounts written off as	
uncollectible - (8	985)
Foreign exchange	
adjustments (17)	17
December 31 \$ 3,100 \$ 4	798

For losses reversed in 2023 and 2022, the impairment losses reversed on receivables arising from customer contracts were NT\$1,681 and NT\$538, respectively.

(3) Liquidity risk

- A. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's financial department. Group's financial department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- B. The table below analyses the Group's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

T		\sim	 \mathbf{n}	`
Decem	ner	4	 ,,,,	4
Decem	σ	J.	 -04	,

Non-derivative financial liabilities:	Le	ess than 1 year	 ween 1 2 years	Between 2 5 years	to	O	ver than 1 year
Short-term loans	\$	77,886	\$ -	\$	-	\$	-
Notes payable		626	-		-		-
Accounts payable (to related parties							
included)		106,930	-		-		-
Other accounts payable (to related							
parties included)		94,661	-		-		-
Lease liabilities		16,214	12,906	22,3	34		2,243
bonds payable		-	199,900		-		-

December 31, 2022

Non-derivative financial liabilities:	Le	ess than 1 vear	Between 1 to 2 years	Between 2 to 5 years	Over than 1 year
Short-term loans	\$	270,240	\$ -	\$ -	\$ -
Accounts payable (to related parties included)		168,709	-	-	-
Other accounts payable (to related parties included)		138,453	-	-	-
Lease liabilities		14,989	12,602	8,440	5,385
bonds payable		-	-	200,000	-

C. The Company's cash flows are not expected to occur significantly earlier than the maturity date, or to be significantly different from the actual amount.

(III) Fair value estimation

- 1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:
 - Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.
 - Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in financial instrument is included in Level 2.
 - Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in unlisted stocks is included in Level 3.

2. Financial instruments not measured at fair value

Except for financial assets measured at fair value through profit or loss, financial assets at fair value through other comprehensive income or loss, the carrying amounts of cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable (to related parties included), other receivables (to related parties included), other current financial asset, short-term loans, notes payable, accounts payable (to related parties included), other payables (to related parties included), lease liabilities are approximate to their fair values.

		December	31, 2023	
		Fair v	alue	_
	Book Value	Level 1	Level 2	Level 3
Financial liabilitie Bonds payable	\$ 193,867	\$ -	\$ 195,922	\$ -
		December	31, 2022	
		Fair v	alue	_
	Book Value	Level 1	Level 2	Level 3
Financial liabilitie Bonds payable	\$ 189,923	\$ -	\$ 192,712	\$ -

3. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(1) The related information of the December 31, 2023	Level 1		evel 2		evel 3	Total
Assets Recurring fair value measurements	 20001				8 (61 5	Total
Financial assets measured at fair value through profit or						
loss - current Convertible corporate bond						
repurchase rights	\$ -	\$	_	\$	20	\$ 20
Financial assets at fair value						
through other comprehensive income or loss						
Equity securities	 128,944		_		19,355	 148,299
	\$ 128,944	\$		\$	19,375	\$ 148,319
December 31, 2022	 Level 1	L	evel 2	L	evel 3	 Total
Assets Recurring fair value						
measurements						
Financial assets measured at						
Financial assets measured at fair value through profit or						
Financial assets measured at	\$ _	\$	6,612	\$	_	\$ 6,612
Financial assets measured at fair value through profit or loss - current Financial products Convertible corporate bond	\$ -	\$	6,612	\$	-	\$,
Financial assets measured at fair value through profit or loss - current Financial products Convertible corporate bond repurchase rights	\$ -	\$	6,612	\$	460	\$ 6,612 460
Financial assets measured at fair value through profit or loss - current Financial products Convertible corporate bond	\$ -	\$	6,612	\$	- 460	\$,
Financial assets measured at fair value through profit or loss - current Financial products Convertible corporate bond repurchase rights Financial assets at fair value through other comprehensive income or loss	\$ 	\$	6,612	\$		\$ 460
Financial assets measured at fair value through profit or loss - current Financial products Convertible corporate bond repurchase rights Financial assets at fair value through other comprehensive	\$ 265,005 265,005	\$	6,612 - - 6,612	\$	- 460 20,211 20,671	\$,

(2) The Group's approaches and assumptions for fair value measurement are as follows:

A. The Group adopts quoted prices as inputs used to measure fair value (Level 1), which are classified as follows based on the characteristics of the financial instruments:

	Listed shares
Market quoted price	Closing price

B. Except for the aforementioned financial instruments in an active market, the fair values of other financial instruments are obtained by using valuation techniques, or by reference to the quoted prices of counterparties.

- C. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and nonfinancial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- 4. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- 5. The following are the movements in Level 3 for the years ended December 31, 2023 and 2022:

				2023		
		estment in sted shares	corpo	vertible rate bond ase rights		Total
January 1	\$	20,211	\$	460	\$	20,671
Acquired in this period		2,000		_		2,000
Gains and losses recognized in						
profit or loss						
Listed non-operating income						
and expenses		_	(440)	(440)
Recognized in other						
comprehensive income						
Unrealized valuation						
gains/losses on investments in						
equity instruments at fair value						
through other comprehensive						
income or loss	(2,856)		<u>-</u>	(2,856)
December 31	\$	19,355	\$	20	\$	19,375
				2022		_
	T	estment in		vertible		
		sted shares		rate bond		Total
January 1	\$	12,347	\$	ase rights	\$	12,347
Acquired in this period	Ψ	12,920	Ψ	_	Ψ	12,920
Issued in this period		12,720		860		860
Gains and losses recognized in		_		000		000
profit or loss						
Listed non-operating income						
and expenses		_	(400)	(400)
Recognized in other			(100)		100)
comprehensive income						
Unrealized valuation						
gains/losses on investments in						
equity instruments at fair value						
through other comprehensive						
income or loss	(5,056)			(5,056)

December 31	\$ 20,211	\$ 460	\$ 20,671
	 -)	 	 - ,

- 6. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.
- 7. External valuers is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- 8. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments: Unlisted shares	NT\$ 19,355	Public Company Comparables	Price-to-Book Ratio (multiplier)	1.47~2.47	The higher the value, the higher the fair value
			Discount for Lack of Marketability	26.80%~ 42.23%	The higher the discount for lack of marketability, the higher the fair value
Convertible corporate bond repurchase rights	NT\$ 20	Binary Tree Convertible Bond Evaluation Model	Volatility	33.66%	The higher Volatility, the higher the fair value
Non-derivative equity	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
instruments: Unlisted shares	NT\$ 20,211	Public Company Comparables	Price-to-Book Ratio (multiplier) Discount for Lack of	1.42~2.33 18.03%~ 43.93%	The higher the value, the higher the fair value The higher the discount for lack of
Convertible corporate bond repurchase rights	NT\$ 460	Binary Tree Convertible Bond Evaluation Model	Marketability Volatility	55.59%	marketability, the higher the fair value The higher Volatility, the higher the fair value

9. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

		r 31, 2023				
			Reco	gnized in oth	ner con	nprehensive
				ince	ome	
Financial assets	Input	Change	Favora	ble change		Jnfavorable change
Equity instruments	Price-to- Book Ratio	±5%				
msuuments	(multiplier)		\$	947	(\$	941)
				Decembe	r 31, 2	022
			Reco	gnized in oth	ner con	nprehensive
				inc	ome	
	Input	Change	Favora	ble change	Unfa	vorable change
Financial assets						
Equity	Price-to-	±5%				
instruments	Book Ratio (multiplier)		\$	1,046	(\$	1,042)

XIII. Other Disclosures

(I) Significant transactions information

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the years ended December 31, 2023:

- 1. Loans to others: Please refer to table 1.
- 2. Provision of endorsements and guarantees to others: Please refer to table 2.
- 3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- 4. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more: No such situation.
- 5. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: No such situation.
- 6. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: No such situation.
- 7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 4.
- 8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: No such situation.
- 9. Trading in derivative instruments undertaken during the reporting periods: No such situation.
- 10. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(III) Information on investments in Mainland China

- 1. Basic information: Please refer to table 7.
- 2. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

(IV) List of major shareholders

Information on major shareholders: Please refer to table 8.

XIV. Segment Information

(I) General information

The management of the Company and its subsidiaries has identified the reportable segments based on the reported information used by President in making decisions. The President operates the business from each business unit perspective. The Wire (Harness) Division and China Division manufactures security, medical, and automobile cables by using precision processing technology, and combines the high frequency, medical electronics, and 5G millimeter wave radar technologies to shorten the production time and to develop the market of precision high frequency wireless communication and radar modules, making it the preferred processing plant for brands. We cooperate with IC component suppliers and combine our own finished product assembly technology to provide solutions to different project needs.

(II) Measurement of segment information

The pre-tax net income or loss of each business segment reported by the Company and its subsidiaries to the chief operating decision maker is measured consistently with the income and expenses shown in the statement of comprehensive income, and the performance of each operating segment is evaluated on the basis of operating profit.

(III) Information about segment profit or loss

The departmental information to be reported to the primary operating decision-makers is provided below. The information for the fiscal year 2022 has been recompiled in accordance with the departmental information to be reported for 2023.

					2023				
D. C.	ire Harness Division	I	China Division		Other Division	ljustments nd Write Offs	Total		
Revenue from external segment Segment income	\$ 657,521	\$	454,944	\$	6,806	\$ 3,777	\$	1,123,048	
(loss) Segment income (loss) includes:	\$ 14,792	(<u>\$</u>	49,731)	(<u>\$</u>	44,574)	\$ 8,070	(<u>\$</u>	71,443)	
Depreciation expense	\$ 46,591	\$	32,236	\$	482	\$ 268	\$	79,577	

					2022			
	re Harness Division	Ι	China Division		Other Division	ustments d Write Offs		Total
Revenue from external segment Segment income	\$ 767,641	\$	671,408	\$	1,591	\$ 5,114	\$	1,445,754
(loss) Segment income (loss) includes:	\$ 11,739	(<u>\$</u>	110,844)	(<u>\$</u>	19,051)	\$ 1,807	(<u>\$</u>	116,349)
Depreciation expense	\$ 45,968	\$	40,206	\$	95	\$ 306	\$	86,575

Information on the Group's segment assets and liabilities is not disclosed as it is not available to the chief operating decision-maker.

(IV) Reconciliation for segment income (loss)

- 1. Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the Statement of Comprehensive Income.
- 2. A reconciliation of segment income or loss to the profit/ (loss) before tax is as follows:

		2023	2022
Reportable segments income			
(loss)	(\$	71,443) (\$	116,349)
Interest income		3,784	2,164
Other income		36,425	50,728
Other gain and loss	(11,738) (876)
Financial costs	(12,735) (10,826)
Share of profit or loss of associates accounted for using equity method	(320) (27)
Profit before income tax	(<u>\$</u>	56,027) (\$	75,186)

(V) Information on product and service

For related information, please refer to Note 6(20).

(VI) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

		2	023		2022							
	'		No	on-current assets			N	on-current assets				
	Reve	enue (Note 1)		(Note 2)	Rev	enue (Note 1)	(Note 2)					
Taiwan	\$	267,252	\$	88,931	\$	334,347	\$	74,513				
China		674,233		195,510		854,192		248,986				
U.S.A.		127,352		4,803		174,736		8,621				
Japan		22,291		-		33,940		-				
Others		31,920		-		48,539		-				
	\$	1,123,048	\$ 289,244			1,445,754	\$	332,120				

Note 1: Revenue is categorized based on the country where the customer is located.

Note 2: Non-current assets are the items that exclude financial instruments and deferred

income tax assets.

(VII) Major customer information

Details of major customers contributing more than 10% of operating revenue of the Group for the years ended December 31, 2023 and 2022 are as follows:

			2023	2022							
	R	levenues	Segment	R	evenues	Segment					
A	\$	141,893	Wire Harness Division	\$	150,691	Wire Harness Division					

Wanshih Electronic Co., Ltd. and Subsidiaries Loans to others For the year ended December 31, 2023

Table 1

Unit: NTD thousands (Unless specified otherwise)

Number													Colla	nteral		Limit of	
												_			Limit of financing		
				D.L.	Maximum	P. C.				Nature of Business Loss financing transaction Reason for allowa					amount for	1 C	
(Note 1)	Financing	Countarnarty	Account	parties	balance for the period	Ending balance	drawn down Amount	Interest rate	(Note 2)	amount	Reason for financing	allowanc e	Name	Value	individual	total financing amount	Note
0	company Wanshih	Counterparty	Other receivables	Y	\$ 47,130			3.50%	1	\$ 309,794	mancing	\$ -	None	\$ -	\$ 50,000	\$ 217,740	
U	Electronic Co.,	Electronic	from related parties	1	\$ 47,130	5 -	ъ .	3.30%	1	\$ 309,794	-	5 -	None	\$ -	\$ 50,000	\$ 217,740	Note 5
0	Wanshih	Suzhou Wanshin	l Ironi related parties														
	Electronic Co.,	Electronic	Other receivables														_
	Ltd.	Element Co.,	from related parties	Y	48,645	46,065		3.50%	1	382,904	-	-	None	-	50,000	217,740	"
		Ltd.															
0	Wanshih	Vietnam		Y	30,740	-		2.50%	2	-	Operating turnover	-	None	-	50,000	217,740	"
	Electronic Co.,	Wanshih															
	Ltd.	Electronic	Other receivables														
		Element Company	from related parties														
		Limited															
0	Wanshih	Vietnam		Y	32,430	30,710		3.50%	2	_	Operating turnover	_	None	_	50,000	217,740	"
	Electronic Co.,	Wanshih			- ,	,									,	.,.	
	Ltd.	Electronic	Other receivables														
		Element	from related parties														
		Company Limited															
1	Wanshih (H.K.)	Suzhou Wanshih		Y	12,296	_		3.50%	2	32,473	_	_	None	_	11,332	21 217	Note 4
1	Electronic Co.,	Electronic		1	12,290	-		3.3070	2	32,473	-	-	None	-	11,332	21,217	Note 4
	Ltd.	Element Co.,	Other receivables from related parties														
		Ltd.	from related parties														
1	Wanshih (H.K.)	Suzhou Wanshih		Y	11,351	10,749		3.50%	1	47,417	_		None	_	11,332	21,217	,,
1	Electronic Co.,	Electronic		1	11,331	10,749		3.30%	1	47,417	-	-	None	-	11,332	21,217	
	Ltd.	Element Co.,	Other receivables														
		Ltd.	from related parties														

Note 1: The numbering rule is as follows:

- (1) 0 represents the issuer.
- (2) Investee companies are sorted in a numerical order starting from 1.

Note 2: The nature of the loan should be listed as a business transaction or a short-term financing need.

- 1. Fill in "1" for business transaction need.
- 2. Fill in "2" for short-term financing need.

Note 3: The total loans to others of Wanshih Electronic Co., Ltd. shall not exceed 30% of the lower of its paid-in capital or net worth. For companies or firms have business transactions with the Company, the individual loan shall not exceed the amount of business transactions for the past year; besides, for risk considerations, the amount of loans shall not exceed NT\$50 million.

The "amount of business transactions" refers to the higher of the operating income and services income due to sales of products or the provision of services or purchases amount and service expenses for regular operating activities. For companies or firms with short-term financing needs, the individual loan shall not exceed NT\$50 million or 10% of the Company's net worth as stated in its latest financial statements.

However, the above restrictions do not apply to inter-company loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, or loans to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. For risk considerations, the individual loan shall not exceed NT\$100 million and the term is one year.

Note 4: The total loans to others of Wanshih (H.K.) Electronic Co., Ltd., shall not exceed 30% of the lower of its paid-in capital or net worth. For companies or firms have business transactions with Wanshih (H.K.) Electronic Co., Ltd., the individual loan shall not exceed the amount of business transactions for the past year; besides, for risk considerations, the amount of loans shall not exceed HK\$12.5 million.

The "amount of business transactions" refers to the higher of the operating income and services income due to sales of products or the provision of services or purchases amount and service expenses for regular operating activities.

For companies or firms with short-term financing needs, the individual loan shall not exceed HK\$12,500 thousand or 10% of the company's net worth as stated in its latest financial statements.

However, the above restrictions do not apply to inter-company loans between overseas companies in which the company holds, directly or indirectly, 100% of the voting shares, or loans to the company by any overseas company in which the company holds, directly or indirectly, 100% of the voting shares. For risk considerations, the individual loan shall not exceed HK\$25 million and the term is one year.

Table 2

Unit: NTD thousands (Unless specified otherwise)

		Endorsed / C		Limi	it on endorsement/guarantee Maximum balance		aximum balance									C	luarantee provide	Guarantee provided	
Number	Endorsor / Guarantor		Relationship		provided to each party	du	ring the period	Endi	ng balance		al amount ovided	Amount of collateral	Percentage of accumulated guarantee amount to net assets value from the latest	g	Limit of total guarantee/endorsement amount	Guarantee provided by parent company	by a subsidiary	to companies in	
(Note	Company name	Company	(Note 2)		(Note 3)		(Note 4)	(1	Note 5)	(N	ote 6)	guarantee/endorsemen	financial statements		(Note 3)	(Note 7)	(Note 7)	Mainland China	Note
0	Wanshih	Suzhou	2	\$	300,000	\$	81,075	\$	76,775	\$	-	\$ -	10.55%	\$	363,860	Y	-	Y	
	Electronic Co.,	Wanshih																	
	Ltd.	Electronic																	
		Element Co.,																	
		Ltd																	

Note 1: The numbering rule is as follows:

- (1) 0 represents the issuer.
- (2) Investee companies are sorted in a numerical order starting from 1.
- Note 2: The relationship between endorsement guarantor and the subject of endorsement or guarantee is as follows:
- (1) A company with which the Company has business relationship.
- (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company directly and indirectly holds more than 90% of the voting shares.
- (5) The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) All capital contributing shareholders make endorsement/guarantee for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The total amount of endorsements and guarantees for companies outside the Group shall not exceed 50% of the Company's net worth. The limit of the endorsement/guarantee for a single company shall not exceed NT\$300 million.

For endorsement/guarantee engaging in due to the business transactions, the amount of endorsements and guarantees shall not exceed the higher of the total purchase or sales amount between the parties for the past year.

The total amount of external endorsement/guarantee of the Company and its subsidiaries shall not exceed 50% of the net value of the current period. The limitation on cumulative amount of endorsement/guarantee of the Company and its subsidiaries for a single company is the same as the Company for a single company. Net worth of a foreign subsidiary means the balance sheet equity attributable to the owners of the parent company.

Note 4: Highest amount of outstanding endorsement/guarantee for others in current period.

Note 5: The amount approved by the Board of Directors should be filled. However, if according to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Board of Directors has authorized the Chairman, it refers to the amount decided by the Chairman.

Note 6: The actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

Note 7: "Y" is required only for those who are the listed parent company to endorse the subsidiary, those who are the subsidiary to endorse the listed parent company, and those who are located in Mainland China.

$Securities \ held \ at \ the \ end \ of \ the \ period \ (excluding \ investments \ in \ subsidiaries, \ associates, \ and \ joint \ ventures)$

December 31,2023

Table 3

Unit: NTD thousands
(Unless specified otherwise)

					Ending Bala	nce		
	Type and name of securities (Note			Shares	Carrying amount	Shares		
Investor	1)	Relationship with the issuer	Financial statements account	(in thousand)	(Note 2)	Ratio	Fair value	Note
Wanshih Electronic Co., Ltd.	Common stock	Same major shareholders	Financial assets at fair value through profit or loss - non-	200	\$ -	0.99%	\$ -	
	Asahi (Malaysia) Sdn. Bhd.		current					
Wanshih Electronic Co., Ltd.	Common stock		Financial assets at fair value through other comprehensive	359	2,057	1.42%	2,057	
	Insight Medical Solutions Inc.		income or loss - non-current					
Wanshih Electronic Co., Ltd.	Common stock	Company accounted for using the	Financial assets at fair value through other comprehensive	4,200	128,944	2.60%	128,944	
	Wonderful Hi-Tech Co., Ltd.	equity method for the Company	income or loss - non-current					
Wanshih Electronic Co., Ltd.	Common stock	-	Financial assets at fair value through other comprehensive	375	3,209	1.32%	3,209	
	Terasilic Co., Ltd.		income or loss - non-current					
Wanshih Electronic Co., Ltd.	Common stock	-	Financial assets at fair value through other comprehensive	200	-	10.00%	-	
	Glownik Electronics Co., Ltd.		income or loss - non-current					
Wanshih Electronic Co., Ltd.	Common stock	-	Financial assets at fair value through other comprehensive	442	11,899	1.65%	11,899	
	Sunpower Energy Technology Co.,		income or loss - non-current					
	Ltd.							
Wanshih Electronic Co., Ltd.	Common stock	-	Financial assets at fair value through other comprehensive	200	2,190	6.67%	2,190	
	Zhi Cheng Retro-style EV-mobility	7	income or loss - non-current					
	Design Co., Ltd.							

Note 1: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments."

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2023

Table 4

Unit: NTD thousands (Unless specified otherwise)

				Trar	nsactions			eason for difference between condition and common		es and accounts rec	eivable (payable) Balance	
Purchaser / Seller	Counterparty	Relationship	Purchases / Sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term		Balance	Percentage of total receivables (payables)	Note
Wanshih Electronic Co., Ltd	I. Suzhou Wanshih Electronic Element Co., Ltd.	Subsidiary	Purchase	\$ 344,110	73%	(Note 1)	(Note 2)	(Note 1)	(\$	72,093)	70%	

Note 1: Payment within 75 days after the receipt of goods.

Note 2: Due to the different nature of the purchased products from the related parties, there are no comparable purchase prices available.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

December 31,2023

Table 5

Unit: NTD thousands (Unless specified otherwise)

			Ending balance Overdue r					eceivables	Amount	received in		
						Action taken						
								for overdue				
Companies that record receivables	Counterparty	Relationship	(Not	e 1)	Turnover rate	Ame	ount	receivables	subsequ	ent period	Loss allowance	
Suzhou Wanshih Electronic Element	Wanshih Electronic Co., Ltd.	Parent company	Accounts	\$ 104,543	4.08	\$	-	-	\$	68,875 \$		-
Co., Ltd.			receivable									

Note 1: Please fill in the accounts receivable, notes receivable, and other receivables from related parties separately.

Note 2: The amount of paid-in capital refers to the amount of paid-in capital of the parent company.

If the shares issued by an issuer have no par value or a par value other than NT\$10 per share, the threshold transaction amount of 20% of paid-in capital shall be replaced by 10% f equity attributable to owners of the parent as stated in the balance sheet.

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2023

Table 5

Unit: NTD thousands
(Unless specified otherwise)

					Tr	ansactions	
Number			Relationship				Percentage of total revenue
(Note 1)	Name of transaction party	Counterparty	(Note 2)	Item	 Amount	Transaction condition	or total assets (Note 3)
0	Wanshih Electronic Co., Ltd.	Suzhou Wanshih Electronics	1	Purchase	\$ 344,110	Note 4	31%
0	Wanshih Electronic Co., Ltd.	Weicheng Electronic	1	Purchase	37,696	"	3%
0	Wanshih Electronic Co., Ltd.	Wanshih H.K.	1	Purchase	32,070	"	3%
0	Wanshih Electronic Co., Ltd.	Suzhou Wanshih Electronics	1	Payables	72,093	"	5%
1	Suzhou Wanshih Electronic Element Co., Ltd.	Weicheng Electronic	3	Sales revenue	37,620	"	3%
1	Suzhou Wanshih Electronic Element Co., Ltd.	Wanshih H.K.	3	Sales revenue	31,194	"	3%
1	Suzhou Wanshih Electronic Element Co., Ltd.	Siyang Wanshih	3	Purchase	19,027	"	2%
1	Suzhou Wanshih Electronic Element Co., Ltd.	Weicheng Electronic	3	Receivables	41,078	"	3%

Note 1: The information of the Company and Subsidiaries should be listed separately. The number representations are as follows:

- 1. 0 represents the parent company.
- 2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: There are three types of relationship categorized as follows:

- 1. Parent company to subsidiary.
- 2. Subsidiary to parent company.
- 3. Subsidiary to subsidiary.

Note 3: Percentage of consolidated operating revenues or total assets is calculated as follows: for balance sheet accounts, the ending balance of assets or liabilities divided by consolidated total assets; for income statement accounts, the accumulated transaction amount for the period divided by consolidated operating revenues.

- Note 4: Except for the absence of comparable transactions of the same nature, where the transaction terms are determined through mutual agreement, the remaining conditions are similar to general transaction terms.
- Note 5: Transactions with individual amounts below 1% of consolidated total revenue and total assets will not be disclosed.

Names, locations and other information of investee companies (not including investees in Mainland China)

For the year ended December 31, 2023

Table 6

Unit: NTD thousands (Unless specified otherwise)

				Initial investment		Investment as	of Decemb	er 31, 2022	Investee company	Investment income		
Name of Investor	Name of Investee	Location	Main scopes of business	Ending	balance	Beginning balance	Shares (in thousand)	%	Carrying amount	Net income (loss)	(loss) recognized	Note
Wanshih Electronic Co., Ltd.	Wanshih (H.K.) Electronic Co., Ltd.	Hong Kong	Sales of electronic components, computers and peripheral products	\$	53,284	\$ 53,284	9,593	53.29	\$ 61,282	\$ 583	\$ 311	Subsidiary
Wanshih Electronic Co., Ltd.	Bright Master Co.,Ltd.	Seychelles	Investee and holding companies		567,702	567,702	-	100.00	46,466	(11,676)	(11,676)	Subsidiary
Wanshih Electronic Co., Ltd.	Data Lake Co., Ltd.	Taiwan	Electric-assisted bicycle assembly, related materials trading, and three-electric		35,000	25,000	5,100	35.17	21,617	(28)	14	Subsidiary
Wanshih Electronic Co., Ltd.	Millimeter Wave Tech Co., Ltd.	Taiwan	Design and development for millimeter wave radar module and radar		9,750	4,500	650	65.00	1,141	(12,595)	(8,199)	Subsidiary
Wanshih Electronic Co., Ltd.	Draco Electronics, LLC	U.S.A.	Wire harnesses and external cables for electronic products		16,625	16,625	-	60.00	22,597	4,388	2,633	Subsidiary
Suzhou Wanshih Electronic Element Co., Ltd.	Weicheng Electronic Element Limited	Hong Kong	Sales of electronic components, computers and peripheral products		4,137	4,137	-	100.00	(37,240)	(1,746)	-	Sub- subsidiary
Bright Master Co.,Ltd.	(Thailand) Wanshih Electronic Element Company Limited	Thailand	Sales of electronic components, computers and peripheral products		3,132	3,132	-	100.00	3,113	-	-	Sub- subsidiary
Bright Master Co.,Ltd.	(VIETNAM) Wanshih Electronic Element Company Limited	Vietnam	Sales of electronic components, computers and peripheral products		65,438	65,438	-	100.00	42,276	(11,638)	-	Sub- subsidiary
Data Lake Co., Ltd.	Willy Innovation Co., Ltd.	Taiwan	Leases of smart motorcycle		-	4,000	-	-	-	-	-	Note

Note: This group disposed of all equity interests in Willy Innovation on February 23, 2023.

Table 7 Unit: NTD thousands (Unless specified otherwise)

					Amount remitted from Taiv	to Mainton d China/						(Unless speci	fied otherwise)
Investee Companies in				Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted from Taiv Amount remitted b	ack to Taiwan	imulated amount of remittance m Taiwan to Mainland China	Net income (loss)	Ownership held directly or	Investment income (loss) recognized	Carrying amount of investments	Accumulated amount of investment income remitted back to	
Investee Companies in Mainland China	Main scopes of business	Paid-in capital	(Note 1)	as of January 1, 2023	Remitted to Mainland China		as of January 1, 2023	of investee company		(Note 2)	as of December 31, 2023		Note
Suzhou Wanshih Electronic Element Co., Ltd.	Manufacturing and sales of Manufacturing and sales of mini coaxial cable (main products are antenna, medical cable, automobile cable, electronic wire harness and external cable as well as		(1)	\$ 210,353			\$ 210,353						Note
Suzhou Wanshih Optical Communication Co., Ltd.	SMT product processing and assembly	168,386	(2)A	103,479	-	-	103,479	3,558	87.26	3,105 (2) \ B		-	
Siyang Wanshih Electronic Element Co., Ltd.	Manufacturing of wire harnesses and external cables for electronic products	367,939	(2)B	335,589	-	-	335,589	(17,224)	87.26	(15,030) (2) \cdot B		-	
Suzhou Jiuhang Cable Technology Co., Ltd.	Design, research, development, production, and sales of wires (mainly producing various types of ultra-fine coaxial cables, ultrasonic cables, endoscope cables, high-temperature cables, and multi-core high-	17,996	(2)C			-	-	(1,279)	21.82	(320) (2) \cdot B		-	
Suzhou Wanying New Energy Technology Co., Ltd.		12,365	(2)D	-	-	-	-	(56)	49.86	(28) (2) \cdot B			
Dongguan Humen Wanshih Electronic Co., Ltd.	Manufacturing of wire harnesses and external cables for electronic products, medical cables and	29,741	(2)E			-	-	1,575	53.29	839 (2) \ B		-	
	Accumulated amount of remittance from Taiwan to In Mainland China as of	vestment Commission of the Ministry of	accordi	ent ceiling in Mainland China ing to provisions of Investment ton of the Ministry of Economic									

Note 1: The methods for engaging in investment in Mainland China are as follows:

December 31, 2022 (Note 3)

795,220 \$

- (1) Direct investment in Mainland China.
- (2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

458,498 \$ (US\$14,932 thousands)

Affairs (Note 4)

- A. Investment in Suzhou Wanshih Optical Communication Co., Ltd. through Suzhou Wanshih Electronic Element Co., Ltd.
- B. Investment in Siyang Wanshih Electronic Element Co., Ltd. through Suzhou Wanshih Electronic Element Co., Ltd.
- C. Investment in Suzhou Jiuhang Cable Technology Co., Ltd. through Suzhou Wanshih Electronic Element Co., Ltd.
- D. Investment in Suzhou Wanying New Energy Technology Co., Ltd. through Suzhou Wanshih Electronic Element Co., Ltd.

Economic Affairs

- E. Investment in Dongguan Humen Wanshih Electronic Co., Ltd. through Wanshih (H.K.) Electronic Co., Ltd.
- (3) Other methods.

Wanshih Electronic Co., Ltd. \$

Note 2: The investment income (loss) recognized in current period:

- (1) It should be indicated if the investee was still in the incorporation arrangement and had not yet any profit during this period.
- (2) The investment income (loss) were determined based on the following basis
- A. The financial statements were audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
- B. The financial statements were audited by the auditors of the parent company.

Note 3: Due to the liquidation of the subsidiary in Mainland China, the accumulated amount of investment repatriated from Taiwan to Mainland China at the end of the period exceeds the approved investment amount by the Investment Commission of the Ministry of Economic Affairs.

Note 4: According to the revised "Principles for Reviewing Investment or Technical Cooperation in Mainland China" enacted on August 29, 2008, the Company is not required to set investment limits as it has obtained a certificate from the Industrial Development Bureau of the Ministry of Economic Affairs confirming compliance with the scope of operation headquarters. Note 5: Relevant figures in this table should be presented in New Taiwan Dollars.

List of major shareholders

December,31 2023

Table 8

Name of major shareholders	Number of shares held	Shares Ratio	
Wonderful Hi-Tech Co., Ltd.	17,497,272	24.10%	
Asahi Communications Co., Ltd.	13,723,175	18.90%	
Fullconn Industry Inc.	5,000,000	6.88%	

- Note 1: The major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares (including treasury stocks) that have completed delivery of non-physical registration on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company with the dematerialized registration completed may differ due to different calculation bases.
- Note 2: If the information above is for the shares entrusted by shareholders to a trust, the aforesaid information shall be disclosed by the individual trust account opened by the trustees.
 - For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus the shares entrusted to the trust and with the right to make decisions on trust property, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.
- Note 3: The total number of common shares that have completed the dematerialized registration is 72,584,549.

Attachnent II: Parent Company Only Financial Statements

Wanshih Electronic Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December

The Years Ended December 31, 2023 and 2022 (Stock Code: 6134)

Address: 3-4F, No. 72 Wugong 6th Rd., Wugu Dist., New Taipei Industrial Park, New Taipei City

Telephone: (02)2298-8066

Wanshih Electronic Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

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Independent Auditors' Report

(113) Tsai-Shen-Bao Zi No. 23004474

To the Board of Directors of Wanshih Electronic Co., Ltd.:

Review Opinion

We have audited the accompanying parent company only financial statements of Wanshih Electronic Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of from January 1 to December 31, 2023 and 2022, the related Parent Company Only Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants (please refer to the Other matter section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the R.O.C. 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 parent company only financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only 2023 financial statements of the current period are stated as follows:

Inventory Valuation

Description

Please refer to Notes 4(11), 5(2) and 6(5) to the parent company only financial statements for a description of the accounting policies, uncertainties in accounting estimates and assumptions, and accounting items related to the inventory valuation.

The Company is engaged in the design, assembly and sale of electronic connector and antenna cables. As the products are affected by market demand changes and production technology updates, the commodity prices may be vulnerable to fluctuations or unsatisfactory product sales, which may affect the estimated net realizable value of the inventory valuation.

The Company adjusts its inventory in response to its market and development strategy. Since electronic cables and antennae are the main sales items, the related inventory amounts are significant. The management evaluates inventories based on the lower of cost or net realizable value. Given that such process involves subjective judgment, we believe that this accounting estimate has a significant effect on the inventory valuation, so we have listed it as one of the key audit matters for the year.

How our audit addressed the matter

This matter covers Wanshih Electronic Co., Ltd. and certain of its subsidiaries (recorded as investments accounted for using the equity method). We performed the following audit procedures in respect of the above key audit matter:

- 1. Assessing the policy of allowance for inventory impairment with the understanding of the Company's operations and the nature of the industry.
- 2. Testing the price basis of net realizable value was consistent with the policy set by Company, and randomly checking the correctness of net realizable value for each inventory item.
- 3. Checking the management's details of outdated inventories as well as relevant documentary evidence.

Existence for incorporating the revenues

Description

Please refer to Note 4(22) to the parent company only financial statements for the accounting policy on revenue recognition and Note 6(16) to the parent company only financial statements for the description of operating income items.

Wanshih Electronic Co., Ltd. and its subsidiaries (recorded as investments accounted for using the equity method) primarily engage in the design, assembly and sale of wire harnesses, SMT modules and related parts and components. As the orders for these products are easily affected by the customers' project cycles, the Company needs to develop new markets and take orders from new projects, so customers may change from year to year. Therefore, sales customers had a material effect on the sales revenue of the Company and its subsidiaries from 2022 to 2023. With that, we have listed the existence for incorporating the revenues of Company's newly listed sales customers as one of the key audit matters.

How our audit addressed the matter

This matter covers Wanshih Electronic Co., Ltd. and certain of its subsidiaries (recorded as investments accounted for using the equity method).

The key audit procedures performed by us are described below:

- 1. For the assessment and testing of the financial statements, the internal control procedures of sales transactions are based on the Company's internal control system.
- 2. Obtaining and sampling relevant vouchers for the transactions involving operating revenue of customers and recognize revenue after confirming that the customer has obtained control of the goods and assumed the risks associated with the goods.

Other Matters - The previous financial statements were audited by other auditors.

The financial statements of certain investees accounted for using the equity method that are included in the parent company only financial statements of the Company have not been audited by us, but by other auditors. Therefore, our opinion expressed herein on the above parent company only financial statements relates to amounts included in the financial statements are solely based on the audit reports of other auditors. As of December 31, 2023 and 2022, the investments accounted for using the equity method in the aforementioned companies and the credit balances (recorded as other non-current liabilities) were NT\$26,770 thousand, NT\$5,474 thousand, respectively, representing 2%, 0% of the total assets, respectively. The comprehensive loss recognized for the years ended December 31, 2023 and 2022 was NT\$(8,576) thousand and NT\$6,015 thousand, respectively, representing 48% and (3%) of the total comprehensive income.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 propriety of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

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

PwC Taiwan

Po-Chuan Lin

Certified Public Accountant

Chun-Yao Lin

Financial Supervisory Commission (FSC)
Certificate No. Approved: Jin-Guan-Zheng-Shen-Zi No. 1100350706
(Formerly known as) Securities and Futures
Commissin, Ministry of Finance
Approval reference: (85)-Tai-Cai-Zheng-(VI) No.68702

March 13, 2024



Unit: NTD Thousands

			I	December 31, 202		December 31, 2022			
	Assets	Note		Amount			Amount		
(Current asset			<u> </u>			_		
1100	Cash and cash equivalents	6(1)	\$	70,599	6	\$	53,524	4	
1110	Financial assets at fair value	6(2)							
	through profit or loss - current			20	-		460	-	
1136	Current financial assets at	6(3)and8							
	amortized cost			317	-		314	-	
1150	Notes receivable, net	6(4)		236	-		838	-	
1170	Accounts receivable, net	6(4)		156,068	14		211,999	17	
1180	Receivables from related parties,	7							
	net			8,826	1		11,164	1	
1200	Other receivables			2,400	-		2,400	-	
1210	Other receivables from related	7							
	parties			13,674	1		51,724	4	
1220	Income tax assets for the period			28	-		2	-	
130X	Inventories	6(5)		32,886	3		32,496	3	
1479	Other current assets - others			6,120	1		5,305		
11XX	Total current asset			291,174	26		370,226	29	
]	Non-current asset								
1517	Financial assets at fair value	6(6)and8							
	through other comprehensive								
	income or loss - non-current			148,299	13		285,216	23	
1535	Current financial assets at	6(3)and8							
	amortized cost - non-current			75,088	7		-	-	
1550	Investments accounted for using	6(7)							
	equity method			482,865	42		482,816	38	
1600	Property, Plant and Equipment	6(8)		44,456	4		46,094	4	
1755	Right-of-use assets	6(9)and7		31,325	3		13,314	1	
1840	Deferred income tax assets	6(22)		52,841	5		46,223	4	
1930	Long-term notes receivable and								
	payments			6,000	-		8,400	1	
1990	Other non-current assets - others			5,717			5,227		
15XX	Total non-current asset			846,591	74		887,290	71	
1XXX	Total assets		\$	1,137,765	100	\$	1,257,516	100	

(Continued)



Unit: NTD Thousands

				December 31, 2023	December 31, 2022			
	Liabilities and Equity	Note		額	%	金	額	%
	Current liability			_				
2100	Short-term loans	6(10)	\$	-	-	\$	65,000	5
2150	Notes payable			626	-		-	-
2170	Accounts payable			14,493	1		18,902	1
2180	Accounts payable - related parties	7		87,531	8		124,841	10
2200	Other payables	7		30,229	3		49,927	4
2280	Lease liabilities - current	7		9,146	1		6,834	1
2300	Other current liabilities			2,246			1,046	
21XX	Total current liabilities			144,271	13		266,550	21
	non-current liabilities							
2530	Bonds payable	6(11)		193,867	17		189,923	15
2570	Deferred income tax liabilities	6(22)		45,463	4		47,595	4
2580	Non-current lease liabilities	7		22,922	2		7,121	1
2640	Net defined benefit liability - non-	6(12)						
	current			3,522			3,945	
25XX	Total non-current liabilities			265,774	23		248,584	20
2XXX	Total liabilities			410,045	36		515,134	41
	Equity							
	Share capital	6(13)						
3110	Common share			725,845	64		725,799	58
	Additional paid-in capital	6(14)						
3200	Additional paid-in capital			55,302	5		51,654	4
	Retained earnings	6(15)						
3310	Legal capital reserve			3,150	-		3,150	-
3350	(Deficit yet to be compensated)							
	Unappropriated earnings		(29,709)(3)	(37,887) (3)
	Other equities							
3400	Other equities		(26,868)(2)	(334)	
3XXX	Total Equity			727,720	64		742,382	59
	Significant Contingent Liabilities and Unrecognized Contract	9						
3X2X	Commitments Total Liabilities and Equity		\$	1,137,765	100	\$	1,257,516	100

The notes to the parent company-only financial statements attached hereto form an integral part of this parent company-only financial report.

Please refer to them accordingly

Chairman: Lake Chang



Managerial officer: Lake Chang



Head-Finance & Accounting: Wen Yi Chu





Unit: NTD Thousands (Except Earnings Per Share - in New Taiwan dollar)

				2023			2022	
	Item	Note		Amount	%		Amount	%
4000	Operating Revenue	6(16)and7	\$	617,280	100	\$	725,119	100
5000	Operating cost	6(5),(21)and7	(517,471) (84)	(605,224) (83)
5900	Gross profit			99,809	16		119,895	17
	Operating expenses	6(21)and7		_				
6100	Selling expenses		(44,724) (7)	(47,231) (7)
6200	General and administrative expenses		(58,442) (10)	(53,682) (8)
6300	Research & development expenses		(50,300) (8)	(60,393) (8)
6450	Expected credit losses			260	-	(2,069)	-
6000	Total operating expenses		(153,206) (25)	(163,375) (23)
6900	Operating loss		(53,397) (9)	(43,480) (6)
	Non-operating income and expense		`			`		
7100	Interest income	6(17)and7		1,513	_		1,162	-
7010	Other income	6(18)and7		19,401	3		19,033	3
7020	Other gain and loss	6(19)	(2,249)	_		11,038	1
7050	Financial costs	6(20)and7	(5,522) (1)	(3,496)	-
7070	Share of profit or loss of subsidiaries,	6(7)	`	, , ,	Í	`	, ,	
	associates and joint ventures accounted	. ,						
	for using equity method		(16,750) (<u>2</u>)	(54,637) (<u>8</u>)
7000	Total non-operating income and expenditure		(3,607)		(26,900) (4)
7900	Loss before tax		(57,004) (<u>-</u> 9)		70,380) (10)
7950	Income tax benefit (expense)	6(22)	(8,233	9) 1	(4,271	
8200	Net loss for the period	0(22)	, ¢	48,771) ((\$		<u>1</u> 9)
0200			(<u>\$</u>	40,771) (0)	(<u>a</u>	66,109) (9)
	Other comprehensive income							
0211	Items that are not reclassified to profit or loss	((12)	ф	2.41		ф	27.4	
8311	Remeasurements of defined benefit plans Unrealized valuation gains/losses on	. /	\$	341	-	\$	274	-
8316	investments in equity instruments at fair	6(6)						
	value through other comprehensive							
	income or loss			36,147	6	(112,593) (15)
8349	Income tax expense related to items that	6(22)	,	(0)		,	55)	
	are not reclassified Total items that are not reclassified to		(69)		(55)	
8310	profit or loss			36,419	6	(112,374) (15)
	Items that may be reclassified			30,113		\		
	subsequently to profit or loss							
8361	Exchange differences arising on			· ·				
	translation of foreign operations		(6,780) (1)		2,210	-
8399	Income tax expense related to items that may be reclassified subsequently	6(22)		1,357	_	(441)	
8360	Total items that may be reclassified			1,337		·		
0300	subsequently to profit or loss		(5,423) (1)		1,769	-
8300	Other comprehensive income for the			_				
	year, net of income tax		\$	30,996	5	(\$	110,605) (<u>15</u>)
8500	Total comprehensive income in the		, ¢	17 775	23	/ ft	197 914	245
	current period		(<u>\$</u>	17,775) (3)	(\$	176,714) (24)
		((22)						
07.50	Losses per share	6(23)			0.65	<i>,</i> h		0.04:
9750	Basic losses per share		(\$		0.67)	(\$		0.91)

The notes to the parent company-only financial statements attached hereto form an integral part of this parent company-only financial report.

Please refer to them accordingly

Chairman: Lake Chang



Managerial officer: Lake Chang



Head-Finance & Accounting:



Unit: NTD Thousands

				Additional paid-in capita					Retained earnings				Other equities			VID I	nousanus						
	Note	Cc	ommon share	comn	nance of non share emium	disposa subsidia and tl	ifference in the actual sition or all price of ary equity he book alue.	Recog char own inte	gnition of nges in nership rests in sidiaries	,	Warrants		al capital eserve		cial capital reserve	earnii	appropriated ngs (deficit yet compensated)	tı	Exchange differences arising on ranslation of eign operations	on fir at thr	alized gain or loss nancial assets fair value rough other nprehensive income	Total	Equity
<u>2022</u>																							
Balance, January 1, 2022		\$	725,799	\$	12,129	\$		\$		\$		\$	2,304	\$	30,201	\$	11,998	(\$	42,729)	\$	153,219	\$ 8	892,921
Net loss for the period			_	· <u> </u>	_		_		_		-		_		_	(66,109)		-		- (66,109)
Other comprehensive income recognized for the period	6(6).(7)		-		_		-		_		-		_		_		219		1,769	(112,593) (]	110,605)
Total comprehensive income in the current period			_		_		_		_				_		_	(65,890)		1,769	(112,593) (]	176,714)
Appropriation and distribution of the 2021 earnings:	6(15)																						
Provision of legal reserve			-		_		-		-		-		846		_	(846)		-		-		-
Reversal of special reserve			-		-		-		-		-		-	(30,201)		30,201		-		-		-
Cash dividends			-		-		-		-		-		-		-	(7,258)		-		- (7,258)
Issuance of convertible bonds	6(11)		-		-		-		-		39,525		-		-		-		-		-		39,525
Recognition of changes in ownership interests in subsidiaries											_				<u>-</u>	(6,092)		-	_	<u>-</u> (6,092)
Balance as of December 31, 2022		\$	725,799	\$	12,129	\$		\$		\$	39,525	\$	3,150	\$		(\$	37,887)	(\$	40,960)	\$	40,626	\$ 7	742,382
<u>2023</u>																							
Balance as of December 31, 2023		\$	725,799	\$	12,129	\$		\$		\$	39,525	\$	3,150	\$		(\$	37,887)	(\$	40,960)	\$	40,626	\$ 7	742,382
Net loss for the period			-		-		-		-		-		-		-	(48,771)		-		- (48,771)
Other comprehensive income recognized for the period	6(6),(7)												<u>-</u>				272	(5,423)		36,147		30,996
Total comprehensive income in the current period																(48,499)	(5,423)		36,147 (17,775)
Conversion of convertible bonds	6(11)		46		68		-		-	(20)		-		-		-		-		-		94
The price difference between the actual disposal price of subsidiary equity and the book value.			_		-		1,442		_		-		-		-		_		_		-		1,442
Recognition of changes in ownership interests in subsidiaries			-		_		-		2,158		_		_		_	(581)		-		-		1,577
Disposal of equity instruments measured at fair value through other comprehensive income	6(6)	_															57,258			(_	57,258)		<u>-</u>
Balance as of December 31, 2023		\$	725,845	\$	12,197	\$	1,442	\$	2,158	\$	39,505	\$	3,150	\$		(\$	29,709)	(\$	46,383)	\$	19,515	\$ 7	727,720

The notes to the parent company-only financial statements attached hereto form an integral part of this parent company-only financial report. Please refer to them accordingly









Unit: NTD Thousands

Case Defen from Operating Activities		Note	•	to December 1, 2023	January 1 to December 31, 2022		
Adjustments for Seconcile profit (loss) Popreciation expense 6(21) 20,527 1,037 Expected cerdi losses Expected cerdi losses Expected cerdi losses (6(20) 5,522 3,466 Interest income (617) (1,15,15) (1,16,27) Dividend income (618) (1,6,034) (1,15,15) (1,16,27) Dividend income (618) (1,6,034) (1,15,27) Dividend income (619) (1,6,034) (1,15,27) All source of toss of albishidiaries accounted for using equity (67) (1,15,15) (1,15,27) All source of toss of albishidiaries accounted for using equity (67) (1,15,15) (1,15,27) Accounts Receivable (1,15,27) (1,15,27) Accounts payable (1,15,27) (1,15							
Adjustments to reconcile profit (less)	•		(\$	57,004)	(\$	70,380)	
Depreciation expense							
Expected credit losses	1 \ /	((21)					
Financial asset losses at fair value through profit or loss Interest perpose 6(0) 5,522 3,496 Interest income (6(10) 1,513 1,162 1,162 Dividend income (6(18) 1,604 1,604 1,604 Share of loss of subsidiaries accounted for using equity method 6(7) 1,675 54,637 Loss on disposal and obsolescence of property, plant and equipment on operating assets and liabilities: (7) 2,000 1,000 Changes in operating assets and liabilities: (7) 2,000 1,000 Changes in operating assets and liabilities: (7) 1,000 Accounts Receivable related parties (80) 1,340 1,340 Accounts Receivable related parties (80) 1,340 1,		6(21)					
Interest expense		((2) (10)	(
Interest income	- ·						
Dividend income (6(18) 16,004 0 11,864 18,647 11,864 16,750 54,637 16,750 54,637 16,750 54,637 16,750 54,637 16,750 54,637 16,750 16,750 54,637 16,750			,				
Share of los of subsidiaries accounted for using equity method 16,750 54,637			(
method 16,750 \$4,878 Loss on disposal and obsolescence of property, plant and equipment 6(19)			(16,004)	(11,864)	
Lass on disposal and obsolescence of property, plant and equipment 1988 1		0(7)		16 750		51 627	
Changes in operating assets and liabilities: Changes in operating assets, and Changes in operating assets and accounts Receivable - related parties Changes in Operating Accounts Receivable - related parties Changes in Operating Idabition		6(10)		10,730		34,037	
Changes in operating assets and liabilities: Changes in operating assets. net		0(17)				40	
Changes in operating assets, net Notes receivable Se, 191 (1,844)				-		49	
Notes receivable							
Accounts Receivable - clated parties 25.880				602	(785)	
Acounts Receivable - related parties Other receivables from related parties Other current assests - others Long-term notes receivable and payments Changes in operating liabilities, net Notes payable Accounts paya					(
Other receivables 945 (6,69) Other receivables from related parties 2,124 (12,31) Other current assets - others 2,100 (815) 1,553 Longe-term notes receivable and payments 2,400 (8,400) 8,600 Changes in operating liabilities, net 626 (1,800) 1,800 Notes payable 626 (1,800) 1,502 Accounts payables - related parties (37,310) (21,645) 1,144 Other payables of the current liabilities of the current liability of the current liabilities of the current liability of the current liabilities of the current liability of the current liability of the current liabilities of the current liability of the current liability of the current liability of the current liability of the current liabilities of the current liability of the current liability of the current liability of the current liability of the current liabilities of the current liabi					(
Other receivables from related parties 9.1 (2.124 (2.316)) Inventories (*			2,550			
Inventories				945	(
Other current assets - others 2,400 (8,400) Long-term notes receivable and payments 2,400 (8,400) Changes in operating liabilities, net Total County (1,400) 1,542 Notes payable (8,409) 1,542 Accounts payable - related parties (19,581) 11,645 Other payables (19,581) 11,347 Other current liabilities 1,198 354 Net defined benefit liability - non-current 82) 585 Cash inflows (outflows) generated from operations 27,315 2,766 Interest received 1,766 1,463 Dividend received 1,766 1,463 Interest paid (16,000) 1,360 Income tax paid 771 - Income tax paid 771 - Income tax paid 775 1,766 Net cash inflow (outflow) from operating activities 75,091 1 Cash Flow from Investing Activities 2,200 1 Acquisition of financial assets at fair value through other comprehensive income or loss 2,200 1					(
Changes in operating liabilities, net Notes payable (((
Changes in operating liabilities, net 1,800 1,542 1,543 1,544 1,543 1,544 1,545 1,54			((
Notes payable	• • • • • • • • • • • • • • • • • • • •			2,100	(0,100)	
Accounts payable				626	(1.800.)	
Accounts payable - related parties	* *		(
Other payables (19,581) 11,347 Other current liabilities 1,198 (354) 356) Net defined benefit liability - non-current (82) (586) 586) Cash inflows (outflows) generated from operations (27,315) 2,766 Interest received 17,766 (1,463) 1,766 (1,463) Dividend received 17,895 (1,560) 1,360) Income tax serfund 771 (2,56) 2,269) Income tax paid (26) (2,269) 2,269) Net eash inflow (outflow) from operating activities (75,991) (12,469) 12,466 Cash Flow from Investing Activities (75,991) (12,469) 1 Acquisition of financial assets at a mortized cost (75,991) (12,469) 1 Decrease (increase) in financing receivables - related parties (75,991) (12,802) 12,802) Disposal of financial assets at fair value through other (2,000) (22,901) 121,802) Comprehensive income or loss (75,964) - Acquisition of investments accounted for using equity method 6(7) 24,250) 88,920) Disposal of investments accounted for using e			ì		(
Other current liabilities 1,198 (354) Net defined benefit liability - non-current (22) (386) Cash inflows (outflows) generated from operations (27,315) 2,766 Interest received 1,766 1,463 Dividend received 17,895 11,864 Interest paid (1,600) (1,300) 1,360 Income taxes refund 771 - Income tax paid (26) (2,569) 2,269 Net cash inflow (outflow) from operating activities (36,850) 12,404 Cash Flow from Investing Activities (75,091) (1) 1 Acquisition of financial assets at a fair value through other (2,000) (121,802) Disposal of financial assets at fair value through other (2,000) (121,802) comprehensive income or loss 175,064 - Acquisition of investments accounted for using equity method 6(7) 24,250) (88,920) Disposal of investments accounted for using equity method 6(7) 24,250 (88,920) Disposal of property, plant and equipment (29,000) (2,269) 22,000 (2,269) Disposal of property, plant and equipment (8,000	1 7 1		ì		`		
Net defined benefit liability - non-current (* *				(
Cash inflows (outflows) generated from operations (27,315) 2,766 Interest received 1,766 1,463 Dividend received 17,895 11,864 Interest paid (1,600) (1,360) Income taxes refund 771 - Income tax paid (26) (2,269) 2,269) Net cash inflow (outflow) from operating activities (75,091) 1 1 Acquisition of financial assets at amortized cost (75,091) 1 1 Decrease (increase) in financial assets at fair value through other comprehensive income or loss (2,000) 121,802) Disposal of financial assets at fair value through other comprehensive income or loss (2,000) 121,802) Disposal of investments accounted for using equity method 6(8) 175,064 - Acquisition of investments accounted for using equity method 1,800 - Acquisition of property, plant and equipment 6(8) 12,570) 24,696) Disposal of property, plant and equipment 6(8) 12,570) 24,696) Increase in other non-current assets 400 2,981) Net cash inflo	Net defined benefit liability - non-current		(Ì		
Interest received	-		(
Dividend received 17,895 11,864 Interest paid (1,600) (1,360) 1,360							
Interest paid (Dividend received						
Income tax paid	Interest paid		((
Net cash inflow (outflow) from operating activities Cash Flow from Investing Activities Acquisition of financial assets at amortized cost Cash Flow financial assets at amortized cost Cash Flow financial assets at a fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other Cash Flow financial assets at fair value financial assets at fair value financial assets at fair value financi	Income taxes refund			771		-	
Net cash inflow (outflow) from operating activities Cash Flow from Investing Activities Acquisition of financial assets at amortized cost Cash Flow financial assets at amortized cost Cash Flow financial assets at a fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other comprehensive income or loss Cash Flow financial assets at fair value through other Cash Flow financial assets at fair value financial assets at fair value financial assets at fair value financi	Income tax paid		(26)	(2,269)	
Cash Flow from Investing Activities			(-		
Acquisition of financial assets at amortized cost Decrease (increase) in financing receivables - related parties Acquisition of financial assets at fair value through other comprehensive income or loss Disposal of financial assets at fair value through other comprehensive income or loss Oisposal of investments accounted for using equity method Acquisition of investments accounted for using equity method Acquisition of property, plant and equipment Oisposal of property, plant and equipmen	Cash Flow from Investing Activities		`				
Decrease (increase) in financing receivables - related parties	Acquisition of financial assets at amortized cost		(75,091)	(1)	
Acquisition of financial assets at fair value through other comprehensive income or loss Disposal of financial assets at fair value through other comprehensive income or loss Acquisition of investments accounted for using equity method 6(7) (24,250) (88,920) Disposal of investments accounted for using equity method Acquisition of property, plant and equipment 6(8) (12,570) (24,696) Disposal of property, plant and equipment 6(8) (12,570) (24,696) Disposal of property, plant and equipment (490) (2,981) Net cash inflows (outflow) from investing activities Net cash inflows (outflow) from investing activities Net decrease in short-term borrowings 6(24) (65,000) (24,098) Issuance of corporate bonds (6(24) (8,731) (6,795) Distribution of cash dividends (6(24) (8,731) (6,795) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293	Decrease (increase) in financing receivables - related parties					4,668	
Disposal of financial assets at fair value through other comprehensive income or loss 175,064 - 2	Acquisition of financial assets at fair value through other			,		,,,,,,,	
Comprehensive income or loss	comprehensive income or loss		(2,000)	(121,802)	
Acquisition of investments accounted for using equity method Disposal of investments accounted for using equity method Acquisition of property, plant and equipment 6(8) (12,570) (24,696) Disposal of property, plant and equipment	Disposal of financial assets at fair value through other	6(6)					
Acquisition of investments accounted for using equity method Disposal of investments accounted for using equity method Acquisition of property, plant and equipment 6(8) (12,570) (24,696) Disposal of property, plant and equipment - 227	comprehensive income or loss			175,064		-	
Disposal of investments accounted for using equity method Acquisition of property, plant and equipment	Acquisition of investments accounted for using equity method	6(7)	((88,920)	
Disposal of property, plant and equipment - 227 Increase in other non-current assets (490) (2,981) Net cash inflows (outflow) from investing activities 99,315 (233,505) Cash Flow from Financing Activities Net decrease in short-term borrowings 6(24) (65,000) (24,098) Issuance of corporate bonds 6(24) - 226,423 Repayment of the principal portion of lease liabilities 6(24) (8,731) (6,795) Distribution of cash dividends 6(15) - (7,258) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH 17,075 (32,769) EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 (86,293	Disposal of investments accounted for using equity method			1,800		-	
Increase in other non-current assets	Acquisition of property, plant and equipment	6(8)	(12,570)	(24,696)	
Net cash inflows (outflow) from investing activities 99,315 (233,505) Cash Flow from Financing Activities 89,315 (233,505) Net decrease in short-term borrowings 6(24) (65,000) 24,098) Issuance of corporate bonds 6(24) - 226,423 Repayment of the principal portion of lease liabilities 6(24) (8,731) 6,795) Distribution of cash dividends 6(15) - (7,258) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH 17,075 (32,769) EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293	Disposal of property, plant and equipment			-		227	
Cash Flow from Financing Activities 6(24) (65,000) (24,098) Net decrease in short-term borrowings 6(24) - 226,423 Repayment of the principal portion of lease liabilities 6(24) (8,731) (6,795) Distribution of cash dividends 6(15) - (7,258) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH 17,075 (32,769) EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293	Increase in other non-current assets		(490)	(2,981)	
Net decrease in short-term borrowings 6(24) (65,000) (24,098) Issuance of corporate bonds 6(24) - 226,423 Repayment of the principal portion of lease liabilities 6(24) (8,731) (6,795) Distribution of cash dividends 6(15) - (7,258) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH 17,075 (32,769) EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293	Net cash inflows (outflow) from investing activities			99,315	(233,505)	
Issuance of corporate bonds 6(24) - 226,423 Repayment of the principal portion of lease liabilities 6(24) (8,731) (6,795) Distribution of cash dividends 6(15) - (7,258) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293	Cash Flow from Financing Activities						
Repayment of the principal portion of lease liabilities 6(24) (8,731) (6,795) Distribution of cash dividends 6(15) - (7,258) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH 17,075 (32,769) EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 (86,293	Net decrease in short-term borrowings	6(24)	(65,000)	(24,098)	
Distribution of cash dividends 6(15) - (7,258) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH 2 17,075 (32,769) EQUIVALENTS 17,075 (32,769) 36,293 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 (86,293		6(24)		-		226,423	
Distribution of cash dividends 6(15) - (7,258) Net cash inflows (outflows) from financing activities (73,731) 188,272 NET INCREASE (DECREASE) IN CASH AND CASH 2 17,075 (32,769) EQUIVALENTS 17,075 (32,769) 36,293 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 (86,293	Repayment of the principal portion of lease liabilities	6(24)	(8,731)	(6,795)	
Net cash inflows (outflows) from financing activities (73,731 188,272 NET INCREASE (DECREASE) IN CASH AND CASH 17,075 (32,769) EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293		6(15)		<u>-</u>	(
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 17,075 (32,769) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293	Net cash inflows (outflows) from financing activities		(73,731)			
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293	NET INCREASE (DECREASE) IN CASH AND CASH			<u> </u>			
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 53,524 86,293	EQUIVALENTS			17,075	(32,769)	
	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR						
	CASH AND CASH EQUIVALENTS, END OF YEAR		\$	70,599	\$	53,524	

The notes to the parent company-only financial statements attached hereto form an integral part of this parent company-only financial report. Please refer to them accordingly

Chairman: Lake Chang



Managerial officer: Lake Chang



Head-Finance & Accounting: Wen Yi Chu



Wanshih Electronic Co., Ltd. Notes to Parent Company Only Financial Statements For the Years Ended December 31, 2023 and 2022

Unit: NTD Thousands (Unless Specified Otherwise)

I. Company History

Wanshih Electronic Co., Ltd. (hereinafter referred to as the "Company") was established in the Republic of China on June 4, 1987. The Company is mainly engaged in the sales of electronic components, computer and peripheral products, and the production and sale of mini coaxial cables. The Company's stock has been publicly traded on Taipei Exchange since January 8, 2002.

II. Approval Date and Procedures of the Consolidated Financial Statements

The parent company only financial statements were approved and authorized for issue by the Board of Directors on March 13, 2024.

III. Application of New and Revised International Financial Reporting Standards

(I) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2023:

	Effective Date Issued
New, Revised or Amended Standards and Interpretations	by IASB
Amendments to IFRS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and	January 1, 2023
Liabilities arising from a Single Transaction"	
Amendments to IAS 12 "International tax reform - pillar two model	May 23, 2023
rules"	

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

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

Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2024:

	Effective Date Issued
New, Revised or Amended Standards and Interpretations	by IASB
Amendments to IAS 16 "Lease liability in a sale and leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of liabilities as current or	January 1, 2024
non-current"	
Amendments to IAS 1 "Non-current liabilities with covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7, "Supplier finance	January 1, 2024
arrangements"	

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

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

The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC:

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

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

IV. Summary of Significant Accounting Policies

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

(I) Statement of Compliance

The accompanying parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(II) Basis of Preparation

- 1. The parent company only financial statements have been prepared on the historical cost basis except for the following the important items:
 - (1) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- 2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the accompanying parent company only financial statements are disclosed in Note 5.

(III) Foreign currency translation

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

- 1. Foreign currency transactions and balances
 - (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
 - (2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
 - (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
 - (4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within "other gains and losses".
- 2. Translation of foreign operations
 - (1) The operating results and financial position of all the company's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - C. All resulting exchange differences are recognized in other comprehensive income.
 - (2) When the foreign operation partially disposed of or sold is a subsidiary, cumulative

exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even the Company still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(IV) Classification of current and non-current items

- 1. Assets that meet one of the following criteria are classified as current assets:
 - (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (2) Assets held mainly for trading purposes;
 - (3) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Company classifies all assets that do not meet the above criteria as non-current assets.

- 2. Liabilities that meet one of the following criteria are classified as current liabilities:
 - (1) Liabilities that are expected to be settled within the normal operating cycle;
 - (2) Liabilities arising mainly from trading activities;
 - (3) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all liabilities that do not meet the above criteria as non-current liabilities.

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

- 1. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- 2. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting
- 3. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

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

- 1. Financial assets at fair value through other comprehensive income comprise equity securities that are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.
- 2. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- 3. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following

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

(VII) Financial assets at amortized cost

- 1. Financial assets at amortized cost are those that meet all of the following criteria:
 - (1) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (2) The assets' contractual cash flows represent solely payments of principal and interest.
- 2. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- 3. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- 4. The Company's time deposits that do not fall under cash equivalents are those with a short maturity period and are measured at the initial investment amount as the effect of discounting is immaterial.

(VIII) Accounts and notes receivable

- 1. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- 2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(IX) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost including accounts receivable that have a significant financing component, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(X) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(XI) Inventories

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

(XII) Investments accounted for using equity method - subsidiaries

- 1. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- 2. Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- 3. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.
- 4. Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over its subsidiaries are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.
- 5. Upon loss of control over a subsidiary, the Company remeasures any investment retained in the former subsidiary at fair value, which are recognized as the fair value of the financial assets originally recognized or the cost of the investment in a related party or joint venture originally recognized. Any difference between fair value and carrying amount is recognized in profit or loss. The amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. In other words, if a gain or loss previously recognized in other comprehensive income or loss would be reclassified to profit or loss upon disposal of the related asset or liability, the gain or loss is reclassified from equity to profit or loss when the significant effect on the related entity is lost.
- 6. According to "Rules Governing the Preparations of Financial Statements by Securities Issuers", profit for the year and other comprehensive income for the year reported in an entity's parent company only statement of comprehensive income, shall equal to profit for the year and other comprehensive income attributable to owners of the parent reported in

that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall be equal to the equity attributable to owners of parent reported in that entity's consolidated financial statements.

(XIII) Property, Plant and Equipment

- 1. Property, plant and equipment are initially recorded at cost.
- 2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- 3. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- 4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change.

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

Machinery and equipment: 2 to 10 years

Transportation equipment: 5 years

Leasehold improvements: 2 to 15 years

Other equipment: 2 to 10 years

(XIV) <u>Leasing arrangements (lessee) - right-of-use assets / lease liabilities</u>

- 1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- 2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments includes the fixed payments, less any lease incentives receivable.
 - The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- 3. At the commencement date, the right-of-use asset is stated at cost comprising:
 - (1) The amount of the initial measurement of lease liability; and
 - (2) Any initial direct costs incurred by the lessee.

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

(XV) <u>Impairment of non-financial assets</u>

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

(XVI) Loans

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

(XVII) Notes and accounts payable

- 1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- 2. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XVIII) Convertible bonds payable

The convertible bonds payable issued by the Company are embedded with the conversion right (i.e., the right of the holder to choose the conversion of common shares of the Company, and a fixed amount for conversion of a fixed quantity of shares) and right of redemption. During the initial issuance, the issuance price classified into financial assets, financial liabilities or equity according to the issuance criteria, and the handling is as follows:

- 1. Embedded redemption right: During the initial recognition, its net fair value is use for recognition under the "financial assets at fair value through profit or loss". For subsequent balance sheet date, valuation is made according to the fair value at that time, and the difference is recognized under the "gain or loss on financial assets at fair value through profit or loss".
- 2. Main contracts of corporate bonds: It is measured at fair value during the initial recognition, and the difference from the redemption price is recognized under the discount on bonds payable. Subsequently, the effective interest method is adopted according to the amortization procedure for recognition under the profit or loss during the circulation period, which is also used as the adjustment of the "financial costs".
- 3. Embedded conversion right (complying with the definition of equity): During the initial recognition, after the aforementioned "financial assets at fair value through profit or loss" and "corporate bonds payable" are deducted from the issuance amount, the

remaining value is recognized under the "capital surplus - subscription right", and no remeasurement is further made subsequently.

- 4. Any transaction costs that can be attributed directly are amortized to the liability and equity component according to the initial carrying amount ratio of the aforementioned components.
- 5. During holder conversion, the liability components recognized (including "corporate bonds payable" and "financial assets at fair value through profit or loss") are handled according to the subsequent measurement method classified, followed by adding the carrying value of the "capital surplus subscription right" according to the carrying value of the liability component in order to be used as the issuance cost for the conversion of common shares.

(XIX) Derecognition of financial liabilities

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

(XX) Employee benefits

1. Short-term employee benefits

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

2. Pensions

(1) Defined contribution plan

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

(2) Defined benefit plan

- A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- B.Remeasurements arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

3. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

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

(XXI) Income tax

- 1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- 2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- 3. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. If the deferred tax arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- 4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(XXII) Revenue recognition

Sales of goods

- 1. The Company is engaged in assembling and selling cables, related components and other related products. Sales are recognized when control of the products has transferred, when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- 2. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(XXIII) Government grants

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

V. <u>Critical Accounting Judgements</u>, Estimates and Key Sources of Assumption Uncertainty

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

(I) Critical judgements in applying the Company's accounting policies

No such situation.

(II) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on the balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of the Company's inventories was NT\$32,886.

VI. Summary of Significant Accounting Items

(I) Cash

	Decem	ber 31, 2023	December 31, 2022		
Cash on hand and petty cash	\$	324	\$	157	
Checking accounts and demand					
deposits		70,275		53,367	
	\$	70,599	\$	53,524	

- 1. The Company associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- 2. The Company has pledged its cash and cash equivalents to others, please refer to Note 8 for more information.

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

	December	r 31, 2023	December 3	1, 2022	
Current items:					
Financial assets at fair value through					
profit or loss					
Derivatives-Convertible bond					
redemption right	\$	860	\$	860	
Adjustments for change in value	(840	(400)
	\$	20	\$	460	
1. Detail of the financial assets at fair value	through profit	or loss reco	gnized		
under profit or loss is as follows:					
	2023		2022		

Financial assets and liabilities at fair values compulsorily through profit or loss

Derivatives (\$ 440)(\$ 400)

- 2. The Company has not pledged financial assets at fair value through profit or loss.
- 3. Please refer to Notes 12(2) for information relating to credit risk of financial assets at fair value through profit or loss.

(III) Financial assets at amortised cost

	Decem	ber 31, 2023	December 31, 2022		
Current iteam: Restricted deposit	\$	317	\$	314	
Un-current iteam: Pledged time certificate of deposit	\$	75,088	\$	_	

1. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	 2023	 2022	
Interest income	\$ 101	\$	2

- 2. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$75,405 and \$314, respectively.
- 3. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(IV) Notes and accounts receivable

	Decen	nber 31, 2023	December 31, 2022		
Notes receivable	\$	236	\$	838	
Accounts receivable	\$	158,468	\$	214,659	
Less: Allowance for bad debts	(2,400)	(2,660)	
	\$	156,068	\$	211,999	

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

	December 31, 2023			December	er 31, 2022		
		Accounts			Accounts		Notes
		receivable	Notes	s receivable	 receivable		receivable
Not past due	\$	164,442	\$	236	\$ 220,604	\$	838
Up to 30 days		912		-	3,205		-
31 to 60 days		26		-	-		-
Over 91 days		1,914		-	2,014		-
	\$	167,294	\$	236	\$ 225,823	\$	838

The above ageing analysis was based on past due date.

- 2. Accounts receivable and notes receivable (including related parties) as of December 31, 2023 and 2022 were arising from customer contracts. As of January 1, 2022, the accounts receivable balance and allowance for bad debts on customer contracts were NT\$250,060 and NT\$735, respectively
- 3. Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of the Company's notes and accounts receivable (including related parties) as of December 31, 2023 and 2022 were the carrying amounts.
- 4. Please refer to Note 12(2) for information on the credit risk of notes and accounts receivable.

(V) Inventories

			Decen	nber 31, 2023						
	Allowance for									
	Cost		decli	ine in value	Carrying amount					
Raw materials	\$	20,297	(\$	11,551)	\$	8,746				
Work in progress		3,515	(1,046)		2,469				
Finished goods		29,524	(7,853)		21,671				
	\$	53,336	(\$	20,450)	\$	32,886				
			Decen	nber 31, 2022						
			Allo	owance for						
		Cost	decli	ine in value	Carry	ing amount				
Raw materials	\$	23,930	(\$	14,764)	\$	9,166				
Work in progress		1,754	(462)		1,292				
Finished goods		30,161	(8,123)		22,038				
	\$	55,845	(\$	23,349)	\$	32,496				

The cost of inventories recognized as expense for the year:

		2023	2022		
Cost of inventories sold	\$	516,517	\$	595,876	
(Gain from price recovery)					
Loss on inventory obsolescence and					
market price decline(Note)	(2,899)		5,852	
Loss on inventory obsolescence		3,770		3,601	
Loss (Gain) on physicalinventory		83	(54)	
Revenue from sale of scraps		<u>-</u>	(51)	
	\$	517,471	\$	605,224	

Note: The reversal gain generated in 2023 was mainly due to the Company actively disposed of the obsolete inventory.

(VI) Financial assets at fair value through other comprehensive income or loss

	Decem	nber 31, 2023	December 31, 2022		
Non-current items:					
Equity instruments					
Listed shares	\$	97,364	\$	215,170	
Unlisted shares		31,420		29,420	
		128,784		244,590	
Valuation adjustment		19,515		40,626	
	\$	148,299	\$	285,216	

1. Based on the Company's business model, the investments in equity instruments held for strategic investments were elected to classify as "financial assets at fair value through other comprehensive income". As of December 31, 2023 and 2022, the fair values of these investments were NT\$148,299 and NT\$285,216, respectively.

- 2. The Company sold its investment in equity instruments with a fair value of NT\$175,064 in 2023 for operating planning purpose, and the accumulated proceeds from disposal was NT\$57,258.
- 3. Amounts recognized in profit or loss and comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	2023		2022
Equity instruments at fair value through other comprehensive income or loss	_		_
Fair value change recognized in other			
comprehensive income	\$ 36,147	(\$	112,593)
Cumulative gains reclassified to retained earnings due to derecognition	\$ 57, 258	\$	<u>-</u>
Dividend income recognized in profit or loss held at the end of the year	\$ 16,004	\$	11,864

- 4. Regarding the situation that the company will provide pledges of financial assets measured at fair value through other comprehensive profit and loss, please refer to Note 8.
- 5. Please refer to Note 12(2) for information on the credit risk for financial assets at fair value through other comprehensive income.

(VII) Investments accounted for using equity method

1. Details are as follows:

	Dece	mber 31, 2023	D	December 31, 2022
Wanshih (H.K) Electronic Co., Ltd.	\$	61,282	\$	63,622
Suzhou Wanshih Electronic Element Co., Ltd.		329,762		335,765
Bright Master Co., Ltd.		46,466		57,950
Data Lake Co., Ltd.		25,860		5,174
Millimeter Wave Tech Co., Ltd.		1,141		4,543
Draco Electronics, LLC		22,597		20,005
		487,108		487,059
Cumulative Impairment	(4,243)	(4,243)
	\$	482,865	\$	482,816

2. Share of profit or loss of subsidiaries accounted for using equity method:

		2023		2022
Wanshih (H.K) Electronic Co., Ltd.	\$	311	(\$	2,301)
Suzhou Wanshih Electronic ElementCo., Ltd.		167	(57,720)
Bright Master Co., Ltd.	(11,676)	(2,367)
Data Lake Co., Ltd.		14		5,899
Millimeter Wave Tech CO., LTD.	(8,199)		116
Draco Electronic, LLC	,	2,633		1,736
	(\$	16,750)	(\$	54,637)

3. Share of other comprehensive profit or loss of subsidiaries accounted for using equity method:

		2023	2022
Wanshih (H.K) Electronic Co., Ltd.	(\$	607) \$	3 2,515)
Suzhou Wanshih Electronic Element	(4,936)	4,723
Co., Ltd.			
Bright Master Co., Ltd.		153 (6,784)
Draco Electronic, LLC	(33)	1,315
	\$	5,423 (\$	5 1,769)

4. Subsidiaries

- (1) For information on the Company's subsidiaries, please refer to Note 4(3) to the consolidated financial statements for the year ended December 31, 2023.
- (2) In January 2022, the Company subscribed for a cash capital increase of NT\$16,625 from Millimeter Wave Technology Co., Ltd. After the capital increase, the Company's shareholding percentage is 60%. Since the Company has more than half of the voting rights, the Company has included Draco Electronic, LLC in the consolidated financial statements. For more information, please refer to the Note 6(29) of the Company's 2023 consolidated financial statements.
- (3) In April 2022, the Company subscribed for a cash capital increase of NT\$10,000 from Millimeter Wave Technology Co., Ltd. After the capital increase, the Company's shareholding percentage is 62.5%. Since the Company has more than half of the voting rights, the Company has included Data Lake Co., Ltd. in the consolidated financial statements. For more information, please refer to the Note 6(28) of the Company's 2023 consolidated financial statements.
- (4) The company reinvested in Vietnam Wanshih Electronic Co., Ltd. through Bright Master Co., Ltd. in August and October 2022. Its business is to sell electronic parts, computers and peripheral products. The newly added investment amounts are respectively are \$30,050 and \$32,245.
- (5) In March 2023, the Company did not subscribe for a cash capital increase of \$5,250 in the subsidiary of Millimeter Wave Technology Co., Ltd. in accordance with its shareholding ratio, and the shareholding ratio after the capital increase was 65%, for relevant information, please refer to Note 6(28) to the consolidated financial statements of the Company in 2023
- (6) The Company sold 22.5% of the equity of a subsidiary of Data Technology Co., Ltd. in April 2023, and the shareholding ratio after the sale was 40%, although it did not reach 50%, it could control the financial, operational and personnel policies of the Company, so it was included in the preparation of the consolidated financial report, and the relevant information can be found in Note 6(28) of the Company's 2023 consolidated financial statements.
- (7) The Company did not participate in the subscription of the cash capital increase of the subsidiary of Data Technology Co., Ltd. in October 2023, and the shareholding ratio decreased to 35.56%, please refer to Note 6(28) to the consolidated financial statements of the Company in 2023
- (8) In December 2023, the Company did not subscribe for a cash capital increase of \$19,000 in the subsidiary of Data Technology Co., Ltd. according to its shareholding ratio, and the shareholding ratio after the capital increase was 35.17%, for relevant information, please refer to Note 6(28) to the consolidated financial statements of the Company in 2023.

(VIII) Property, Plant and Equipment

						20	23					
Innovati		hinery and uipment		sportation uipment		easehold rovements		Other quipment	cor and	nfinished nstruction equipment ceptance		Total
January 1 Cost	\$	48,822	\$	1,110	\$	16,914	\$	29,309	\$	1,776	\$	97,931
Accumulated depreciation	(30,554)	(613)	(10,880)	(9,790)		-	(51,837)
	\$	18,268	\$	497	\$	6,034	\$	19,519	\$	1,776	\$	46,094
January 1	\$	18,268	\$	497	\$	6,034	\$	19,519	\$	1,776	\$	46,094
Additions		3,773		225		547		2,201		5,824		12,570
Reclassifications (Note 1)		-		-		5,086		-	(7,600)	(2,514)
Depreciation expense	(5,210)	(183)	(2,583)	(3,718)		-	(11,694)
December 31	\$	16,831	\$	539	\$	9,084	\$	18,002	\$	_	\$	44,456
December 31												
Cost Accumulated	\$	52,351	\$	1,335	\$	22,547	\$	31,240	\$	-	\$	107,473
depreciation	(35,520)	(796)	(13,463)	(13,238)		-	(63,017)
depresident	\$	16,831	\$	539	\$	9,084	\$	18,002	\$		\$	44,456
						20	22					
		chinery and quipment		sportation aipment		20 easehold rovements		Other quipment	cor and	nfinished nstruction equipment ceptance		Total
January 1 Cost		•		•		easehold			cor and	nstruction equipment	\$	Total 77,074
Cost Accumulated	ec	43,250	equ	1,110	imp	easehold rovements 15,374	<u>ec</u> \$	17,082	and ac	nstruction equipment ceptance	\$	77,074
Cost	ec	uipment	equ	nipment	imp	easehold rovements	<u>ec</u> \$	quipment	and ac	nstruction equipment ceptance	\$ (<u>\$</u>	
Cost Accumulated	\$ (43,250 27,243)	* equ	1,110 430)	<u>imp</u> \$	easehold rovements 15,374 9,500)	\$ (17,082 8,936)	and ac	nstruction equipment ceptance	(77,074 46,109)
Cost Accumulated depreciation January 1 Additions	\$ (43,250 27,243) 16,007 16,007 4,396	* equ	1,110 430) 680	\$ (easehold rovements 15,374 9,500) 5,874		17,082 8,936) 8,146 8,146 2,469	con and ac	astruction equipment ceptance 258	\$	77,074 46,109) 30,965 30,965 24,696
Cost Accumulated depreciation January 1 Additions Dsposal	\$ (43,250 27,243) 16,007	* equ	1,110 430) 680	\$ (easehold rovements 15,374 9,500) 5,874 5,874		17,082 8,936) 8,146	con and ac	astruction equipment ceptance 258 - 258 - 258	\$	77,074 46,109) 30,965 30,965
Cost Accumulated depreciation January 1 Additions Dsposal Reclassifications (Note 1)	\$ (43,250 27,243) 16,007 16,007 4,396	* equ	1,110 430) 680	\$ (9,500) 5,874 5,874 670	\$ (17,082 8,936) 8,146 8,146 2,469	con and ac	astruction equipment ceptance 258 - 258 - 258	\$	77,074 46,109) 30,965 30,965 24,696
Cost Accumulated depreciation January 1 Additions Dsposal Reclassifications (Note 1) Depreciation expense	\$ (43,250 27,243) 16,007 16,007 4,396 207) 2,512 4,440)		1,110 430) 680 680	\$ (\$ \$ (9,500) 5,874 5,874 670	\$ (\$ (\$ (17,082 8,936) 8,146 8,146 2,469 69) 11,400 2,427)	\$ \$ \$	258 258 17,161	\$ \$ (77,074 46,109) 30,965 30,965 24,696 276) 861) 8,430)
Cost Accumulated depreciation January 1 Additions Dsposal Reclassifications (Note 1) Depreciation	\$ (43,250 27,243) 16,007 16,007 4,396 207) 2,512	equ \$ (<u>\$</u> \$	1,110 430) 680	\$ (<u>\$</u> \$	easehold rovements 15,374 9,500) 5,874 5,874 670 - 870	\$ (\$ (\$ (17,082 8,936) 8,146 8,146 2,469 69) 11,400	con and ac \$	258 258 17,161	\$ \$ (77,074 46,109) 30,965 30,965 24,696 276) 861)
Cost Accumulated depreciation January 1 Additions Dsposal Reclassifications (Note 1) Depreciation expense December 31 December 31	\$ (43,250 27,243) 16,007 16,007 4,396 207) 2,512 4,440) 18,268	eqr \$ (1,110 430) 680 680 - - 183) 497	\$ (\$) (\$	15,374 9,500) 5,874 670 - 870 1,380) 6,034	\$ (\$ (\$ (8,936) 8,146 8,146 2,469 69) 11,400 2,427) 19,519	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	258 258 258 17,161 - 15,643)	\$ ((((\$	77,074 46,109) 30,965 30,965 24,696 276) 861) 8,430) 46,094
Cost Accumulated depreciation January 1 Additions Dsposal Reclassifications (Note 1) Depreciation expense December 31 December 31	\$ (43,250 27,243) 16,007 16,007 4,396 207) 2,512 4,440) 18,268	equ \$ (1,110 430) 680 680 - - 183) 497	\$ (\$ \$ \$ \$ \$	25,874 25,874 25,874 25,874 27,870 27,870 27,870 27,870 37,380 37,380 37,380 37,380 47,380	\$ (\$ (\$ (\$ (17,082 8,936) 8,146 8,146 2,469 69) 11,400 2,427) 19,519	\$ \$ \$	258 258 258 17,161 - 15,643) - 1,776	\$ (((<u>\$</u>	77,074 46,109) 30,965 30,965 24,696 276) 861) 8,430) 46,094
Cost Accumulated depreciation January 1 Additions Dsposal Reclassifications (Note 1) Depreciation expense December 31 December 31	\$ (43,250 27,243) 16,007 16,007 4,396 207) 2,512 4,440) 18,268	equ \$ (1,110 430) 680 680 - - 183) 497	\$ (\$ \$ \$ \$ \$	15,374 9,500) 5,874 670 - 870 1,380) 6,034	\$ (\$ (\$ (\$ (8,936) 8,146 8,146 2,469 69) 11,400 2,427) 19,519	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	258 258 258 17,161 - 15,643)	\$ ((((\$	77,074 46,109) 30,965 30,965 24,696 276) 861) 8,430) 46,094

Note 1: The reclassifications were transferred to inventories and other non-current liabilities in 2023 and 2022.

Note 2: The above-mentioned property, plant and equipment are assets for self-use purposes.

Note 3: The Company did not pledge the property, plant and equipment to others as collateral.

(IX) <u>Leasing arrangements - lessee</u>

- 1. The Company leases various assets including land, buildings, machinery equipment, office equipment and transportation equipment. Lease contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. No restrictions are imposed other than that the leased assets may not be used as collateral for borrowings.
- 2. Short-term leases with a lease term of 12 months or less comprise certain land. The subject assets leased are low value office equipment.
- 3. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

		Decer	nber 31, 2023		
		Ac	cumulated		Carrying
	 Cost	de	preciation		amount
Buildings	\$ 62,922	(\$	32,583)	\$	30,339
Transportation equipment	2,481	(1,495)		986
	\$ 65,403	(\$	34,078)	\$	31,325
			mber 31, 2022	,	
	_		cumulated		Carrying
	 Cost		preciation		amount
Buildings	\$ 36,452	(\$	24,293)	\$	12,159
Transportation equipment	 2,302	(1,147)		1,155
	\$ 38,754	(\$	25,440)	\$	13,314
			2023		2022
		De	epreciation	D	epreciation
			expense		expense
Buildings		\$	8,291	\$	6,080
Transportation equipment			542		527
		\$	8,833	\$	6,607

- 4. For the years ended December 31, 2023 and 2022, the additions to the Company's right-of-use assets were NT\$26,871 and NT\$0, respectively.
- 5. The information on profit and loss accounts relating to lease contracts is as follows:

	2	2022		
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$	533	\$	216
Expense on short-term lease contracts		279		270
Expense on low-value asset leases		109		96
	\$	921	\$	582

6. For the years ended December 31, 2023 and 2022, the Company's total cash outflow relating to lease contracts was NT\$9,652and NT\$7,377, respectively.

(X) Short-term loans

	Dece	ember 31,		
Type of loans		2022	Interest rate range	Collateral
Bank loans				
Unsecured loans	\$	65,000	$1.50\% \sim 1.65\%$	-

- 1. No such situation on December 31, 2023.
- 2. The interest expense recognized in profit or loss for the years ended December 31, 2023 and 2022 were NT\$950 and NT\$1,115, respectively.

(XI) Bonds payable

	December 31, 2023			December 31, 2022
Bonds payable	\$	199,900	\$	200,000
Less: Bonds payable discount	(6,033)	(10,077)
	\$	193,867	\$	189,923

- 1. The Company issued the second time of domestic unsecured convertible corporate bonds (referred to as the "second" guaranteed conversion of corporate bonds) on June 14, 2022, with the issuance total amount of NT\$200,000, and issued at 116% of par value. The main issuance criteria are as follows:
- (1) Issuance period: 3 years, from June 14 2022 to June 14, 2025 for maturity.
- (2) Coupon rate: fixed annual interest rate of 0%
- (3) Redemption method:

Unless the company has redeemed, repurchased and canceled in advance or the holder of the second convertible bond exercises the conversion right, the second convertible bond will be issued by the company according to the face value of the second convertible bond on the maturity date. cash repayment

(4) Conversion period:

Except that the second convertible bonds have been redeemed or repurchased early, or the suspension of transfer period prescribed in the law and specified in the trust contract, up to the end of the next day when the issuance of the second convertible bonds has reached three full months, the holders of the second convertible bonds may request the Company to convert the second convertible bonds into common shares newly issued by the Company.

(5) Conversion price:

The conversion price of the second convertible bond is 102% of the reference price, which is NT\$21.5.

The reference price is selected from the simple arithmetic average of the closing prices of the company's common stock on the one business day, three business days, and five business days before the base date set by the company on the day of the securities trading center.

(6) Callable right:

Under the following conditions, the Company may redeem the fifth convertible bonds early:

A. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the closing price of the common shares of the Company in Taiwan continues to reach more than 30% of the

- conversion price at that time for thirty business days, he company may redeem the second convertible bond in cash according to the face value of the bond.
- B. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the balance of the outstanding fifth convertible bonds is lower than 10% of the original total issuance amount, the Company may redeem all of the second convertible bonds early based on the early redemption amount.
- 2. During the issuance of the convertible bonds of the Company, according to the regulations of IAS 32 "Financial Instruments: Presentation", the conversion right of equity nature is separated from the liability component, which is recognized under the "Capital surplus subscription right" at an amount of NT\$\$39,525. In addition, with regard to the embedded callable right, according to IFRS 9 "Financial Instruments", since it is not closely related to the economic characteristic and risk of the debt instruments of the main contract, it is handled separately, and its net value is recognized under the "financial assets at fair value through profit or loss".
- 3. The face value of the convertible bonds totaling \$100 has been converted into 4,651 common shares at a conversion price of NT\$21.5 per share, and the change has been duly registered on December 31, 2023.

(XII) Pensions

- 1. (1) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by March 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.
 - (2) The amounts recognized in the balance sheet are as follows:

December 31	, 2023	December 31	, 2022
\$	8,087	\$	8,256
, 	4,565)	(4,311)
\$	3,522	\$	3,945
	\$ \$	\$ 8,087 4,565)	\$ 8,087 \$ 4,565) (

Dagamban 21 2022

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

		202	23	
	Present value of defined benefit obligation		value of an assets	Net defined benefit liability
January 1	\$ 8,256	(\$	4,311)	\$ 3,945
Current service cost	36		-	36
Interest expense (income)	103	(58)	45
	8,395	(4,369)	4,026
Remeasurements:				
Return on plan assets (excluding amounts included in interest income or expense)	-	(33) (33)
Experience adjustments	(308))	- ((308)
1 3	(308)	(33) ((341)
Pension fund contribution		(163) ((163)
December 31	\$ 8,087	(\$	4,565)	\$ 3,522
January 1	Present value of defined benefit obligation \$ 8,188		alue of plan assets 3,383)	Net defined benefit liability \$ 4,805
Current service cost	35		-	35
Interest expense (income)	53	(27)	26
	8,276	(3,410)	4,866
Remeasurements:				
Return on plan assets (excluding amounts included in interest income or expense) Change in financial	-	(254) (254)
assumptions Experience	(453)		- (453)
adjustments	433		-	100
				433
	(20)	(254) (<u>433</u> 274)
Pension fund contribution	(20)	(254) (647) (
Pension fund contribution December 31	\$ 8,256	(\$		274)

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

	2023	2022
Discount rate	1.25%	1.25%
Future salary increase rate	2.50%	2.50%

Assumptions regarding future mortality experience are set based on the Taiwan Standard Ordinary Experience Mortality Table.

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

	Discount rate				Futu	ıre salary	increa	ise rate
	Inc	rease	Decrease				Decrease	
	0.	25%	0	.25%	Incre	ease 1%		1%
December 31, 2023		<u>_</u>						
Effect on present value of defined benefit obligation	(\$	158)	\$	162	\$	663	(\$	604)
December 31, 2022 Effect on present value of	1						·	
defined benefit obligation	(\$	179)	\$	184	\$	756	(<u>\$</u>	684)

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

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

- (6) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to NT\$163.
- (7) As of December 31, 2023, the weighted average duration of that retirement plan is 10.4 years.
- 2. (1) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in a lump sum upon termination of employment.

(2) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were NT\$4,502 and NT\$4,679, respectively.

(XIII) Share capital

1. As of December 31, 2023, the Company's authorized capital was NT\$1,500,000, the paid-in capital was NT\$725,845 and the par value was NT\$10 per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (shares in thousands) outstanding are as follows:

	Unit: Thousand Shares				
	2023	2022			
January 1	72,580	72,580			
Conversion of convertible bonds	5	-			
December 31	72,585	72,580			

2. The 5,000,000 shares in the issued share capital on December 31, 2023 and 2022 are the privately placed ordinary shares handled by the company in 2020. The rights and obligations of the privately placed ordinary shares are the same as those of the original issued shares. The rights and obligations for the common shares issued in this private placement are the same as the original shares issued. In addition, in accordance with the Securities and Exchange Act, the shares issued in the Company's private placement may not be sold within three years from the delivery date, except for under the transfer terms stipulated in Article 43-8 of the Securities and Exchange Act.

(XIV) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(XV) Retained earnings

- 1. The Company's Article of Incorporation provides that, when the Company's annual final accounts show a surplus, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total paid-in capital. The Company also sets aside or reverses the special reserve depending on the Company's operating needs and legal regulations, and if there is still a surplus, the Board of Directors shall, proposes a resolution to the shareholders' meeting to distribute the remaining surplus together with the accumulated undistributed surplus from previous years, and the amount of the distribution shall not exceed 75% of the current year's after-tax earnings.
- 2. The Company's dividend policy is divided into cash dividends and stock dividends, of which cash dividends shall not be less than 10% of the total dividends, except that if the cash dividend per share is less than NT\$0.10, stock dividends may be paid instead.
- 3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- 4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- 5. The appropriations of earnings for 2021 had been resolved at the shareholders' meeting on July 10, 2022. Details are summarized below:

		2021				
			Dividends per share			
		Amount	(NTD)			
Legal capital reserve		846				
Reversal of special reserve	(30,201)				
Cash dividends		7,258	\$	0.1		

- 6. The appropriations of earnings for 2022 had been resolved at the Board of Directors on June 9, 2023 Details are summarized below:
- 7. As of March 13, 2024,the appropriation of losses for 2023 had been resolved at board of directors proposes, but has not yet been resolved by the shareholders' meeting.

(XVI) Operating Revenue

	2023	2022	
Revenue from contracts with	 _		
customers	\$ 617,280	\$	725,119

Disaggregation of revenue from contracts with customers

The Company's revenue is derived from the provision of goods that are transferred at a certain point in time; revenues generated can be subdivided into the following major product lines.

2023 Segment income	Video Surveillance \$ 204,775	Computer Wiring \$ 74,778	Netcomm Industrial Control \$ 91,126	Automobile Electronics \$ 161,608	Medical Products \$ 3,569	TV Products \$ 12,779	Others \$ 68,645	Total \$ 617,280
Income recognized at a certain point in time	\$ 204,775	\$ 74,778	\$ 91,126	\$ 161,608	\$ 3,569	\$ 12,779	\$ 68,645	\$ 617,280
			Netcomm					
	Video	Computer	Industrial	Automobile	Medical			
<u>2022</u>	Surveillance	Wiring	Control	Electronics	Products	TV Products	Others	Total
Segment income	\$ 251,043	\$ 75,594	\$ 163,374	\$ 117,044	\$ 5,090	\$ 12,067	\$ 100,907	\$ 725,119
Income							· 	- -
recognized at a certain point in time	\$ 251,043	\$ 75,594	\$ 163,374	\$ 117,044	\$ 5,090	\$ 12,067	\$ 100,907	\$ 725,119

(XVII) <u>Interest income</u>

	 2023	 2022
Interest income from bank deposits	\$ 518	\$ 215
Interest income from financial assets measured at amortised cost	101	2
Other interest income	894	945
	\$ 1,513	\$ 1,162

(XVIII) Other income

	2023	2022
Dividend income	\$ 16,004	\$ 11,864
Government grants revenue (Note)	84	3,922
Compensation revenue	1,911	2,867
Other income	1,402	380
	\$ 19,401	\$ 19,033

Note: The government subsidy income refers to the subsidy from the MOEA's technology research and development projects.

(XIX) Other gain and loss

		2023		2022
Currency exchange losses	\$	1,496	\$	12,921
Losses on financial assets at fair value through profit or loss Loss on disposal and obsolescence	(440)	(400)
of property, plant and equipment		-	(49)
Other loss	(3,305)	(1,434)
	(\$	2,249)	\$	11,038

(XX) Financial costs

	2023		2022	
Interest expense:				
convertible corporate bonds	\$ 4,039	\$	2,165	
Bank loans	950		1,115	
Lease liabilities	533		216	
	\$ 5,522	\$	3,496	

(XXI) Employee benefit and depreciation expenses

By function		2023		2022			
	Operating	Operating		Operating	Operating		
By item	costs	expenses	Total	costs	expenses	Total	
Employee benefit							
expense							
Wages and salaries	\$ 20,960	\$ 80,187	\$ 101,147	\$ 21,411	\$ 93,927	\$ 115,338	
Labor and health							
insurance fees	2,376	7,685	10,061	2,274	7,589	9,863	
Pension costs	901	3,682	4,583	848	3,892	4,740	
Remuneration paid							
to Directors	-	2,010	2,010	-	2,080	2,080	
Other personnel							
expenses	1,080	2,726	3,806	1,366	4,038	5,404	
Depreciation expense	6,726	13,801	20,527	6,069	8,968	15,037	

- 1. The Company's Article of Incorporation provides that, when the Company makes a profit in a year, 2% to 5% of the pre-tax profit before deducting the remuneration to employees and remuneration to directors and supervisors shall be appropriated as employees' compensation and up to 2% as remuneration to directors. However, the Company should reserve the amount to make up for any accumulated losses in advance.
- 2. The Company did not distribute employees' compensation and remuneration to directors due to the loss incurred in 2023 and 2022.
 - Information about employees' compensation and remuneration to directors of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.
- 3. As of December 31, 2023 and 2022, the Company had 144 and 147 employees, respectively. There were both 6 non-employee directors.
- 4. The Company's stock was traded on Taipei Exchange; therefore, the following information was disclosed:
 - (1) The average employee benefit expense were NT\$867 and NT\$960 for 2023 and 2022, respectively.
 - (2) The average employee wages and salaries were NT\$733 and NT\$818 for 2023 and 2022, respectively.
 - (3) The change in average employee salary expense adjustment was 10%.
 - (4) The company established an audit committee during the fiscal year, thus no remuneration was paid to supervisors for 2023 and 2022.
 - (5) The Company's compensation policy (covering directors, managerial officers and employees) is described as follows:
 - A. The remuneration to directors shall be determined in accordance with the Company's Articles of Incorporation and shall be approved by the Compensation Committee, and then submitted to the Board of Directors for approval based on their participation in operations and their contributions to the Company.
 - B. The compensation for managerial officers is based on the company's HR rules and regulations, and is determined on the basis of the standard of the industry, personal performance, the company's operational performance and the reasonableness related to the future operation development, etc. The compensation is implemented upon the approval of the Compensation Committee.
 - C. Employee salaries are determined based on the regulation on wages and salaries, and shall not be less than the basic salary. The Company's salary adjustment, yearend bonus and compensation distribution are based on the Company's operating performance and employee's personal performance.

(XXII) Income tax

1. Income tax expense (gain)

(1) Components of income tax expense (gain):

		2023		2022	
Current tax:					
Prior year income tax over estimation	(•	771) (245)
Deferred tax:					
Origination and reversal of temporary	7				
differences	(7,	462) (4	4,026)
Income tax expense (gain)	(\$	8,2	233) (\$	4	4,271)

(2) The income tax relating to components of other comprehensive income is as follows:

		2023	2022
Exchange differences on translation of foreign operations Remeasurement of defined	(\$	1,357)	\$ 441
benefit obligation		69	55
	(\$	1,288)	\$ 496

2. Reconciliation between income tax expense and accounting profit:

		2023	2022	
Tax calculated based on profit (loss) before tax and statutory tax rate	(\$	11,401) (\$	14,076)
Penses disallowed (allowed) by tax regulation		6,163		13,001
Tax exempt income by tax regulation Prior year income tax over estimation	(2,224) (771) (, , , , , , , , , , , , , , , , , , ,	2,951) 245)
Income tax expense (gain)	(\$	8,233) ((\$	4,271)

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

	2023						
	January 1	Recogniz ed in profit or loss	Recognized in other comprehensi ve income	December 31			
Temporary differences:							
- Deferred tax assets:							
Loss on market price decline	\$ 4,670	(\$ 580)	\$ -	\$ 4,090			
Defined benefit obligation	789	(16)	(69)	704			
Bad debt expense	4,748	66	-	4,814			
Tax loss	35,448	7,215	-	42,663			
Unpaid annual leave	568	2	-	570			
	46,223	6,687	(69)	52,841			
- Deferred income tax liabilities:			·				
Unrealized exchange gain	(983)	977	-	(6)			
Share of profit of subsidiaries accounted for using equity method Exchange differences arising on	(35,602)	(202)	-	(35,804)			
translation of foreign operations	(11,010)		1,357	(9,653)			
	(47,595)	(775)	1,357	(45,463)			
	(\$ 1,372)	\$ 7,462	\$ 1,288	(\$ 7,378)			

	2022						
		Recogniz	Recognized				
		ed in	in other				
	January	profit or	comprehensi	December			
	1	loss	ve income	31			
Temporary differences:							
- Deferred tax assets:							
Loss on market price decline	\$ 3,500	\$ 1,170	\$ -	\$ 4,670			
Defined benefit obligation	961	(117)) (55)	789			
Bad debt expense	4,412	336	-	4,748			
Tax loss	32,351	3,097	-	35,448			
Unpaid annual leave	554	14		568			
	41,778	4,500	(55)	46,223			
- Deferred income tax liabilities:	·						
Unrealized exchange gain	(405)	(578)	-	(983)			
Share of profit of subsidiaries accounted for using equity method	(35,706)	104	-	(35,602)			
Exchange differences arising on		_					
translation of foreign operations	(<u>10,569</u>)		(441)	` <u> </u>			
	$(\underline{46,680})$	(474)	`	(47,595)			
	(\$ 4,902)	\$ 4,026	(\$ 496)	(\$ 1,372)			

4. Expiration dates of unused net operating tax losses of the Company and amounts of unrecognized deferred tax assets are as follows:

D	1	2 1		000
Decem	ner	- 1 ∣	1. 2.	023

Year	Amount	Unrecog deferre	
incurred	filed/assessed	Unused amount asse	- •
2017	\$ 15,343	\$ 15,343 \$	- 2027
2018	27,487	27,487	- 2028
2019	30,557	30,557	- 2029
2020	84,052	84,052	- 2030
2022	6,911	6,911	- 2032
2023	48,965	48,965	
	\$ 213,315	\$ 213,315 \$	<u>-</u>

December 31, 2022

Year incurred	Amount d/assessed	Unus	ed amount	nrecognized leferred tax assets		Expiry year
2017	\$ 15,343	\$	15,343	\$	-	2027
2018	27,487		27,487		-	2028
2019	30,557		30,557		-	2029
2020	84,052		84,052		-	2030
2022	 19,799		19,799		-	2032
	\$ 177,238		177,238		-	

5. The deductible temporary differences for which no deferred income tax assets have been recognized:

6. The tax authorities have examined income tax returns of the Company through 2021.

(XXIII) Earnings (losses) per share

		2023	
Basic losses per share	Profit after tax	Weighted-average common shares outstanding (in thousands)	Losses per share (NTD)
Net loss for the period	(\$ 48,771)	72,584	(\$ 0.67)
		2022	
			Losses
	Profit after tax	Weighted-average common shares outstanding (in thousands)	per share (NTD)
Basic losses per share Net loss for the period	(\$ 66,109)	72,580	(\$ 0.91)

The Company's convertible corporate bonds were anti-dilutive in 2023 and 2022 hence not included in the loss per share.

(XXIV) Changes in liabilities from financing activities

		Touris	Hachines		payacie	11114	mem g activities
January 1	\$	65,000 \$	13,955	\$	189,923	\$	268,878
Decrease in short-term loans,							
net decrease	(65,000)	-		-	(65,000)
Repayment of the principal		-(8,731)	-	(8,731)
Changes in other non-cash							
items	_	<u> </u>	26,844		3,944		30,788
December 31	\$	- \$	32,068	\$	193,867	\$	225,935
	_						
	2022						
		Short-term	Lease		Bonds	Tota	l liabilities from
		loans	liabilities	_	payable	fina	ncing activities
January 1	\$	89,098 \$	20,750	\$	-	\$	109,848
Decrease in short-term loans,							
net decrease	(24,098)	-		-	(24,098)
Repayment of the principal		-(6,795))	-	(6,795)
Issuance of corporate bonds		-	-		226,423		226,423
Changes in other non-cash							
items	_	=	=	(_	36,500)	(36,500)
December 31	\$	65,000 \$	13,955	\$	189,923	\$	268,878

Lease

liabilities

Short-term

loans

2023

Bonds

payable

Total liabilities from

financing activities

VII. Related-party Transactions

(I) Names of related parties and relationship

Names of related parties	Relationship with the Company
Wanshih (H.K) Electronic Co., Ltd. (Wanshih H.K.) Suzhou Wanshih Electronic Element Co., Ltd.	Subsidiary Subsidiary
(Suzhou Wanshih Electronic) Data Lake Co., Ltd. (Data Lake) Suzhou Wanshih Onticel Communication CO	Subsidiary
Suzhou Wanshih Optical Communication CO., LTD. (Suzhou Wanshih Optical) Dongguan Humen Wanshih Electronic Co., Ltd.	Subsidiary
(Dongguan Humen) Weicheng Electronic Element Limited	Subsidiary
(Weicheng Electronic) (Thailand) Wanshih Electronic Element Company	Subsidiary
Limited (Thailand Wanshih) (VIETNAM) Wanshih Electronic Element Company	Subsidiary
Limited (Vietnam Wanshih) Siyang Wanshih Electronic Element Co., Ltd.	Subsidiary
(Siyang Wanshih) Millimeter Wave Tech CO., LTD. (Millimeter	Subsidiary
Wave)	Subsidiary
Draco Electronics,LLC	Subsidiary (Note)
Wonderful Hi-Tech Co., Ltd. (Wonderful)	Entities with significant influence to the Company
	(Company accounted for using the equity method for the Company)
Wonderful Cabling Systems Corp.	Entities with significant influence to the
(Wonderful Cabling)	Company (Subsidiary accounted for using the equity
	(Subsidiary accounted for using the equity method for the Company)
Lord Hero Company Limited	Entities with significant influence to the
(Lord Hero H.K.)	Company
	(Subsidiary accounted for using the equity method for the Company)
Thai Wonderful Wire Cable Co., Ltd. (Thai Wonderful)	Entities with significant influence to the Company
(That Wonderful)	(Subsidiary accounted for using the equity
	method for the Company)
Wonderful (VIETNAM) Wire & Cable Co., Ltd. (Vietnam Wonderful)	Entities with significant influence to the Company
(Vietnam Wonderfur)	(Subsidiary accounted for using the equity
	method for the Company)
ACTife Hi-Tech Co., Ltd. (ACTife)	Entities with significant influence to the Company
(ACTIIC)	(Subsidiary accounted for using the equity
	method for the Company)
ABA Industry, Inc. (A.B.A.)	Entities with significant influence to the Company
	(Subsidiary accounted for using the equity
	method for the Company)

Note: On January 1, 2022, the Company subscribed for a cash capital increase 16,625, from Draco Electronics, LLC. After the capital increase, the shareholding ratio is 60%, the Company has exceed half of the voting rights of Draco Electronics, LLC; therefore, the Company has included Draco Electronics, LLC in the consolidated financial statements. For more information, please refer to the Note 6(29) of the Company's 2023 consolidated financial statements.

(II) Significant related party transactions

1. Sales of goods and services:

	2023	 2022
Sales of goods: Entities with significant influence to the	\$	·
Company	4,354	\$ 17,190
— Subsidiary	28,026	23,512
·	\$ 32,380	\$ 40,702
	 2023	 2022
Other income: Entities with significant influence to the Company	\$ 634	\$ 78
— Subsidiary	39	-
•	\$ 673	\$ 78

The Company's sales prices to related parties are not comparable due to different products sold and are based on the contracted sales prices and conditions. Amounts due from related parties are mainly from sales of goods and are due within 30 to 150 days after the monthly closing date on the following month of the sales date, and 30 to 150 days after the monthly closing date on the following month of the sales date for general customers.

2. Purchase of goods and services:

	 2023	 2022
Purchase of goods: Entities with significant influence to		
the Company — Subsidiary	\$ 619	\$ 3,283
Suzhou Wanshih Electronics	344,110	382,904
Others	86,732	100,619
	\$ 431,461	\$ 486,806
	 2023	 2022
Operating expenses: Entities with significant influence to		
the Company	\$ 1,210	\$ 1,351
— Subsidiary	 159	 4,365
	\$ 1,369	\$ 5,716

The Company's purchase prices to related parties are not comparable due to different products purchased and are based on the contracted purchase prices and conditions. Payable amounts due to related parties are mainly from purchase of goods and are due within 60 to 120 days after the monthly closing date on the following month of the purchase date, and 30 to 150 days after the monthly closing date on the following month of the purchase date for general suppliers.

3. Receivables from related parties	3.	Receivables	from	related	parties
-------------------------------------	----	-------------	------	---------	---------

Entities with significant influence to the Company — Subsidiary	December 31, 2023 \$ 2,156 6,670 \$ 8,826	December 31, 2022 \$ 5,108
4. Payables from related parties		
	December 31, 2023	December 31, 2022
Entities with significant influence to the Company — Subsidiary	\$ 74	\$ 39
Suzhou Wanshih Electronics	72,093	104,543
Others	15,364	20,259
	\$ 87,531	\$ 124,841
5. Acquisition of financial assets: —Subsidiary Data Lake Millimeter Wave	Accounts Investments accounted for using equity method ,,	Year ended December 31, 2023 Consideration \$ 19,000 \$ 5,250 Year ended December 31, 2022 Consideration
— Subsidiary		
Bright Master Draco Electronics, LLC Data Lake	Investments accounted for using equity method ,,	\$ 62,295 \$ 16,625 \$ 10,000
6. Other ending balance		
Other receivables from related parties Entities with significant influence to	December 31, 2023	December 31, 2022
the Company	\$ 279	\$ 390
— SubsidiarySuzhou Wanshih ElectronicsOthers	13,341 54	14,084 398
	\$ 13,674	\$ 14,872

Other payables to related parties	Decem	nber 31, 2023	Decer	mber 31, 2022
Entities with significant influence to	\$	17	\$	146
the Company — Subsidiary		566		1,485
Substaliary	\$	583	\$	1,631
7. Loan of funds				
Loans to related parties:				
(1) Outstanding balance:				
	Decen	nber 31, 2023	Decei	mber 31, 2022
— Subsidiary Suzhou Wanshih Electronics	\$	_	\$	30,710
VietNan Wanshih Electronics	Ψ	-	Ψ	6,142
	\$	-	\$	36,852
(2) Interest income:				
0.1.1.		2023		2022
— Subsidiary Suzhou Wanshih Electronics	\$	851	\$	849
Other	Ψ 	43		96
	\$	894	\$	945
The terms of the loans to subsidiari	es are that	the loans will be	repaid w	vithin 1 year after
the loan is made, and interest will b			-	<u>-</u>
the year 2023 and 2022.				-
8. Endorsement and guarantee to related p	arties			
	Decen	nber 31, 2023	Decer	mber 31, 2022
— Subsidiary	Ф	26.225	Ф	74.775
Suzhou Wanshih Electronics	\$	76,775	\$	76,775
9.Leasing arrangements - lessee				
(1) The Company leases the office a January 1, 2023 to December 31 rental rate and the area used in monthly.	, 2027. Th	e rent is determine	ined base	ed on the general
(2) Acquisition of use-of-right assets				
Entities with significant influence to the Company	Decem	nber 31, 2023	Decer	mber 31, 2022

Wonderful

26,470

(3) Lease liabilities

A. Outstanding balance:						
]	December 3	31, 2023		December 3	1, 2022
Entities with significant influence to the Company Wonderful			· · · · · · · · · · · · · · · · · · ·			
Current	\$		6,678	\$		6,351
Non-current	\$		20,640	\$	-	6,432
B. Interest expense		2	023		2022	2
Entities with significant influenc	e				_	
to the Company						
Wonderful		\$		<u>450</u>	\$	199
(III) Key management compensation						
		2023			2022	
Salaries and other short-term employee benefits	\$		11,893	\$		19,147
Post-employment benefits			382			595
	\$		12,275	\$		19,742

VIII. Pledged Assets

Information on the Company's pledged assets is as follows:

		Carrying			
Asset Item	Decemb	er 31, 2023	Decem	ber 31, 2022	Guarantee purpose
Bank deposits, pledged time deposits	\$	317	\$	314	Guarantee for the
and reserve accounts					Customs Duties
(Listed as Current financial assets at					
amortised cost)					
Pledged Time Deposit		75,088		-	convertible bonds
(Listed as financial assets at amortized					
cost and other un-current financial					
assets)					
Financial assets at fair value through other					
comprehensive income or loss - non-					
current		128,940		179,865	
	\$	204,345	\$	180,179	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

No such situation.

(II) Commitments

Please refer to Note 7 for information on endorsement and guarantee to related parties.

X. Significant Disaster Loss

No such situation.

XI. Significant Events

No such situation.

XII. Others

(I) Capital Management

The Company's objectives when managing capital are to maintain a positive credit rating and an optimal capital ratio to support the Group's operations and to maximize the shareholders' equity.

(II) Financial instruments

1. Financial instruments by category

	December 31, 2023		December 31, 2022	
Financial assets				_
Financial assets measured at fair value				
through profit or loss				
Compulsive financial assets measured				
at fair value through profit or loss	\$	20	\$	460
Financial assets at fair value through				
other comprehensive income or loss				
Designation option for investments				
in equity instruments	\$	148,299	\$	285,216
Financial assets at amortized cost				
Cash and cash equivalents	\$	70,599	\$	53,524
Current financial assets at				
amortized cost-current		317		314
Notes receivable		236		838
Accounts receivable		156,068		211,999
Receivables from related parties		8,826		11,164
Other receivables		2,400		2,400
Other receivables from related				
parties		13,674		51,724
Financial assets at amortized cost				
and other un-current financial				
assets		75,088		_
Long-term notes and accounts				
receivable		6,000		8,400
	\$	333,208	\$	340,363

	December 31, 2023		December 31, 2022	
Financial liabilities				
Financial liabilities at amortized cost				
Short-term loans	\$	-	\$	65,000
Notes payable		626		-
Accounts payable		14,493		18,902
Accounts payable to related				
parties		87,531		124,841
Other payables		30,229		49,927
Bonds Payable		193,867		189,923
	\$	326,746	\$	448,593
Lease liabilities	\$	32,068	\$	13,955

2. Risk management policies

- (1) The Company's daily operations are affected by various financial risks, e.g., market risks (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) Finance Department is in charge of reviewing and evaluating the financial risks and is in close co-operation with the Company's operating units to do the financial risk tasks.
- 3. Significant financial risks and degrees of financial risks
 - (1) Market risk

Foreign exchange risk

- A. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.
- B. The Company's businesses involve some non-functional currency operations (the Company's functional currency). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023					
	Foreig	gn currency		Ca	arrying amount	
	(the	ousands)	Exchange rate	(N')	TD Thousands)	
(Foreign currency:						
functional currency)						
Financial assets						
Monetary items						
USD: NTD	\$	5,419	30.71	\$	166,417	
Non-monetary items						
USD: NTD	\$	2,249	30.71	\$	69,063	
HKD: NTD		15,597	3.93		61,282	
CNY: NTD		76,210	4.33		329,762	
Financial liabilities						
Monetary items						
USD: NTD	\$	2,962	30.71	\$	90,963	

	December 31, 2022				
	Fore	ign currency		Car	rrying amount
	(tł	nousands)	Exchange rate	(NT	TD Thousands)
(Foreign currency:					_
functional currency)					
Financial assets					
Monetary items					
USD: NTD	\$	7,510	30.71	\$	230,632
Non-monetary items					
USD: NTD	\$	2,538	30.71	\$	77,955
HKD: NTD		16,148	3.94		63,622
CNY: NTD		76,137	4.41		335,765
Financial liabilities					
Monetary items					
USD: NTD	\$	4,184	30.71	\$	128,491

- C. All exchange gains and losses (both realized and unrealized) arising from significant foreign exchange variation on the monetary items held by the Company were NT\$1,496 and NT\$12,921 for the years ended December 31, 2023 and 2022, respectively.
- D. Analysis of foreign currency market risk arising from significant foreign exchange variation:

			2023						
	Sensitivity analysis								
	Degree of variation		ffect on fit or loss		Effect on other comprehensive income				
(Foreign currency:									
functional currency)									
<u>Financial assets</u>									
Monetary items	10/	Ф	1 ((1	ф					
USD : NTD	1%	\$	1,664	\$	-				
Financial liabilities Monetary items									
USD : NTD	1%	\$	910	\$	-				

	2022									
	Sensitivity analysis									
	Degree of variation		fect on it or loss		Effect on other comprehensive income					
(Foreign currency: functional currency) Financial assets Monetary items USD: NTD	1%	\$	2,306	\$	_					
Financial liabilities Monetary items	170	Ψ	2,500	Ψ						
USD: NTD	1%	\$	1,285	\$	-					

Price risk

- A. The Company's equity instruments exposed to price risk are financial assets at fair value through other comprehensive income.
- B. The Company mainly invests in equity instruments issued by domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$0, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,483 and \$2,852, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The Company's main interest rate risk arises from short-term loans with variable rates which expose the Company to cash flow interest rate risk. During the years ended December 31, 2023 and 2022, the Company's loans at variable rate were denominated in the NTD.
- B. As of December 31, 2023 and 2022, if interest rates on denominated loans at that date had been 1% higher/lower with all other variables held constant, net profit (loss) for the years ended December 31, 2023 and 2022 would have been NT\$0 thousand and NT\$520 thousand higher (lower), respectively, mainly as a result of higher (lower) interest expense on floating rate loans.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms and the contract cash flows of debt instruments stated at amortized cost.
- B. According to the Company's credit policy, the Company is responsible for managing and analyzing the credit risk for its new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

- C. The Company adopts the assumptions under IFRS 9. The Company determines that the default occurs when the contract payments were past due over 30 days based on the terms.
- D. The Company adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- E. The Company classifies notes and accounts receivable (to related parties included) based on the characteristics of trade credit risk and uses the simplified preparation matrix to estimate expected credit losses.
- F. The Company has written off the recoverable amount of financial assets that could not reasonably be estimated after recourse, but will continue to pursue recourse to preserve its rights. As of December 31, 2023 and 2022, the Company had no recourse claims that had been written off.
- G. The Company considers the Business Indicators Data Base provided by the National Development Council to future prospects when adjusting the loss rate that is set up based on historical and current loss period information, in order to estimate the loss of notes receivables and allowance for doubtful accounts of customers with general credit quality. The provision matrix as of December 31, 2023 and 2022 is as follows:

December 31, 2023	Not past due	Up to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Total
Expected loss rate	0.27%	0.27%	6.20%	50%	50%- 100%	
Total book value Allowance for	\$ 164,678	\$ 912	\$ 26	\$	\$ 1,914	\$ 167,530
uncollectibl e accounts	\$ 482	\$ 2	\$ 2	\$ -	\$ 1,914	\$ 2,400
December 31, 2022	Not past due	Up to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Total
31, 2022 Expected loss rate						Total
31, 2022 Expected	due	days 0.30%	days 8.62%	days	days 50%-	

H. The aging analysis of notes and accounts receivable (including related parties) that were past due but not impaired is as follows:

		2023		2022
January 1	\$	2,660	\$	735
Provision (Reversal) for impairment loss	(260)		2,069
Amount written off due to irrecoverability		<u>-</u>	(144)
December 31	\$	2,400	\$	2,660

For losses recognized (reversed) in 2023 and 2022, the impairment losses recognized (reversed) on receivables arising from customer contracts were NT\$(260) and NT\$2,069, respectively.

(3) Liquidity risk

- A. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company's financial department. Company's financial department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- B. The table below analyses the Company's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Le	ss than 1	Between	1	Between 2
	year	to 2 years	S	to 5 years
\$	626	\$	_	\$ -
	102,024		-	-
	30,229		-	-
	9,424	9,26	52	14,258
	-	199,90	00	-
Le	ss than 1	Between	1	Between 2
	year	to 2 years	S	to 5 years
\$	65,000	\$	_	\$ -
	143,743		-	-
	49,927		-	-
	6,964	6,89	98	266
	-		-	200,000
	\$	\$ 626 102,024 30,229 9,424 - Less than 1 year \$ 65,000 143,743 49,927	year to 2 year \$ 102,024 30,229 9,424 - 199,90 Less than 1 year to 2 year to 2 year to 2 year \$ 143,743 49,927	year to 2 years \$ 626 \$ - 102,024 - 30,229 - 9,424 9,262 - 199,900 - Less than 1 Between 1 year to 2 years \$ 65,000 \$ - 143,743 - 49,927 -

C. The Company's cash flows are not expected to occur significantly earlier than the maturity date, or to be significantly different from the actual amount.

(III) Fair value estimation

- 1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:
 - Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.
 - Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
 - Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in unlisted stocks is included in Level 3.

2. Financial instruments not measured at fair value

Except for financial assets measured at fair value through profit or loss, financial assets at fair value through other comprehensive income or loss and listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (to related parties included), other receivables (to related parties included), other current financial asset, short-term loans, notes payable, accounts payable (to related parties included), other payables (to related parties included) and lease liabilities, are approximate to their fair values.

	December 31, 2023							
	Fair value							
	Book Value	Level 1	Level 2	Level 3				
Financial liabilitie Bonds payable	\$ 193,867	\$ -	\$ 195,922	\$ -				
		December	: 31, 2022					
		Fair v	value					
	Book Value	Level 1	Level 2	Level 3				
Financial liabilitie								
Bonds payable	\$ 189,923	\$ -	\$ 192,712	\$ -				

- 3. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:
 - (1) The related information of the nature of the assets and liabilities:

December 31, 2023]	Level 1	 Level 2]	Level 3	 Total
Assets		_				_	_
Recurring fair value							
<u>measurements</u>							
Financial assets measured at							
fair value through profit or							
loss							
Convertible corporate							
bond repurchase rights	\$	_	\$	-	\$	20	\$ 20
Financial assets at fair							
value through other							
comprehensive income or							
loss							
Equity securities		128,944		_		19,355	148,299
1 0	\$	128,944	\$	_	\$	19,375	\$ 148,319

December 31, 2022	Level 1	L	evel 2		Level 3	Total
Assets	 					
Recurring fair value						
<u>measurements</u>						
Financial assets at fair						
value through other						
comprehensive income or						
loss						
Convertible corporate						
bond repurchase rights	\$ -	\$		-	\$ 460	\$ 460
Financial assets at fair						
value through other						
comprehensive income or						
loss						
Equity securities	265,005			-	20,211	285,216
	\$ 265,005	\$		-	\$ 20,671	\$ 285,676

- (2) The Company's approaches and assumptions for fair value measurement are as follows:
 - A. The Company adopts quoted prices as inputs used to measure fair value (Level 1), which are classified as follows based on the characteristics of the financial instruments:

Market quoted price Listed shares
Closing price

- B. Except for the aforementioned financial instruments in an active market, the fair values of other financial instruments are obtained by using valuation techniques, or by reference to the quoted prices of counterparties.
- C. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and nonfinancial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- 4. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

5. The following are the movements in Level 3 for the years ended December 31, 2023 and 2022:

			2023		
		tment in ed shares	Convertible bond repurc		Total
January 1 Purchase in this period Gains and losses recognized in profit or loss	\$	20,211 2,000	\$	460 \$	20,671 2,000
Listed non-operating income and expenses Recognized in other comprehensive income Unrealized valuation gains/losses on investments in equity instruments at fair value through other comprehensive income or		-	(440) (440)
loss December 31	(2,856) 19,355	1	- (<u> </u>	2,856) 19,375
January 1 Purchase in this period Issued in this period Gains and losses recognized in profit or loss Listed non-operating income		12,347 12,920	2022 Convertible bond repure		Total 12,347 12,920 860
and expenses Recognized in other comprehensive income Unrealized valuation gains/losses on investments in equity instruments at fair value through other comprehensive income or		-	(400) (400)
loss December 31	(5,056) 20,211	•	<u>-</u> (5,056) 20,671
December 31	φ	20,211	\$	400 \$	20,071

- 6. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.
- 7. External valuers are in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used in the valuation model and making any other necessary adjustments to the fair value.

8. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	December 31, 2023 Fair value	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-derivative equity		•	•	<u> </u>	
instruments: Unlisted shares	\$ 19,355	Public Company Comparables	Price-to-Book Ratio (multiplier)	1.47~2.47	The higher the value, the higher the fair value
			Discount for Lack of Marketability	26.80%~ 42.23%	The higher the discount for lack of marketability, the higher the fair value
Convertible corporate bond repurchase rights	\$ 20	Binary Tree Convertible Bond Evaluation Model	Volatility	33.66%	The higher Volatility, the higher the fair value
	December 31, 2022 Fair value	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:		•	-		
Unlisted shares	\$ 20,211	Public Company Comparables	Price-to-Book Ratio (multiplier)	1.42~2.33	The higher the value, the higher the fair value
		_	Discount for		The highest he discount for
		Binary Tree	Lack of Marketability	18.03%~ 43.93%	The higher the discount for lack of marketability, the higher the fair value

9. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

				Decembe	r 31, 2023		
			Recognized in other comprehensive incom				
	Input	Change	Favorable	change	Unfavora	ble change	
Financial assets				_		_	
Equity instruments	Price-to-Book Ratio (multiplier)	±5%	\$	947	(\$	941)	
			D		r 31, 2022		
	.	C1			comprehensi		
	Input	Change	Favorable	change	Unfavora	ble change	
Financial							
assets							
Equity instruments	Price-to-Book Ratio (multiplier)	±5%	\$	1,046	(\$	1,042)	

XIII.Other Disclosures

(I) Significant transactions information

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the years ended December 31, 2023:

- 1. Loans to others: Please refer to table 1.
- 2. Provision of endorsements and guarantees to others: Please refer to table 2.
- 3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- 4. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more: No such situation.
- 5. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: No such situation.
- 6. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: No such situation.
- 7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 4.
- 8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: No such situation.
- 9. Trading in derivative instruments undertaken during the reporting periods: No such situation.
- 10. Significant inter-company transactions during the reporting periods: Please refer to table 5

(II) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(III) Information on investments in Mainland China

- 1. Basic information: Please refer to table 7.
- 2. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

(IV) List of major shareholders

Information on major shareholders: Please refer to table 8.

XIV. <u>Segment Information</u>

Not applicable.

Wanshih Electronic Co., Ltd. Cash and cash equivalents December 31, 2023

Statement 1 Unit: NTD Thousands

Item	Summary	A	Amount
Cash and Petty cash		\$	324
Cash in banks			
Demand deposits			31,022
Foreign currency demand	US\$1,188 thousand at the exchange rate		26 497
deposits	of 30.71		36,487
-	JPY 8,375 thousand at the exchange rate		1,819
	of 0.2172		1,017
	EUR 28 thousand at the exchange rate of		
	33.98		947
		\$	70,599

Wanshih Electronic Co., Ltd. Accounts receivable

Accounts receivable
December 31, 2023

Statement 2 Unit: NTD Thousands

Name of Client	Summary	 Amount	Remarks
Client A		\$ 35,019	
Client B		30,669	
Client C		12,300	
Client D		10,184	
Client E		8,287	
Others		62,009	The amount of
Subtotal		158,468	individual client included in others does not exceed 5% of the account balance.
Less: Allowance for bad debt	S	\$ 2,400) 156,068	

Wanshih Electronic Co., Ltd. Statement of Changes in Financial assets at amortised cost January 1, 2023 to December 31, 2023

Statement 3 Unit: NTD Thousands

	Beginning balance			Increase for	the period	Decrease fo	r the period	Е	Provision of		
	Shares (in	Carrying	Market	Shares (in		Shares (in	_	Shares (in	Carrying	Market	collateral or
Name of Company	thousand)	Amount	price	thousand)	Amount	thousand)	Amount	thousand)	Amount	price	pledge
Listed shares											
Wonderful Hi-Tech	9 282	\$ 215,170	\$ 265,005	_	\$ -	5,082	\$ 117,806	\$ 4,200 \$	\$ 97,364 \$	128,944	Pledged
Co., Ltd.	J,202	Ψ 213,170	Ψ 205,005		Ψ	2,002	Ψ 117,000	φ 1,200 (<i>γ γ γ γ</i>	120,511	Tiedged
Unlisted shares											
INSIGHT MEDICAL	359	5,236	2,531	_	_	_	_	359	5,236	2,057	None
SOLUTIONS INC.		•									"
Terasilic Co., Ltd.	375	9,264	2,984	-	-	-	-	375	9,264	3,209	"
GLOWNIK											"
ELECTRONICS CO.,	200	2 000	-	-	-	-	-	200	2 000	-	
LTD.	200	2,000						200	2,000		,,
Sun Power Energy	1.12	12.020	14.606	-	_	-	-	4.42	12.020	11 000	
Co.,Ltd	442	12,920	14,696					442	12,920	11,899	,,
Zhi Cheng Retro-style EV-mobility Design Co.,						_	_				
Ltd.	_	_	_	200	2,000	_	_	200	2,000	2,190	
2.0.		244,590	\$ 285,216		\$ 2,000		\$ 117,806		128,784		
Valuation adjustment of		,			, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					-,	
financial assets at fair											
value through other		40,626							19,515		
comprehensive income								-	- ,		
r		\$ 285,216						<u>.</u>	\$ 148,299		

Wanshih Electronic Co., Ltd. Statement of Changes in Financial assets at amortised cost January 1, 2023 to December 31, 2023

Statement 4

Unit: NTD Thousands

	Beginning	balance	 Increase for the period		Decrease for the period	<u> </u>	Ending balance	_		Provision of		
Item	 Amount		 Amount		Amount		Carrying amount		Accumulated impairment	collateral or pledge	Note	
Time deposits	\$	-	\$ 39,200	\$		- \$	39,200	\$	-	Pledged	Convertible bonds	
Time deposits		-	35,888			-	35,888		-	66	"	
_	\$	-	\$ 75,088	\$		- \$	75,088	\$	-			

Wanshih Electronic Co., Ltd. Statement of Changes in Investments Accounted for Using Equity Method January 1, 2023 to December 31, 2023

Unit: NTD Thousands

Statement 5

	Beginning	balance	Increase for the (Note 1	-		or the period ote 2)	En	ding balan	ce		orice or net s value	
Name	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Shares Ratio (%)	Amount	Unit price (NTD)	Net assets value	Provision of collateral or pledge
Wanshih (H.K)	mousurd)	Timount	thousand)	7 Infount	<u>tirousuru)</u>	- I III Ouit	<u>thousana)</u>	(70)	7 IIIIouiit	(ITID)	varae	or preage
Electronic Co., Ltd.	9,593	\$ 63,622	- \$	311	-	(\$ 2,651)	9,593	53.29%	\$ 61,282	\$ - 9	60,393	None
Suzhou Wanshih Electronic Element Co., Ltd.	-	335,765	-	167	-	(6,170)	-	87.26%	329,762	_	329,574	
Bright Master Co., Ltd.	_	57,950	_	191	_	(11,675)	_	100.00%	46,466	_	46,466	"
Data Lake Co., Ltd.	2,500	931	3,500	22,4860	900)	, , ,	5,100	35.17	21,617	_	21,617	"
Millimeter Wave Tech					,	, , ,			1,141			"
CO., LTD.	300	4,543	350	5,250	-	(8,652)	650	65.00%		-	(173)	
Draco Electronics, LLC	-	20,005	-	2,633	-	(41)	-	60.00%	22,597	-	20,655	
		\$ 482,816	<u>\$</u>	31,038		(\$ 30,989)			\$ 482,865			

(Note 1) The increase for the current period is due to the acquisition of investments, the share of profits of subsidiaries recognized using the equity method, cumulative translation adjustments, and the impact of the company's non-proportional subscription to the cash capital increase of subsidiaries..

(Note 2) The decrease for the current period is due to the disposal of investments, the share of losses of subsidiaries recognized using the equity method, cumulative translation adjustments, and the impact of the company's non-proportional subscription to the cash capital increase of subsidiaries.

Wanshih Electronic Co., Ltd. Net operating income January 1, 2023to December 31, 2023

Statement 6 Unit: NTD Thousands

Item	thousand PCS)	Amount	Remarks
Video Surveillance	1,006 \$	204,775	
Automobile Electronics	1,396	161,608	
Netcomm Industrial Control	15,841	91,126	
Computer Wiring	1,411	74,778	
TV Products	112	12,779	
Medical Products	16	3,569	
Others	18,292	68,645	
	\$	617,280	

Wanshih Electronic Co., Ltd. Operating cost January 1, 2023 to December 31, 2023

Statement 7 Unit: NTD Thousands

Item	Summary		Amount	Remarks
Raw materials at beginning		\$	23,930	
Add: Materials purchased during the year			40,042	
Transferred from fixed assets			2,514	
Less: Cost of raw materials sales		(20,297)	
Raw materials at the end		(32,927)	
Classified in expenses		(2,426)	
Raw material used in the period			10,836	
Direct labor			12,013	
Manufacturing cost			31,829	
Manufacturing cost			54,678	
Add: Work in progress at the beginning			1,754	
Less: Work in progress at the end		(3,515)	
Cost of finished goods			52,917	
Add: Finished goods at the beginning			30,161	
Finished goods purchased during the period			431,677	
Less: Finished goods at the end		(29,524)	
Classified in expenses		(1,641)	
Cost of goods sold			483,590	
Cost of raw materials sold			32,927	
Add: Loss from pricerecovery of inventory			83	
Loss on inventory obsolescence			3,770	
Less: Gain on physicalinventory		(2,899)	
Operating cost		\$	517,471	

Wanshih Electronic Co., Ltd. Manufacturing cost January 1, 2023 to December 31, 2023

Statement 8 Unit: NTD Thousands

Item	Summary	A	mount	Remarks
Processing fees		\$	11,010	
Indirect labor			6,726	
Import charges			3,187	
Depreciation			2,949	
Other expenses			7,957	The amount of each item in
		\$	31,829	others not exceed 5% of the amount balance.

Wanshih Electronic Co., Ltd. Operating expenses January 1, 2023 to December 31, 2023

Statement 9 Unit: NTD Thousands

Item

General and Selling administrative R&D expense Total expenses expenses 27,484 \$ 24,218 \$ 30,495 82,197 1,632 5,210 6,959 13,801 2,616 8,116 2,651 2,849

Loans to others

For the year ended December 31, 2023

Table 1

Unit: NTD thousands
(Unless specified otherwise)

Number												Col	ateral		Limit of	
													L	limit of financing		
						Actual amount		Nature of	Business					amount for		
			Related	Maximum balance		drawn down	Interest	financing	transaction	Reason for	Loss			individual	total financing	
(Note 1)	Financing company	Counterparty Account	parties	for the period	Ending balance	Amount	rate	(Note 2)	amount	financing	allowance	Name	Value	counterparty	amount	Note
0	Wanshih Electronic	Suzhou Wanshih Other receivables from	Y	\$ 47,130	\$ -	\$ -	3.50%	1	\$ 309,794	\$ -	\$ -	None	\$ - \$	50,000	\$ 217,754	Note 3
	Co., Ltd.	Electronic Element related parties														
		Co Ltd.														
0	Wanshih Electronic		Y	48,645	46,065	-	3.50%	1	382,904	-	-	None	-	50,000	217,754	"
	Co., Ltd.	Electronic Element related parties														
		Co., Ltd.														
0	Wanshih Electronic		Y	30,740	-	-	2.50%	2	-	Operating	-	None	-	50,000	217,754	"
	Co., Ltd.	Electronic Element related parties								turnover						
0	XX 17 77	Company Limited	37	22, 420	20.710		2.500/	2						50,000	217.754	
U	Wanshih Electronic		Y	32,430	30,710	-	3.50%	2	-	Operating	-	None	-	50,000	217,754	
	Co., Ltd.	Electronic Element related parties								turnover						
1	W. 17 (IIV)	Company Limited Suzhou Wanshih Other receivables from	Y	12.207			2.500/		22 472			NT		11 222	21 217	NT. c. 4
1	Wanshih (H.K.)		Y	12,296	-	-	3.50%	1	32,473	-	-	None	-	11,332	21,217	Note 4
	Electronic Co., Ltd.	Electronic Element related parties														
	W 121 (TTT)	Co., Ltd.	***	11.051	10.710		2.500/		45.415					11 222	21 217	
1	Wanshih (H.K.)	Suzhou Wanshih Other receivables from	Y	11,351	10,749	-	3.50%	1	47,417	-	-	None	-	11,332	21,217	
	Electronic Co., Ltd.	Electronic Element related parties														

Note 1: The numbering rule is as follows:

- (1) 0 represents the issuer.
- (2) Investee companies are sorted in a numerical order starting from 1.

Co., Ltd.

Note 2: The nature of the loan should be listed as a business transaction or a short-term financing need.

- 1. Fill in "1" for business transaction need.
- 2. Fill in "2" for short-term financing need.

Note 3: The total loans to others of Wanshih Electronic Co., Ltd. shall not exceed 30% of the lower of its paid-in capital or net worth. For companies or firms have business transactions with the Company, the individual loan shall not exceed the amount of business transactions for the past year; besides, for risk considerations, the amount of loans shall not exceed NT\$50 million.

The "amount of business transactions" refers to the higher of the operating income and services income due to sales of products or the provision of services or purchases amount and service expenses for regular operating activities.

For companies or firms with short-term financing needs, the individual loan shall not exceed NT\$50 million or 10% of the Company's net worth as stated in its latest financial statements.

However, the above restrictions do not apply to inter-company loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, or loans to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. For risk considerations, the individual loan shall not exceed NT\$100 million and the term is one year.

Note 4: The total loans to others of Wanshih (H.K.) Electronic Co., Ltd. shall not exceed 30% of the lower of its paid-in capital or net worth. For companies or firms have business transactions with Wanshih (H.K.) Electronic Co., Ltd.,

the individual loan shall not exceed the amount of business transactions for the past year; besides, for risk considerations, the amount of loans shall not exceed HK\$12.5 million.

The "amount of business transactions" refers to the higher of the operating income and services income due to sales of products or the provision of services or purchases amount and service expenses for regular operating activities.

For companies or firms with short-term financing needs, the individual loan shall not exceed HK\$12,500 thousand or 10% of the company's net worth as stated in its latest financial statements.

However, the above restrictions do not apply to inter-company loans between overseas companies in which the company holds, directly or indirectly, 100% of the voting shares, or loans to the company by any overseas company in which the company holds, directly or indirectly, 100% of the voting shares. For risk considerations, the individual loan shall not exceed HK\$25 million and the term is one year.

Endorsements and guarantees for others

For the year ended December 31, 2023

Table 2 Unit: NTD thousands

(Unless specified otherwise)

	Endorsed / Guaranteed party Limit on endorsement/guarantee Maximum balance								Percentage of accumulated guarantee amount	(Guarantee provided Guarantee provided			
Number	Endorsor / Guarantor		Relationshi p	provided to each party	during the period	Ending balance	Actual amount provided	Amount of collateral	to net assets value from	Limit of total guarantee/endorsement amoun	Guarantee provided by parent company	by a subsidiary	to companies in	
(Note 1)	Company name	Company name	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	guarantee/endorsement	the latest financial	(Note 3)	(Note 7)	(Note 7)	Mainland China	Note
0	Wanshih Electronic	Suzhou Wanshih	2	\$ 300,000	\$ 81,075	\$ 76,775	\$ -	\$ -	10.55%	\$ 363,860	Y	-	Y	
	Co., Ltd.	Electronic Element												
		Co., Ltd.												

Note 1: The numbering rule is as follows:

- (1) 0 represents the issuer.
- (2) Investee companies are sorted in a numerical order starting from 1.

Note 2: The relationship between endorsement guarantor and the subject of endorsement or guarantee is as follows:

- (1) A company with which the Company has business relationship.
- (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company directly and indirectly holds more than 90% of the voting shares.
- (5) The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) All capital contributing shareholders make endorsement/guarantee for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
- Note 3: The total amount of endorsements and guarantees for companies outside the Group shall not exceed 50% of the Company's net worth. The limit of the endorsement/guarantee for a single company shall not exceed NT\$300 million.

For endorsement/guarantee engaging in due to the business transactions, the amount of endorsements and guarantees shall not exceed the higher of the total purchase or sales amount between the parties for the past year.

The total amount of external endorsement/guarantee of the Company and its subsidiaries shall not exceed 50% of the net value of the current period. The limitation on cumulative amount of endorsement/guarantee of the Company and its subsidiaries for a single company is the same as the Company for a single company. Net worth of a foreign subsidiary means the balance sheet equity attributable to the owners of the parent company.

Note 4: Highest amount of outstanding endorsement/guarantee for others in current period.

Note 5: The amount approved by the Board of Directors should be filled. However, if according to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Board of Directors has authorized the Chairman, it refers to the amount decided by the Chairman.

Note 6: The actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

Note 7: "Y" is required only for those who are the listed parent company to endorse the subsidiary, those who are the subsidiary to endorse the listed parent company, and those who are located in Mainland China.

Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures)

December 31, 2023

Table 3

Unit: NTD thousands (Unless specified otherwise)

				-	Ending Ba	lance		
				Shares	Carrying amount			
Investor	Type and name of securities (Note 1)	Relationship with the issuer	Financial statements account	(in thousand)	(Note 2)	Shares Ratio	Fair value	Note
Wanshih Electronic Co., Ltd.	Common stock Asahi (Malaysia) Sdn. Bhd.	Same major shareholders	Financial assets at fair value through profit or loss - non- current	200	\$ -	0.99%	\$ -	
Wanshih Electronic Co., Ltd.	Common stock Insight Medical Solutions Inc.		Financial assets at fair value through other comprehensive income or loss - non-current	359	2,057	1.42%	2,057	
Wanshih Electronic Co., Ltd.	Common stock Wonderful Hi-Tech Co., Ltd.	Company accounted for using the equity method for the Company	Financial assets at fair value through other comprehensive income or loss - non-current	4,200	128,944	2.60%	128,944	
Wanshih Electronic Co., Ltd.	Common stock Terasilic Co., Ltd.	-	Financial assets at fair value through other comprehensive income or loss - non-current	375	3,209	1.32%	3,209	
Wanshih Electronic Co., Ltd.	Common stock Glownik Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income or loss - non-current	200	-	10.00%	-	
Wanshih Electronic Co., Ltd.	Common stock Sunpower Energy Technology Co.,	-	Financial assets at fair value through other comprehensive income or loss - non-current	442	11,899	1.65%	11,899	
Wanshih Electronic Co., Ltd.	Common stock Zhi Cheng Retro-style EV-mobility Design Co., Ltd.	-	Financial assets at fair value through other comprehensive income or loss - non-current	200	2,190	6.67%	2,190	

Note 1: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments."

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2023

Table 4

Unit: NTD thousands

(Unless specified otherwise)

				Situation and reason for difference between									
					T	ransactions		transaction	condition and common	No	tes and accounts red	ceivable (payable) Balance	
													=
						Percentage of						Percentage of total	
Purchaser / Seller	Counterparty	Relationship	Sales		Amount	total purchases/sales	Credit term	Unit price	Credit term		Balance	receivables (payables)	Note
Wanshih Electronic Co., Ltd.	Suzhou Wanshih Electronic	Subsidiary	Purchase	\$	344,110	73%	(Note 1)	(Note 2)	(Note 1)	(\$	72,093)	70%	
	Element Co., Ltd.												

Note 1: Payment within 75 days after the receipt of goods.

Note 2: Due to the different nature of the purchased products from the related parties, there are no comparable purchase prices available.

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2023

Table 5

Unit: NTD thousands
(Unless specified otherwise)

Number			Relationship				Percentage of total revenue
(Note 1)	Name of transaction party	Counterparty	(Note 2)	Item	 Amount	Transaction condition	or total assets (Note 3)
0	Wanshih Electronic Co., Ltd.	Suzhou Wanshih Electronics	1	Purchase	\$ 344,110	Note 4	31%
0	Wanshih Electronic Co., Ltd.	Weicheng Electronic	1	Purchase	37,696	"	3%
0	Wanshih Electronic Co., Ltd.	Wanshih H.K.	1	Purchase	32,070	"	3%
0	Wanshih Electronic Co., Ltd.	Suzhou Wanshih Electronics	1	Payables	72,093	"	5%
1	Suzhou Wanshih Electronic Element Co., Ltd.	Weicheng Electronic	3	Sales revenue	37,620	"	3%
1	Suzhou Wanshih Electronic Element Co., Ltd.	Wanshih H.K.	3	Sales revenue	31,194	"	3%
1	Suzhou Wanshih Electronic Element Co., Ltd.	Siyang Wanshih	3	Purchase	19,027	"	2%
1	Suzhou Wanshih Electronic Element Co., Ltd.	Weicheng Electronic	3	Receivables	41,078	"	3%

Note 1: The information of the Company and Subsidiaries should be listed separately. The number representations are as follows:

- 1. 0 represents the parent company.
- 2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: There are three types of relationship categorized as follows:

- 1. Parent company to subsidiary.
- 2. Subsidiary to parent company.
- 3. Subsidiary to subsidiary.
- Note 3: Percentage of consolidated operating revenues or total assets is calculated as follows: for balance sheet accounts, the ending balance of assets or liabilities divided by consolidated total assets; for income statement accounts, the accumulated transaction amount for the period divided by consolidated operating revenues.
- Note 4: Except for the absence of comparable transactions of the same nature, where the transaction terms are determined through mutual agreement, the remaining conditions are similar to general transaction terms.
- Note 5: Transactions with individual amounts below 1% of consolidated total revenue and total assets will not be disclosed.

Names, locations and other information of investee companies (not including investees in Mainland China)

For the year ended December 31, 2023

Table 6

Unit: NTD thousands (Unless specified otherwise)

					Initial investment		Investment as of December 31, 2023			Investee company	Investment income		
Name of Investor	Name of Investee	Location	Main scopes of business	En	ding balance	Be	eginning balance	Shares (in thousand)	%	Carrying amount	Net income (loss)	(loss) recognized	Note
Wanshih Electronic Co., Ltd.	Wanshih (H.K.) Electronic Co., Ltd.	Hong Kong	Sales of electronic components, computers and peripheral products	\$	53,284	\$	53,284	9,593	53.29	\$ 61,282	\$ 583	\$ 311	Subsidiary
Wanshih Electronic Co., Ltd.	Bright Master Co.,Ltd.	Seychelles	Investee and holding companies		567,702		567,702	-	100.00	46,466	(11,676)	(11,676)	Subsidiary
Wanshih Electronic Co., Ltd.	Data Lake Co., Ltd.	Taiwan	Assembling electric auxiliary vehicles, buying and selling related		35,000		25,000	5,100	35.17	21,617	(28)	14	Subsidiary
Wanshih Electronic Co., Ltd.	Millimeter Wave Tech Co., Ltd.	Taiwan	Design and development for millimeter wave radar module and radar		9,750		4,500	650	65.00	1,141	(12,595)	(8,199)	Subsidiary
Wanshih Electronic Co., Ltd.	Draco Electronics, LLC	U.S.A.	Wire harnesses and external cables for electronic products		16,625		16,625	-	60.00	22,597	4,388	2,633	Subsidiary
Suzhou Wanshih Electronic Element Co., Ltd.	Weicheng Electronic Element Limited	Hong Kong	Sales of electronic components, computers and peripheral products		4,137		4,137	-	100.00	(37,240)	(1,746)	-	Sub- subsidiary
Bright Master Co.,Ltd.	(Thailand) Wanshih Electronic Element Company Limited	Thailand	Sales of electronic components, computers and peripheral products		3,132		3,132	-	100.00	3,113	-	-	Sub- subsidiary
Bright Master Co.,Ltd.	(VIETNAM) Wanshih Electronic Element Company Limited	Vietnam	Sales of electronic components, computers and peripheral products		65,438		65,438	-	100.00	42,276	(11,638)	-	Sub- subsidiary
Data Lake Co., Ltd.	Willy Innovation Co., Ltd.	Taiwan	Leases of smart motorcycle	:	-		4,000	-	-	-	-	-	Note

Note: The Group disposed of the entire equity of Willy Innovation Co., Ltd. on February 23, 2023.

Information on investments in Mainland China

For the year ended December 31, 2023

Table 7

Unit: NTD thousands (Unless specified otherwise)

Amount remitted from Taiwan to Mainland China/

				Accumulated amount of remittance	Amount remitted	back to Taiwan	Acc	umulated amount of remittance			Investment income	Carrying amount	Accumulated amount of	
Investee Companies in			Methods of investments	from Taiwan to Mainland China	for the year ended De	ecember 31, 2023	_ fi	rom Taiwan to Mainland China	Net income (loss)	Ownership held directly or	(loss) recognized	of investments	investment income remittee	l back to
										indirectly by the			Taiwan as of December 31,	
Mainland China Suzhou Wanshih Electronic Element Co., Ltd.	Main scopes of business Manufacturing and sales of mini coaxial cable (main products are antenna, medical cable, automobile cable, electronic wire harness and external cable as well as SMT module)	Paid-in capital 520,584	(Note 1) (1)	as of January 1, 2023 \$ 210,353	Remitted to Mainland China \$	_	<u> </u>	as of January 1, 2023 210,353	of investee company (\$ 198)	Company 87.26	(Note 2) \$ 167 (2) \cdot B	\$ 329,762	\$ 197,318	Note
Suzhou Wanshih Optical Communication Co., Ltd.	SMT product processing and assembly	168,386	(2)A	103,479				103,479	3,558	87.26	3,105 (2) \ B	18,220	-	
Siyang Wanshih Electronic Element Co., Ltd.	Manufacturing of wire harnesses and external cables for electronic products	367,939	(2)B	335,589	,	-		335,589	(17,224)	87.26		796	-	
Suzhou Jiuhang Cable Technology Co., Ltd.	Wire design, R&D, production and sales (mainly producing various ultra-fine coaxial wires, ultrasonic wires, endoscope wires, high- temperature wires, and multi- core high-speed transmission lines)	17,996	(2)C						(1,279)	21.82	(320) (2) \cdot B	4,012	-	
Suzhou Wanying New Energy Technology Co., Ltd.	Design, development, and sales of accessories for charging connections of new energy vehicles	12,365	(2)D	-				-	(56)	49.86	(28) (2) \cdot B	6,892	-	
Dongguan Humen Wanshih Electronic Co., Ltd.	Manufacturing of wire harnesses and external cables	29,741	(2)E	-				-	1,575	53.29	839 (2) \ B	21,461	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 (Note 3)	Investment Commission of the Ministry of Economic Affairs	Investment ceiling in Mainland China according to provisions of Investment Commission of the Ministry of Economic Affairs (Note 4)
Wanshih Electronic Co., Ltd.	\$ 795,220	\$ 458,498	\$ -
		(US\$14,932 thousands)	

Note 1: The methods for engaging in investment in Mainland China are as follows:

- (1) Direct investment in Mainland China.
- (2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).
- A. Investment in Suzhou Wanshih Optical Communication Co., Ltd. through Suzhou Wanshih Electronic Element Co., Ltd.
- B. Investment in Siyang Wanshih Electronic Element Co., Ltd. through Suzhou Wanshih Electronic Element Co., Ltd.
- C. Investment in Suzhou Jiuhang Cable Technology Co., Ltd. through Suzhou Wanshih Electronic Element Co., Ltd.
- D. Investment in Suzhou Wanying New Energy Technology Co., Ltd. through Suzhou Wanshih Electronic Element Co., Ltd.
- E. Investment in Dongguan Humen Wanshih Electronic Co., Ltd. through Wanshih (H.K.) Electronic Co., Ltd.
- (3) Other methods.

Note 2: The investment income (loss) recognized in current period:

- (1) It should be indicated if the investee was still in the incorporation arrangement and had not yet any profit during this period.
- (2) The investment income (loss) were determined based on the following basis
- A. The financial statements were audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
- B. The financial statements were audited by the auditors of the parent company.
- C. Others.

Note 3: Due to the liquidation of the subsidiary in Mainland China, the accumulated amount of investment repatriated from Taiwan to Mainland China at the end of the period exceeds the approved investment amount by the Investment Commission of the Ministry of Economic Affairs.

Note 4: According to the revised "Principles for Reviewing Investment or Technical Cooperation in Mainland China" enacted on August 29, 2008, the Company is not required to set investment limits as it has obtained a certificate from the Industrial Development Bureau of the Ministry of Economic Affairs confirming compliance with the scope of operation headquarters. Note 5: Relevant figures in this table should be presented in New Taiwan Dollars.

List of major shareholders

December 31, 2023

Table 8

	Shares						
Name of major shareholders	Number of shares held	Shares Ratio					
Wonderful Hi-Tech Co., Ltd.	17,497,272	24.10%					
Asahi Communications Co., Ltd.	13,723,175	18.90%					
Fullconn Industry Inc.	5,000,000	6.88%					

Note 1: The major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares (including treasury stocks) that have completed delivery of non-physical registration on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company with the dematerialized registration completed may differ due to different calculation bases.

Note 2: If the information above is for the shares entrusted by shareholders to a trust, the aforesaid information shall be disclosed by the individual trust account opened by the trustees.

For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus the shares entrusted to the trust and with the right to make decisions on trust property, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.

Note 3: The total number of common shares that have completed the dematerialized registration is 72,584,549.



Chairman Lake Chang

