

Stock code: 3060



MIN AIK TECHNOLOGY CO., LTD.

2023

Annual Report

The Annual Report may be accessed on MOPS at <http://mops.twse.com.tw>

Dated: May 14, 2024

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V. Overseas Listings and Access to the Listing Information: None

VI. The Company's website: <http://www.minaik.com.tw>

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Ch1. Letter to Shareholders

Thank you to all of the Group's employees for their everlasting contribution over the years, and also to all shareholders for their long-term care and support.

【Summary of Operating Results and Profitability】

Given the inflation and lift rates in the post-epidemic era, the demand for non-essential products has been suppressed, and enterprises have tended to be more and more conservative toward their investment in information storage equipment. As a result, in 1H of 2023, the Company continued to face external unfavorable factors such as sluggish market demand and high inventory levels in the mid-stream and downstream supply chains. Since Q4 of 2023, the Company has engaged in the mass production of high-end HDDs and started to inject capital to the operating revenue therefor. The Company's consolidated operating revenue was NT\$2.656 billion in 2023, decreasing by 18% from 2022, and gross profit and operating profit decreased by 41% and 126%, respectively, and net profit after tax decreased by 642%, from 2022.

Unit: NT\$ thousand

Items of Operating Results	2023		2022		Change in proportion
Operating Income	2,655,528	100%	3,223,080	100%	(18)%
Operating Cost	2,432,649	92%	2,848,232	88%	(15)%
Gross Operating Profit	222,879	8%	374,848	12%	(41)%
Operating Expenses	439,933	16%	471,009	15%	(7)%
Operating Profit	(217,054)	(8)%	(96,161)	(3)%	(126)%
Non-operating Income and Expenses	4,914	0%	139,970	4%	(96)%
Net Profit Before Tax	(212,140)	(8)%	43,809	1%	(584)%
Income Tax Expenses	21,622	1%	23,244	1%	(7)%
Net Profit this Term	(233,762)	(9)%	20,565	0%	(1,237)%
Net Profit Attributable to the Owner of the Parent	(215,646)	(8)%	39,758	1%	(642)%

Analysis of Profitability	2023	2022
Return on assets (%)	(5.70)	0.23
Return on equity (%)	(8.68)	0.71
Ratio of pre-tax net income to total paid-in capital (%)	(15.42)	3.00
Net profit margin (%)	(8.80)	0.64
Earnings Per Share (NT\$)	(1.57)	0.29

【Future Development Strategies, Production and Sales Policies, and R&D Overview】

In 2024, the Company will continue to promote the adjustment of the production and sales portfolio and development of diversified business lines, as summarized as following:

1. Data storage business: Although the global HDD shipment in 2024 is expected to decline by about 5~8% from 2023, the data storage industry has accelerated its business development toward server applications in recent years. The Company's development of server-grade HDDs was certified by the customer in 2023, and the Company has started the mass production and shipping since Q4 of the same year. The product line consolidation and resource optimization that have not yet been transferred to high-end HDDs are expected to be completed in Q2 of 2024. The Company will continue to improve the profitability of the data storage business.
2. Optical components: Upon mass production of the optical galvanometer researched and developed by the Company in 2H of 2019, it has become one of the main sources of the Company's operating revenue in 2021. For the time being, the main products consist of home projectors and laser TVs, and are expanded to galvanometer mirrors for cinema projection equipment. In 2024, the Company will continue to develop galvo mirrors for large-size and micro-size projection equipment, and also continue to improve the process to reduce manufacturing costs, and further enhance the market share and earnings of the product lines.
3. Technology in the field of biomedicine: The characteristics of products in the field of biomedicine include long-term development period and stable demand. The Company has developed the field for several years. In 2023, some product lines implemented mass production; however, most of these products adopted the small-volume large-variety production model; therefore, it is not yet possible for them to inject significant operating revenue. The Company will continue to expand the development of medical consumables and molds, and manufacturing and assembly of parts and components, hoping to inject stable operating revenue and effectively improve the productivity utilization rate.
4. Smart manufacturing business: The Company's Automation Div. has undertaken multiple smart manufacturing projects contracted by the Ministry of Economic Affairs in recent years. The operating revenue grew in 2023 from 2022. In 2024, the Company's Automation Business Division will continue to assist in the process improvement of high-end HDDs, sprout long-term customers' machine customization, and focus on the development and promotion of standardized machine for medical purpose, hoping to inject momentum into the Company's diversified businesses.

It is impossible to successfully carry out transformation and business diversification immediately. Therefore, the Company will aim to achieve business sustainability, continue to optimize cost structure, exercise its core competence satisfactorily, and create higher value for all shareholders.

Chairman	Chia Kin Heng
Manager	Chia Kin Heng
Accounting Manager	Chen Yu Jhen

Ch2. Company Profile

I.Date of Establishment : October 3, 1979

II.Company Profile

- 1979 / 10 - Official incorporation of Min Aik Enterprise Ltd., based on capital amounting to NT\$2 million, to engage in general import and export business.
- 1986 / 09 - Capital increase by NT\$8 million.
- Obtained the agency to purchase machine tools and small household appliances on behalf of BLACK & DECKER in the territories of Taiwan.
- 1991 / 08 - Capital increase by NT\$2.5 million.
- Min Aik Enterprise Ltd. renamed as Min Aik Enterprise Co., Ltd.
- Allowance of the Company's employees to subscribe for the Company's shares.
- 1994 / 02 - Capital increase by NT\$12.5 million.
- Engagement in the trade of hard disk drive components.
- 1994 / 10 - Obtained the agency to purchase camera molds and components on behalf of MINOLTA in the territories of Taiwan.
- 1996 / 12 - Termination of the agency to purchase tools and appliances on behalf of BLACK & DECKER (as BLACK & DECKER established its own branch company in Taiwan).
- 1997 / 03 - Capital increase by NT\$55 million.
- 1997 / 05 - Incorporation of Min Aik Precision Industry Co., Ltd. to engage in production of HDD and molds.
- 1997 / 06 - Capital contribution to EXCEL INDUSTRIAL CO., LTD., NT\$9.96 million, namely, 99.6% of the equity.
- 1997 / 09 - Passed the ISO9001 quality certification for HDD.
- 1997 / 11 - Capital increase by NT\$104.5 million.
- Purchase of the production equipment and raw materials and supplies from the three companies Guang Chong Technology Co., Ltd., Cheng Sung Precision Industry Co., Ltd., and Min Aik Precision Industry Co., Ltd. to expand the production scale and engage in the production of HDD independently.
- 1998 / 07 - Capital increase by NT\$165.5 million, with the paid-in capital increase to NT\$350 million. Completion of public offering.
- 1999 / 02 - Set up a subsidiary in the USA for better customer service.

- 2000 / 05 - Capital reduction by NT\$100 million and cash capital increase by NT\$250 million. Paid-in capital increase by NT\$500 million.
- 2000 / 08 - Min Aik Enterprise Ltd. renamed as Min Aik Technology Co., Ltd.
- 2001 / 01 - Investment in Min Aik Precision Industrial (MAP) with NT\$38.5 million to launch into business diversity.
- 2001 / 02 - 11 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US\$5 million in order to invest in the factory engaged in assembly of HDD in Malaysia, thus reducing the production cost.
- 2001 / 06 - Recapitalization of capital surplus to increase paid-in capital by NT\$550 million.
- 2002 / 06 - Recapitalization of earnings and capital surplus to increase paid-in capital by NT\$679.5 million.
- 2002 / 07 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US\$300,000.
- 2002 / 08 - Capital increase by NT\$100 million, with the paid-in capital increase to NT\$779.5 million.
- 2002 / 08 - Increase in investment in Min Aik Precision Industrial (MAP) with NT\$63.8 million.
- 2002 / 11 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US\$250,000.
- 2003 / 01 - Investment in Min Aik Precision Industrial (MAP) with NT\$14,175,000.
- 2003 / 04 - Listed on the TWSE on April 21, 2003.
- 2003 / 06 - Investment in MIN AIK PRECISION INDUSTRIAL CO., LTD. with NT\$140 million. (Min Aik Precision Industrial (MAP) renamed as MIN AIK PRECISION INDUSTRIAL CO., LTD.)
- 2003 / 07 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US\$730,000.
- 2004 / 04 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US\$3.3 million.
- 2004 / 05 - Investment in INTERNATIONAL PRECISION INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1.8 million.
- 2004 / 11 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US\$200,000.
- 2004 / 12 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US\$1.15 million.
- 2005 / 01 - Investment in M&J TECHNOLOGY CO., LTD. with US\$250,000.

- 2005 / 01 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US\$290,000.
- 2005 / 02 - Investment in M&J TECHNOLOGY CO., LTD. with US\$400,000.
- 2005 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US\$1.4 million.
- 2005 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US\$375,000.
- 2005 / 04 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US\$1 million.
- 2005 / 05 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US\$180,000.
- 2005 / 05 - Investment in M&J TECHNOLOGY CO., LTD. with US\$650,000.
- 2005 / 10 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US\$1 million.
- 2005 / 11 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US\$1 million.
- 2005 / 12 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$250,000.
- 2006 / 01 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US\$575,000.
- 2006 / 01 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$1.5 million.
- 2006 / 02 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$500,000.
- 2006 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1 million.
- 2006 / 03 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$600,000.
- 2006 / 03 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$1.3 million.
- 2006 / 05 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$850,000.

- 2006 / 11 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$1 million.
- 2006 / 12 - Approved by the Securities and Futures Bureau to issue convertible corporate bonds amounting to NT\$650 million.
- 2006 / 12 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$1.5 million.
- 2007 / 01 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$2 million.
- 2007 / 02 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$2.5 million.
- 2007 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$2 million.
- 2007 / 03 - The subsidiary, MIN AIK PRECISION INDUSTRIAL CO., LTD., and MAP TECHNOLOGY HOLDINGS LTD. swapped common shares at 1:0.52486528117.
- 2007 / 03 - Disposal of INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US\$800,000.
- 2007 / 03 - Investment in ERGOTRON, INC. with US\$800,000.
- 2007 / 06 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1 million.
- 2007 / 07 - The subsidiary, M&J TECHNOLOGY CO., LTD., and MAP TECHNOLOGY HOLDINGS LTD. swapped common shares at 1:7.727380.
- 2007 / 07 - The subsidiary, ART CRAFT TECHNOLOGY PTE. LTD., and MAP TECHNOLOGY HOLDINGS LTD. swapped common shares at 1:3.83961111.
- 2007 / 10 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1 million.
- 2007 / 10 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$800,000.
- 2007 / 10 - Investment in HDDisk Flix with US\$250,000.
- 2007 / 11 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US\$2.75 million.
- 2007 / 12 - Investment in HDDisk Flix with US\$250,000.

- 2007 / 12 - Disposal of INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US\$3 million.
- 2008 / 01 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US\$1 million.
- 2008 / 01 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1 million.
- 2008 / 01 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US\$1,496,865.
- 2008 / 02 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US\$1 million.
- 2008 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US\$1 million.
- 2008 / 05 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1 million.
- 2008 / 05 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US\$1 million.
- 2008 / 06 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1 million.
- 2008 / 06 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US\$1.25 million.
- 2008 / 06 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1 million.
- 2008 / 07 - The Company's subsidiary, MAP TECHNOLOGY HOLDINGS LTD., and the Company's investee in Singapore, Jurong Technologies Industrial Corporation Ltd., swapped shares. The shareholdings decreased by 40%. Since Q3 of 2008, MAP TECHNOLOGY HOLDINGS LTD. has been changed from a subsidiary to an investee and, therefore, was excluded from the entities included in the Company's consolidated financial statements.
- 2008 / 08 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1 million.

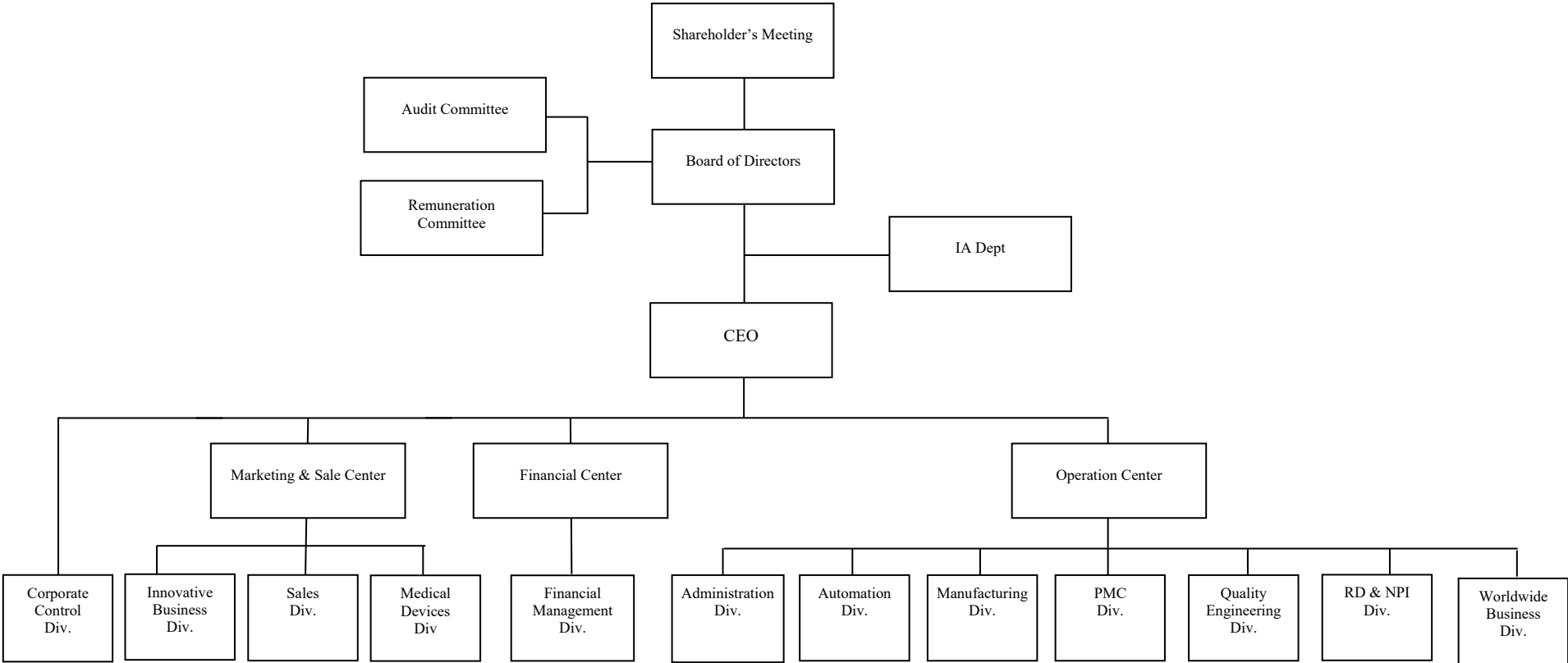
- 2008 / 09 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US\$1.2 million.
- 2009 / 02 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US\$1.5 million.
- 2009 / 03 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$500,000.
- 2009 / 04 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US\$1,823,530.
- 2009 / 04 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$500,000.
- 2009 / 05 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$1 million.
- 2009 / 06 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$1 million.
- 2009 / 07 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$1 million.
- 2009 / 08 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$1 million.
- 2009 / 10 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$500,000.
- 2009 / 10 - Approved by the Securities and Futures Bureau to issue convertible corporate bonds amounting to NT\$750 million.
- 2009 / 10 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$1.5 million.
- 2009 / 11 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$750,000.
- 2009 / 12 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US\$4.8 million.

- 2009 / 12 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$1 million.
- 2010 / 02 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$750,000.
- 2010 / 07 - Investment in ARCHERS INC. with US\$2 million to launch into the thin-film solar cells equipment industry.
- 2010 / 10 - Investment in DAS TECHNOLOGY CO., LTD. with NT\$62,628,880.
- 2010 / 12 - The Company disposed of all of its shares in ERGOTRON, INC. due to the merger and acquisition of ERGOTRON, INC. by NORTEK, INC.
- 2011 / 01 - Investment in ARCHERS INC. with US\$1.5 million.
- 2011 / 01 - Investment in LIGHT BLUE OPTICS LTD. with US\$3,000,001.17 to launch into the micro-projector industry.
- 2011 / 02 - Investment in ABLYTEK CO., LTD. with NT\$52 million to launch into the solar energy industry.
- 2011 / 05 - Investment in LIGHT BLUE OPTICS LTD. with US\$1,133,006.19.
- 2011 / 05 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US\$1.8 million.
- 2011 / 05 - Investment in MAP TECHNOLOGY HOLDINGS LTD. with NT\$5,154,593.9.
- 2011 / 07 - Investment in ABLYTEK CO., LTD. with NT\$168,727,000.
- 2011 / 09 - Approved by the Securities and Futures Bureau to issue convertible corporate bonds amounting to NT\$647 million.
- 2011 / 10 - Investment in LIGHT BLUE OPTICS LTD. with US\$867,004.74.
- 2011 / 10 - MAP TECHNOLOGY HOLDINGS PTE. LTD. decreased its capital, and refunded to shareholders the stock payment in the form of 40,900,000 shares it held in MIN AIK PRECISION INDUSTRIAL CO., LTD.. As a result, the Company acquired 19,058,510 shares of MIN AIK PRECISION INDUSTRIAL CO., LTD., i.e., 46.6% shareholding.
- 2012 / 03 - Investment in GOOD MASTER HOLDING CO., LTD. with US\$765,000 and indirect investment in Ming Hung Technology Co., Ltd.
- 2012 / 05 - Investment in GREEN FAR COMPANY LTD. with NT\$1.8 million to engage in solar photovoltaic energy generation systems.
- 2012 / 07 - Investment in ARCHERS INC. with US\$1 million.
- 2012 / 12 - Investment in Ying Shiang Technology Co., Ltd. in private placement amounting to NT\$96 million to plan a strategic alliance.
- 2013 / 04 - Investment in DAS TECHNOLOGY CO., LTD. with NT\$72.24 million, increasing the shareholding ratio to 47.57%.

- 2013 / 05 - Investment in GREEN FAR COMPANY LTD. with NT\$200,000 to engage in solar photovoltaic energy generation systems, increasing the shareholding ratio to 100%.
- 2014 / 06 - Set up the Audit Committee to act professionally and objectively, exercise its powers pursuant to laws, and propose recommendations to the Board of Directors as the reference for decision making.
- 2017 / 01 - The Group's organizational framework was adjusted. Accordingly, MU-TECHNOLOGY PTE. LTD. was invested in by GOOD MASTER HOLDING CO., LTD., replacing MIN AIK TECHNOLOGY (THAILAND) CO., LTD.
- 2017 / 02 - Investment in GREEN FAR COMPANY LTD. with NT\$10 million to engage in solar photovoltaic energy generation systems.
- 2017 / 08 - Cash capital decrease by NT\$348,403,970 and paid-in capital decrease as NT\$1,393,615,900.
- 2017 / 08 - Cash capital decrease of SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. by US\$8 million.
- 2018 / 06 - 11 - Investment in NEW PRESTIGE GLOBAL LIMITED with US\$2,010,000 and indirect investment in MIN AIK AUTOMATION (SUZHOU) CO., LTD. with US\$2 million to develop the automated equipment business in the territories of mainland China.
- 2018 / 07 - Investment in GEMINNOVATIVE TECHNOLOGY CO., LTD. with NT\$5 million to develop non-HDD business.
- 2018 / 08 - Investment in TASCENT, INC. with US\$4.5 million to launch into the biometric industry as a strategic alliance.
- 2019 / 04 - Investment in NEW PRESTIGE GLOBAL LIMITED and indirect investment in MIN AIK AUTOMATION (SUZHOU) CO., LTD. with US\$1 million to develop automated equipment business in the territories of mainland China.
- 2020 / 03 - Cancelled repurchased shares decreasing paid-in capital to NT\$1,375,631,900.
- 2021 / 09 - Upon consolidation of the Group's organizational framework, SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. issued new shares amounting to US\$3,010,000, as consideration for the consolidation of NEW PRESTIGE GLOBAL LIMITED.
- 2022 / 11 - SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. reduced the capital to cover the accumulated deficit amounting to US\$5,265,000.
- 2023/12 - MIN AIK TECHNOLOGY (SUZHOU) CO., Ltd. and MIN AIK AUTOMATION (SUZHOU) CO., LTD. were merged. MIN AIK TECHNOLOGY (SUZHOU) CO., Ltd. is the surviving company, and MIN AIK AUTOMATION (SUZHOU) CO., LTD. is the eliminated company.

Ch 3. Corporate Governance Report

- I. Organization
 - (I) Organizational Structure



(II) Business Operations by Major Departments

Main Departments	Principal Business
IA Dept	Assistance in the establishment and implementation of the Company's internal control system and operation procedures. Audit on whether the internal control and operating procedure continue to operate effectively.
Corporate Control Div.	Assistance in the planning and adoption of the Company's systems and procedures. Compilation of information regarding the Company's business performance for reference by the management, and suggestions about improvement. Participation in planning, promotion, and execution of the Company's strategies and policies.
Innovative Business Div.	Responsible for the planning and marketing of forward-looking and innovative products.
Sales Div.	Forecast and control over business goals. Arrangement of shipment and delivery. Development of new customers and provision of services to existing customers.
Medical Devices Div	Responsible for the medical device business development.
Financial Management Div.	Control and allocation of funds. Business reports and financial analysis. Preparation of accounting and financial reports. Report on tax information. Direction and review on preparation and execution of the budget. Shareholders services.
Administration Div.	Responsible for HR planning, educational training, and performance appraisal. Management of general affairs, public relations, and maintenance of assets. Execution labor, safety, and health planning. Execution of the information system development goals and strategies, and consolidation of system development and management.

Main Departments	Principal Business
Automation Div.	Responsible for the automated business development. Development, design, and manufacturing of automated equipment.
Manufacturing Div.	Improvement of process capability, planning, execution of the production capacity improvement, and reduction of the defective rate. Control over production costs. Production management and process control. Implementation, manufacturing, maintenance, and care of molds.
PMC Div.	Coordination of production plans and orders, and control and follow-up on production progress. Procurement operations, such as price inquiry, comparison, and negotiation on raw materials and supplies.
Quality Engineering Div.	Establishment and promotion of the Company's internal quality operating system. IQC, QQC, and supplier quality system audit on process and products.
RD & NPI Div.	Execution of new product R&D goals and plans. Responsible for new product structure design and sample presentation, and establishment of basic consumption and changes of design.
Worldwide Business Div.	Responsible for monitoring and managing various investees' operations and achievement of production goals.

II. Background information of the Director, President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branch offices

(I) Information About Directors

Baseline date: May 14, 2024 ; Unit: Shares

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Office Term	Date first Elected	Shareholding when Elected		Current shareholding		Shareholdings of spouse and underage children		Shares held in the name of others		Major Work Experience (educational background)	Concurrent positions at the Company and other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
Chairman	Singapore	Chia Kin Heng	M 70	2023.06.15	3 years	2000.07.22	2,092,572	1.52%	2,014,572	1.46%	325,000	0.24%	0	0	Nanyang Business School, Nanyang Technological University Senior Procurement Deputy Manager of BLACK & DECKER, Singapore Senior Manager of Materials Department, MINISCRIBE CO., LTD. Senior Materials Manager of LEICA INSTRUMENT PTE. LTD. Senior Assistant Vice President of Materials Department, WESTERN DIGITAL (S)PTE. LTD. Vice President of Far East Region, CORNER CO. LTD. Materials and Production Planning Vice President of MAXTOR PERIPHERALS (S) PTE. LTD.	Director, MIN AIK TECHNOLOGY USA INC. Director, MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. Director, MIN AIK TECHNOLOGY (M) SDN. BHD. Chairman, GEMINNOVATIVE TECHNOLOGY CO., LTD. Chairman, GREEN FAR COMPANY LTD. Director, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. Director, MATC TECHNOLOGY MALAYSIA SDN. BHD. Director, MAP TECHNOLOGY HOLDINGS PTE. LTD. Director, Map Plastics Pte. Ltd.(Singapore) Director, M&J TECHNOLOGIES CO., LTD. Chairman, MIN AIK PRECISION INDUSTRIAL CO., LTD. Director, Archers(Shanghai)Systems Limited. Director, Archers(Suzhou)Systems Limited.	None	None	None	There are few peers in the industry which the Company engages in. In consideration of the industrial characteristics, the Company's Chairman and President roles are assumed by the same person and establish four independent director positions in response.
Juridical Person Director	R.O.C.	Hui Yi Investment & Consulting Company	-	2023.06.15	3 years	2023.06.15	19,000	0.01%	19,000	0.01%	0	0	0	0	-	-	None	None	None	None
Representative of Juridical Person Director	R.O.C.	Yang Chun Yi	M 42	2023.06.15	3 years	2020.06.10	2,808,000	2.04%	2,208,000	2.04%	0	0	0	0	Department of Law, Chinese Culture University Chairman, United Fiber Optic Communication Inc Chairman, Jhen Vei Electronic Co., Ltd. Chairman, UNIFORCE Technology Corporation Chairman, Jhen Vei Electronic Co., Ltd. (Huai'an, China)	Chairman, Health & Promise Investment Inc. Chairman, Hui Yi Investment & Consulting Company Chairman, GUOWEITANG BIOTECHNOLOGY CO., LTD. Chairman, THE DIAMOND EYES ENTERTAINMENT CO., LTD. Director, Bo Ju Marketing Co., Ltd.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Office Term	Date first Elected	Shareholding when Elected		Current shareholding		Shareholdings of spouse and underage children		Shares held in the name of others		Major Work Experience (educational background)	Concurrent positions at the Company and other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
Independent Director	R.O.C.	Chen Yung Lin	M 71	2023.06.15	3 years	2002.05.28	0	0	0	0	0	0	0	0	MBA, Baylor University Auditor, Deloitte Taiwan Senior Auditor, PricewaterhouseCoopers Taiwan (PwC Taiwan) Partner, Guangxin CPA Office Director and Supervisor, Taipei City CPA Association Supervisor, MetaTech (AP) Inc. Supervisor, CPA Associations, R.O.C. (Taiwan)	Partner, RSM Taiwan	None	None	None	None
Independent Director	R.O.C.	Li Chih Feng	M 49	2023.06.15	3 years	2014.06.18	0	0	0	0	0	0	0	0	PhD in Law, Department of Risk Management and Insurance of National Chengchi University Attorney-at-Law, Hongsheng Maritime and Business Law Office Attorney-at-Law, AON Legal Manager, HSBC Life (International) Limited Associate Professor, Department of Financial and Economic Law of Fu Jen Catholic University	Professor, Department of Law of Soochow University Independent Director, Mortech Corporation; Member, Audit Committee; Member, Remuneration Committee Arbitrator, Chinese Arbitration Association, Taipei Member, Financial Ombudsman Institution	None	None	None	None
Independent Director	R.O.C.	Lu Yeh Senms	F 64	2023.06.15	3 years	2014.06.18	308,000	0.22%	308,000	0.22%	0	0	0	0	PhD in Business, Graduate Institute of International Business Administration of Chinese Culture University Manager, Ming Yuan Certified Public Accountants Financial Manager, Ming Yuan Business Management Consulting Co., Ltd. Lecturer, Department of International Business Administration of Chinese Culture University	Assistant Professor, Department of International Business Administration of Chinese Culture University	None	None	None	None
Independent Director	R.O.C.	Chan Chin Ping	M 50	2023.06.15	3 years	2023.06.15	0	0	0	0	0	0	0	0	Master of Science in Materials Science and Engineering, National Taipei University of Technology Engineer/Team Lead, ULTran Technology & Service Co. Section Chief/Senior Engineer, Toppan Chunghwa Electronics Co., Ltd.	Chief Engineer, Toppan Chunghwa Electronics Co., Ltd.	None	None	None	None

1. Major Shareholders of Institutional Shareholders

Baseline date: May 14, 2024

Institutional Shareholders	Major Shareholders of Institutional Shareholders
Hui Yi Investment & Consulting Company	Yang Chun Yi (55.50%)

2. Disclosure of Information Regarding Directors' Expertise and Independent Directors' Independence:

Criteria Name	Professional qualifications and experience	Independence Criteria	Name of other Taiwanese Companies currently Serves as an independent Director
Chia Kin Heng Chairman	<ul style="list-style-type: none"> ● Graduate of the Nanyang Business School, Nanyang Technological University. ● Former Positions: Senior Procurement Deputy Manager of BLACK & DECKER, Singapore; Senior Manager of the Materials Department, MINISCRIBE CO., LTD.; Senior Materials Manager of LEICA INSTRUMENT PTE. LTD.; Senior Assistant Vice President, of the Materials Department, WESTERN DIGITAL (S)PTE. LTD.; Vice President of Far East Region, CORNER CO. LTD.; Materials and Production Planning Vice President of MAXTOR PERIPHERALS (S) PTE. LTD. ● Current Positions: Chairman and CEO of the Company, Chairman of the Company's Group, and Representative of Director of MIN AIK PRECISION INDUSTRIAL CO., LTD. 	Not been a person of any conditions defined in Article 30 of the Company Act.	0
Yang Chun Yi Director	<ul style="list-style-type: none"> ● Graduate of the Department of Law, Chinese Culture University. ● Former Position: Assistant, CHENG & ASSOCIATES ATTORNEYS AT LAW ● Current Positions: Chairman, Yon Yun Investment Co., Ltd.; Chairman, Hui Yi Investment & Consulting Company; Chairman, GUOWEITANG BIOTECHNOLOGY CO., LTD.; Chairman, THE DIAMOND EYES ENTERTAINMENT CO., LTD.; Director, Bo Ju Marketing Co., Ltd. 		0

Name \ Criteria	Professional qualifications and experience	Independence Criteria	Name of other Taiwanese Companies currently Serves as an independent Director
Chen Yung Lin Independent Director	<ul style="list-style-type: none"> ● Graduate of Baylor University, Texas, MBA ● Former Positions: Auditor, Deloitte Taiwan; Senior Auditor, PricewaterhouseCoopers Taiwan (PwC Taiwan); Partner, Guangxin CPA Office; Director and Supervisor, Taipei City CPA Association; Supervisor, MetaTech (AP) Inc.; Supervisor, CPA Associations, R.O.C. (Taiwan) ● Current Position: Partner, RSM Taiwan 	<ol style="list-style-type: none"> 1. None of them or their spouses or relatives within the second degree of kinship is an employee of the Company or any of the Company's affiliates. 2. None of them or their spouses or relatives within the second degree of kinship is a director or supervisor of the Company or any of the Company's affiliates. 3. None of them or their spouses or underage children, and those holding shares in the name of a third party holds more than 1% of the Company's shares or is one of the Company's top 10 natural-person shareholders. Independent Director Lu Yeh Senms, who holds 0.22% of the Company's shares, is not one of the Company's top 10 natural-person shareholders. The other three independent directors do not hold any shares of the Company. 	0
Li Chih Feng Independent Director	<ul style="list-style-type: none"> ● Graduate of the Department of Risk Management and Insurance Law Group of National Chengchi University, Ph.D. ● Former Positions: Attorney-at-Law, Hongsheng Maritime and Business Law Office; Attorney-at-Law, AON; Legal Manager, HSBC Life (International) Limited; Associate Professor, Department of Financial and Economic Law of Fu Jen Catholic University ● Current Positions: Professor, Department of Law of Soochow University; Independent Director, Mortech Corporation, Member, Audit Committee, Member Remuneration Committee; Arbitrator, Chinese Arbitration Association, Taipei; Member, Financial Ombudsman Institution 	<ol style="list-style-type: none"> 4. Not a director, supervisor, or employee of any institutional shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or 3. appoints director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of The Company Act. 5. Not a director, supervisor, or employee of any other company that controls directorship in the company or where more than half of total voting rights are controlled by a single party. 6. Does not assume concurrent duty as Chairman, President, or equivalent role, and is not a director, supervisor, or employee of another company or institution owned by a spouse. 7. Not a director, supervisor, officer, or shareholder holding 5% or more of the total outstanding shares of a specified company or institution that has a financial or business relationship with the Company. 	1
Lu Yeh Senms Independent Director	<ul style="list-style-type: none"> ● Graduate of the Graduate Institute of International Business Administration of Chinese Culture University, Ph.D. ● Former Positions: Manager, Ming Yuan Certified Public Accountants; Financial Manager, Ming Yuan Business Management Consulting Co., Ltd. ● Current Position: Assistant Professor, Department of International Business Administration of Chinese Culture University 	<ol style="list-style-type: none"> 8. Professional individual or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the most recent two years receiving cumulative compensation not exceeding NT\$500,000, or a spouse thereof; none of the four independent directors has provided auditing services or received compensation for said services exceeding NT\$0 in the most recent two years. 	0
Chan Chin Ping Independent Director	<ul style="list-style-type: none"> ● Graduate of the Master of Science in Materials Science and Engineering, National Taipei University of Technology. ● Former Positions: Engineer/Team Lead, ULTran Technology & Service Co. ● Current Position: Chief Engineer, Toppan Chunghwa Electronics Co., Ltd. 	<ol style="list-style-type: none"> 9. Not a relative within the second degree of kinship to any other director of the company. 10. Not been a person of any conditions defined in Article 30 of the Company Act. 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act. 	0

3. Diversity and Independence of Board of Directors:

The Company’s “Procedure for Election of Directors” sets forth the Board member diversity policy to strengthen the Board of Directors’ functions. The current Board of Directors consists of seven directors (including three directors and four independent directors) with expertise in the fields such as commerce, financial accounting, law, and the Company’s industry. The Board members include R.O.C. and Singapore nationals, and none of them is a spouse or relative within the second degree of kinship of each other. The directors with an employee ID account for 14% and female directors for 14%. One independent director has held the position for 1 year, two independent directors have held the position for 10 years, one for 22 years. Two directors are 65-75 years old, one director is 55-65 years old, two directors are 45-55 years old, and one director is 35-45 years old. The average age of all directors is 58 years old.

Diversity Policy and Management Goals Enforced by the Company’s Board Members are Stated as Following:

Diversity Items Name of Directors	Gender / Age	Nationality	Tenure of Independent Director	Business judgment.	Accounting and financial analysis.	Business management	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making	Industrial Experience/ Professional Abilities
Chia Kin Heng Chairman	M 70	Singapore	-	✓	✓	✓	✓	✓	✓	✓	✓	HDD and peripheral industry
Yang Chun Yi Director	M 42	R.O.C.	-	✓		✓	✓	✓	✓	✓	✓	Electronics industry
Chen Yung Lin Independent Director	M 71	R.O.C.	22	✓	✓	✓	✓		✓	✓	✓	Financial accounting
Li Chih Feng Independent Director	M 49	R.O.C.	10	✓		✓	✓		✓	✓	✓	Law
Lu Yeh Senms Independent Director	F 64	R.O.C.	10	✓	✓	✓	✓		✓	✓	✓	Financial accounting
Chan Chin Ping Independent Director	M 50	R.O.C.	1	✓		✓	✓	✓	✓	✓	✓	Electronics industry

Diversity items	Specific management objectives	Current Status
Nationality	At least two nationalities	✓
Gender	Include at least one female director	✓
Expertise or Background	At least two of them have an industrial background.	✓
	At least one of them is qualified as a CPA.	✓
	At least one of them is qualified as an attorney-at-law.	✓

(II) President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

Baseline date: May 14, 2024 ; Unit: Shares

Title	Nationality	Name	Gender	Date of Appointment (election)	Number of shares held		Shares Currently Held by Spouse & Minors		Shares held in the name of others		Major work experience (educational background)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
CEO	Singapore	Chia Kin Heng	M	1998.02.12	2,014,572	1.46%	325,000	0.24%	0	0	Nanyang Business School, Nanyang Technological University Senior Procurement Deputy Manager of BLACK & DECKER, Singapore Senior Manager of Materials Department, MINISCRIBE CO., LTD. Senior Materials Manager of LEICA INSTRUMENT PTE. LTD. Senior Assistant Vice President of Materials Department, WESTERN DIGITAL (S)PTE. LTD. Vice President of Far East Region, CORNER CO. LTD. Materials and Production Planning Vice President of MAXTOR PERIPHERALS (S) PTE. LTD.	Director, MIN AIK TECHNOLOGY USA INC. Director, MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. Director, MIN AIK TECHNOLOGY (M) SDN. BHD. Chairman, GEMINNOVATIVE TECHNOLOGY CO., LTD. Chairman, GREEN FAR COMPANY LTD. Director, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. Director, MATC TECHNOLOGY MALAYSIA SDN. BHD. Director, MAP TECHNOLOGY HOLDINGS PTE. LTD. Director, Map Plastics Pte. Ltd.(Singapore) Director, M&J TECHNOLOGIES CO., LTD. Chairman, MIN AIK PRECISION INDUSTRIAL CO., LTD. Director, Archers (Shanghai) Systems Limited. Director, Archers (Suzhou) Systems Limited.	None	None	None	There are few peers in the industry which the Company engages in. In consideration of the industrial characteristics, the Company's Chairman and President roles are assumed by the same person and establish four independent director positions in response.

Title	Nationality	Name	Gender	Date of Appointment (election)	Number of shares held		Shares Currently Held by Spouse & Minors		Shares held in the name of others		Major work experience (educational background)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
Chief Operating Officer	R.O.C.	Yang Hung Jen	M	2013.07.01	286,000	0.21%	0	0	0	0	Graduate Institute of Technology Management, Fu Jen Catholic University Biotechnology Engineer, EVERLIGHT ELECTRONICS Assistant Vice President of the Quality Engineering Division, MIN AIK TECHNOLOGY CO., LTD. R&D Chief Engineering Senior Assistant Vice President of MIN AIK TECHNOLOGY CO., LTD.	Director, MIN AIK TECHNOLOGY (M) SDN. BHD. Director, MIN AIK TECHNOLOGY (THAILAND) CO., LTD. Director, MU-TECHNOLOGY PTE. LTD. Director, MU TECHNOLOGY SDN. BHD. Representative of Director, GREEN FAR COMPANY LTD. Supervisor, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. Representative of Director, MIN AIK PRECISION INDUSTRIAL CO., LTD	None	None	None	None
Deputy Chief Operating Officer	R.O.C.	Sung Tsan Yung	M	2013.07.01	80,762	0.06%	492	0.0004%	0	0	Department of Mechanical Engineering, National Lotung Industrial Vocational High School Production Supervisor, Songhai Mold & Plastic Co., Ltd. Section Chief, Hongjun Precision Industry Co., Ltd. Assistant Vice President of the Manufacturing Department, MIN AIK TECHNOLOGY CO., LTD.	Director, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	None	None	None	None
NPI Director	R.O.C.	Tsai Chen Shan	M	2014.09.01	0	0	0	0	0	0	Department of Power Vehicles and Systems Engineering, CCIT, NDU Senior NPI Director, MIN AIK TECHNOLOGY CO., LTD.	Director, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	None	None	None	None
RD Director	R.O.C.	Lin Ying Huang	M	2015.02.01	9,706	0.007%	0	0	0	0	Department of Electrical and Control Engineering, National Yang Ming Chiao Tung University Manager of the R&D Department, Argosy Research Inc. Senior RD Director, MIN AIK TECHNOLOGY CO., LTD.	None	None	None	None	None

Title	Nationality	Name	Gender	Date of Appointment (election)	Number of shares held		Shares Currently Held by Spouse & Minors		Shares held in the name of others		Major work experience (educational background)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
China Plant, Managing Director	R.O.C.	Wang Yao Hung	M	2017.07.01	12,423	0.009%	0	0	0	0	Department of Electrical Engineering, Lughwa University of Science and Technology QA Section Chief, Guang Chong Technology Co., Ltd. QA Manager, MIN AIK TECHNOLOGY CO., LTD. Factory Manager, MIN AIK TECHNOLOGY (M) SDN. BHD. Assistant Vice President, MIN AIK (DONGGUAN) TECHNOLOGY CO., LTD. Factory Manager, Amould Plastic Technologies (Suzhou) Co., Ltd.	Factory Manager, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	None	None	None	None
Innovative Business Director	R.O.C.	Yeh Wei Ting	M	2020.04.01	0	0	0	0	0	0	University of North Texas MBA-Marketing MS-Finance Project Manager, HANK CONNECTION INDUSTRIAL CO., LTD. Senior Manager, MIN AIK TECHNOLOGY CO., LTD.	None	None	None	None	None
Financial Management Division, Director	R.O.C.	Sun Te Wen	M	2019.02.01	130,000	0.09%	0	0	0	0	Department of Accounting, National Taiwan University Senior Specialist, Tax Department, PricewaterhouseCoopers Taiwan (PwC Taiwan) Accountant, SYNOPSIS Senior Specialist, Compal Communications, Inc. Manager, Accounting Department, BUWON PRECISION SCIENCES CO., LTD. Manager, Accounting Department, MIN AIK TECHNOLOGY CO., LTD.	Representative of Director, GREEN FAR COMPANY LTD. Representative of Director, GEMINNOVATIVE TECHNOLOGY CO., LTD. Representative of Director, MIN AIK PRECISION INDUSTRIAL CO., LTD Representative of Director, DAS TECHNOLOGY CO., LTD. Representative of Director, ADVANCED METER INC.	None	None	None	None

Title	Nationality	Name	Gender	Date of Appointment (election)	Number of shares held		Shares Currently Held by Spouse & Minors		Shares held in the name of others		Major work experience (educational background)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
Accounting Director	R.O.C.	Chen Yu Jhen	F	2014.09.01	12,848	0.009%	0	0	0	0	Department of Accounting, Ming Chuan University Auditor, LB ACCOUNTING & TAX SERVICE Senior Manager, Accounting Department, MIN AIK TECHNOLOGY CO., LTD.	Representative of Supervisor, GREEN FAR COMPANY LTD. Representative of Supervisor, GEMINNOVATIVE TECHNOLOGY CO., LTD.	None	None	None	None

III. Compensation to Directors, President, and Vice Presidents in the Most Recent Year

(I) Compensation Paid to Directors

Compensation to Directors (including independent directors)

Unit: NT\$ thousand

Title	Name	Remuneration Paid to Directors								Sum of A, B, C and D as percentage of after-tax net income		Relevant Remuneration Received by Directors Who are Also Employees								Sum of A, B, C, D, E, F and G as percentage of after-tax net income		Compensation From Investees Other Than Subsidiaries
		Compensation (A)		Pension upon retirement (B)		Director remuneration (C)		Service Expenses (D)				Base Compensation, Bonuses, and Allowances (E) (Note1)		Pension upon retirement (F)		Employee remuneration (G)						
		The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company		Consolidated subsidiaries		The Company	Consolidated subsidiaries			
Chairman	Chia Kin Heng	960	960	0	0	0	0	6	6	966 (0.45)%	966 (0.45)%	13,960	13,960	0	0	0	0	0	0	14,926 (6.92)%	14,926 (6.92)%	3,003
Juridical Person Director (Note2)	Hui Yi Investment & Consulting Company	390	390	0	0	0	0	0	0	390 (0.18)%	390 (0.18)%	0	0	0	0	0	0	0	0	390 (0.18)%	390 (0.18)%	None
Representative of Juridical Person Director (Note2)	Yang Chun Yi	0	0	0	0	0	0	6	6	6 0%	6 0%	0	0	0	0	0	0	0	0	6 0%	6 0%	None
Director (Note3)	Koh Soe Khon	330	330	0	0	0	0	0	0	330 (0.15)%	330 (0.15)%	0	0	0	0	0	0	0	0	330 (0.15)%	330 (0.15)%	None
Director (Note3)	Yang Chun Yi	330	330	0	0	0	0	0	0	330 (0.15)%	330 (0.15)%	0	0	0	0	0	0	0	0	330 (0.15)%	330 (0.15)%	None
Juridical Person Director (Note3)	Zhen-Long Investment Co., Ltd.	330	330	0	0	0	0	0	0	330 (0.15)%	330 (0.15)%	0	0	0	0	0	0	0	0	330 (0.15)%	330 (0.15)%	None
Representative of Juridical Person Director (Note3)	Chang Lung Ken	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	1,215
Director (Note2、4)	Wang Chen Huan	390	390	0	0	0	0	6	6	396 (0.18)%	396 (0.18)%	0	0	0	0	0	0	0	0	396 (0.18)%	396 (0.18)%	None

Independent Director	Chen Yung Lin	840	840	0	0	0	0	6	6	846 (0.39)%	846 (0.39)%	0	0	0	0	0	0	0	0	846 (0.39)%	846 (0.39)%	None
Independent Director	Li Chih Feng	840	840	0	0	0	0	6	6	846 (0.39)%	846 (0.39)%	0	0	0	0	0	0	0	0	846 (0.39)%	846 (0.39)%	None
Independent Director	Lu Yeh Senms	840	840	0	0	0	0	3	3	843 (0.39)%	843 (0.39)%	0	0	0	0	0	0	0	0	843 (0.39)%	843 (0.39)%	None
Independent Director (Note2)	Chan Chin Ping	455	455	0	0	0	0	6	6	461 (0.21)%	461 (0.21)%	0	0	0	0	0	0	0	0	461 (0.21)%	461 (0.21)%	None

1. Please explain the policy, system, standards, and structure by which independent director remuneration is paid, and association between the amount paid and independent directors' responsibilities, risks, and time committed:

- (1) The compensation to independent directors is paid in accordance with the Company's "Regulations Governing Payment of Compensation to Directors and Functional Committee Members".
- (2) The remuneration to independent directors is paid subject to their attendance rate and contribution to the Company's business.
- (3) Monthly remuneration to independent directors.

2. Compensation received by directors for providing services (e.g., consultancy services without the title of an employee in the parent company/all companies included in the financial statements/investees) in the most recent year except those disclosed in the above table: None.

Note1: Including salary, bonus, fuel expenses. And other benefits.

Note2: Newly elected on June 15, 2023.

Note3: Dismissed on June 15, 2023.

Note4: Resignation on May 13, 2024.

Compensation Paid to the President and Vice Presidents

Remuneration Paid to Presidents and Vice Presidents

Unit: NT\$ thousand

Title	Name	Salary (A)		Pension upon retirement (B)		Bonuses & Allowance Paid (C) Note		Amount of Employee remuneration (D)				Sum of A, B, C and D as percentage of after-tax net income		Compensation from investees other than subsidiaries
		The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company		Consolidated subsidiaries		The Company	Consolidated subsidiaries	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Chia Kin Heng	12,198	12,198	0	0	1,762	1,762	0	0	0	0	13,960 (6.47) %	13,960 (6.47) %	3,003
Chief Operating Officer	Yang Hung Jen	3,624	3,624	180	180	1,216	1,216	0	0	0	0	5,020 (2.33) %	5,020 (2.33) %	439

Note: Bonus, fuel expenses, and other benefits.

(II) Compensation Paid to the top five most remunerated executives

Remuneration Paid to the top five most remunerated executives

Unit: NT\$ thousand

Title	Name	Salary (A)		Pension upon retirement (B)		Bonuses & Allowance Paid (C) Note		Amount of Employee remuneration (D)				Sum of A, B, C and D as percentage of after-tax net income		Compensation from investees other than subsidiaries
		The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company		Consolidated subsidiaries		The Company	Consolidated subsidiaries	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Chia Kin Heng	12,198	12,198	0	0	1,762	1,762	0	0	0	0	13,960 (6.47) %	13,960 (6.47) %	3,003
Chief Operating Officer	Yang Hung Jen	3,624	3,624	180	180	1,216	1,216	0	0	0	0	5,020 (2.33) %	5,020 (2.33) %	439

Title	Name	Salary (A)		Pension upon retirement (B)		Bonuses & Allowance Paid (C) Note		Amount of Employee remuneration (D)				Sum of A, B, C and D as percentage of after-tax net income		Compensation from investees other than subsidiaries
		The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company		Consolidated subsidiaries		The Company	Consolidated subsidiaries	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Financial Management Division, Director	Sun Te Wen	1,944	1,944	108	108	674	674	0	0	0	0	2,726 (1.26)%	2,726 (1.26)%	444
Deputy Chief Operating Officer	Sung Tsan Yung	2,220	2,220	152	152	681	681	0	0	0	0	3,053 (1.42)%	3,053 (1.42)%	-
China Plant, Managing Director	Wang Yao Hung	1,692	2,977	136	136	563	563	0	0	0	0	2,391 (1.11)%	3,676 (1.70)%	-

Note: Bonus, fuel expenses, and other benefits.

(III) Employee Remuneration Distributed to Managers and Distribution Situation

Unit: NT\$ thousand

	Title	Name	Stock Amount	Cash Amount	Total	Total Amount in Proportion to Net Income
Manager	CEO	Chia Kin Heng	0	0	0	0%
	Chief Operating Officer	Yang Hung Jen				
	Deputy Chief Operating Officer	Sung Tsan Yung				
	NPI Director	Tsai Chen Shan				
	RD Director	Lin Ying Huang				
	China Plant, Managing Director	Wang Yao Hung				
	Innovative Business Director	Yeh Wei Ting				
	Financial Management Division, Director	Sun Te Wen				
	Accounting Director	Chen Yu Jhen				

(IV) Please compare and explain the amounts of compensation paid in the most recent two years by the Company and all companies included in the consolidated financial statements to the Company’s directors, president, and vice presidents, and their respective proportions to the net income stated in the parent company only financial reports or individual financial reports, as well as the policies, standards, and packages by which they were paid, the procedures through which compensation was determined, and their association with business performance and future risks separately

Title	2022		2023	
	Ratio of Total Compensation Paid by the Company to the Company’s Directors, President, and Vice Presidents to the Net Income (%)	Ratio of Total Compensation Paid by all Companies Included in the Consolidated Financial Statements to the Company’s Directors, President, and Vice Presidents to the Net Income	Ratio of Total Compensation Paid by the Company to the Company’s Directors, President, and Vice Presidents to the Net Income (%)	Ratio of Total Compensation Paid by all Companies Included in the Consolidated Financial Statements to the Company’s Directors, President, and Vice Presidents to the Net Income (%)
Director	63.16%	68.40%	(11.44)%	(11.44)%
President & Vice President Name				

1. Policies, Standards, and Packages by Which They Were Paid, the procedures through which compensations were determined: The total compensation paid to directors is decided in accordance with the Company’s “Articles of Incorporation”. The compensation to individual directors is paid in accordance with the Company’s “Regulations Governing Payment of Compensation to Directors and Functional Committee Members” and by taking into consideration the term of office, attendance rate, and contribution to the Company’s business. The compensation paid to the president and vice presidents is paid subject to performance and the Company’s salary system.
2. Association With Business Performance and Future Risks: The compensation to the directors, president, and vice presidents is paid in accordance with the Company’s related rules, as amended subject to the Company’s business performance and future risk factors.

IV. Implementation of Corporate Governance

(I) Directors' participation in the functionality of board of directors

Directors' participation in the functionality of the Board of Directors

A total of 9 meetings (A) were held in the most recent year (from 2023 to May 14, 2024). Below are directors' attendance records:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Chia Kin Heng	9	0	100	
Director	Hui Yi Investment & Consulting Company. Representative : Yang Chun Yi	6	0	100	Newly elected on June 15, 2023 (shall attend six times)
Independent Director	Chen Yung Lin	9	0	100	
Independent Director	Li Chih Feng	9	0	100	
Independent Director	Lu Yeh Senms	9	0	100	
Independent Director	Chan Chin Ping	6	0	100	Newly elected on June 15, 2023 (shall attend six times)
Director	Wang Chen Huan	3	0	50	1. Newly elected on June 15, 2023 (shall attend six times) 2. Resignation on 2024.05.13. (shall attend six times)
Director	Koh Soe Khon	0	3	0	Dismissed on 2023.06.15 (Shall attend three times)
Director	Yang Chun Yi	3	0	100	Dismissed on 2023.06.15 (Shall attend three times)

Director	Zhen-Long Investment Co., Ltd. Representative : Chang Lung Ken	3	0	100	Dismissed on 2023.06.15 (Shall attend three times)
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Other items to be stated:

I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company's resolution of said opinions:

(I) Conditions described in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee and, therefore, Article 14-5 of the Securities and Exchange Act applies to the Company.

(II) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

II. Attendance of Independent Directors at Board of Directors Meetings: ⊙: In person Δ: By proxy

Date of Board of Directors Meeting	Chen Yung Lin	Li Chih Feng	Lu Yeh Senms	Chan Chin Ping
1 st meeting of board of directors in 2023 2023.01.19	⊙	⊙	⊙	-
2 nd meeting of board of directors in 2023 2023.03.22	⊙	⊙	⊙	-
3 rd meeting of board of directors in 2023 2023.05.04	⊙	⊙	⊙	-
4 th meeting of board of directors in 2023 2023.06.27	⊙	⊙	⊙	⊙
5 th meeting of board of directors in 2023 2023.08.09	⊙	⊙	⊙	⊙
6 th meeting of board of directors in 2023 2023.11.08	⊙	⊙	⊙	⊙
1 st meeting of board of directors in 2024 2024.01.31	⊙	⊙	⊙	⊙
2 nd meeting of board of directors in 2024 2024.03.13	⊙	⊙	⊙	⊙

3 rd meeting of board of directors in 2024 2024.05.10	○	○	○	○
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III. Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process:

Date of Board of Directors Meeting	Motion	Reasons for avoiding conflict of interest	Participation in voting process
1 st meeting of board of directors in 2023 2023.1.19	Payment of the 2022 year-end bonus to managers.	Director Chia Kin Heng recused himself from the discussion and voting on the motion, as he served as a manager of the Company.	The motion was approved unanimously upon inquiry with the other present directors.
4 th meeting of board of directors in 2023 2023.06.27	Proposal for the appointment of the 5th session of the Remuneration Committee of the Company.	As Director Chen Yung-Lin, Director Li Chih-Feng, Director Lu Yueh-Sen and Director Chan Chin-Ping are Independent Directors of the Company, they recused themselves from discussion and voting on the proposal due to conflicts of interest.	The motion was approved unanimously upon inquiry with the other present directors.
5 th meeting of board of directors in 2023 2023.08.09	1. Proposal for the distribution of the remuneration of directors of investees appointed by the Company.	As Director Chia Kin-Heng is the Director representative of MIN AIK PRECISION, he recused himself from discussion and voting on the proposal due to conflict of interest.	Director Chen Yung Lin acted as the chairperson on this proposal temporarily. The motion was approved unanimously upon inquiry with the other present directors.
	2. Proposal for the distribution of the monthly compensation of directors of investees appointed by the Company.	As Director Chia Kin-Heng is the Director representative of MIN AIK PRECISION, he recused himself from discussion and voting on the proposal due to conflict of interest.	Director Chen Yung-Lin assumed the position of chairperson for the proposal on a temporary basis. After making inquiries for the proposal, Director Yang, Chung-Yi raised an objection, and the remaining attending Directors approved the proposal as proposed with no objection.
1 st meeting of board of directors in	1. Proposal for the amount of purchases/sales	As Director Chia Kin-Heng is the Director representative of MIN AIK	Independent Director Chen Yung-Lin assumed the position of the

<p>2024 2024.01.31</p>	<p>with related parties in 2024.</p> <p>2. Payment of the 2023 year-end bonus to managers</p>	<p>PRECISION, he recused himself from discussion and voting on the proposal due to conflict of interest.</p> <p>As Director Chia Kin-Heng is the manager of the Company, he recused himself from discussion and voting on the proposal due to conflict of interest.</p>	<p>chairperson for the proposal on a temporary basis. After Director Chen Yung-Lin made inquiries, the remaining attending Directors approved the proposal as proposed with no objection.</p> <p>Director Chen Yung-Lin assumed the position of chairperson for the proposal on a temporary basis. After making inquiries for the proposal, Director Yang, Chung-Yi raised an objection, and the remaining attending Directors approved the proposal as proposed with no objection.</p>
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IV. Evaluation Cycle and Period, Scope of Evaluation, Method and Contents of Evaluation Regarding the Board of Directors' Self (or peer) Performance Evaluation: The evaluation conducted based on the criteria in 2023.

Status of Evaluation Conducted by the Board of Directors

Assessment cycle	Assessment duration	Scope of assessment	Assessment method	Assessment details
Once a year	Performance Evaluation From January 1, 2023 - December 31, 2023	Performance Evaluation of the Board of Directors, Board Members, and Functional Committees	Internal Performance Evaluation of the Board of Directors, Board Members' Self-Evaluation, and Functional Committees' Self-Evaluation	Note

Note: Assessment details

- (I) Performance Evaluation of the Board of Directors: The five general standards, namely engagement in the Company's operations, improvement of the Board's decision-making quality, composition and structure of the Board, election and continuing education of directors, and internal controls, etc., consisting of a total of 45 indicators.
- (II) Performance Evaluation of Individual Board Members: The six general standards, namely alignment with the goals and mission of the Company, knowledge of directors' duties, engagement in the Company's operations, management of internal relationship

and communication, professionalism and continuing education of directors, and internal controls, etc., consisting of a total of 23 indicators.

(III) Performance Evaluation of the Audit Committee: The five general standards, namely engagement in the Company's operations, knowledge of the Committee's duties, improvement of the Audit Committee's decision-making quality, composition of the Audit Committee and election of the Committee members, and internal controls, etc., consisting of a total of 22 indicators.

(IV) Performance Evaluation of the Remuneration Committee: The four general standards, namely engagement in the Company's operations, knowledge of the Committee's duties, improvement of the Committee's decision-making quality, composition of the Remuneration Committee and election of the Committee members, etc., consisting of a total of 18 indicators.

(V) The average scores of the evaluation results under various standards range from "Good" to "Excellent", reflecting that the Company's entire operation is considered sound and satisfying the corporate governance requirements (average total scores of the evaluations are 5; for reference, average scores ranging from 1 to 2 stands for "to be improved", average scores ranging from 2.1 to 3 stands for "OK", average scores ranging from 3.1 to 4 stands for "Good", and average scores ranging from 4.1 to 5 stands for "Excellent".)

V. Enhancements to the Functionality of the Board of Directors in the Current and the Most Recent Year, and the Progress of Such Enhancements:

(I) Established the Audit Committee and Remuneration Committee, enhanced the Board of Directors' functionality, and implemented corporate governance.

(II) Adopted the "Standard Operating Procedure for Handling Directors' Requirements" on May 10, 2019 to establish fair corporate governance, and helped directors perform their job duties and improve the Board of Directors' performance.

(III) Adopted the "Regulations Governing Performance Evaluation of the Board of Directors" on January 17, 2020, in order to implement corporate governance, improve the Board of Directors' function, and set forth performance targets to strengthen the Board of Directors' operating efficiency.

(IV) Proposed the Board of Directors' performance evaluation results at the second Board of Directors meeting each year.

(II) Operation of the Audit Committee

Operation of the Audit Committee

A total of 8 meetings (A) were held in the most recent year (from 2023 to May 14, 2024). Below are independent directors' attendance records:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Chen Yung Lin	8	0	100	
Independent Director	Li Chih Feng	8	0	100	
Independent Director	Lu Yeh Senms	8	0	100	
Independent Director	Chan Chin Ping	5	0	100	Newly elected on June 15, 2023 (shall attend five times)

Other items to be stated:

I. For the Audit Committee meetings that meet any of the following descriptions, state the date, session, contents of motions, independent directors' dissenting opinions, qualified opinions or important suggestions, Audit Committee meeting resolution, and how the Company has responded to the Audit Committee's opinions:

(I) The circumstances referred to in Article 14-5 of the Securities and Exchange Act.:

Date of Audit Committee Meeting	Motion	Resolution	How the Company Has Responded to the Audit Committee's Opinions:
Sixteenth Meeting of the Third Audit Committee 2023.01.19	Report Matters: 1. Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: Re-appointment of and remuneration to external auditors for 2023.	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.

<p>Seventeenth Meeting of the Third Audit Committee 2023.03.22</p>	<p>Report Matters: 1.Report on management of the subsidiary’s financial derivatives. 2.Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD.</p> <p>Discussion Matters: 1.Supplemental information about evaluation of the external auditors in 2023. 2.The Company’s 2022 business report, parent company only financial statements, and consolidated financial statements. 3.The Company’s 2022 earnings distribution plan. 4.Payment of cash from capital surplus. 5.Amendments to Certain Provisions of the “Articles of Incorporation”. 6.Amendments to Certain Provisions of the “Procedure for Election of Directors”. 7. The Company’s 2022 “Declaration for Statement of Internal Control System”</p>	<p>Approved by all members of the Audit Committee unanimously.</p>	<p>Audit Committee resolution is agreed.</p>
<p>Eighteenth Meeting of the Third Audit Committee 2023.05.04</p>	<p>Report Matters: 1.Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD.</p> <p>Discussion Matters: The Company’s 2023 Q1 consolidated financial statements.</p>	<p>Approved by all members of the Audit Committee unanimously.</p>	<p>Audit Committee resolution is agreed.</p>

<p>First Meeting of the Fourth Audit Committee 2023.08.09</p>	<p>Report Matters: 1. Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD.</p> <p>Discussion Matters: 1. The Company's 2023 Q2 consolidated financial statements. 2. loan funds to subsidiary MATC TECHNOLOGY MALAYSIA SDN. BHD. USD 6 million. 3. Amendments to certain provisions of the "Procedures for Acquisition or Disposal of Assets". 4. Amendments to certain provisions of the "Procedures for Endorsement and Guarantee".</p>	<p>Approved by all members of the Audit Committee unanimously.</p>	<p>Audit Committee resolution is agreed.</p>
<p>Second Meeting of the Fourth Audit Committee 2023.11.08</p>	<p>Report Matters: 1. Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD.</p> <p>Discussion Matters: 1. The Company's 2023 Q3 consolidated financial statements. 2. The Company's "2024 Audit Plan". 3. Amendments to the Company's "Internal Control System" and "Internal Audit System". 4. Amendments to "Rules Governing Financial and Business Matters Between This Corporation and its related parties". 5. Proposal for significant amounts overdue for over three months that are not loans as of September 30, 2023.</p>	<p>Approved by all members of the Audit Committee unanimously.</p>	<p>Audit Committee resolution is agreed.</p>

<p>Third Meeting of the Fourth Audit Committee 2024.01.31</p>	<p>Report Matters: 1. Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD.</p> <p>Discussion Matters: 1. The re-appointment of and remuneration to external auditors for 2024 and the general principles for enactment of the Company’s pre-approved non-assurance service policy. 2. Proposal for the amount of purchases/sales with related parties in 2024.</p>	<p>Approved by all members of the Audit Committee unanimously.</p>	<p>Audit Committee resolution is agreed.</p>
<p>Fourth Meeting of the Fourth Audit Committee 2024.03.13</p>	<p>Report Matters: Report on management of the subsidiary’s financial derivatives.</p> <p>Discussion Matters: 1. The Company’s 2023 business report, parent company only financial statements, and consolidated financial statements. 2. The Company’s 2023 loss compensation plan. 3. Payment of cash from capital surplus. 4. Amendments to the Company’s “Rules of Procedure for Board of Directors Meetings.” 5. Amendments to certain provisions of the ” Audit Committee Charter” 6. The proposal for the amendment to partial provisions of the “Standard Operating Procedures for Handling Directors' Requests.” 7. The Company’s 2023 “Declaration for Statement of</p>	<p>Approved by all members of the Audit Committee unanimously.</p>	<p>Audit Committee resolution is agreed.</p>

	Internal Control System” 8. The proposal for significant amounts overdue for over three months that are not loans as of December 31, 2023.		
Fifth Meeting of the Fourth Audit Committee 2024.05.10	Report Matters: 1. Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1. The Company’s 2024 Q1 consolidated financial statements. 2. The proposal for significant amounts overdue for over three months that are not loans as of March 31, 2024. 3. Formulate "Risk Management Policies and Procedures".	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.

(II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-third of directors: None.

II. For independent directors’ avoidance of motions which involves a conflict of interest, the names of the independent directors, contents of the motions, reasons of the recusal for a conflict of interest, and participation in voting must be disclosed: None.

III. Communication between the Independent Director and internal audit officer and external auditors:

(I) The internal audit officer shall submit the audit report to the independent directors in the month following completion of the audit indicators. The independent directors may communicate with the internal audit officer directly at any time. All three independent directors of the Company are Audit Committee members. The internal audit officer shall attend the Audit Committee meeting to report on audit operations.

Date	Communication channels	Communication matters	Communication results
2023.01.19	Audit Committee	Audit report from November to December 2022	Acknowledged.
2023.03.22	Audit Committee	1. The review report on the declaration for statement of internal control system was issued in accordance with the internal control system	The same shall be submitted to the Board of Directors for resolution after it is approved

		design and execution result in 2022 2. Audit report from January to February 2023	Acknowledged.
2023.05.04	Audit Committee	Audit report March 2023	Acknowledged.
2023.08.09	Audit Committee	Audit report from April to July 2023	Acknowledged.
2023.11.08	Audit Committee	1. Audit report from August to September 2023 2. 2024 Audit Plan	Acknowledged. The same shall be submitted to the Board of Directors for resolution after it is approved.
2024.01.31	Audit Committee	Audit report from October to December 2023	Acknowledged.
2024.03.13	Audit Committee	1. The review report on the declaration for statement of internal control system was issued in accordance with the internal control system design and execution result in 2023 2. Audit report from January to February 2024	The same shall be submitted to the Board of Directors for resolution after it is approved. Acknowledged.
2024.05.10	Audit Committee	Audit report March 2024	Acknowledged.

(II) The external auditors shall report the audit and results to the independent directors after auditing the Annual Report. After auditing the Annual Report, the external auditors shall explain the key audit matters to the independent directors on March 13, 2024.

IV. Main Annual Work and Operations of the Audit Committee:

- (I) The Company's Audit Committee operates pursuant to its Articles of Association and primarily supervises the following matters:
1. Adequate presentation of the Company's financial statements.
 2. Appointment (discharge), independence, and performance of the external auditors.
 3. Effective implementation of the Company's internal controls.
 4. Compliance with laws and regulations.
 5. Control over the Company's existing or potential risks.

- (II) The Company's Audit Committee convened a total of five meetings in 2023. Attendance rate of all members was 100%. The matters primarily audited in the current year include:
1. Appraisal on effectiveness of the internal control system and related policies and procedures.
 2. Significant asset or derivatives transactions.
 3. Significant loaning of funds and making of endorsements/guarantees.
 4. Appointment and remuneration of external auditors.
 5. Annual financial report and quarterly financial reports.
 6. Any other material matter so required by the Company or the competent authority.

(III) Status of corporate governance, departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures.

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Has the Company established and disclosed corporate governance principles based on “Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies”?		V	The Company has not yet adopted its own “Corporate Governance Best Practice Principles”, but it follows its internal control system and related regulations. Nevertheless, it will strive towards a Corporate Governance Best Practice Principles.	The Company has not yet adopted its own “Corporate Governance Best Practice Principles”.
II. Equity structure and shareholders’ rights of the company (I) Whether the company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure?	V		(I) In order to ensure shareholders’ equity, the Company has the spokesperson and deputy spokesperson process shareholders’ suggestions and disputes.	No material deviation was found.

<p>(II) Whether the company controls the financial holding company's major shareholders and who are their ultimate owners?</p>	<p>V</p>	<p>(II) The Company can control the information about shareholdings by directors, managers, and major shareholders with a stake of more than 10 percent, and report and file related information as required.</p>	<p>No material deviation was found.</p>
<p>(III) Whether the company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates?</p>	<p>V</p>	<p>(III) The Company defines the responsibilities of personnel and asset and financial management of the affiliated companies expressly, and conducts the risk assessment and builds adequate firewalls. The Company has adopted its own "Operation Method for Financial and Business Matters Between This Corporation and its Affiliated Enterprises", "Rules Governing Financial and Business Matters Between This Corporation and its related parties", and "Regulations Governing Management of Subsidiaries' Operations". Meanwhile, the internal auditors will audit the execution thereof regularly.</p>	<p>No material deviation was found.</p>
<p>(IV) Whether the company has established internal regulations to prohibit securities trading by use of the company's internal undisclosed information?</p>	<p>V</p>	<p>(IV) The Company adopts its own "Procedures for Handling Material Inside Information" to prevent insider trading.</p>	<p>No material deviation was found.</p>

<p>III. Composition and responsibilities of board of directors</p> <p>(I) Does the Board of Directors have a diversity policy and management goals that are duly enforced?</p> <p>(II) Is the company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, willing to voluntarily establish any other functional committees?</p>	<p>V</p> <p>V</p>	<p>(I) The Company’s Board of Directors members are elected in accordance with the Company’s “Procedure for Election of Directors”. The Board member diversity policy is adopted subject to the Company’s operations, business type, and development needs, in consideration of the Board of Directors’ overall structure. The current Board members include R.O.C. and Singapore nationals. Director Chia Kin Heng has expertise in HDD. Director Yang Chun Yi and Independent Director Chan Chin Ping, have experience in the electronics industry. Independent Director Chen Yung Lin and Independent Director Lu Yeh Senms have an accounting and financial background. Independent Director Li Chih Feng have expertise in law. According to the roster of the current Board members, the directors with an employee ID account for 14% of total members, independent directors for 57%, and female directors for 14%. Two independent directors are teaching in domestic universities. One independent director is working for a domestic CPA office . One independent director is working for a electronics industry office</p> <p>(II) The Company has not yet established these committees.</p>	<p>No material deviation was found.</p> <p>No material deviation was found.</p>
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<p>(III) Has the Company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation, remuneration and nomination decisions?</p>	<p>V</p>	<p>(III) The Company has adopted its own “Regulations Governing Performance Evaluation on the Board of Directors and Functional Committees.” Meanwhile, the Company will conduct the performance evaluation on the Board of Directors once per year. The method of evaluation includes internal self-evaluation by the Board Meeting, self-evaluation by the Board members and self-evaluation by functional committees. The evaluation results are reported to the Board and included as reference for the remuneration of individual Directors and nomination of Directors. The Company will appoint an external professional and independent organization or team consisting of experts and scholars to perform the evaluation every three years. The Company appointed the external professional and independent organization, Taiwan Corporate Governance Association (TCGA), conducted the performance evaluation on the Board of Directors in 2022. The external performance evaluation result has been reported to the Remuneration Committee and Board of Directors, as the reference to help continue improving the Board of Directors’ functions.</p>	<p>No material deviation was found.</p>
<p>(IV) Does the company conduct regular assessments regarding the independence of its financial statement auditors?</p>	<p>V</p>	<p>(IV) The Company evaluates the CPA firm and external auditors’ independence (financial interest, financing guarantee and employment relationship), business relationship, external auditors’ transfer system and AQIs at 1st meeting of the Board of Directors each year and then appoints the external auditors certifying the Company’s finance and tax. (please see the Note for the evaluation items)</p>	<p>No material deviation was found.</p>

<p>IV. Has the TWSE/TPEX listed company allocated adequate number of competent corporate governance staff and appointed a Chief Corporate Governance Officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholders' meetings, and preparation of board/shareholders' meeting minutes)?</p>	<p>V</p>	<p>The Company's Financial Management Division provides the information needed by directors for performance of their job duties and also by the shareholders' meetings within the statutory time limit.</p> <p>(I) It is necessary to notify all directors to attend the meeting at least seven days before a Board of Directors meeting is convened, in order to help directors verify the related motions. A prior notice shall be given to any stakeholders of the motions to remind them that they shall recuse themselves from any circumstances they shall avoid. Meanwhile, the Company shall prepare the Board of Directors meeting minutes after the meeting.</p> <p>(II) The Company shall register the date of shareholders' meetings by the due date prescribed by law, produce the meeting notice and report the notice, meeting handbook and minutes by the due date, and complete the registration of changes upon amendments to the Articles of Incorporation or re-election of directors.</p> <p>(III) The Company shall ensure the accuracy and validity of the important messages released per the important resolutions of the Board of Directors meetings and shareholders' meetings, in order to prevent trading information asymmetry for investors.</p> <p>(IV) The Company appointed the chief corporate governance officer to take charge of the corporate governance practices.</p>	<p>No material deviation was found.</p>
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<p>V. Does the company have any means to communicate with stakeholders (including but not limited to shareholders, employees, customers, and suppliers etc.), and set up an area for stakeholders on the official website for adequate response to major CSR issues concerned by stakeholders?</p>	<p>V</p>	<p>The Company has set up external and internal communication channels and disclosed the same in the Annual Report or the Company's information. Any stakeholder who receives any information may communicate with the management via the email or phone number disclosed to the public.</p>	<p>No material deviation was found.</p>
<p>VI. Does the Company appoint a stock agency to be responsible for affairs related to the shareholders' meeting.</p>	<p>V</p>	<p>The Company appoints Yuanta Securities Co., Ltd., Shareholders Service Department to process shareholders' meetings on its behalf.</p>	<p>No material deviation was found.</p>
<p>VII. Information Disclosure (I) Establishment of a corporate website to disclose information concerning financial affairs and corporate governance?</p>	<p>V</p>	<p>(I) The Company has assigned personnel dedicated to maintaining and updating the Company's website and also to establish the Company's financial and business information, in order to help shareholders and the public refer to and implement corporate governance information.</p>	<p>No material deviation was found.</p>

<p>(II) Has the company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?</p> <p>(III) Does the company publish and make official filing of annual financial reports within two months after the end of an accounting period, and publish/file Q1, Q2, and Q3 financial reports plus monthly business performance before the specified due dates?</p>	<p>V</p>	<p>(II) Other Means Adopted by the Company to Disclose Information:</p> <ol style="list-style-type: none"> 1. Designate dedicated personnel to report financial and business information on the MOPS pursuant to laws, regularly or irregularly. 2. Establish the spokesperson system. 3. Post the files related to investor conferences in the investors section on the Company's website for reference by shareholders and the public. <p>(III) The Company has not yet published or made official filing of annual financial reports within two months after the end of an accounting period, but will publish/file the financial reports plus monthly business performance before the specified due dates.</p>	<p>No material deviation was found.</p> <p>No material deviation was found.</p>
<p>VIII. Other important information enabling a better understanding of the company's corporate governance (including but not limited to employee rights and interests, employee care, investor relations, stakeholders'</p>	<p>V</p>	<p>(I) Employees' Interests and Rights: The Company already set up the opinion mailbox and grievance hotline for employees to allow employees to express their opinions toward the Company and also protect employees' interests and rights pursuant to the Labor Standards Act.</p> <p>(II) Employee Care: Establish a relationship of mutual trust and reliance with employees through the welfare system and fair educational training intended to solidify and stabilize employees' life.</p> <p>(III) Investors' Relationship:</p> <ol style="list-style-type: none"> 1. Designate dedicated personnel to report financial and business information on 	<p>No material deviation was found.</p>

rights and interests, continuing education of directors and supervisors, implementation of risk management policies and risk measurement criteria, implementation of customer policy, purchase of liability insurance by the company for directors and supervisors, and donations to political parties, interested parties and public welfare groups)?

the MOPS pursuant to laws, regularly or irregularly.

2. Establish the spokesperson system.

- (IV) Suppliers' Relationship: The Company is used to maintaining a fair relationship with suppliers, and maintaining both parties' reasonable interests and rights on the basis of mutual trust and benefit.
- (V) Stakeholders: Stakeholders may communicate with the Company and also present any suggestions to the Company.
- (VI) Continuing Education of Directors and Supervisors: Continuing education follows the "Template of Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". The information regarding continuing education of the Company's directors is disclosed on the MOPS.

Continuing Education of Director Chia Kin Heng:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2023/07/04	2023/07/04	Taiwan Stock Exchange Corporation (TWSE)	2023 Cathay Sustainable Banking and Climate Change Summit	6

Continuing Education of Director Yang Chun Yi:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2023/12/08	2023/12/08	Securities and Futures Institute	2023 Insider Equity Transaction Compliance Announcement Meeting	3

Continuing Education of Director Chen Yung Lin:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2023/10/20	2023/10/20	Securities and Futures Institute	2023 Insider Trading Prevention Presentation Conference	3

Continuing Education of Director Li Chih Feng:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2023/10/20	2023/10/20	Securities and Futures Institute	2023 Insider Trading Prevention Presentation Conference	3

Continuing Education of Director Lu Yeh Senms:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2023/04/27	2023/04/27	Taiwan Stock Exchange Corporation (TWSE) / Taipei Exchange (TPEX)	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies	3
2023/05/26	2023/05/26	Environmental Protection Administration, Executive Yuan	Jointly Create Sustainability through Green Chemicals	3
2023/10/13	2023/10/13	Securities and Futures Institute	2023 Insider Trading Prevention Presentation Conference	3

Continuing Education of Director Chan Chin Ping:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2023/10/20	2023/10/20	Securities and Futures Institute	2023 Insider Trading Prevention Presentation Conference	3

(VII) Implementation of Risk Management Policies and Risk Measurement Criteria: The Company adopts internal regulations pursuant to laws to conduct various risk assessments.

		<p>(VIII)Implementation of Customer Policy: The Company convenes a business review meeting with customers regularly, in order to verify customers' opinions and questions about products, maintain a stable and fair relationship, and create profit for the Company.</p> <p>(IX) Purchase of Liability Insurance by the Company for Directors and Supervisors: The Company has purchased "liability insurance for directors, supervisors, and managers".</p>	
<p>IX. Please specify the status of the corrections based on the Corporate Governance Assessment Report released by the Corporate Governance Center of the TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies: The Company continues to take related actions and measures in accordance with the Company's internal regulations, subject to the corporate governance evaluation result, in order to practice corporate governance.</p>			

Note: CPA independence and suitability evaluation items:

1. The AQIs provided by KPMG were used to evaluate the independence and suitability of the CPA's firms and CPAs: (1) professionalism: audit experience, training hours, turnover, and professional support; (2) quality control: CPAs' load, audit efforts, EQCR reviews, and quality control support capabilities (3) independence: non-audit fees and client familiarity; (4) supervision: deficiencies and penalties found in external inspections and the letters issued by competent authorities for improvement; (5) innovation ability: innovative plans or initiatives.
2. With reference to the evaluation indicators under the Article 47 of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10: (1) the CPAs have not served for more than 7 years; (2) whether members of the audit service team, other co-practicing accountants, or shareholders of corporate accounting firms, CPA's firm, affiliates of the firm, and affiliated firms maintain independent of the Company; (3) whether CPAs and the members of the audit service team assume the position of a director/supervisor, managers, or position that has material effects on the audit case in an audit customer at present or in the most recent two years; (4) the CPAs and members of the audit service team are not a relative of the Company's Directors/supervisors, managers, or persons with duties that has material effects on the audit case; (5) the CPAs are not assuming the position of a Director/supervisor, managers, or position that has material effects on the audit case within one year from stepping down as CPAs; (6) the CPAs have no direct or indirect significant financial interest in the Company; (7) the CPA's firm does not rely excessively on a single client (the Company) for remuneration; (8) there is no significant close business relationship between the CPAs and the Company; (9) there is no potential employment relationship between the CPAs and the Company; (10) the CPAs have no contingent fee related to the audit case; (11) the CPAs do not represent the Company for defense in legal cases or other disputes with third-parties; (12) the CPAs shall not promote or act as an intermediary for the company's issued stocks or other securities; (13) the CPAs have no accept significant gifts, gratuities, or special favors from the company, its directors, supervisors, managers, or major shareholders; (14) the CPAs or members of the audit service team do not keep money on behalf of the Company; (15) whether the CPAs have complied with the requirements related to independence under The Norm of Professional Ethics for Certified Public Accountant No. 10 and whether the "Declaration of Independence" issued by the CPAs is obtained; (16) the quality and timeliness of auditing and taxation services provided by the CPAs meet the needs of the Company; (17) whether the CPAs take the initiative to provide updated taxation and securities regulations and applicable requirements under new standards to the Company on a regular basis; (18) whether the CPAs assist in the communication and coordination with the competent authorities; (19) whether the CPAs have appropriate interactions with the Audit Committee and keep the records before audit planning and the issuance of the audit opinion.

(IV) Composition, Responsibilities, and Functionality of the Remuneration Committee:

Information About Remuneration Committee Members

May 14, 2024

Criteria		Professional qualifications and experience	Independence Criteria	Number of other public companies in which the member concurrently serves as a remuneration committee member:
ID	Name			
Independent Director (Convener)	Chen Yung Lin	<ul style="list-style-type: none"> ● Graduate of Baylor University, Texas, MBA ● Former Positions: Auditor, Deloitte Taiwan; Senior Auditor, PricewaterhouseCoopers Taiwan (PwC Taiwan); Partner, Guangxin CPA Office; Director and Supervisor, Taipei City CPA Association; Supervisor, MetaTech (AP) Inc.; Supervisor, CPA Associations, R.O.C. (Taiwan) ● Current position: Partner, RSM Taiwan 	<ol style="list-style-type: none"> 1. None of them or their spouses or relatives within the second degree of kinship is an employee of the Company or any of the Company's affiliates. 2. None of them or their spouses or relatives within the second degree of kinship is a director or supervisor of the Company or any of the Company's affiliates. 3. None of them or their spouses or underage children, and those holding shares in the name of a third party holds more than 1% of the Company's shares or is one of the Company's top 10 natural-person shareholders. Independent Director Lu Yeh Senms, who holds 0.22% of the Company's shares, is not one of the Company's top 10 natural-person shareholders. The other three independent directors do not hold any shares of the Company. 	0
Independent Director	Li Chih Feng	<ul style="list-style-type: none"> ● Graduate of the Department of Risk Management and Insurance Law Group of National Chengchi University, Ph.D. ● Former positions: Attorney-at-Law, Hongsheng Maritime and Business Law Office; Attorney-at-Law, AON; Legal Manager, HSBC Life (International) Limited; Associate Professor, Department of Financial and Economic Law of Fu Jen Catholic University ● Current positions: Professor, Department of Law of Soochow University; Independent Director, Mortech Corporation, Member, Audit Committee, Member Remuneration Committee; Arbitrator, Chinese Arbitration Association, Taipei Member, Financial Ombudsman Institution; Member, Financial Ombudsman Institution 	<ol style="list-style-type: none"> 4. Not a director, supervisor, or employee of any institutional shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or 3. appoints director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of The Company Act. 5. Not a director, supervisor, or employee of any other company that controls directorship in the company or where more than half of total voting rights are controlled by a single party. 6. Does not assume concurrent duty as Chairman, President, or equivalent role, and is not a director, supervisor, or employee of another company or institution owned by a spouse. 7. Not a director, supervisor, officer, or shareholder holding 5% or more of the total outstanding shares of a specified company or institution that has a financial or business relationship with the Company. 	1
Independent Director	Lu Yeh Senms	<ul style="list-style-type: none"> ● Graduate of the Graduate Institute of International Business Administration of Chinese Culture University, Ph.D. ● Former positions: Manager, Ming Yuan Certified Public Accountants; Financial Manager, Ming Yuan Business Management Consulting Co., Ltd. ● Current position: Assistant Professor, Department of International Business Administration of Chinese Culture University 	<ol style="list-style-type: none"> 8. Professional individual or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the most recent two years receiving cumulative compensation not exceeding NT\$500,000, or a spouse thereof; none of the four independent directors has provided auditing services or received compensation for said services exceeding NT\$0 in the most recent two years. 	0

Independent Director	Chan Chin Ping	<ul style="list-style-type: none"> ● Graduate of the Master of Science in Materials Science and Engineering, National Taipei University of Technology. ● Former Positions: Engineer/Team Lead, UI Tran Technology & Service Co. ● Current Position: Chief Engineer, Toppan Chunghwa Electronics Co., Ltd. 	<p>9. Not a relative within the second degree of kinship to any other director of the company.</p> <p>10. Not been a person of any conditions defined in Article 30 of the Company Act.</p> <p>11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p>	0
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Name	Criteria	Independence Criteria				
		Whether them or their spouses or relatives within the second degree of kinship are directors or supervisors of the Company or any of the Company's affiliates?	Number and percentage of the Company's shares held in their own names or names of the spouses or relatives within the second degree of kinship (or proxy shareholder):		Whether they serve as directors, supervisors, or employees in any entity that has a certain relationship with the Company?	Amount of remuneration received in the most recent two years for providing commercial, legal, financial, accounting, or other professional services to the Company and its affiliates:
			Shares	Percentage		
Chen Yung Lin	No	0	0%	No	0	
Li Chih Feng	No	0	0%	No	0	
Lu Yeh Senms	No	308,000	0.22%	No	0	
Chan Chin Ping	No	0	0%	No	0	

Information concerning the remuneration committee

1. The Company's Remuneration Committee consists of four members.
2. Current Members' Term of Office: The term of office commenced from June 27, 2023 until June 14, 2026. A total of five (A) Remuneration Committee meetings were convened in the most recent year (from 2023 to May 14, 2024). Below are the members' qualifications and attendance records:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Chen Yung Lin	5	0	100	
Member	Li Chih Feng	5	0	100	
Member	Lu Yeh Senms	5	0	100	
Member	Chan Chin Ping	3	0	100	Newly elected on June 15, 2023 (shall attend three times)

Other items to be stated:

- (1) Where the Board of Directors rejects or modifies suggestions from the Remuneration Committee, please disclose the date and session of the meeting, contents of the motions, resolution made by the Board of Directors' meeting, and how the Company has responded to Remuneration Committee's opinions: None.
- (2) Where any resolution(s) by the Remuneration Committee is passed but with a member voicing opposing or qualified opinions on the record or in writing, please disclose the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: None.

(3)

Date of Remuneration Committee Meeting	Motion	Resolution	How has the Company responded to the Remuneration Committee's opinions
Sixth Meeting of Fourth Remuneration Committee 2023.01.11	Review of payment of the 2022 year-end bonus to managers.	The Remuneration Committee members agreed to pass the motion unanimously.	Remuneration Committee resolution is agreed.

Seventh Meeting of Fourth Remuneration Committee 2023.03.14	1. Reported on the Board of Directors' performance evaluation result. 2. Review of payment of 2022 remuneration to employees and directors.	Acknowledged. The Remuneration Committee members agreed to pass the motion unanimously.	Remuneration Committee resolution is agreed.
First Meeting of Fifth Remuneration Committee 2023.08.09	1. Proposal for the discussion of the distribution of the remuneration of directors of investees appointed by the Company. 2. Proposal for the discussion of the distribution of the monthly compensation of directors of investees appointed by the Company.	The Remuneration Committee members agreed to pass the motion unanimously.	Remuneration Committee resolution is agreed.
Second Meeting of Fifth Remuneration Committee 2024.01.31	Review of payment of the 2023 year-end bonus to managers.	The Remuneration Committee members agreed to pass the motion unanimously.	Remuneration Committee resolution is agreed.
Third Meeting of Fifth Remuneration Committee 2024.03.13	Reported on the Board of Directors' performance evaluation result.	Acknowledged.	None.

(V) Implementation Status of Sustainable Development Practices, and Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof
	Yes	No	Summary	
I. Does the Company implement a governance framework that supports sustainable development, and designate a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?	V		In order to create the maximum interest for shareholders and employees and fulfill the social responsibility based on the philosophy of sustainability and enhanced corporate value, the Company established the “Corporate Social Responsibility Steering Committee” in 2014, in order to supervise and review the affairs related to compliance with the Code of Conduct. The Committee was renamed the “Sustainable Development Committee” in 2023. Meanwhile, the Company established the Sustainable Development Best Practice Principles. The Committee convenes meetings regularly and reports to the Board of Directors at least once per year on the Company's promotion of the sustainable development, including the sustainable development policy, target and management policy, risk management, climate change risks and opportunities, and GHG and energy management; the 2023 implementation status was reported to the Board on March 13, 2024. The Sustainable Development Committee is also responsible for overall planning about the effective operation of each department's sustainable development policy.	No material deviation was found.
II. Has the company conducted risk assessment on environmental, social and corporate governance issues that are relevant to its operations, and implemented risk management policies or strategies based on principles of materiality?	V		1. The Company insists on that it is a corporate citizens. While pursuing corporate business development, it shall also take into account the issues, such as social welfare, natural environment protection, attention to stakeholders’ interests and rights, corporate governance, and implementation of corporate social responsibility, hoping	No material deviation was found.

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof						
	Yes	No	Summary							
			<p>to balance corporate growth and environmental protection to achieve the goal of sustainable business.</p> <p>2. According to the “Operating Procedure for Organization Panoramic Evaluation Management” and principles of materiality, the Company conducts risk assessment on the issues, such as environment, society, and corporate governance, and verifies stakeholders’ needs and expectation, in order to control potential significant risks reasonably.</p> <p>3. The company’s risk identification and measures in 2023 are as follows:</p> <table border="1" data-bbox="1034 815 1709 1428"> <tbody> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Material issues</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Issue identification</td> <td>Risk management policy or strategy</td> </tr> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Society</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Product safety</td> <td> <p>1. The Company's products comply with product and service laws and regulations formulated by the government and brands.</p> <p>2. Production complies with the relevant specifications of QC080000, and raw materials or chemical ingredients containing</p> </td> </tr> </tbody> </table>	Material issues	Issue identification	Risk management policy or strategy	Society	Product safety	<p>1. The Company's products comply with product and service laws and regulations formulated by the government and brands.</p> <p>2. Production complies with the relevant specifications of QC080000, and raw materials or chemical ingredients containing</p>	
Material issues	Issue identification	Risk management policy or strategy								
Society	Product safety	<p>1. The Company's products comply with product and service laws and regulations formulated by the government and brands.</p> <p>2. Production complies with the relevant specifications of QC080000, and raw materials or chemical ingredients containing</p>								

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof
	Yes	No	Summary	
			<p>substances generally prohibited are excluded from the process from the beginning to ensure product quality and safety.</p> <p>3.To protect customer rights and interests and safeguard service quality, the Company has established its Regulations for Handling Customer Complaints and has set up a customer service line and communication website.</p>	
			<p>Human rights policy</p> <p>1.In accordance with labor regulations in Taiwan and the requirements of the International Labor Organization (ILO), we formulated employment commitments that comply with ethical and fair norms and eliminate human rights violations.</p> <p>2.Comply with RBA requirements and implement a zero placement fee policy for foreign workers.</p> <p>3.The Company organizes forced labor prevention and related education and training courses from time to time each year.</p>	

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof
	Yes	No	Summary	
			<p style="text-align: center;">Occupational safety</p> <ol style="list-style-type: none"> 1. Make regular safety declarations for plants and buildings regularly as required by law. 2. Conduct daily occupational safety patrol inspections and hold occupational safety meetings each quarter to discuss safety and health plans and examine the implementation status. 3. Fire drills and occupational safety education and training are regularly organized each year to enhance employee occupational safety awareness and response capacity. 4. Implement the ISO45001 occupational health and safety management system certification, identify the hazards and risks of the operating environment, and have prevention policies in place to avoid occupational safety problems. 	

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof
	Yes	No	Summary	
			<p style="text-align: center;">Social welfare</p> <p>1.The Company established a corporate volunteer club to strengthen the mutual support system for internal employees, cultivate employee concept of public welfare, and encourage employees to participate in social volunteer services apart from work to contribute to society.</p> <p>2.The Company and its employees are committed to giving back to society and actively participate in a number of social welfare activities.</p>	

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof
	Yes	No	Summary	
			<p style="text-align: center;">Environmental protection</p> <p style="text-align: center;">Green plants</p> <p>Formulate implementation plans and programs each year and regularly track and examine the progress of the targets to ensure the achievement of the targets.</p> <ol style="list-style-type: none"> 1. Implement the ISO14001 environmental management system certification and establish, implement, maintain and continuously improve according to its requirements in order to achieve the expected results, including improvement of the organization's environmental performance. 2. Promote environmental policies and make improvements to the process and equipment to effectively reduce energy waste and reduce carbon emissions. 3. Replaced certain old cooled water chillers for energy-saving management of equipment. 4. Disclose data on GHG, water consumption, and waste. 5. Continue to develop and promote recyclable materials. 	

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof					
	Yes	No	Summary						
			<table border="1"> <tr> <td rowspan="2">Corporate governance</td> <td>Stakeholder communications</td> <td>Establish various communication channels and actively communicate to reduce conflicts and misunderstandings. Dedicated personnel will respond to relevant communication issues through the contact channel.</td> </tr> <tr> <td>Information security</td> <td> 1.Continue to reinforce the management of computer equipment, network security, virus protection, and system access control. 2.Enhance information security advocacy, education and training. </td> </tr> </table>	Corporate governance	Stakeholder communications	Establish various communication channels and actively communicate to reduce conflicts and misunderstandings. Dedicated personnel will respond to relevant communication issues through the contact channel.	Information security	1.Continue to reinforce the management of computer equipment, network security, virus protection, and system access control. 2.Enhance information security advocacy, education and training.	
Corporate governance	Stakeholder communications	Establish various communication channels and actively communicate to reduce conflicts and misunderstandings. Dedicated personnel will respond to relevant communication issues through the contact channel.							
	Information security	1.Continue to reinforce the management of computer equipment, network security, virus protection, and system access control. 2.Enhance information security advocacy, education and training.							
III. Environmental issues (I) Has the Company established environmental policies suitable for the Company's industrial characteristics? (II) Does the Company endeavor to utilize all resources more efficiently, and use renewable materials which have a low impact on the environment?	V V		<p>No harmful waste has been generated from the Company's production process. Industrial waste disposal is contracted to qualified service providers. In addition, the Company has obtained the ISO 14001 environmental management system certificate (valid period: 2023/08/10 - 2026/08/09), and will conduct internal and external audits regularly.</p> <p>The Company's plants are committed to promoting digital operations and reducing the amount of paper required for documentation to implement energy conservation, recycling, and adoption of green products, hoping to save expenditures and reduce product costs, create profit advantages, and improve the Group's overall operating performance.</p>	<p>No material deviation was found.</p> <p>No material deviation was found.</p>					

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof															
	Yes	No	Summary																
(III) Does the company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	V		The Company passed ISO14064-1 GHG Accounting Standard Certification in 2011, and also conducts the internal and external audits regularly. Meanwhile, the Company pays attention to potential risks and opportunities to enterprises which may be caused by climate changes, and takes corresponding measures based on the evaluation of materiality of the issues.	No material deviation was found.															
(IV) Does the company maintain statistics on greenhouse gas emission, water usage and total waste volume in the last two years, and implement policies aimed at reducing energy, carbon, greenhouse gas, water, and waste?	V		<p>In response to the climate change and in order to promote the Company's sustainability, the Company conducted the GHG accounting.</p> <p>Statistics gathered in the most recent two years: (Factory premises in Taiwan)</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>GHG emission Scope 1</td> <td>91.83 (Metric tons of CO2-e)</td> <td>20.123 (Metric tons of CO2-e)</td> </tr> <tr> <td>GHG emission Scope 2</td> <td>4198.56 (Metric tons of CO2-e)</td> <td>3836.399 (Metric tons of CO2-e)</td> </tr> <tr> <td>Water consumption</td> <td>81.342 (tons)</td> <td>65.337 (tons)</td> </tr> <tr> <td>Gross weight of waste</td> <td>10.6 (tons)</td> <td>24.42 (tons)</td> </tr> </tbody> </table> <p>Note: Total GHG emissions in 2023 decreased by 9% from 2022, primarily as a result of changes to energy-saving cool water chillers and adjustment of production capacity.</p>	Item	2022	2023	GHG emission Scope 1	91.83 (Metric tons of CO2-e)	20.123 (Metric tons of CO2-e)	GHG emission Scope 2	4198.56 (Metric tons of CO2-e)	3836.399 (Metric tons of CO2-e)	Water consumption	81.342 (tons)	65.337 (tons)	Gross weight of waste	10.6 (tons)	24.42 (tons)	No material deviation was found.
Item	2022	2023																	
GHG emission Scope 1	91.83 (Metric tons of CO2-e)	20.123 (Metric tons of CO2-e)																	
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Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof
	Yes	No	Summary	
IV. Social issues				
(I) Whether the Company establishes the related management policies and procedures in accordance with the relevant laws and international human right conventions?	V		The Company complies with the Labor Standards Act and RBA rules, adopts related policies, and posts them on the Company's website (www.minaik.com.tw). In addition to the labor/national health insurance, the Company also enrolls each employee into the group accidental insurance program. The Company has also established the Employee Welfare Committee, and convenes labor-management meetings periodically to maintain employees' interests and rights.	No material deviation was found.
(II) Has the company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	V		The Company has adopted work rules and related HR management regulations covering the requirements under the Labor Standards Act, such as the base pay, working hours, leave, pension, labor/national health insurance benefits, and occupational accident compensation of the Company's employees. The Company established the Employee Welfare Committee which operates through the Welfare Committee formed upon election by the employees and takes charge of various welfare affairs. The Company's compensation policy is subject to the positive correlation between personal ability, contribution to the Company, performance, and relationship with business performance.	No material deviation was found.

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof												
	Yes	No	Summary													
(III) Whether the Company provides the existence of a safe and healthy work environment; regular safety and health training to company employees?	V		<p>1. In order to provide a healthy and safe working environment, the Company adopts environmental and occupational health and safety policies, and organizes employees' safety promotion, conducts employees' health checkups, and complies with related laws and regulations.</p> <p>2. Physicians and nurses are specially hired to provide on-site services so that employees can enjoy professional medical consultation in plants.</p> <p>3. Number of occupational accidents in 2023, the number of persons involved, and the ratio to the total number of employees are as follows:</p> <table border="1"> <thead> <tr> <th>Number of occupational accidents</th> <th>Number of persons involved</th> <th>Occupational accident ratio</th> </tr> </thead> <tbody> <tr> <td>0 cases</td> <td>260</td> <td>0.0%</td> </tr> </tbody> </table> <p>Improvement measures: Regularly examine fool-proof and safety devices and implement pre-operation inspections.</p> <p>4. The number of occupational accidents in 2023, the number of casualties, and the ratio to the total number of employees are as follows:</p> <table border="1"> <thead> <tr> <th>Number of fire incidents</th> <th>Number of casualties</th> <th>Ratio to the total number of employees</th> </tr> </thead> <tbody> <tr> <td>0 cases</td> <td>0</td> <td>0.0%</td> </tr> </tbody> </table> <p>Improvement measures: Regularly carry out fire control inspection and maintenance, declaration and fire drills.</p>	Number of occupational accidents	Number of persons involved	Occupational accident ratio	0 cases	260	0.0%	Number of fire incidents	Number of casualties	Ratio to the total number of employees	0 cases	0	0.0%	No material deviation was found.
Number of occupational accidents	Number of persons involved	Occupational accident ratio														
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Number of fire incidents	Number of casualties	Ratio to the total number of employees														
0 cases	0	0.0%														

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof
	Yes	No	Summary	
(IV) Has the Company established some effective career development training plan for employees?	V		The Company values employees' career planning and potential development. The Company invests massive educational training resources each year, hoping to strengthen the enterprise's overall competition through employees' skills and quality.	No material deviation was found.
(V) Has the company complied with laws and international standards with respect to customers' health, safety and privacy, marketing and labeling in all products and services offered, and implemented consumer protection policies and complaint procedures?	V		The Company's marketing and labeling of products and services comply with the relevant laws and regulations and international standards. With respect to the sold products, the Company will issue a Declaration of Conformity under international laws and regulations including CE, FCC, VCCI, UL, REACH, RoSH, WEEE, EuP, and halogen-free requirements, per customers' needs. Meanwhile, in order to protect customers' privacy, the Company complies with the Non-disclosure Agreement and Personal Data Protection Act, established a customer service unit and stakeholder section to protect consumers' interest policy, and also provide grievance channels.	No material deviation was found.
(VI) Has the company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	V		The Company performs supplier evaluations regularly, and also asks suppliers to sign the "Commitment of Suppliers for Corporate Social Responsibility" according to the RBA requirements, in order to work with each other to improve corporate social responsibility. Most of the Company's domestic/foreign suppliers have worked with the Company permanently. If any of them is suspected of violating its corporate social responsibility policies or renders remarkable effect to the environment and society adversely, the Company may terminate or rescind the contract with it at any time.	No material deviation was found.

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof
	Yes	No	Summary	
V. Does the Company prepare the sustainable development report or any report on non-financial information based on international reporting standards or guidelines? Are the above mentioned reports supported by assurance or opinion of a third-party certifier?		V	The Company expects to prepare the Sustainability Report in 2025.	No material deviation was found.
<p>VI. If the Company has established its own sustainable development policies in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviations thereof from such principles: The Company has established its own "Sustainable Development Best Practice Principles." Its internal operations and products all seek to satisfy the corporate sustainable development requirements.</p>				
<p>VII. Other information useful to the understanding of sustainable practices:</p> <ol style="list-style-type: none"> 1. In order to fulfill social responsibility for protecting the environment on the earth, the Company has received ISO9001, ISO45001, ISO14001, ISO13485, and IECQ QC080000 system certifications. Meanwhile, per the systems' regulations, the Company demands that related suppliers should comply with the same, and urges all employees to participate in health and safety and routine operations and educational training, in order to work with each other to improve corporate social responsibility. 2. The Company established the corporate volunteer service club, in order to strengthen mutual assistance among employees internally, train employees' awareness toward public welfare, and encourage employees to participate in social volunteer service after work to make certain contribution to society. 3. The Company and employees uphold the philosophy of feeding back to society. In 2023, the Company participated in the following multiple public welfare activities: <ol style="list-style-type: none"> (1) Donated a total of NT\$100,000 to the Eden Social Welfare Foundation, disadvantaged children, and home long-term care institutions. (2) In July 2023, we held the "Taoyuan Futou Mountain Clean-up" in cooperation with The Society of Wilderness, which assembled the efforts of the enterprise and employees to implement public welfare and achieved the goal of "protect the environment and protect Taiwan's mountains and forests." A total of 26 participants removed 15kg of garbage and invasive plants, and a donation of NT\$30,000 was made. 				

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Causes Thereof
	Yes	No	Summary	
<p>(3) In September 2023, the Company ordered moon cakes for the Mid-Autumn Festival in the amount of NT\$198,708 from the Amazing Grace Deaf Bakery, in order to extend care for a disadvantaged group by supporting this public welfare activity. The Company was awarded a certificate of gratitude accordingly.</p> <p>(4) Employees are encouraged to donate unchecked invoices. In 2023, a total of 335 invoices were collected and donated to the Genesis Social Welfare Foundation.</p> <p>4. More information useful to understanding corporate social responsibility is disclosed on the Company's website (www.minaik.com.tw).</p>				

Implementation of climate-related information

Item	Implementation status									
<p>1. Describe the supervision and governance of climate-related risks and opportunities by the Board and the management.</p>	<p>The Board attaches attention to climate issues and promotes and monitors the effectiveness of functional committees. The organizational structure for sustainable development was established in 2023; it is composed of senior management and the sustainable development promotion taskforce. The taskforce shall hold a meeting at least once a year to report to the Board regarding the material information and implementation status, including the implementation effects of energy conservation and carbon reduction, GHG emissions management, climate impact evaluations, and the achievement progress of sustainability targets.</p>									
<p>2. Describe the effects of climate risks and opportunities identified on the Company's business, strategy, and finance (short-, mid-, and long-term).</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Affected timetable</th> <th style="width: 60%;">Effects of risk/opportunity issues</th> <th style="width: 25%;">Countermeasures</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Short-term</td> <td>Production interruptions and an increase in operating costs due to extreme rainfall and drought, rising raw material costs, and government taxes on carbon and energy.</td> <td>Strengthen disaster prevention facilities, use low-carbon energy, and adopt more efficient production, distribution, and transportation methods to respond.</td> </tr> <tr> <td style="text-align: center;">Mid-term</td> <td>The decrease in the demand for existing products/services, write-offs of existing assets, and early scrapping due to changes in the preference and initial living and consumption models of consumers and changes in the average rainfall.</td> <td>Develop smart manufacturing production lines and plants to respond to changes in industrial trends and formulate climate adaptation plans to increase income and reduce climate threats.</td> </tr> </tbody> </table>	Affected timetable	Effects of risk/opportunity issues	Countermeasures	Short-term	Production interruptions and an increase in operating costs due to extreme rainfall and drought, rising raw material costs, and government taxes on carbon and energy.	Strengthen disaster prevention facilities, use low-carbon energy, and adopt more efficient production, distribution, and transportation methods to respond.	Mid-term	The decrease in the demand for existing products/services, write-offs of existing assets, and early scrapping due to changes in the preference and initial living and consumption models of consumers and changes in the average rainfall.	Develop smart manufacturing production lines and plants to respond to changes in industrial trends and formulate climate adaptation plans to increase income and reduce climate threats.
Affected timetable	Effects of risk/opportunity issues	Countermeasures								
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Mid-term	The decrease in the demand for existing products/services, write-offs of existing assets, and early scrapping due to changes in the preference and initial living and consumption models of consumers and changes in the average rainfall.	Develop smart manufacturing production lines and plants to respond to changes in industrial trends and formulate climate adaptation plans to increase income and reduce climate threats.								

<p>3. Describe the impact of extreme weather events and transformation actions on finance.</p> <p>4. Describe the incorporation method of the identification, evaluation, and management procedures of climate risks in the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors used, and major financial impacts shall be specified.</p> <p>6. If there is a transformation plan in response to the management of climate-related risks, the content of the plan and the indicators and targets used to identify and manage physical risks and transformation risks shall be specified.</p>	<table border="1" data-bbox="1160 154 2078 507"> <tr> <td data-bbox="1160 154 1328 507">Long-term</td> <td data-bbox="1328 154 1720 507">Decrease in production capacity, rising infrastructure costs, and forced changes in labor management and planning due to increased water resource pressure and changes in the average temperature.</td> <td data-bbox="1720 154 2078 507">Improve the overall disaster response capability and introduce diverse alternative energy sources to reduce the level of risk impacts.</td> </tr> </table> <p>The impact of extreme weather and climate change may result in an inability to acquire specific raw materials, an increase in the procurement cost, and rising energy prices, causing an increase in the costs of energy consumption of the Company. Climate change gives rise to multiple risks; the Company shall improve its risk management and comply with laws and regulations and relevant expenses.</p> <p>Under the Sustainable Development Committee, the Company's risk management scope is divided into corporate governance, social responsibility, and environmental sustainability (including climate risk). Based on the risk management practices and the materiality principles, the Company identifies the risks that it is exposed to, concludes different types of risk factors, proposes countermeasures, makes regular examinations and reports to the Committee and the Board.</p> <p>The Company has not adopted scenario analysis for climate change.</p> <p>The Company has no transformation plan in response to climate-related risks at present.</p>	Long-term	Decrease in production capacity, rising infrastructure costs, and forced changes in labor management and planning due to increased water resource pressure and changes in the average temperature.	Improve the overall disaster response capability and introduce diverse alternative energy sources to reduce the level of risk impacts.
Long-term	Decrease in production capacity, rising infrastructure costs, and forced changes in labor management and planning due to increased water resource pressure and changes in the average temperature.	Improve the overall disaster response capability and introduce diverse alternative energy sources to reduce the level of risk impacts.		

<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be specified.</p> <p>8. If climate-related goals are set, the activities covered, the scope of GHG emissions, the planned period, and the progress of each year shall specified; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, the source and quantity of carbon reduction credits or quantity of RECs used for exchange shall be specified.</p> <p>9. GHG inventory and assurance status, as well as reduction targets, strategies, and substantial action plans.</p>	<p>The Company has not adopted an internal carbon pricing policy.</p> <p>The Company is a company with a paid-in capital of less than NT\$5 billion. In response to the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" promoted by the FSC, the Company discloses its GHG inventory and assurance information in stages. The parent company shall complete the inventory in 2026 and complete the verification in 2028. The subsidiaries in the consolidated financial statements shall complete the inventory in 2027 and complete the verification in 2029. The Company has completed the greenhouse gas inventory and verification schedule of the parent company and the Group (including subsidiaries), and submitted it to the Board of Directors for approval, and controls it on a quarterly basis.</p> <p>The Company tentatively plans to complete the GHG inventory before 2026 and the external verification in 2028; however, the completion in advance will be subject to the consideration of practical circumstances in due course.</p>
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(VI) Enforcement of business integrity, deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies

Enforcement of Business Integrity

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Enactment of ethical management policy and program				
(I) Has the company established a set of board-approved business integrity policy, and stated in its Memorandum or external correspondence about the policies and practices it implements to maintain business integrity? Are the board of directors and the senior management committed to fulfilling this commitment?	V		(I) The Company’s Board of Directors passed the “Ethical Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”. The Board members and senior management all promise to uphold and practice ethical management, and fulfill the liability and obligation as a good administrator in internal management and business activities.	No material deviation was found.
(II) Has the company developed systematic practices for assessing integrity risks? Does the company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	V		(II) In order to strictly prevent any conduct against ethical management, the Company established the “Ethical Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”, which expressly state that when performing business, the Company’s personnel are not allowed to offer or accept bribes or accept gifts that exceed normal social etiquette standards, and shall designate a unit responsible for supervising and executing the related operations.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(III) Has the company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a regular basis?	V		(III) The Company established the “Ethical Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”. Where any violation of laws or ethical management policy and rules is proven, the Company will apply its reward and punishment management regulations immediately. Meanwhile, the Company also established the “Procedures for Grievance, Whistleblowing, and Participation in Management” to provide multiple grievance channels, and keeps whistleblowers’ identities and reports in confidence.	No material deviation was found.
<p>II. Implementation of ethical management</p> <p>(I) Has the Company assessed a trading counterpart’s ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?</p>	V		(I) Before engaging in any business transactions, the Company demands that it should be necessary to consider the legality of suppliers and other business trading counterparts and whether they have any unethical management records, in order to avoid trading with those with unethical management records. When executing any contract, the Company demands that a stakeholder who has business transactions with the Company should execute the “Letter of Undertaking of Integrity”.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(II) Does the company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conducts) to the board of directors on a regular basis (at least once a year)?	V		(II) The Company has designated the Administration Division to serve as the unit dedicated to promoting corporate ethical management and reporting execution progress to the Board of Directors once per year. Execution progress in 2023 was reported to the Board of Directors on March 13, 2024.	No material deviation was found.
(III) Has the Company defined any policy against conflict of interest, provides adequate channel thereof, and fulfills the same precisely?	V		(III) In addition to the “Ethical Management Best Practice Principles”, the Company also established the ethical code, such as “Procedure for Ethical Management Free From Unjust Enrichment”, to expressly defines the conflict-of-interest prevention policy and channel. Meanwhile, the Company provides an external grievance channel on its official website, in order to maintain the Company’s goodwill and interest.	No material deviation was found.
(IV) Has the company implemented an effective accounting policy and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees’ compliance with various preventions against dishonest conduct?	V		(IV) The Company established its accounting system and internal control system pursuant to related laws and regulations. The internal auditors audit the compliance thereof regularly. As a result, none of the employees or management have been found violating ethical management requirements.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(V) Has the Company organized internal/external education training program for ethical management periodically?	V		(V) The Company has organized or attended internal/external education training programs on the ethical management issue (including courses related to compliance with ethical management laws, safety and health management and inspection, prevention of insider transactions, accounting system and internal control) in 2023. There were a total of 82 attendees, and the courses took 195 hours in total. The Company would also promote the Company's management philosophy via the internal meeting irregularly.	No material deviation was found.
III. Status of the Company's complaint system (I) Has the Company defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated personnel to deal with the situation?	V		(I) The Company expressly sets forth grievance channels and the reward and punishment system in the "Procedures for Grievance, Whistleblowing, and Participation in Management", in order to set up a fair and unimpeded tangible opinion mailbox, opinion mailbox on the employee portal site, hotline and email box, and expand the communication channels. RBA management representatives are responsible for the investigation and resolution on behalf of the Company.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(II) Has the company implemented any standard procedures for handling reported misconducts, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?	V		(II) The Company has established the “Procedures for Grievance, Whistleblowing, and Participation in Management”, in order to expressly state the grievance channels, grievance procedures, and time required, and also state that the significant violations or disputes which cannot be resolved amicably should be referred to the “Grievance Evaluation Committee” for resolution. In the meantime, the whistleblower’s identity and report will be kept in confidence strictly.	No material deviation was found.
(III) Has the Company adopted any measures to prevent the complainants from being abused after filing complaints?	V		(III) The Company’s “Procedures for Grievance, Whistleblowing, and Participation in Management” expressly states that no discrimination, threat, or other unfavorable treatment may be imposed with respect to the complainant, burden of proof, and investigation personnel. The job duty to be performed by the complainant shall remain unaffected by the grievance. The complainant should not need to worry about attacks or retaliation. Adequate channels shall be in place, so that employees or suppliers may file grievances or feedback in their own names, or anonymously, when finding any defects in management or suffering inadequate punishment, discrimination, or infringement.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>IV. Enhancing Information Disclosure</p> <p>Has the Company has disclosed the Ethical Management Principles and effect of implementation thereof on its website and Market Observation Post System?</p>	V		Information about the ethical management policy is disclosed on the Company's website at (www.minaik.com.tw).	No material deviation was found.
<p>V. If the Company has established ethical management principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: The Company has established its "Ethical Corporate Management Best Practice Principles." There is no significant difference between the Company's ethical corporate management operations and the Ethical Corporate Management Best Practice Principles.</p>				
<p>VI. Other information material to the understanding of ethical management operation: (e.g. discussion of an amendment to the ethical management best practice principles defined by the Bank)</p> <p>The Company has established the "Ethical Management Best Practice Principles" and the employees' ethical codes. All of the Company's colleagues and managers, and the Board members shall comply with the Principles and related procedures, uphold the ethical management, execute the "Letter of Undertaking of Integrity" with the Company's trading counterparts, care about stakeholders' needs, and win recognition from customers and suppliers, in order to ensure sustainable business.</p>				

(VII) If the Company has established corporate governance principles and other relevant guidelines, references to such principles must be disclosed: The principles and guidelines are disclosed in the corporate governance section on the MOPS and "Investors - Corporate Governance Section" on the Company's website, which also provides the access to downloading of related regulations.

(VIII) Other important information about implementation of corporate governance:

- (1) The Company established the Remuneration Committee on November 18, 2011. The Committee acts professionally and objectively, exercises its powers pursuant to laws, and proposes recommendations to the Board of Directors as the reference for determination of salary and performance appraisal.
- (2) The Company established the Audit Committee on June 18, 2014. The Committee acts professionally and objectively, exercises its powers pursuant to laws, and proposed recommendations to the Board of Directors as the reference for decision making.
- (3) The Company appointed the chief corporate governance officer to take charge of the corporate governance practices on March 22, 2023.
- (4) The Company's members shall comply with laws and the Company's internal rules to practice the ethical management.

(IX) Implementation of internal control system

1. Declaration of Internal Control System

MIN AIK TECHNOLOGY CO., LTD.
Declaration of Internal Control System

Date: March 13, 2024

The following declaration is made based on the 2023 self-inspection of the Company's internal control system:

- I. The Company acknowledges and understands that establishment, implementation, and maintenance of the internal control system are the responsibility of the Board and managerial officers, and that such a system has already been established throughout the Company. The purpose of this system is to provide reasonable assurance in terms of business performance & efficiency (including profitability, performance, asset security, etc.), reliable, timely and transparent financial reporting, and regulatory compliance.
- II. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably assure achievement of the three goals mentioned above. Furthermore, changes in the environment and circumstances may all affect the effectiveness of the internal control system. However, the company's internal control system has a self-monitoring mechanism which will take corrective actions in a timely manner once the deficiencies are identified.
- III. The Company evaluates the effectiveness of its internal control system design and execution based on the criteria specified in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consisted of five major elements, each representing a different stage of the internal control system: 1. Control environment, 2. Risk evaluation, 3. Procedural control, 4. Information and communication, and 5. Supervision. Each element further encompasses several sub-elements. Please refer to the "Regulations" for details.
- IV. The Company has adopted the above-mentioned criteria to evaluate the effectiveness of its internal control design and execution.
- V. Based on the evaluation results described above, the Company considers the design and execution of its internal control policies to be effective as of December 31, 2023. This system (including the supervision and management of subsidiaries) has provided assurance with regards to the Company's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.
- VI. The Statement forms an integral part of the Company's Annual Report and prospectus. Any illegal misrepresentation or non-disclosure in the public statement above are subject to legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. The Statement was approved at the Company's Board of Directors meeting held on March 13, 2024. None of the six directors present at the meeting held any objections, and unanimously agreed to the contents of this declaration.

MIN AIK TECHNOLOGY CO., LTD.

Chairman:

Chia Kin Heng

President:

2. If the internal control system has been reviewed by an external auditor, the result of such review must be disclosed: None.

(X) Punishments received by the Company and its internal personnel pursuant to laws and punitive actions issued by the Company against its internal employees in violation of the internal control system provisions in the most recent year up to the date of publication of the Annual Report that may significantly impact shareholders' interest or security price, and major deficiency and correction status: None.

(XI) Shareholders' meeting(s) and significant board resolutions during the most recent year and up to the date of publication of this annual report

1. Major Resolutions of the 2023 Annual General Meeting, and Execution Status Thereof:

Motion	Resolution	Implementation Status
Acknowledgment of the 2022 business report and financial statements.	The voting results on the motion showed that the number of votes in favor accounted for 72.68% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	The public announcement and filing of the financial statements have been completed as required.
Ratification of 2022 Earnings Distribution Plan.	The voting results on the motion showed that the number of votes in favor accounted for 72.83% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	Already executed the earnings distribution per the resolution of the shareholders' meeting and through statutory procedures as follows: 1. Record date of cash dividends: August 8, 2023 2. Date of payment of cash dividends: August 28, 2023

Motion	Resolution	Implementation Status
Passed the payment of cash from capital surplus.	The voting results on the motion showed that the number of votes in favor accounted for 72.84% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	Already executed the payment of cash from capital surplus per the resolution of the shareholders' meeting and through statutory procedures as follows: 1. Record date of payment of cash from capital surplus: August 8, 2023 2. Date of payment of cash from capital surplus: August 28, 2023
Passed the amendments to certain provisions of the "Articles of Incorporation."	The voting results on the motion showed that the number of votes in favor accounted for 72.82% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	Already executed the related business per the amended articles. The revised "Articles of Incorporation" was approved by the Ministry of Economic Affairs No. 11230123270 dated July 17 2023 to change registration.
Passed the amendments to certain provisions of the "Procedure for Election of Directors."	The voting results on the motion showed that the number of votes in favor accounted for 72.82% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	Already executed the related business per the amended procedures.

Motion	Resolution	Implementation Status
Re-election of all directors.	<p>The newly elected directors with voted as follows.</p> <p>(1) Director : Chia Kin Heng 、 Wang Chen Huan 、 Representative of Hui Yi Investment & Consulting Company: Yang Chun Yi.</p> <p>(2) Independent Director : Chen Yung Lin 、 Li Chih Feng 、 Lu Yeh Senms 、 Chan Chin Ping.</p>	<p>The newly appointed directors were approved by the Ministry of Economic Affairs No. 11230123270 dated July 17 2023 to change registration.</p>
Passed the removal of restrictions imposed against new directors and their representatives for involving in competing businesses.	<p>The voting results on the motion showed that the number of votes in favor accounted for 71.81% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.</p>	<p>Executed per the resolution rendered by the shareholders' meeting.</p>

2. Significant Board of Directors' Resolutions During the Most Recent Year and up to the Date of Publication of the Annual Report

Date	Major resolutions
<p>1st meeting of board of directors in 2023 2023.01.19</p>	<p>Report Matters:</p> <ol style="list-style-type: none"> 1. Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. <p>Discussion Matters:</p> <ol style="list-style-type: none"> 1. Passed the Company's 2023 business plan. 2. Passed the re-appointment of and remuneration to external auditors for 2023. 3. Passed the payment of the 2022 year-end bonus to managers.
<p>2nd meeting of board of directors in 2023 2023.03.22</p>	<p>Report Matters:</p> <ol style="list-style-type: none"> 1. Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. 3. Reported on the Board of Directors' performance evaluation result. 4. Report on promotion of the implementation of corporate ethical management. 5. 2022 information security risk management report. 6. Report on GHG accounting and verification schedule planning. <p>Discussion Matters:</p> <ol style="list-style-type: none"> 1. Passed the distribution of 2022 remuneration to employees and directors. 2. Passed the supplemental information about evaluation on the external auditors in 2023. 3. Passed the Company's 2022 business report, parent company only financial statements, and consolidated financial statements. 4. Passed the Company's 2022 earnings distribution plan. 5. Passed the payment of cash from capital surplus. 6. Passed the amendments to certain provisions of the "Articles of Incorporation." 7. Passed the amendments to certain provisions of the "Procedure for Election of Directors." 8. Passed the Company's 2022 "Declaration for Statement of Internal Control System". 9. Passed the re-election of whole directors. 10. Passed the removal of restrictions imposed against new directors and their representatives for involving in competing businesses.

Date	Major resolutions
	11. Passed the convention of the Company’s 2023 annual general meeting. 12. Passed the appointment of the corporate governance officers. 13. Passed the enactment of the “Sustainable Development Best Practice Principles.”
3 rd meeting of board of directors in 2023 2023.05.04	Report Matters: 1. Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1. Passed the Company’s 2023 Q1 consolidated financial statements. 2. Passed the Name List of Director Candidates.
4 th meeting of board of directors in 2023 2023.06.27	Discussion Matters: 1. Proposal for the election of the Chairman of the Company. 2. Passed the amendments to certain provisions of the Company’s “Remuneration Committee Charter”. 3. Passed the proposal for the appointment of the 5th session of the Remuneration Committee of the Company.
5 th meeting of board of directors in 2023 2023.08.09	Report Matters: 1. Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. 3. Report on Professional qualifications and independence report of independent directors. 4. Report on GHG accounting and verification schedule planning. Discussion Matters: 1. Passed the Company’s 2023 Q2 consolidated financial statements. 2. Passed loan funds to subsidiary MATC TECHNOLOGY MALAYSIA SDN. BHD.USD 6 million. 3. Passed the amendments to certain provisions of the Company’s “Procedure for Acquisition or Disposal of Assets”. 4. Passed the amendments certain provisions of the ”Procedures for Endorsement and Guarantee” 5. Approved the proposal for the distribution of the remuneration of directors of investees appointed by the Company. 6. Approved the proposal for the distribution of the monthly compensation of directors of investees appointed by the Company. 7. Approved the proposal for the adjustment of currency limits of credit granted by Mega International Commercial Bank. 8. Approved the proposal for lifting the non-competition restriction on the manager of the Company, who is concurrently the director representative of Min Aik Precision Industrial Co., Ltd..

Date	Major resolutions
<p>6th meeting of board of directors in 2023 2023.11.08</p>	<p>Report Matters:</p> <ol style="list-style-type: none"> 1. Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. 3. Report on renewal of the Company’s “Liability Insurance for Directors, Supervisors, and Key Staff”. 4. Quarterly report on GHG inventory and verification schedule plans and implementation progress. <p>Discussion Matters:</p> <ol style="list-style-type: none"> 1. Passed the Company’s 2023 Q3 consolidated financial statements. 2. Passed the Company’s “2024 Audit Plan”. 3. Passed the amendments to the Company’s “Internal Control System” and “Internal Audit System”. 4. Passed the amendments to the Company’s “Rules Governing Financial and Business Matters Between This Corporation and its related parties”. 5. Passed the proposal for significant amounts overdue for over three months that are not loans as of September 30, 2023. 6. Passed the Company’s 2024 application for facility with banks and renewal . 7. Passed the proposal for lifting the non-competition restriction on the manager of the Company, who is concurrently the director representative of Das Technology Co., Ltd..
<p>1st meeting of board of directors in 2024 2024.01.31</p>	<p>Report Matters:</p> <ol style="list-style-type: none"> 1. Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. 3. Quarterly report on GHG inventory and verification schedule plans and implementation progress. 4. 2023 report on the promotion of sustainable development. <p>Discussion Matters:</p> <ol style="list-style-type: none"> 1. Passed the Company’s 2024 business plan. 2. Passed the re-appointment of and remuneration to external auditors for 2024 and the general principles for enactment of the Company’s pre-approved non-assurance service policy. 3. Passed the proposal for the amount of purchases/sales with related parties in 2024. 4. Passed the payment of the 2023 year-end bonus to managers.

Date	Major resolutions
<p>2nd meeting of board of directors in 2024 2024.03.13</p>	<p>Report Matters:</p> <ol style="list-style-type: none"> 1. Report on management of the subsidiary’s financial derivatives. 2. Reported on the Board of Directors’ performance evaluation result. 3. Report on promotion of the implementation of corporate ethical management. 4. 2023 information security risk management report. 5. Report on GHG accounting and verification schedule planning. <p>Discussion Matters:</p> <ol style="list-style-type: none"> 1. Passed the Company’s 2023 business report, parent company only financial statements, and consolidated financial statements. 2. Passed the Company’s 2023 deficit compensation plan 3. Passed the payment of cash from capital surplus. 4. Passed the amendments to the Company’s “Rules of Procedure for Board of Directors Meetings.” 5. Passed the Amendments to certain provisions of the ” Audit Committee Charter” 6. Passed the proposal for the amendment to partial provisions of the "Standard Operating Procedures for Handling Directors' Requests." 7. Passed the Company’s 2023 “Declaration for Statement of Internal Control System”. 8. Passed the proposal for significant amounts overdue for over three months that are not loans as of December 31, 2023. 9. Passed the 2023 report on the promotion of sustainable development. 10. Passed the convention of the Company’s 2024 annual general meeting.
<p>3rd meeting of board of directors in 2024 2024.05.10</p>	<p>Report Matters:</p> <ol style="list-style-type: none"> 1. Report on management of the subsidiary’s financial derivatives. 2. Report on GHG accounting and verification schedule planning. <p>Discussion Matters:</p> <ol style="list-style-type: none"> 1. Passed the Company’s 2024 Q1 consolidated financial statements. 2. Passed the proposal for significant amounts overdue for over three months that are not loans as of March 31, 2024. 3. Passed the Formulate "Risk Management Policies and Procedures".

(XII) The main contents of important resolutions passed by the Board of Directors regarding in which directors have voiced differing opinions on the record or in writing, during the most recent year and up to the date of publication of this Annual Report:

3rd meeting of board of directors in 2023 (2023.05.04):
Determination of the director candidates' qualifications:
Resolution: Agreed as proposed.

Voiced differing opinions: Director Yang Chun Yi and Representative of Zhen-Long Investment Co., Ltd., Director Chang Lung Ken, express objection.

4th meeting of board of directors in 2023 (2023.06.27):

Proposal for the election of the Chairman:

Resolution: Director Chia Kin Heng assumed the position of the Company's Chairman.

Voiced differing opinions: Representative of Hui Yi Investment & Consulting Company., Director Yang Chun Yi, express objection.

5th meeting of board of directors in 2023 (2023.08.09):

Proposal for the distribution of the monthly compensation of directors of investees appointed by the Company:

Resolution: Agreed as proposed.

Voiced differing opinions: Representative of Hui Yi Investment & Consulting Company., Director Yang Chun Yi, express objection.

Proposal for lifting the non-competition restriction on the manager of the Company who is concurrently the director representative of Min Aik Precision Industrial Co., Ltd.:

Resolution: Agreed as proposed.

Voiced differing opinions: Representative of Hui Yi Investment & Consulting Company., Director Yang Chun Yi, express objection.

6th meeting of board of directors in 2023 (2023.11.08):

Proposal for lifting the non-competition restriction on the manager of the Company who is concurrently the director representative of Das Technology Co., Ltd. :

Resolution: Agreed as proposed.

Voiced differing opinions: Representative of Hui Yi Investment & Consulting Company., Director Yang Chun Yi, express objection.

1st meeting of board of directors in 2024 (2024.01.31):

Determination of the payment of the 2023 year-end bonus to managers:

Resolution: Agreed as proposed.

Voiced differing opinions: Representative of Hui Yi Investment & Consulting Company., Director Yang Chun Yi, express objection.

- (XIII) A summary of resignations and dismissals, during the most recent year and up to the date of the publication of the Annual Report, of the Company's Chairman, President, accounting officer, financial officer, internal auditor officer, corporate governance officer, and R&D officer: None.

V. Professional Fees to CPAs

(I) Professional Fees to External Auditors

1. Professional Fees to CPAs

Unit: NT\$ thousand

Accounting firm name	Names of CPAs	Audit period	Audit Fee	Non-audit Fee					Total	Remarks
				Designing regulations	Business registration	Human resources	Others (Note)	Subtotal		
KPMG International	Yu Sheng-Ho Cheng An-Chih	2023	6,530	0	0	0	761	761	7,291	The non-audit fees consist of the transfer pricing report, NT\$380 thousand, the Group's global files, NT\$255 thousand, and others, NT\$126 thousand.

2. If the Company meets any of the following circumstances, it shall disclose the following information separately:

- (1) In the case of any change of the CPA firm that results in the reduction of the audit fee from the previous year, please disclose the audit fee before and after the change and the cause of such change: None.
- (2) If the audit fee is reduced by more than 10% from the previous year, please disclose the amount of reduction, percentage, and cause thereof: None.

VI. Information of Independent Auditor replacement:

(I) Information relating to the former CPA

Date of reappointment	Since 2022 Q1, 2022Q4							
Reason for reappointment	Due to internal job duty adjustment, the external auditors responsible for certifying the Company’s financial statements were changed.							
Was the termination of audit services initiated by the principal or by the CPA	Contracting Party		Certified Public Accountant		Principal			
	Conditions		Not applicable		Not applicable			
	Service terminated by		Not applicable		Not applicable			
	Service no longer accepted (continued) by		Not applicable		Not applicable			
Reasons for issuing opinions other than unqualified opinions in the recent two years	None							
Disagree With the Issuer?	Yes	Accounting principles or practices	Nature	Not applicable	Method of processing	Not applicable	Resolution	Not applicable
		Disclosure of financial report						
		Scope or steps of audit						
		Others						
	None	V						
Other disclosures (Matters that shall be disclosed in Subparagraphs (6).1.4-(6)1.7 of Article 10 of the Regulations.)	None							

(II) Information relating to the succeeding CPA:

CPA Office	KPMG International	
Names of CPAs	Chen Cheng Chien, CPA Cheng An-Chih, CPA	Yu Sheng-Ho, CPA Cheng An-Chih, CPA
Date of appointment	Due to the internal job duty adjustment, the Firm has replaced the external auditors since 2022 Q1.	Due to the internal job duty adjustment, the Firm has replaced the external auditors since 2022 Q4.
Inquiries and replies relating to the accounting practices or accounting principles of certain transactions, or any audit opinions the auditors were likely to issue on the financial reports prior to appointment	None	None
Written disagreements from the succeeding auditor against the opinions made by the former CPA	None	None

(III) The former CPA's response to the matters referred to in Subparagraphs 6(1) and (2)3 of Article 10 of the Regulations: None.

VII. Disclosure of any of the Company's Chairman, president, or managers responsible for financial or accounting affairs being employed by the external auditor's firm or any of its affiliated company in the most recent year: None.

VIII. During the most recent year and up to the date of publication of the annual report, facts of equity transfer and change in equity pledge about the director, managerial office, or shareholders having held the equity exceeding 10%:

(I) Changes of the Equity of Directors, Managers, and Major Shareholders

Unit: shares

Title	Name	2023		Until May 14, 2024	
		Increase (decrease) in shares held	Increase (decrease) in Shares Pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman / CEO	Chia Kin Heng	2,000	0	(80,000)	0
Director	Hui Yi Investment & Consulting Company (Note1)	0	0	0	0
Representative of Director	Yang Chun Yi	0	0	0	0
Independent Director	Chen Yung Lin	0	0	0	0
Independent Director	Li Chih Feng	0	0	0	0
Independent Director	Lu Yeh Senms	0	0	0	0
Independent Director	Chan Chin Ping (Note1)	0	0	0	0
Director	Koh Soe Khon (Note2)	0	0	0	0
Director	Zhen-Long Investment Co., Ltd. (Note2)	0	0	0	0
Representative of Director	Chang Lung Ken (Note2)	0	0	0	0
Director	Wang Chen Huan (Note1、Note3)	0	0	0	0
Chief Operating Officer	Yang Hung Jen	0	0	0	0
Deputy Chief Operating Officer	Sung Tsan Yung	0	0	0	0
NPI Director	Tsai Chen Shan	0	0	0	0
RD Director	Lin Ying Huang	0	0	0	0
China Plant, Managing Director	Wang Yao Hung	0	0	0	0
Financial Management Division, Director	Sun Te Wen	33,000	0	16,000	0
Accounting Director	Chen Yu Jhen	0	0	0	0
Innovative Business Director	Yeh Wei Ting	0	0	0	0
Manufacturing Division, Director	Wu Chun Cheng (Note4)	0	0	0	0

Note1 : Newly elected on June 15, 2023.

Note2 : Dismissed on June 15, 2023.

Note3 : Resignation on May 13, 2024.

Note4 : Retire on Feb 1, 2024.

(II) The counterpart of transfer of shares by directors, managers, and shareholders having held equity exceeding 10% is a related party: None.

(III) The counterpart of pledge of shares by directors, managers, and shareholders having held equity exceeding 10% is a related party: None.

IX. Information of stakeholders, spouse, and relative within the second degree of kinship of the top-10 shareholders:

Baseline date: April 20, 2024 ; Unit: Shares; %

Name	Shares held in own name		Shares Currently Held by Spouse & Minors		Shares held in the name of a third party		If there is relationship, such as a related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship. (Note)		Remarks
	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Name	Relationship	
Yang Chun Yi	2,208,000	1.61	0	0	0	0	None	None	
Chia Kin Heng	2,074,572	1.51	304,000	0.22	0	0	None	None	
Taipei Fubon Commercial Bank Trust Property Account	2,051,572	1.49	0	0	0	0	None	None	
Yuanta Commercial Bank is entrusted with custody of Koh Soe Khon's investment account	2,000,000	1.45	0	0	0	0	None	None	
Morgan Stanley & Co. International Plc	1,968,463	1.43	0	0	0	0	None	None	
Taipei Fubon Commercial Bank is entrusted by Hongyu Social Welfare Charity Trust Fund Trust Property Account	1,491,760	1.08	0	0	0	0	None	None	
J.P. MORGAN SECURITIES PLC	1,487,872	1.08	0	0	0	0	None	None	
GOLDMAN SACHS INTERNATIONAL	1,353,880	0.98	0	0	0	0	None	None	
The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the investment account of Royal Bank of Ligu (Singapore) Limited	1,097,984	0.80	0	0	0	0	None	None	
Barclays Capital Securities Limited--Barclays Capital Securities Limited SBL/PB(MTA)	765,600	0.56	0	0	0	0	None	None	

Note: Relations among said shareholders (including juristic-person and natural-person shareholders) shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. Number of shares held by the Company, and the Company's directors, supervisors, and managers, and the entities directly or indirectly controlled by the Company in a single investee, and consolidated shareholding percentage of the above categories:

May 14, 2024 ; Unit: thousand shares; %

Invested enterprise	Held by the Company		Held by Directors, Supervisors, Managers, and Directly/Indirectly Controlled Businesses		Comprehensive Investment	
	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding
MAP TECHNOLOGY HOLDINGS PTE. LTD.	66,913	46.60	2,198	1.53	69,111	48.13
MIN AIK PRECISION INDUSTRIAL CO., LTD.	29,857	38.78	1,105	1.43	30,962	40.21
ABLYTEK CO., LTD.	16,229	27.05	333	0.55	16,562	27.60

Ch4. Capital Overview

I. Capital and Shares

(I) Source of Capital

1. Capital Share Formation Process

Unit: Share; NT\$

Date	Issue price	Registered Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Capital	Assets except cash is offset against share payments	Others
2013/04	10	400,000,000	4,000,000,000	172,799,421	1,727,994,210	Conversion of convertible corporate bonds to capital increase by NT\$52,439,560.	None	Note 1 Note 2
2013/07	10	400,000,000	4,000,000,000	173,857,399	1,738,573,990	Conversion of convertible corporate bonds to capital increase by NT\$10,579,780	None	Note 1 Note 3
2013/10	10	400,000,000	4,000,000,000	174,201,987	1,742,019,870	Conversion of convertible corporate bonds to capital increase by NT\$3,445,880	None	Note 1 Note 4
2017/08	10	400,000,000	4,000,000,000	139,361,590	1,393,615,900	Capital reduction by NT\$348,403,970 upon refund of stock payment.	None	Note 5 Note 6
2020/04	10	400,000,000	4,000,000,000	137,563,190	1,375,631,900	Capital reduction by NT\$17,984,000 upon cancellation of repurchased shares of the Company.	None	Note 7

Note 1: Approval letter under Jin-Guan-Zheng-Fa-Zi No. 1000039647 dated September 1, 2011.

Note 2: Approval letter under Jin-Shou-Shang-Zi No. 10201062620 dated April 9, 2013.

Note 3: Approval letter under Jin-Shou-Shang-Zi No. 10201137130 dated July 15, 2013

Note 4: Approval letter under Jin-Shou-Shang-Zi No. 10201210990 dated October 15, 2013

Note 5: Approval letter under Jin-Guan-Zheng-Fa-Zi No. 1060027768 dated August 2, 2017

Note 6: Approval letter under Jin-Shou-Shang-Zi No. 10601125380 dated August 31, 2017

Note 7: Approval letter under Jin-Shou-Shang-Zi No. 10901058540 dated April 14, 2020.

2. Share Type

Unit: shares

	Outstanding shares	Un-issued shares	Total	
Common stock	137,563,190	262,436,810	400,000,000	TWSE-listed Stocks

(II) Shareholder structure

April 20, 2024

Shareholder structure Quantity	Government authorities	Financial institution	Other juristic (corporate) persons	Individuals	Foreign institutions and juristic (corporate) persons	Total
Number of shareholders	1	0	215	55,550	95	55,861
Number of shares held	60	0	4,280,642	118,491,091	14,791,397	137,563,190
Ratio of shareholding (%)	-	0	3.11	86.14	10.75	100.00

(III) Fact of equity scattering

1. Common stock

April 20, 2024; at par value of NTS10 per share.

Shareholding levels	Number of shareholders	Number of shares held	Ratio of shareholding (%)
1 - 999	38,543	3,168,393	2.30
1,000 - 5,000	13,295	28,177,771	20.49
5,001 - 10,000	2,047	16,085,955	11.69
10,001 - 15,000	623	7,923,356	5.76
15,001 - 20,000	446	8,230,369	5.98
20,001 - 30,000	333	8,532,041	6.20
30,001 - 40,000	155	5,566,356	4.05
40,001 - 50,000	91	4,233,872	3.08
50,001 - 100,000	194	13,738,143	9.99
100,001 - 200,000	81	11,074,476	8.05
200,001 - 400,000	36	10,391,217	7.55
400,001 - 600,000	5	2,522,649	1.83
600,001 - 800,000	3	2,184,802	1.59
800,001 - 1,000,000	0	0	0.00
Over 1,000,001	9	15,733,790	11.44
Total	55,861	137,563,190	100.00

2. Preferred Shares: Not applicable.

(IV) List of Major Shareholders: Name, shares held, and shareholding of any shareholder who owns 5% or more of the outstanding shares, or the proportion of the outstanding ranking top 10.

April 20, 2024 ; Unit: Shares

Names of major shareholders	Shares	Number of shares held	Ratio of shareholding (%)
Yang Chun Yi		2,208,000	1.61
Chia Kin Heng		2,074,572	1.51
Taipei Fubon Commercial Bank Trust Property Account		2,051,572	1.49
Yuanta Commercial Bank is entrusted with custody of Koh Soe Khon's investment account		2,000,000	1.45
Morgan Stanley & Co. International Plc		1,968,463	1.43
Taipei Fubon Commercial Bank is entrusted by Hongyu Social Welfare Charity Trust Fund Trust Property Account		1,491,760	1.08
J.P. MORGAN SECURITIES PLC		1,487,872	1.08
GOLDMAN SACHS INTERNATIONAL		1,353,880	0.98
The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the investment account of Royal Bank of Liguoo (Singapore) Limited		1,097,984	0.80
Barclays Capital Securities Limited--Barclays Capital Securities Limited SBL/PB(MTA)		765,600	0.56

(V) Per share information (including market price, book value, earnings, share dividend) from the most recent two years:

Unit: NT\$; shares

Item		Year	2022	2023	Until May 14, 2024
Market Share Price (Note 1)	Highest		26.85	24.00	31.25
	Lowest		15.75	15.95	19.40
	Average		19.71	18.77	26.35
Share Book Value (Note 2)	Before payout		20.69	18.29	(Note 8)
	After payout		20.39	Not yet distributed	Not yet distributed
Earnings Per Share	Weighted Average Number of Shares (thousand shares)		137,564	137,564	137,564
	Earnings Per Share (Note 3)		0.29	(1.57)	(Note 8)
Per Share Dividend	Cash Dividend		0.3	0.25	0
	Stock Dividend	From Retained Earnings	0	0	0
		From Special Reserve	0	0	0
	Accumulated Unpaid Dividend (Note 4)		0	0	0
ROI Analysis	Price/Earnings Ratio (Note 5)		67.97	(11.96)	Not applicable
	Price/Dividend Ratio (Note 6)		65.70	75.08	Not applicable
	Cash Dividend Yield (Note 7)		1.52%	1.33%	Not applicable

- Note 1: Please identify the highest and lowest market price per share of ordinary stock for each fiscal year and calculate each fiscal year's average market price based on the trading value and trading volume of each year.
- Note 2: Please use the number of the issuing shares in the year end as the base with the distribution decision resolved at the board of directors or shareholders' meeting held in the following year.
- Note 3: If retroactive adjustment is needed due to allocation of stock bonus, please identify the earnings per share before and after the adjustment.
- Note 4: If the equity securities issue terms and conditions require that the stock dividends undistributed in the year may be accumulated and distributed until the year in which earnings are generated, please disclose the stock dividends accumulated and undistributed until the end of the year separately: None.
- Note 5: $P/E \text{ Ratio} = \text{Average closing price per share for the year} / \text{Earnings per share}$.
- Note 6: $P/D \text{ Ratio} = \text{Average closing price per share for the year} / \text{Cash dividend per share}$.
- Note 7: $\text{Cash Dividend Yield} = \text{Cash dividend per share} / \text{Average closing price per share the year}$.
- Note 8: The information regarding net worth per share and earnings per share shall refer to the information available during the most recent quarter up to the date of publication of the Annual Report, which has been reviewed by the CPA, while the other sections shall specify the information available in the current year up to the date of publication of the Annual Report.

(VI) Dividend Policy and Implementation

1. Dividend Policy

If the Company retains earnings upon final account of any fiscal year, it shall first make up any accumulated losses (including adjustment of undistributed earnings), and then make a contribution of 10% as the legal reserve, unless the legal reserve has reached the amount of the Company's paid-in capital. If necessary, the Company shall contribute or reverse the special reserve pursuant to laws or the competent authority's requirements. The surplus, if any, plus the undistributed earnings at the beginning of the year (including adjustment of undistributed earnings), shall be distributed per the earnings distribution plan proposed by the Board of Directors as resolved by a shareholders' meeting.

In order to pursue long-term shareholders' interests and stable business performance goals, the Company adopts the balanced dividend policy. Specifically, the distributed earnings shall be no less than 50% of the distributable earnings in the current year, and the cash dividends shall be no less than 10% of the total dividends, provided that no earnings shall be distributed if the distributable earnings are less than NT\$0.5 per share in the current year.

2. The Dividends Proposed to be Distributed at the Shareholders' Meeting:

MIN AIK TECHNOLOGY CO., LTD.

Deficit Compensation Statement

2023

	Unit: NT\$
Undistributed earnings, beginning	\$ 4,644,470
Less:	
Current changes in remeasurements of the defined benefit plan	(6,718,757)
Current net losses after tax	(215,646,015)
Deficit to be compensated	<u>(217,720,302)</u>
Add:	
Deficit to be compensated by special reserve	<u>217,720,302</u>
Undistributed earnings at the end of the period (deficit to be compensated)	<u>-</u>

(1) The 2024 annual general meeting proposed to distribute the cash to shareholders with the capital surplus generated from the income derived from the issuance of new shares at a premium, NT\$34,390,798 at NT\$0.25 per share.

(2) In the event that the payout rate is changed due to amendments made by the competent authority or the Company's repurchase or transfer of treasury stocks or any other factors that affect the quantity of the Company's outstanding shares, the Chairman of Board shall be authorized by a shareholders' meeting to make adjustments therefor.

3. Please disclose if the dividend policy will be changed significantly: N/A.

(VII) Impact to Business Performance and EPS Resulting from the Proposal of Stock Dividend Distribution Made at the Recent Shareholders' Meeting: Not applicable.

(VIII) Employee & Director remuneration:

1. Percentages or Ranges With Respect to Remuneration to Employees and Directors, as Set Forth in the Company's Articles of Incorporation:

If the Company retains earnings (i.e., those before the income before tax earned for the current year less the remuneration to employees and remuneration to directors) at the end of the fiscal year, it is required to allocate 1% thereof as the remuneration to employees and no more than 3% thereof as the remuneration to directors. However, when the Company still has accumulated losses (including adjustment of undistributed earnings), an amount equivalent to said losses shall be reserved to make up for the loss in advance.

The remuneration to employees referred to in the preceding paragraph may be paid in the form of stock or in cash. The recipients entitled to receive the remuneration include the employees of the Company's associates meeting certain specific requirements set forth by the Board of Directors. The remuneration to directors referred to in the preceding paragraph may be paid in cash only.

The matters referred to in the preceding two paragraphs shall be resolved by the Board of Directors, and reported to a shareholders' meeting.

2. The basis for estimating the amounts of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: Stated as the income of 2024.

3. Information on any approval by the board of directors of distribution of compensation

(1) Remuneration to Employees and Directors in Cash or in Shares:

Due to losses in 2023, no remuneration of employees or Directors was distributed; there is no difference with the estimated amount in the year of recognition.

(2) The amount of remuneration to employees in shares, and the size of that amount as a percentage of the sum of the net income stated in the parent company only financial reports or individual financial reports for the current period, and the total remuneration to employees: None.

4. Actual Payment of Remuneration to Employees, Directors, and Supervisors in the Previous Year

Item \ Year	Last year (2023)			
	Actual Payment Resolved by the Shareholders' Meeting	Proposed Payment Approved by the Board of Directors	Difference	Reason of the difference
I. Status:				
1. Remuneration to Employees in Cash	1,772,289	1,772,289	No Difference	-
2. Remuneration to Employees in Shares				
(1) Number of shares	0	0	No Difference	-
(2) Amount	0	0	No Difference	-
(3) Percentage of the Number of Outstanding Shares at the End of the Year	0	0	No Difference	-
3. Director remuneration	354,458	354,458	No Difference	-

(IX) Share repurchases

1. The Company's Buyback of its Shares (already executed):

May 10, 2024

Serial number of the term of buyback	5 th
Purpose of Buyback	Transfer of Shares to Employees
Period of buyback	2017.01.23-2017.03.17
Buyback price range	NT\$28-40
Category and quantity of buyback	Original Ordinary Shares: 2,248,000 shares Ordinary Shares Upon Cash Capital Reduction: 1,798,400 shares
Amount of buyback	NT\$81,342,624
Quantity of buyback to the scheduled quantity of buyback (%)	64.23%
Quantity of shares having been canceled and transferred	1,798,400 shares
Cumulative quantity of the issued shares held by the Company.	0
Cumulative quantity of the issued shares held by the Company to the total quantity of shares issued by the Company (%)	0

2. The Company's Buyback of its Shares (under execution): None.

II. Issuance of Corporate Bonds: None.

III. Preferred shares: None.

IV. Global Depository Receipts: None.

V. Employee Stock Warrants: None.

VI. Restricted Stock Awards (RSAs): None.

VII. New Shares Issued for the Acquisition or Transfer of Other Shares: None.

VIII. Implementation of the Capital Utilization Plans: None.

Ch5. Overview of Operations

I. The content of business

(I) The scope of business

1. The Company's Principal Business Lines:

- (1) Import and export (except the business subject to special approval).
- (2) Agent for quotations and tender submission of products on behalf of relevant manufacturers at home and abroad.
- (3) Manufacturing and trading of precision plastic molds.
- (4) R&D, manufacturing, processing, and trading of plastic parts for cameras, plastic parts for cars and motorcycles, assembly of precision electronic parts, parts for HDD, parts for DVD drive, and optical parts.
- (5) Measuring instrument manufacturing.
- (6) Medical devices manufacturing, wholesale of medical apparatus, and retail sale of medical apparatus.
- (7) Information Software Services. ◦ Electronic Information Supply Services. ◦
- (8) Rental and Leasing.
- (9) Intellectual Property Rights.
- (10) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion

Main Products	2023	
	Sales value (NT\$ thousand)	Percentage
Voice Coil Motor (VCM)	1,045,886	39.38%
External Hard Drive (EHD)	432,770	16.30%
COVER	261,690	9.85%
HDD	183,140	6.90%
OPTICS	84,608	3.19%
Read/write head stops	96,649	3.64%
Others	550,785	20.74%
Total	2,655,528	100.00%

3. Current Main Products

- (1) Voice Coil Motor (VCM)
- (2) COVER
- (3) External Hard Drive (EHD)
- (4) Read/write head stops.
- (5) HDD
- (6) OPTICS
- (7) Medical device components.

4. New Products Planned to be Developed

- (1) Develop HDD in response to market trends.
- (2) Development and manufacturing of 3C product parts.
- (3) New specifications of high-speed interface single or multiple External Hard Drive (EHD).

(II) Industry Overview:

1. Status and Development of the Industry

Since 2010, the HDD industry has gone through some significant transitions. After Toshiba's merger with Fujitsu in 2010, Seagate and WD also completed the merger with Samsung and HGST at the end of 2011 and at the beginning of March 2012, respectively. Therefore, after 2012, the global HDD industry has been led by the three major suppliers, WD, Seagate, and Toshiba. The industrial characteristics, "Winner Takes All", become more obvious.

According to the statistics gathered by the research institute, TRENDFOCUS, the global HDD shipment has attained 123 million units in 2023, decreasing by 28.6% from 2022. In terms of the market share, Seagate secured the global market share, 43%, the first place in the world. Its annual shipment attains 53 million units. WD and Toshiba secured 37% and 20% market shares, the second place and third place in the world, respectively.

Given that the technologies including machine learning, Internet of Things (IoT), and artificial intelligence (AI) are becoming more and more popular, the drive digital storage data are expanded significantly. According to the forecast by the market survey unit, IDC, the global data storage capacity will be 10 times the existing capacity in 2025, attaining about 175ZB. However, as the price of SSD unit storage declines, it is replacing HDD in consideration of the low low-capacity storage demand and application in laptops. Notwithstanding, HDD development will continue to be oriented towards applications, such as corporate high-capacity and cloud servers.

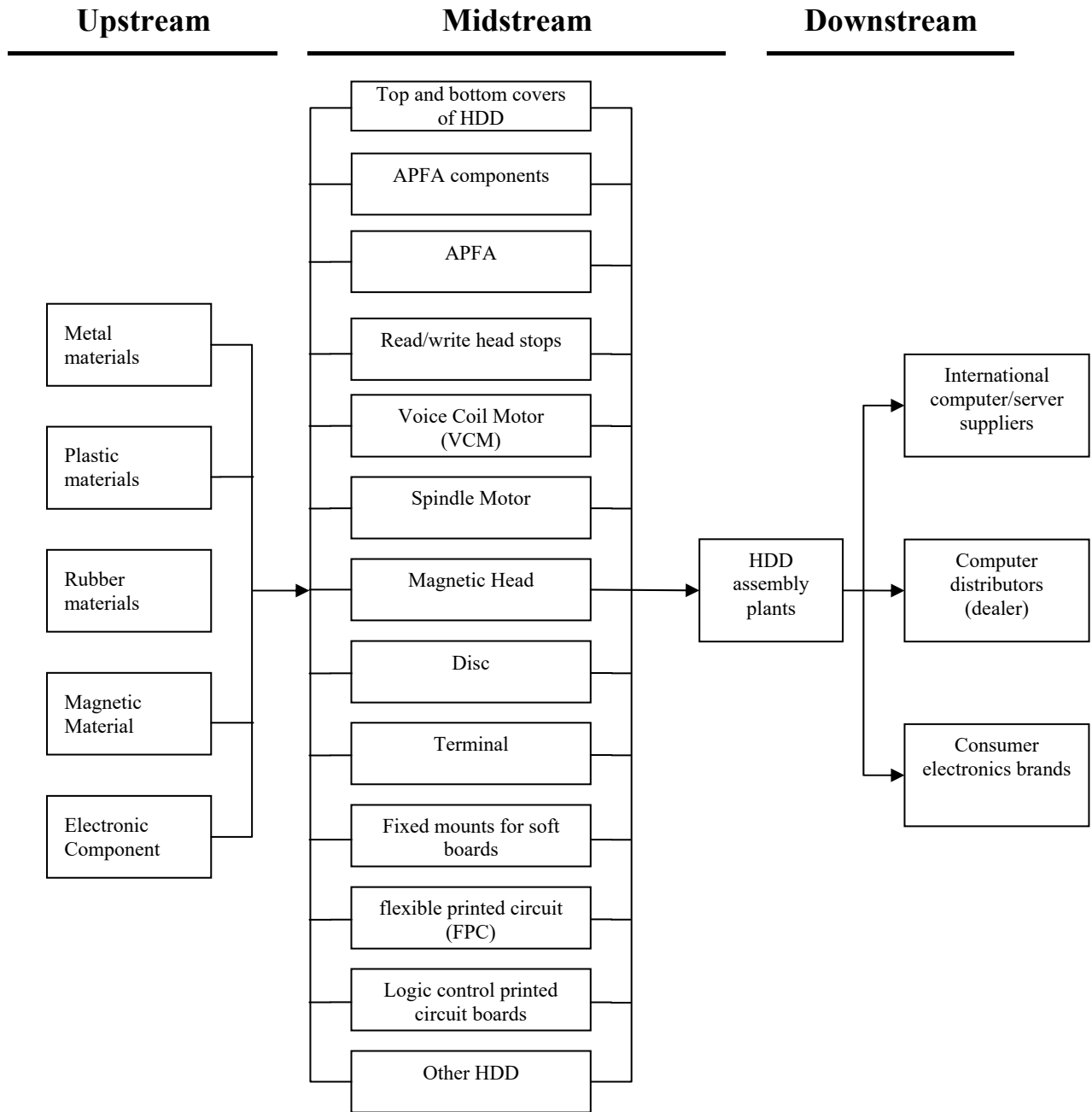
Analysis on Leading HDD Suppliers' Market Shares From 2021 to 2023

Unit: Million units

Supplier	2021		2022		2023	
	Shipment	%	Shipment	%	Shipment	%
Seagate	110.3	42.6	73.9	43.0	52.6	42.8
WD	94.0	36.3	63.8	37.0	45.5	37.0
Toshiba	54.7	21.1	34.4	20.0	24.8	20.2
Total	259.0		172.1		122.9	
Growth %	-0.3		-33.6		-28.6	

Source of Data: Publications made by WD and Seagate, and statistics of TRENDFOCUS, as compiled by MIN AIK TECHNOLOGY CO., LTD.

2. Correlation of the Upstream, Midstream, and Downstream Segments of the Industry:



3. Industrial Development Trends and Competition

(1) Hard Disk Drive (HDD) Development Trends

As far as the future development of HDD products is concerned, the design applied to non-portable products shall focus on the demonstration of capacity and performance as the first priority, while if it is applied to portable products, the HDD design shall stress the lower power consumption/power conservation, lower heat dissipation, and breakthrough of shock resistance. Light and thin products are expected to lead the trend.

According to the observation on HDD design trends in recent years, the most important technology development appears to be the improvement of magnetic density technology, popularization of serial interface architecture, data protection, energy-conservation design, hybrid HDD, and mobile wireless storage solutions.

① Magnetic Density Technology

In the 1980s, magnetic head technology included MIG (Metal In Gap) Heads and Thin Film Heads. In the 1990s, MR (Magneto Resistive) Heads and GMR Heads went mainstream. At the age of Thin Film technology, magnetic density grew by 30% YoY. In the age of MR technology, areal density grew by 60% annually. In the age of GMR, magnetic density grew by 100% annually. For the LMRs used by HDD since 2000, magnetic density grew 31% annually. LMR was replaced by PMR. The areal density for the PMR technology is expected to grow by 40% or more. Magnetic density for PMR technology is expected to grow by 40% or more. The Shingled Magnetic Recording (SMR) implemented in the most recent years may upgrade HDD capacity by 25%. HDD with a storage capacity of 16-20TB is identified as the result of PMR+SMR technologies, and the Company's PMR technology has also advanced to ePMR (energy-assist Perpendicular Magnetic Recording). Meanwhile, HAMR (Heat-Assisted Magnetic Recording) has matured development, and mass production has commenced; the capacity of hard-disk drives will grow even further. 30+TB hard-disk drive products have been created in 2024, and it is expected that large-scale production will be available in 2025 for hard-disk drive products with a storage capacity of 40TB or higher, and it is likely that the storage of traditional hard-disk drives will reach 50TB in 2028.

② Interface

Since 2004, the interface architecture of storage devices began to transform from parallel into sequence. SATA (Serial ATA) is expected to replace the PATA (i.e., IDE) interface applied to desktop storage devices gradually, in consideration of the advantages, such as lower voltage, fast transmission, enhanced cable and connector design, point-to-point interface, and hot plugging. By the same token, for corporate storage devices, SAS (Series SCSI) is also replacing Parallel SCSI and going mainstream. SATA is primarily applied to general consumer electronics as data storage devices, e.g., desktops, laptops, and All-In-One, while SAS is applied to large-scale terminals, such as servers or data centers, as data storage device.

③ Data Protection

Following the increasing popularization of cloud storage and e-data, remote connection, remote cooperation, and data protection are becoming more and more important. Multiple data protection measures become the focus of each HDD design.

④ Solid State Hybrid Drive (SSHD)

A hybrid HDD that combines Flash memory, Solid State Drive (SSD), and HDD technology can store data that is used frequently in a flash memory or solid state drive, so as to reduce the frequency of access to the data by the HDD per se, save, reduce power consumption, reduce the boot time, increase access transmission speed, reduce power consumption, cut costs, and improve efficiency effectively.

⑤ Cloud and Mobile Wireless Storage Programs

This refers to programs that may stream media to multiple mobile devices with wireless connection ability, in order to make the HDD become the core of all digital products. Many international manufacturers have launched cloud storage architecture in order to create more practical and streamlining cloud storage architecture. Additionally, Big Data and corporate data centers with characteristics such as large data volume, fast data increase speed, and high data diversity, need the solutions for low cost and large capacity. Some HDD manufacturers use helium to replace air to develop a low-cost and large-capacity HFSD with improved performance and reduced power consumption to meet the large-scale capacity requirements for cloud and storage of various big data. HFSD technology injects helium into the HDD internally to seals it to make it isolated from the outside world completely. Because the volumetric mass density of helium is only one-seventh of that of air, the movement resistance of mechanical components inside a HDD can be mitigated significantly. The components may be made lighter and smaller.

⑥ Energy-conservation Design

Energy-conservation design becomes important in response to the eco-friendly and energy-conservation trend.

(2) Product Competition

The Group engages in production of multiple HDDs. Therefore, the product competition varies depending on the product types. The following is the summarization regarding the market competition of the Group's main product, VCM:

The main competitors in the field of VCM, which accounts for 39% of the Group's operating revenue, include MMI, TDK, and SHINETSU. They are all Japan-based and Singapore-based manufacturers. The production costs spent by Japan-based manufacturers are higher. After the end customers accelerated consolidation of the supply chain, one of the Japan-based manufacturers, TDK, withdrew from the market gradually. Most of the other manufacturers set up factories in Southeast Asia. Though they pay low wages, most of them adopt semi-automated production; therefore, their quality is unstable and mass production capacity is limited as well.

(III) Technology, Research and Development

1. R&D Expenses

Unit: NT\$ thousand

Item \ Year	2022	2023	March 31, 2024
R&D expenses	148,023	115,575	29,259
Net Turnover	3,223,080	2,655,528	778,903
R&D Expenses as a Percentage of Net Turnover	4.59%	4.35%	3.76%

Note: Consolidated financial reports certified (reviewed) by the external auditors.

2. Technology or Product Developed Successfully in the Most Recent Year

Year	R&D Results
2023	1. Develop slide materials with characteristics such as wear resistance, high temperature crack resistance, and low hydrocarbon gas evolution, applied to corporate and NAS HDD (II).
	2. Smart Factory: Implementation of injection molding process AI technology (II).
	3. Develop thin 0.47-inch dual -axis galvanometer and 0.8-inch dual-axis galvanometer for DLP projectors to increase resolution.
Until May 14, 2024	1. Smart production of medical devices (I)
	2. Develop ultra-thin 0.39-inch dual -axis galvanometer.

(IV) Long and Short-term business development plan

1. Short-term Plan

In order to provide services to existing customers nearby and develop potential customers, the Company continues to practice globalization, set up overseas production and service locations per the market demand and customers' needs, and also implement 6 Sigma and automation technology to improve its productivity and product quality, save costs, expand product market share, and improve its profitability. Also, the Company strengthens improvement of other niche markets through strategic alliances with strategic partners and mergers and acquisition.

2. Long-term Plan

- (1) For Production: Integrate the Group's resources and strengthen the cross-border strategic alliance proactively, in order to create the advantages of production division.
- (2) For R&D: Grow the R&D of HDD, develop other storage media technologies, and improve the existing technology level and achieve the goal of technology diversity through technology exchanges with strategic partners.
- (3) For Marketing:
 - ① Solidify and improve business transactions with existing customers, create its own integrated advantages for “omnibearing HDD R&D and manufacturing” in the field of storage, and develop potential customers proactively.
 - ② Create Other “Niche Markets”: Improve technology and marketing service abilities through technology diversity and strategic partnerships. According to the planning, the current proportion of HDD and non-HDD business, 3:1, will be adjusted by increasing the proportion of non-HDD, such as expansion of medical parts injection, projector optical galvanometer modules, and automation business.
 - ③ Promote the professional OEM of electronic and mechanical products, in order to become a world-class professional electronic/mechanical OEM manufacturer (CEMM House).
- (4) For QA, Environmental Protection, and Labor:

Practice QA, product toxic substance control, environmental protection, industrial safety and hygiene, GHG control, medical device quality control, and labor protection policies, such as ISO 9001, QC 080001, ISO 14001, OHSAS 18000, ISO 14064, ISO 13485, and RBA Code of Conduct, in order to create high-quality products, fulfill social responsibility, and improve corporate identity and international competitiveness.
- (5) Scale of operation:
 - ① Adjust production capacity and global business scale resiliently, in response to the industrial development and customers' needs.
 - ② Uphold the management philosophy about “sustainable business”, continue to research and develop products in a diversified manner, and orient the development toward the business group, to practice the management of various business entities.

II. An analysis of the market as well as the production and marketing situation

(I) Market Analysis

1. Territories in Which the Main Products are Sold

Unit: NT\$ thousand

Area	Amount	2022		2023	
		Sales	%	Sales	%
Asia		3,093,937	95.99	2,586,670	97.41
America		95,564	2.97	52,369	1.97
Europe		33,579	1.04	16,489	0.62
Total		3,223,080	100.00	2,655,528	100.00

2. Market share

In terms of the Group's 2023 consolidated operating revenue, the shipments of the main product, VCM, accounting for 39% of the Company's operating revenue, was about 14.76 million units this year. Based on the statistical data gathered by major HDD manufacturers, if any, the global market share of the Company's main product, VCM, is about 12%.

Global Market Shares by Main Products of MIN AIK in 2022 and 2023

Unit: Million Units

Product	2022	2023
	Voice Coil Motor (VCM)	Voice Coil Motor (VCM)
MIN AIK Shipments	16.14	14.76
Global HDD Shipments	172.1	122.9
MIN AIK Market Share	9.4%	12.0%

Source of Data: Publications made by WD and Seagate, as compiled by MIN AIK TECHNOLOGY CO., LTD.

3. Future Market Demand and Supply, and Market's Growth Potential

(1) Future Market Supply and Demand

According to the statistics gathered by the research institute, TRENDFOCUS, the global HDD shipment has attained 123 million units in 2023, same as that in 2022, a decrease by 28.6% from 2022. As a result of the expansion of global Flash memory production capacity and the growth of market demand for SSD, the traditional HDD market has been eroded gradually. The annual demand has been declining year by year since 2015. According to the analysis by Future Market Insights, the global HDD output value compound annual growth rate will be 11.2% from 2022 to 2029, primarily because the HDD capacity has been improved significantly. Notwithstanding, the number of units shipped appears to be declining. Corporate high-capacity HDD shipment accounted for more than 40%. In

terms of the market trend, such demand will account for the same percentage in next few years.

(2) Future Growth Potential and Development Trends of the Industry

In addition to PCs (including traditional desktops, laptops, and Ultramobile top models), Ultramobiles (tablets and compass computers), servers, workstations, and consumer electronics applications, the diversification of digital information and expansion of the demand for the cloud, data center, and big data give HDD a role to play in the high-reliability, low-cost, and large-capacity storage devices.

① Applications in PC-related Fields

According to the statistics and forecast made by the market survey institution, Gartner, in January 2024, the global PC (including traditional desktop, laptop and Ultramobile top models) shipment in 2023 was about 268 million units, and decrease by 6.8% from 287 million units in 2022.

② CE Products and Cloud Storage-related Fields

Personal digital products, digital home appliances, consumer electronics, the cloud, data centers, and big data storage demand derived in response to the progress of the times and modern people's diversified choices, such as access to the Internet, leisure and entertainment, audio, video, and home appliances have grown stably in recent years. Meanwhile, most of them also identify HDD as important equipment.

③ Monitoring System

As the concern about daily life security is increasing, improvement to video surveillance systems is the priority of public and private sectors. More and more enterprises and consumers have started to adopt high-resolution digital imaging solutions and cameras that may respond immediately. Additionally, as more and more related laws and regulations are implemented, enterprises will be able to store more image data for a longer period. Video surveillance becomes another important field with business growth potential.

4. Competitive Niche

(1) Automation Process Production

MIN AIK has self-production capabilities in molding, forming, and assembly, as well as automated machines. With automated process production, the Company's production capacity, quality, and production efficiency are controlled and improved effectively, and the goals for effective reduction of management and manufacturing costs may be achieved at the same time. Compared to others who have low labor costs in human resources in Southeast Asia, the Company is considered one of the competitors in a labor-intensive industry. Accordingly, the Company's two-pronged strategy appears to be more competitive than others.

(2) Complete QA System and Strict QC

The Company uses its best effort to improve the quality, toxic substance control, environmental health and safety, GHG control, labor interest, and ethical code. It has also complied with ISO 9001, QC 080001, ISO 14001, ISO 45001, ISO 14064, ISO 13485, and ISO 22301, as well as the RBA Code of Conduct, and also implemented the same comprehensively. Meanwhile, the Company has also exercised strict control over the improvement of production efficiency, defective rate, and corrective action. Therefore, the Company continues to be selected by various major HDD manufacturers as the best quality and excellent supplier.

(3) Price and Production Capacity With Competitiveness

MIN AIK promotes the process automation and internationalization of production locations proactively to establish economies of scale and reduce labor and transportation costs. Meanwhile, due to the implementation of E-office and ERP material demand systems, the Company can control the management, sale, and production costs effectively. Therefore, the unit price of the Company's main products should be more competitive than that of competitors.

(4) R&D Capability

- ① Improve the design capabilities and shorten the time spent in development through extensive technology exchange, and complete the product development precisely and quickly.
- ② The Company improves the technical level of R&D personnel voluntarily and also works with domestic and foreign experts and consultants on technology and to apply for patented technologies.
- ③ Participate in customers' R&D throughout the whole process.

(5) New Product R&D Schedule

MIN AIK can provide customers with real-time engineering and technical services, and help customers shorten the time spent in R&D of new products to help customers launch new products shortly as possible as it can.

(6) High Resilience

The Company continues to verify the market trends and customers' needs, and also analyzing and adjusting every detail about the design, shipment, and launch of products, in order to seize the market opportunity at first and respond to the increasingly competitive market.

(7) Diversified Development

The Company's products are more diversified than those of competitors. In addition to the VCM which the Company has developed thoroughly, it also has developed other HDD, such as Cover, Ramp/Latch, Bracket, Air Spoiler, and Shipping Comb, per existing customers' needs. The Company also expands its production capacity to strive for the orders placed by other major HDD manufacturers. Meanwhile, the Company also uses its best effort to work on the development and manufacturing of automated machines and new specifications of high-speed interface single or

multiple External Hard Drives (EHDs) for the time being. MIN AIK also uses its best effort to launch into other potential industries via investment.

- (8) The Company maintains fair and reciprocal partnerships with customers.

In consideration of the short life cycle of products and strict requirements for expertise and speed in the HDD market, launching into the market is not an easy job for any manufacturers other than existing leading manufacturers. The Company has experience in manufacturing of HDDs for many years and therefore, has already established a stable and reciprocal partnership with customers.

5. Analysis on Positive and Negative Factors for Future Development and Responsive Measures

Opportunities:

- (1) High Threshold for New Competitors

In consideration of the characteristics of the HDD industry, such as “Winner Takes All”, technology-intensive, short life cycle of products, and high pressure from innovation, the HDD market appears to be a more closed market than other industrial markets and requires a higher technical threshold. In order to ensure the maximization of speed and efficiency, and to seize technological and market opportunities, the relationship between manufacturers in the upstream and downstream segments of the HDD industry is very close. Therefore, it is not easy for competitors outside the industry to launch into the market successfully.

- (2) Special Niche in Management, Production, and Quality

The Company owns a complete management system and excellent technological talents that favor the Company’s long-term management and development of technology. Meanwhile, the Company is very experienced in factory management and has advantages in vertical integration. Therefore, the Company is able to precisely control the mold design, development and production, operating environment in the clean room, or other production processes. Further, in order to pursue the commitment for quality and environment, the Company has also complied with ISO 9001, QC 080001, ISO 14001, ISO 45001, ISO 14064, ISO 13485, and ISO 22301, as well as the RBA Code of Conduct, and also implemented the same comprehensively. Therefore, the Company’s product quality remains stable, and the Company receives recognition from major customers each year.

- (3) The Company’s branches launch into the markets thoroughly to verify the market demand and marketing channels completely.

More than 90% of the Company’s products are marketed overseas. In order to expand the Company’s overseas markets and provide customers with real-time services, the Company has set up subsidiaries in the United States and Singapore, and factories in Malaysia and China, to help the Company verify the market trends and industrial information from time to time. As controlling channels means seizing business opportunities, sound channels becomes an important niche for the Company’s future development.

- (4) The Company maintains permanent and fair partnerships with world-class manufacturers.

The Company's major customers are mostly world-class manufacturers with sound financial positions and management status. Additionally, as the Company has developed the HDD market for so many years, it continues to receive consistent recognition and reliance from customers in terms of product R&D, quality, and service.

- (5) Solid R&D Capability

In order to grow R&D technology further, the Company not only recruits elites in the industry, but also keeps ensuring the continuous improvement of R&D technology based on plans, such as internal technology transfer, internal/external education and training, and exchange of technology with academic groups. Meanwhile, in order to seize the opportunities for design, MIN AIK provides customers with rapid R&D support with no time difference, as aided by engineers in the USA and Taiwan 24 hours a day.

- (6) The Company mitigates the potential risk over concentration on any single industry by investing in industries other than the HDD industry, improves the Group's development of new technologies through long-term investment in other industries and strategic alliances, and diversifies the Group's business.

Threats

- (1) Lack of Professional Talents for HDD Products and Insufficient Domestic Labor

Considering that Taiwan lacks professional talents in the HDD industry, and it is difficult to recruit basic human resources, the Company uses its best effort to plan human resources and train talents, and also set up factories overseas in response to any changes in the industry.

Response measures:

- ① Since the Company was incorporated, it has been dedicated to improving the automated production and process to increase the unit output and quality, and also increasing automated machines and equipment to mitigate the reliance on manpower.
- ② The Company recruits foreign workers to help production in Taiwan and establishes production locations overseas to solve the problem of shortage of labor in the short run, and help improve product quality and cut production costs in the long run.
- ③ The Company strengthens the orientation training and in-service training to improve personnel's literacy, and uses its best effort to plan human resources and improve employee welfare, in order to mitigate the labor turnover rate effectively.

- ④ The Company sets up subsidiaries overseas to increase production capacity and resilience of human resources allocation.
- (2) The Company's concentration of industry appears to be high and thereby increases its operational risk.

The Company's HDD generates an operating revenue accounting for about 70% of the Company's total operating revenue. Therefore, any excessive or unbalanced changes in the supply and demand of the industry might produce pressure on the Company's operations.

Response measures:

The Company is developing towards a professional electronic/mechanical OEM (CEMM). In order to make the Company's products more diversified, the Company is using its best effort to research and develop multiple key technologies, products, and processes, including the development and manufacturing of automated machines, new specifications of high-speed interface single or multiple External Hard Drives (EHDs), precision stamping of metal parts, and improvement of plastic industry technology (bi-injection forming), etc. Further, the Company might also consider making the Group's products more diversified through strategic mergers and acquisitions at home and abroad.

- (3) The Company mitigates the potential risk over the Company's concentration of one single industry by investing in potential industries other than the HDD industry. However, the uncertainty in launching into a field of technology that the Company is not familiar with, and low shareholding ratio makes it impossible for the Company to control and direct the management of the investees, thus increasing investment risk.

Response measures:

- ① Strengthen the pre-evaluation and analysis of the investment in new fields/new technologies to mitigate the investment risk.
- ② Establish strategic alliances with investees to increase participation in new technologies, so as to diversify the Company's technology and mitigate the investment risk at the same time.
- ③ The Company irregularly evaluates changes in the environment of the industries in which the investees are engaged in, and also obtains their business reports, as the basis for evaluation on following investment projects.

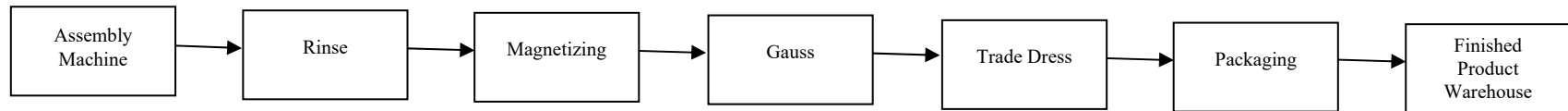
(II) Usage and manufacturing processes for the company's main products

Purpose of Voice Coil Motor:

It primarily functions as a motor to drive the magnetic head and also the radial movement of the magnetic head, so that the magnetic head can change its track on the disk conveniently to read and write data.

Production Process of Voice Coil Motor:

Production Process of WD VCM



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

Major Raw Materials	Supplier	Remarks on the Supply
Large Magnets	NINGBO YUNSHENG, TDK(SG)	The status of supply appears to be fair.
Stamping Parts	MAP	The status of supply appears to be fair.
Metal Coil Materials	CHIA FAR	The status of supply appears to be fair.
Plastic Pellets	WAHLEE, NOK, LIO HO, Multitask, IG TECH, PARKER HANNIFIN	The status of supply appears to be fair.
Transmission Lines and Cables	Jem, HOWTEH Technology Co., Ltd.	The status of supply appears to be fair.
Printed Circuited Board (PCB)	PROMISE Technology	The status of supply appears to be fair.
Computer Numerical Control and Processing	AXA	The status of supply appears to be fair.
Metal Processing	Zhong An Metal	The status of supply appears to be fair.
Plastic Injection	INJECTION, SMILDEN BIOTECHNOLOGY CO., LTD.	The status of supply appears to be fair.
Integrated circuit	Prohubs International Corp., Pernas Electronics Co., Ltd	The status of supply appears to be fair.

(IV) List of Main Suppliers/Buyers

1. Name of Suppliers Representing More Than 10% of Total Purchases in Any of the Most Recent Two Years:

Unit: NT\$ thousand; %

Item	2022				2023				2024 Q1			
	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship with the issuer	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship with the issuer	Name	Amount	Ratio of Net Purchase (%)	Relationship with the issuer
1	NINGBO YUNSHENG	424,898	18.92	None	NINGBO YUNSHENG	271,279	20.79	None	NINGBO YUNSHENG	134,628	26.22	None
2	MAP	323,819	14.42	Affiliated company	MAP	253,421	19.42	Affiliated company	MAP	97,881	19.06	Affiliated company
	Others	1,497,562	66.66		Others	780,243	59.79		Others	281,041	54.72	
	Net purchases	2,246,279	100.00		Net purchases	1,304,943	100.00		Net purchases	513,550	100.00	

NINGBO YUNSHENG: It is the supplier of raw materials of MAM VCM products, large magnets. As a result of the decrease in POs in 2023, the purchase amount decreased relatively.

MAP: It is the supplier of HDD spare parts. As a result of the decrease in end customers' demand in 2023, the purchase amount decreased relatively.

2. Name of Trade Partners Representing More Than 10% of Total Sales in Any of the Most Recent Two Years:

Unit: NT\$ thousand; %

Item	2022				2023				2024 Q1			
	Name	Amount	Ratio of Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Ratio of Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Ratio of Net Sale (%)	Relationship with the issuer
1	WDC	1,106,385	34.33	None	WDC	1,098,676	41.37	None	WDC	290,040	37.24	None
2	WD SG	602,614	18.69	None	WDC (LCB)	473,537	17.83	None	WDC (LCB)	267,575	34.35	None
3	WDC (LCB)	587,919	18.24	None	WD SG	399,004	15.03	None	WD SG	62,461	8.02	None
	Others	926,162	28.74		Others	684,311	25.77		Others	158,827	20.39	
	Net Sales	3,223,080	100.00		Net Sales	2,655,528	100.00		Net Sales	778,903	100.00	

(V) Production Volume/Value for the Most Recent Two Years

Unit: Thousand PCS: NT\$ thousand

Year	2022			2023		
	Production Capacity	Production volume	Production value	Production capacity	Production volume	Production value
Main products						
Voice Coil Motor (VCM)	123,552	25,886	948,795	123,552	22,000	736,330
COVER	49,756	11,497	253,632	49,756	9,627	251,670
External Hard Drive (EHD)	1,024	479	540,918	748	346	350,285
Read/write head stops	114,712	25,706	114,102	114,712	21,987	84,846
Plastic Parts	84,034	29,145	102,758	92,414	21,678	58,080
OPTICS	1,632	786	98,456	1,444	187	41,201
Others	80,922	106,334	272,785	80,922	62,526	166,377

Note: The others refer to the self-made electronic parts (electronic parts products include sewing machine, microscopes, and other electronic parts, etc.).

(VI) Volume of units sold for the most recent two years

Unit: Thousand PCS: NT\$ thousand

Sales Volume/Value	Year		2022				2023			
			Domestic marketing		Export sale		Domestic marketing		Export sale	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value		
Main products										
Voice Coil Motor (VCM)			24,796	1,107,278			24,081	1,045,886		
COVER			12,145	247,370			9,812	261,690		
External Hard Drive (EHD)			471	634,368			358	432,770		
Read/write head stops			28,892	105,620			22,865	96,649		
HDD			51,217	241,618			37,331	183,140		
Optical Galvanometer		376	933	206,227		197	292	84,411		
Others	49,959	204,471	49,832	475,752	13,659	156,733	37,815	394,052		
Total	49,959	204,847	168,286	3,018,233	13,659	156,930	132,554	2,498,598		

III. Overview of Employees in the Most Recent Two Years and Up to the Date of Publication of the Annual Report

Year		2022	2023	Until May 14, 2024
Number of employees	Direct Employees	776	726	889
	Indirect Employees	478	432	438
Total		1,254	1,158	1,327
Avg. Age		34.45	35.18	34.86
Average years of services		6.59	7.00	6.97
Highest educational attainment	Ph.D.	0.29%	0.38%	0.39%
	Master	5.90%	5.77%	5.86%
	Bachelor	33.54%	35.37%	35.04%
	High School	45.06%	44.26%	45.25%
	Below High School	15.21%	14.22%	13.46%

IV. Disbursements for environmental protection

Describe any losses suffered by the Company in the most recent two fiscal years and up to the date of publication of the Annual Report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental protection inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclose 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:

The Company is engaged in a low-pollution industry; therefore, it has never committed any environmental pollution over the years. Due to changes in environmental protection laws, the expenditures spent in eco-friendly waste lubricating oil and waste solvents stated by the Company regularly each year totals about NT\$600,000 per year.

Meanwhile, each factory premises has set up the environmental safety management organization to plan, promote and execute related environmental protection, safety and health operations, and countermeasures and plans against risk management. Since 2002, each factory premises of the Group has successively passed ISO 14001 international environmental protection certification. The Group's headquarters also passed the ISO 14064-1 GHG accounting standard certification in 2011, and then established the GHG accounting system. After that, the Company obtained the IECQ QC 080000 for the certification of the management system for no hazardous substance included in the products in 2013. The Company deals with any matters in line with laws and the code of ethics. All of the Company's factory premises use the best effort to pursue environmental protection, safety, fulfillment of corporate responsibilities and obligations, as well as compliance with relevant laws and regulations, in order to achieve the goal of sustainable business.

V. Industrial Relations

(I) The Company's 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 in the most recent year up to the date of publication of the Annual Report:

1. Benefit Policy:

- (1) The Company's welfare policy consists of sound internal and external education and training for employees, performance bonuses, employees' enrollment to the labor and national health insurance programs, and contribution to the pension fund according to laws, regular employees' health checkups, and provision of diversified meals to employees.
- (2) The Company established the Employee Welfare Committee (recorded with the government) to take charge of planning and implementation of various employee welfare programs, including monthly birthday party (birthday gift voucher and cakes), three major festival gift vouchers, Labor Day gift vouchers, wedding gifts, childbirth gift money, funeral consolation, consolation for hospitalization due to injury and sickness, regular annual

employee travel, special merchant discounts, and other related welfare policies.

2. Continuing Education: Provide employees with information and resources regarding in-service training, including labor associations' education and training, and professional training consultancy companies, in order to encourage employees to develop expertise or management ability required by their career development.
3. Training: The Company values the training and development of colleagues. In order to provide a working environment that provides continuing education and development, the Company adopted the Regulations Governing Employees' Education and Training to implement various training programs systematically. The Company also provides a series of professional, general education management, and self-development courses for current employees performing different functions, and also implements in-service training with respect to new employees, hoping to create a fair environment providing continuing education to make employees' personal growth in line with the Company's development closely.
4. Retirement: The Company adopted its employee retirement regulations and also established the "Labor Pension Fund Supervisory Committee" in accordance with the "Labor Standards Act" and "Labor Pension Act". The Company contributes the labor pension fund to the labor retirement pension account maintained at the Bank of Taiwan on a monthly basis, and also contributes 6% of the pension fund to the personal labor pension fund account of employees who are applicable to the "Labor Pension Act" on a monthly basis. The Company's robust financial system ensures the steady contribution and payment of the pension fund to colleagues, in order to help colleagues who serve the Company prepare for long-term planning and commit to their work.
5. Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests:
 - (1) In order to coordinate labor-management relations, urge labor-management cooperation, and improve work efficiency, the Company convenes labor-management meetings regularly in accordance with the Labor Standards Act, to maintain the unimpeded two-way communication management and exchange.
 - (2) The Company sets up the fair and unimpeded tangible opinion mailbox and online opinion mailbox on the employee portal site, and expanded the communication channels, in order to listen to and solve the opinions and ideas provided by employees, and to practice the labor-management coordination mechanism thoroughly.
 - (3) The Company also complies with the Act of Gender Equality in Employment and established the harassment prevention policy, and grievance, reward, and punishment regulations. Meanwhile, the Company's management regulations also provide requirements regarding approval of employees' applications for menstrual leave, family care leave, parental leave without pay, paternity leave, and breastfeeding leave, etc., in order to protect employees' interests and rights.

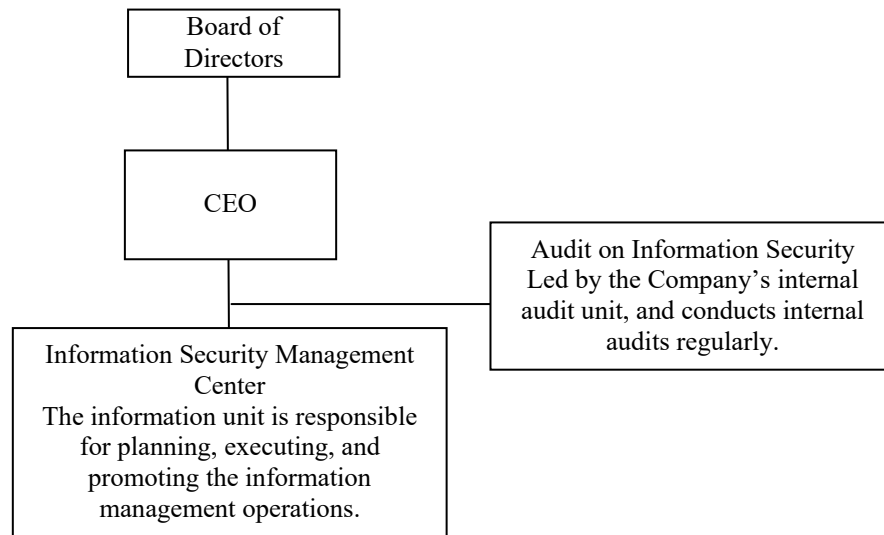
6. In order to strengthen the improvement of labor safety and health facilities and working environment, mitigate the occurrence of occupational accidents, and ensure labor safety and health, the Company adopts and implements various management regulations and enforcement rules. The Company received ISO 45001 occupational safety and health management certification in 2008, valid period: 2023/08/10 - 2026/08/09. In 2023, the Company was awarded the Certificate of Disaster-Free Working Hours Record by the Industrial Safety and Health Association of the R.O.C. (disaster-free working hours reached 4.08 million). Meanwhile, the Company organizes fire prevention conference and disaster prevention and evacuation drills each year. In order to keep mitigating the risk over the workplace, the Company has hired occupational medical and nursing personnel to execute the employee health protection plan since 2019, so as to maintain the employees' physical and mental health and also create a friendly working environment.
- (II) Losses arising as a result of employment disputes in the most recent year up till the publication date of this Annual Report (including violations against the Labor Standards Act found during a labor inspection; explain the date of penalty, reference number, the laws violated, the violating action, and the nature of penalty). Please quantify the estimated losses and state any response actions, and state reasons if losses cannot be reasonably estimated:

The Company always identifies employees as the most important asset of the Company, and also values the labor conditions and employee benefits very much. Meanwhile, the Company uses its best effort to create a fair working environment and provide unimpeded labor-management communication channels. Therefore, the Company didn't suffer any losses from labor-management disputes within the most recent five years. The Company will continue to develop toward this direction to maintain a harmonious relationship between labor and the management, so that the Company will not suffer any labor disputes in the future, nor will it suffer losses therefor.

VI. Information Security Management:

(I) Information Security Risk Management Framework

The Company's information security unit is the Information Department, which is responsible for planning, implementing, and promoting information security management matters, and the audit department conducts internal audits regularly.



(II) Information Security Policy

The Policy is adopted in order to improve information security management, ensure confidentiality, completeness, and availability of information, reliability of information equipment and network systems, and employees' awareness of information security, and protect related information services from any interruption, destruction, or intrusion.

1. Set up information security management and protection.
2. Improve network safety management.
3. Practice system access controls.
4. Comply with system development and maintenance security management.
5. Promote tangible and environmental safety management.
6. Ensure business continuity planning and management.
7. Upgrade information security education and training.
8. Perform information security audit operations satisfactorily.

(III) Manage programs and invested resources specifically.

1. In response to FSC's enhancement of the TWSE/TPEX listed companies' information security management mechanism, under which the Company is identified as Level 2 in scale, the Company has completed the reporting on the dedicated information security officer and staff in November 2022.
2. Information security staff: Responsible for design of information security framework, information security operation and monitoring, and feed back to and investigation on information security incidents, and review on and amendments to the information security policy.
3. Two information security personnel participated in the training of information security Big Data collection and analysis courses in April 2023.
4. The Information Security Management Committee convened one meeting.

5. In January 2023, the installation of CCTV monitoring equipment in the information machine room was completed, and the monthly information security audit videos were archived.
 6. Conduct the ISO 22301 business continuity management drill for execution of crisis management and recovery in the case of the earthquake of magnitude 7 at the Company's factory premises, in August 2023.
 7. KPMG Taiwan conducted the 2023 audit on the information environment and information security of the Company in December 2023, and found no defects.
 8. IA Dept. conducted the audit on the security control operations, cyber security inspection control, system recovery plan & system and testing procedure control over the files and equipment in December 2023.
 9. Already joined the information security joint frameworks, such as CERT/CSIRT of Taiwan, in February 2023.
 10. Promote the information security from time to time, in order to improve the employees' ability to respond to and alertness in information security risk.
- (IV) List any losses suffered by the Company in the most recent year and up to the date of publication of the Annual Report due to significant cyber security incidents, and potential effects to be caused and responsive measures to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

In the most recent three years, no information security incidents or related losses were found.

VII. Important contracts and commitments: None.

Ch6. Financial Report

I. The Most Recent Five Years Condensed Balance Sheet and Comprehensive Income Statement Summary

(I) 1. Consolidated Condensed Balance Sheet - IFRSs

Unit: NT\$ thousand

Item	Year	The Most Recent Five Years Financial Results					Financial Information as of March 31, 2024
		2019	2020	2021	2022 (After restatement)	2023	
Current assets		3,219,472	2,662,795	3,234,295	2,435,916	2,360,315	2,420,660
Financial assets at fair value through profit or loss		229,969	345,373	317,938	296,870	173,967	174,320
Financial Assets at Fair Value Through Other Comprehensive Income		102,113	93,775	40,669	7,546	0	0
Property, plant and equipment (Note 1)		1,061,978	788,710	676,993	728,978	704,096	689,288
Right-of-use asset		120,310	75,443	116,413	97,041	63,078	134,203
Other assets (Note 1)		700,058	705,563	734,641	867,902	854,876	878,136
Total assets		5,433,900	4,671,659	5,120,949	4,434,253	4,156,332	4,296,607
Current liabilities	Before payout	1,842,073	1,460,612	1,882,293	1,185,194	1,245,508	1,294,370
	After payout	1,842,073	1,460,612	2,019,857	1,226,463	(Note 2)	(註 3)
Non-current liabilities		357,634	324,240	330,178	381,413	391,432	428,989
Total Liabilities	Before payout	2,199,707	1,784,852	2,212,471	1,566,607	1,636,940	1,723,359
	After payout	2,199,707	1,784,852	2,350,035	1,607,876	(Note 2)	(註 3)
Equity attributable to owners of parent		3,157,236	2,840,011	2,869,588	2,845,809	2,515,802	2,570,253
Capital stock		1,393,616	1,375,632	1,375,632	1,375,632	1,375,632	1,375,632
Capital surplus		1,748,231	1,689,415	1,604,287	1,476,353	1,466,724	1,466,724
Retained earnings	Before payout	733,917	485,071	758,637	789,323	535,318	550,075
	After payout	733,917	485,071	749,007	757,683	(Note 2)	(註 3)
Other equity		(641,728)	(710,107)	(868,968)	(795,499)	(861,872)	(822,178)
Treasury stock		(76,800)	0	0	0	0	0
Non-controlled interests		76,957	46,796	38,890	21,837	3,590	2,995
Total equity	Before payout	3,234,193	2,886,807	2,908,478	2,867,646	2,519,392	2,573,248
	After payout	3,234,193	2,886,807	2,770,914	2,826,377	(Note 2)	(註 3)

Note 1: By March 31, 2024, the Company never carried out any asset revaluation.

Note 2: The distribution of earnings in 2023 is pending resolution by a shareholder's meeting.

Note 3: The figures after distribution are specified based on the resolution by the next annual general meeting.

2. Parent Company Only Condensed Balance Sheet - IFRSs

Unit: NT\$ thousand

Item	Year	The Most Recent Five Years Financial Results					Financial Information as of March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		1,947,413	1,614,352	2,033,431	1,332,959	1,637,862	The latest parent company only financial information available up to the date of publication of the Annual Report is dated December 31, 2023. Therefore, it is not advisable to disclose the information.
Financial assets at fair value through profit or loss		229,969	345,373	317,938	296,870	173,967	
Financial assets at fair value through other comprehensive income		102,113	93,775	40,669	7,546	0	
Property, plant and equipment (Note 1)		144,640	121,470	111,797	94,919	73,085	
Intangible assets		0	0	0	0	0	
Other assets (Note 1)		3,180,031	2,809,060	2,925,043	3,080,765	2,875,509	
Total assets		5,604,166	4,984,030	5,428,878	4,813,059	4,760,423	
Current liabilities	Before payout	2,227,086	1,913,174	2,319,255	1,638,616	1,890,913	
	After payout	2,227,086	1,913,174	2,456,819	1,679,885	(Note 2)	
Non-current liabilities		219,844	230,845	240,035	328,634	353,708	
Total Liabilities	Before payout	2,446,930	2,144,019	2,559,290	1,967,250	2,244,621	
	After payout	2,446,930	2,144,019	2,696,854	2,008,519	(Note 2)	
Capital stock		1,393,616	1,375,632	1,375,632	1,375,632	1,375,632	
Capital surplus		1,748,231	1,689,415	1,604,287	1,476,353	1,466,724	
Retained earnings	Before payout	733,917	485,071	758,637	789,323	535,318	
	After payout	733,917	485,071	749,007	757,683	(Note 2)	
Other equity		(641,728)	(710,107)	(868,968)	(795,499)	(861,872)	
Treasury stock		(76,800)	0	0	0	0	
Non-controlled interests		0	0	0	0	0	
Total equity	Before payout	3,157,236	2,840,011	2,869,588	2,845,809	2,515,802	
	After payout	3,157,236	2,840,011	2,732,024	2,804,540	(Note 2)	

Note 1: By December 31, 2023, the Company never carried out any asset revaluation.

Note 2: The distribution of earnings in 2023 is pending resolution by a shareholder's meeting.

(II) 1. Consolidated Condensed Comprehensive Income Statement - IAS

Unit: NT\$ thousand

Item \ Year	The Most Recent Five Years Financial Results					
	2019	2020	2021	2022	2023	Financial Information as of March 31, 2024
Operating income	5,404,679	3,889,506	4,158,812	3,223,080	2,655,528	778,903
Gross operating profit	141,301	259,258	685,340	374,848	222,879	98,048
Operating income	(493,364)	(278,822)	182,652	(96,161)	(217,054)	(16,095)
Non-operating income and expenses	(73,070)	16,836	56,445	139,970	4,914	34,843
Net profit before tax	(566,434)	(261,986)	239,097	43,809	(212,140)	18,748
Net profit this term of the units in continued business operation	(471,889)	(281,631)	181,504	20,565	(233,762)	13,848
Loss of discontinuing operations	0	0	0	0	0	0
Net profit (loss) this term	(471,889)	(281,631)	181,504	20,565	(233,762)	13,848
Other comprehensive income (loss) this term (net amount after tax)	(73,629)	(65,755)	(159,833)	76,167	(73,223)	40,008
Total comprehensive income (loss) this term	(545,518)	(347,386)	21,671	96,732	(306,985)	53,856
Net profit attributable to the owner of parent	(366,588)	(254,213)	186,906	39,758	(215,646)	14,757
Net profit belonging to non-controlled equity	(105,301)	(27,418)	(5,402)	(19,193)	(18,116)	(909)
Total comprehensive income attributable to the owner of parent	(439,371)	(317,225)	29,577	113,785	(288,738)	54,451
Total comprehensive income belonging to non-controlled equity	(106,147)	(30,161)	(7,906)	(17,053)	(18,247)	(595)
Earnings Per Share (NT\$)	(2.66)	(1.85)	1.36	0.29	(1.57)	0.11

2. Parent Company Only Condensed Comprehensive Income Statement - IAS

Unit: NT\$ thousand

Item \ Year	The Most Recent Five Years Financial Results					Financial Information as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating income	4,401,509	3,270,417	3,699,123	2,979,729	2,547,963	The latest parent company only financial information available up to the date of publication of the Annual Report is dated December 31, 2023. Therefore, it is not advisable to disclose the information.
Gross operating profit	233,313	196,088	279,102	192,826	171,036	
Operating income	(36,117)	(50,977)	12,465	(66,751)	(63,129)	
Non-operating income and expenses	(459,802)	(198,892)	193,977	100,070	(139,821)	
Net profit before tax	(495,919)	(249,869)	206,442	33,319	(202,950)	
Net profit this term of the units in continued business operation	(366,588)	(254,213)	186,906	39,758	(215,646)	
Loss of discontinuing operations	0	0	0	0	0	
Net profit (loss) this term	(366,588)	(254,213)	186,906	39,758	(215,646)	
Other comprehensive income (loss) this term (net amount after tax)	(72,783)	(63,012)	(157,329)	74,027	(73,092)	
Total comprehensive income (loss) this term	(439,371)	(317,225)	29,577	113,785	(288,738)	
Earnings Per Share (NT\$)	(2.66)	(1.85)	1.36	0.29	(1.57)	

(III) Names of external auditors and audit opinions in the most recent five years:

Year	Name of Certifying CPA	Audit Opinions
2019	KPMG International Chen Cheng Chien, Huang Yung Hua	Audit Report with unqualified opinion
2020	KPMG International Chen Cheng Chien, Huang Yung Hua	Audit Report with unqualified opinion
2021	KPMG International Chen Cheng Chien, Huang Yung Hua	Audit Report with unqualified opinion
2022	KPMG International Yu Sheng-Ho, Cheng An-Chih	Audit Report with unqualified opinion
2023	KPMG International Yu Sheng-Ho, Cheng An-Chih	Audit Report with unqualified opinion

II. The Most Recent Five Years Financial Analysis

(I) Consolidated Financial Analysis - IAS

Title (Note 2)	Year	The Most Recent Five Years Financial Results					Financial Information as of March 31, 2024
	2019	2020	2021	2022 (After restatement)	2023		
Financial structure	Liabilities to assets ratio(%)	40	38	43	35	39	40
	Ratio of long-term capital to property, plant and equipment(%)	338	407	478	446	413	436
Ability to repay debts	Liquidity ratio (%)	175	182	172	206	190	187
	Quick ratio (%)	108	130	108	88	120	119
	Interest Coverage Ratio	(41)	(25)	27	5	(15)	7
Operational ability	Receivable Turnover (times)	4.36	3.64	4.33	3.98	4.21	3.95
	Average Cash Collection Days	84	100	84	92	87	92
	Inventory Turnover (times)	4.13	4.09	3.86	2.35	2.31	3.39
	Payables Turnover (times)	5.55	5.02	4.73	4.54	5.4	4.9
	Average Inventory Turnover Days	88	89	95	155	158	108
	Property, Plant and Equipment Turnover (times)	4.11	4.20	5.67	4.58	3.71	4.47
	Total Assets Turnover (times)	1	1	1	1	1	1
Profitability	ROA (%)	(8)	(5)	4	0	(6)	1
	ROE (%)	(13)	(9)	6	1	(9)	2
	Ratio of pre-tax net income to total paid-in capital (%)	(41)	(19)	17	3	(15)	1
	Net profit margin (%)	(9)	(7)	4	1	(9)	2
	Earnings Per Share (NT\$)	(2.66)	(1.85)	1.36	0.29	(1.57)	0.11
Cash flows	Cash flow ratio (%)	(9)	38	2	(4)	34	(4)
	Cash flow adequacy rate (%)	50	59	2	(3)	57	70
	Cash reinvestment ratio (%)	(3)	11	1	(4)	8	(1)
Leverage	Operation leverage	(1.00)	(1.72)	4.65	(5.8)	(2.06)	(9.4)
	Financial leverage	1	1	1	1	1	1

Please explain the reasons for changes in each financial ratio by 20% or more during the most recent two years:

1. Ability to repay debts: The quick ratio increased from the previous period, primarily due to the Company's continued destocking and the increase in payment collection.
The interest coverage ratio was negative for the period, primarily due to a decrease in profits and an increase in valuation losses appropriated for investment financial assets.
2. Profitability: The decrease in the current operating profit and net operating profit from the previous one results in the decrease in related ratios.
3. Cash flows: The increase in net inflows from operating activities results in the increase in related ratios.
4. Leverage: The decrease in the current operating profit and variable operating expense results in the increase in operation leverage.

Note 1: The equations for calculation of financial ratios are shown below:

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. Ability to repay debts
 - (1) Liquidity ratio = current assets / current liabilities
 - (2) Quick ratio = (current assets – inventories – prepaid expenses) / current liabilities
 - (3) Interest coverage ratio = income tax and income before interest expenses / interest expenses for the current period.
3. Operational ability
 - (1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation).
 - (2) Average cash collection days = 365/receivables turnover.
 - (3) Inventory turnover = cost of goods sold / average inventory.
 - (4) Payables (including accounts payable and notes payable resulting from operation) turnover = cost of goods sold / balance of average accounts payable (including accounts payable and notes payable resulting from operation).
 - (5) Average inventory turnover days = 365/Inventory turnover.
 - (6) Property, plant and equipment turnover rate = net sales / average property, plant and equipment, net.
 - (7) Total assets turnover = net sales / average total assets.
4. Profitability
 - (1) Return on Assets (ROA) = [corporate earnings + interest expenses × (1 – tax rate)]/average total assets.
 - (2) ROE = profit or loss after tax / average total equity.
 - (3) Net Profit Margin (NPM) = corporate earnings /average net sales.
 - (4) Earnings per share (EPS) = (attributable to shareholders' equity of the parent – preferred stock dividends) / weighed average quantity of outstanding shares.
5. Cash flows
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities
 - (2) Net cash flow adequacy ratio = net cash flows from operating activities in the most recent five years / (capital expenditure + increase in inventory + cash dividend) in the most recent five years
 - (3) Cash reinvestment ratio = (net cash flow in operating activities – cash dividend) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital)
6. Leverage:
 - (1) Operation leverage = (net income – variable operating cost and expenses) / operating income
 - (2) Financial leverage = operating income / (operating income – interest expenses)

(II) Parent Company Only Financial Analysis - IFRSs

Title (Note 2)		Year	The Most Recent Five Years Financial Results					Financial Information as of March 31, 2024
		2019	2020	2021	2022	2023		
Financial structure	Liabilities to assets ratio(%)	44	43	47	41	47	The latest parent company only financial information available up to the date of publication of the Annual Report is dated December 31, 2023. Therefore, it is not advisable to disclose the information.	
	Ratio of long-term capital to property, plant and equipment(%)	2,335	2,528	2,781	3,255	3,926		
Ability to repay debts	Liquidity ratio (%)	87	84	88	77	87		
	Quick ratio (%)	74	70	72	57	73		
	Interest coverage ratio	(74)	(35)	31	5	(15)		
Operational ability	Receivable turnover (times)	4.59	3.55	4.29	3.76	4.11		
	Average cash collection days	80	103	85	97	89		
	Inventory turnover (times)	14.19	11.25	12.07	8.86	8.45		
	Payables turnover (times)	3.01	2.27	2.52	2.26	2.1		
	Average inventory turnover days	26	32	30	41	43		
	Property, plant and equipment turnover (times)	24.10	24.58	31.72	28.83	30.33		
	Total assets turnover (times)	0.75	0.62	0.71	0.58	0.53		
Profitability	ROA (%)	(6)	(5)	(0.03)	(0.03)	(0.05)		
	ROE (%)	(11)	(8)	6.55	1.39	(8.04)		
	Ratio of pre-tax net income to total paid-in capital (%)	(36)	(18)	15	2	(15)		
	Net profit margin (%)	(8)	(8)	5.05	1.33	(8.46)		
	Earnings Per Share (NT\$)	(2.66)	(1.85)	1.36	0.29	(1.57)		
Cash flows	Cash flow ratio (%)	(8)	18	(0.54)	(0.73)	13.7		
	Cash flow adequacy rate (%)	(15)	(12)	(18)	(39)	(11)		
	Cash reinvestment ratio (%)	(5)	11	(0.37)	(7.07)	(4.45)		
Leverage	Operation leverage	(8.84)	(5.17)	28.81	(3.88)	(3.92)		
	Financial leverage	1	1	2	1	1		

Please explain the reasons for changes in each financial ratio by 20% or more during the most recent two years:

1. Financial structure: The long-term capital to property, plant, and equipment ratio increased due to the decrease in property, plant, and equipment from the previous period.
2. Solvency: The quick ratio increased, primarily due to the reduction of inventory levels resulting from the target of inventory reduction.
The interest coverage ratio decreased during the period due to the decrease in profits and the decrease in exchange gains under the effects of exchange rates.
3. Profitability: The decrease in the current operating profit and net operating profit from the previous one results in the decrease in related ratios.
4. Cash Flows: The increase in net inflows from operating activities results in the increase in related ratios.

Note 1: The equations for calculation of financial ratios are shown below:

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. Ability to repay debts
 - (1) Liquidity ratio = current assets / current liabilities
 - (2) Quick ratio = (current assets – inventories – prepaid expenses) / current liabilities
 - (3) Interest coverage ratio = income tax and income before interest expenses / interest expenses for the current period.
3. Operational ability
 - (1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation).
 - (3) Average cash collection days = 365/receivables turnover.
 - (4) Inventory turnover = cost of goods sold / average inventory.
 - (5) Payables (including accounts payable and notes payable resulting from operation) turnover = cost of goods sold / balance of average accounts payable (including accounts payable and notes payable resulting from operation).
 - (6) Average inventory turnover days = 365/inventory turnover.
 - (7) Property, plant and equipment turnover rate = net sales / average property, plant and equipment, net.
 - (8) Total assets turnover = net sales / average total assets.
4. Profitability
 - (1) Return on Assets (ROA) = [corporate earnings + interest expenses × (1 – tax rate)]/average total assets.
 - (2) ROE = profit or loss after tax / average total equity.
 - (3) Net Profit Margin (NPM) = corporate earnings / average net sales.
 - (4) Earnings per share (EPS) = (attributable to shareholders' equity of the parent – preferred stock dividends) / weighed average quantity of outstanding shares.
5. Cash flows
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities
 - (2) Net cash flow adequacy ratio = net cash flows from operating activities in the most recent five years/(capital expenditure + increase in inventory + cash dividend) in the most recent five years
 - (3) Cash reinvestment ratio = (net cash flow in operating activities – cash dividend) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital)
6. Leverage:
 - (1) Operation leverage = (net income – variable operating cost and expenses) / operating income
 - (2) Financial leverage = operating income / (operating income – interest expenses)

III. Audit Committee's Review Report on the Most Recent Financial Statements

MIN AIK TECHNOLOGY CO., LTD. 2023 Audit Committee's Review Report

The Company's 2023 parent company only financial statements and consolidated financial statements were prepared and submitted by the Board of Directors. The same were audited by Yu, Sheng-Ho CPA and Cheng, An-Chih CPA of KPMG Taiwan. Based on the Audit Committee's review on the same, together with the business report and loss compensation plan, it found no inconsistency existing. The Report is presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act accordingly.

For

2024 Annual General Meeting of MIN AIK TECHNOLOGY CO., LTD.

Convener of Audit Committee: Chen Yung Lin

Dated: March 13, 2024

IV. Financial Report for the Most Recent Year

Representation Letter

The entities that are required to be included in the combined financial statements of MIN AIK TECHNOLOGY CO., LTD. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, MIN AIK TECHNOLOGY CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: MIN AIK TECHNOLOGY CO., LTD.
Chairman: CHIA KIN HENG
Date: March 13, 2024



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

To the Board of Directors of Min Aik Technology Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Min Aik Technology Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

1. Revenue recognition

Please refer to Note 4(n) “Revenue” of the consolidated financial statements, and note 6(r) “Revenue from contract with customers”.

Revenue recognition is one of the key judgmental areas for our audit, considering how revenue recognition is based on transaction terms with the clients, the large volume of transactions, and that they come from a variety of different operation sites.



How the matter was addressed in our audit:

Our principal audit procedures included assessing whether appropriate revenue recognition policies are applied; testing the Group's controls surrounding revenue recognition, including corroborating the orders from clients, the proof of shipment, and receipt documents by clients; sampling the sales transaction between the reported date, and examine the external documents to evaluate whether the timing of revenue recognition is appropriate.

2. Evaluation of inventory

Please refer to Note 4(h) "Inventory" and Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" of the consolidated financial statements.

Evaluation of inventory is one of the key judgmental areas for our audit, the Group is primarily involved in the manufacturing of hard disk drive components. Due to the rapid evolution and changes in the series and models of electronic products, it may cause the outdated inventory to become slow-moving or obsolete, resulting in the cost of inventory being higher than the net realizable value. The evaluation of net realizable value of inventory is based on the judgement made by management of the group. Therefore, this whole matter need to be taken into serious consideration.

How the matter was addressed in our audit:

Our principal audit procedures included assessing whether appropriate inventory policies are applied through comparison with accounting standards; sampling the inventory item and comparing the aging of inventory, understanding the origin for estimate the net realized value, evaluating whether the calculation for lower of cost or net realized value is reasonable, and inspecting the inventory sales status subsequent to the reporting date.

Other Matter

The Group has additionally prepared its parent-company-only financial statement as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretation as well as related guidance endorsed 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Sheng-Ho and Cheng, An-Chih.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022 (restated)			Liabilities and Equity	December 31, 2023		December 31, 2022 (restated)	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 693,423	17	430,494	10	2100	Short-term borrowings (note 6(k))	\$ 385,000	9	410,000	9
1110 Financial assets at fair value through profit or loss (note 6(b))	1,328	-	131	-	2170	Trade payable	444,383	11	289,668	7
1170 Notes and trade, net (note 6(c))	720,382	17	528,290	12	2180	Trade payable to related parties (note 7)	97,715	2	69,961	2
1180 Notes and trade receivable due from related parties, net (notes 6(c) and 7)	5,856	-	4,500	-	2201	Wages and salaries payable	70,572	2	81,094	2
1200 Other receivables, net (notes 7 and 8)	64,567	2	44,963	1	2280	Current lease liabilities (note 6(m))	10,719	-	42,088	1
130X Inventories (note 6(d))	804,933	19	1,297,383	29	2322	Long-term borrowings, current portion (note 6(l))	84,667	2	94,167	2
1461 Non-current assets classified as held for sale (note 6(i))	-	-	37,874	1	2399	Other current liabilities, others	152,452	4	198,216	4
1470 Other current assets(note 6(j))	69,826	2	92,281	2			1,245,508	30	1,185,194	27
	<u>2,360,315</u>	<u>57</u>	<u>2,435,916</u>	<u>55</u>		Non-Current liabilities:				
Non-current assets:					2540	Long-term borrowings (note 6(l))	125,958	3	110,625	2
1510 Total non-current financial assets at fair value through profit or loss (note 6(b))	173,967	4	296,870	7	2570	Deferred tax liabilities (note 6(o))	232,123	6	236,540	5
1517 Non-current financial assets at fair value through other comprehensive income (note 6(e))	-	-	7,546	-	2580	Non-current lease liabilities (note 6(m))	17,554	-	18,311	1
1550 Investments accounted for using equity method (note 6(f))	753,756	18	760,465	17	2600	Other non-current liabilities	15,797	-	15,937	-
1600 Property, plant and equipment (note 6(g))	704,096	17	728,978	16			391,432	9	381,413	8
1755 Right-of-use assets (note 6(h))	63,078	1	97,041	2		Total liabilities	1,636,940	39	1,566,607	35
1840 Deferred tax assets (note 6(o))	64,914	2	68,864	2	3100	Equity attributable to owners of parent (note 6(p)):				
1900 Other non-current assets (notes 6(j), (n) and (9))	36,206	1	38,573	1	3200	Capital stock	1,375,632	33	1,375,632	31
	1,796,017	43	1,998,337	45	3310	Capital surplus	1,466,724	35	1,476,353	33
						Retained earnings:				
					3320	Legal reserve	22,875	1	18,844	1
					3330	Special reserve	730,163	18	729,059	16
					3350	Unappropriated retained earnings (accumulated deficit)	(217,720)	(5)	41,420	1
							535,318	14	789,323	18
					3400	Other equity	(861,872)	(21)	(795,499)	(18)
						Equity attributable to owners of parent	2,515,802	61	2,845,809	64
					36XX	Non-controlling interests	3,590	-	21,837	1
						Total equity	2,519,392	61	2,867,646	65
Total assets	\$ 4,156,332	100	4,434,253	100		Total liabilities and equity	\$ 4,156,332	100	4,434,253	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars , except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(r) and 7)	\$ 2,655,528	100	3,223,080	100
5000	Operating costs (notes 6(d), 7 and 12)	<u>2,432,649</u>	<u>92</u>	<u>2,848,232</u>	<u>88</u>
	Gross profit from operations	<u>222,879</u>	<u>8</u>	<u>374,848</u>	<u>12</u>
	Operating expenses (notes 6(c), (n), 7 and 12):				
6100	Selling expenses	85,974	3	115,295	3
6200	Administrative expenses	224,836	8	215,169	7
6300	Research and development expenses	115,575	4	148,023	5
6450	Expected credit loss (gain)	<u>13,548</u>	<u>1</u>	<u>(7,478)</u>	<u>-</u>
	Total operating expenses	<u>439,933</u>	<u>16</u>	<u>471,009</u>	<u>15</u>
	Net operating loss	<u>(217,054)</u>	<u>(8)</u>	<u>(96,161)</u>	<u>(3)</u>
	Non-operating income and expenses (notes 6(f), (i), (m), (t) and 7):				
7100	Interest Income	9,438	-	2,907	-
7010	Other income	14,819	1	46,692	1
7020	Other gains and losses, net	(33,914)	(1)	36,629	1
7050	Finance costs	(13,594)	(1)	(10,031)	-
7060	Share of profit of associates accounted for using equity method, net	<u>28,165</u>	<u>1</u>	<u>63,773</u>	<u>2</u>
	Total non-operating income and expenses	<u>4,914</u>	<u>-</u>	<u>139,970</u>	<u>4</u>
	Profit (loss) before tax	(212,140)	(8)	43,809	1
7950	Less: Tax expenses (note 6(o))	<u>21,622</u>	<u>1</u>	<u>23,244</u>	<u>1</u>
	Profit (loss)	<u>(233,762)</u>	<u>(9)</u>	<u>20,565</u>	<u>-</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Loss on remeasurements of defined benefit plans (note 6(n))	(1,864)	-	(1,366)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(e))	(7,546)	-	(33,123)	(1)
8320	Share of other comprehensive loss of associates accounted for using equity method, components of other comprehensive income that will not be reclassified	<u>(4,855)</u>	<u>-</u>	<u>1,924</u>	<u>-</u>
	Items that may not be reclassified subsequently to profit or loss	<u>(14,265)</u>	<u>-</u>	<u>(32,565)</u>	<u>(1)</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation	(72,004)	(3)	125,984	4
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(o))	<u>13,046</u>	<u>-</u>	<u>(17,252)</u>	<u>(1)</u>
	Items that may be reclassified subsequently to profit or loss	<u>(58,958)</u>	<u>(3)</u>	<u>108,732</u>	<u>3</u>
8300	Other comprehensive income (loss)	<u>(73,223)</u>	<u>(3)</u>	<u>76,167</u>	<u>2</u>
	Total comprehensive income (loss)	<u>\$ (306,985)</u>	<u>(12)</u>	<u>96,732</u>	<u>2</u>
	Profit (loss), attributable to:				
	Profit (loss), attributable to owners of parent	\$ (215,646)	(8)	39,758	1
	Loss attributable to non-controlling interests	<u>(18,116)</u>	<u>(1)</u>	<u>(19,193)</u>	<u>(1)</u>
		<u>\$ (233,762)</u>	<u>(9)</u>	<u>20,565</u>	<u>-</u>
	Comprehensive income (loss) attributable to:				
	Comprehensive income (loss), attributable to owners of parent	\$ (288,738)	(11)	113,785	3
	Comprehensive loss, attributable to non-controlling interests	<u>(18,247)</u>	<u>(1)</u>	<u>(17,053)</u>	<u>(1)</u>
		<u>\$ (306,985)</u>	<u>(12)</u>	<u>96,732</u>	<u>2</u>
	Basic earnings (loss) per share (NT dollars) (note 6(q))	<u>\$ (1.57)</u>		<u>0.29</u>	
	Diluted earnings per share (NT dollars) (note 6(q))			<u>0.29</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Other equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings		Unrealized loss from investments in equity instruments measured at fair value through other comprehensive income	Total other equity interest			
Balance at January 1, 2022	\$ 1,375,632	1,604,287	-	570,199	188,438	758,637	(771,824)	(97,144)	(868,968)	2,869,588	38,890	2,908,478
Profit (loss)	-	-	-	-	39,758	39,758	-	-	-	39,758	(19,193)	20,565
Other comprehensive income (loss)	-	-	-	-	558	558	106,592	(33,123)	73,469	74,027	2,140	76,167
Total comprehensive income (loss)	-	-	-	-	40,316	40,316	106,592	(33,123)	73,469	113,785	(17,053)	96,732
Legal reserve appropriated	-	-	18,844	-	(18,844)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	158,860	(158,860)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(9,630)	(9,630)	-	-	-	(9,630)	-	(9,630)
Cash dividends from capital surplus	-	(127,934)	-	-	-	-	-	-	-	(127,934)	-	(127,934)
Balance at December 31, 2022	1,375,632	1,476,353	18,844	729,059	41,420	789,323	(665,232)	(130,267)	(795,499)	2,845,809	21,837	2,867,646
Profit (loss)	-	-	-	-	(215,646)	(215,646)	-	-	-	(215,646)	(18,116)	(233,762)
Other comprehensive income (loss)	-	-	-	-	(6,719)	(6,719)	(58,827)	(7,546)	(66,373)	(73,092)	(131)	(73,223)
Total comprehensive income (loss)	-	-	-	-	(222,365)	(222,365)	(58,827)	(7,546)	(66,373)	(288,738)	(18,247)	(306,985)
Legal reserve appropriated	-	-	4,031	-	(4,031)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	1,104	(1,104)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(31,640)	(31,640)	-	-	-	(31,640)	-	(31,640)
Cash dividends from capital surplus	-	(9,629)	-	-	-	-	-	-	-	(9,629)	-	(9,629)
Balance at December 31, 2023	\$ 1,375,632	1,466,724	22,875	730,163	(217,720)	535,318	(724,059)	(137,813)	(861,872)	2,515,802	3,590	2,519,392

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ (212,140)	43,809
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation expense	150,316	144,743
Amortization expense	4,332	5,708
Expected credit loss (gain)	13,548	(7,478)
Net loss on financial assets or liabilities at fair value through profit or loss	121,684	22,430
Interest expense	13,594	10,031
Interest income	(9,438)	(2,907)
Dividend income	(2,539)	(10,158)
Share of profit of associates accounted for using equity method	(28,165)	(63,773)
Loss (gain) on disposal of property, plan and equipment	(1,498)	860
Gain on disposal of non-current assets classified as held for sale	(52,065)	-
Recognition losses on (reversal of) inventory valuation and obsolescence	(14,890)	42,001
Others	2,071	5,102
Total adjustments to reconcile profit	196,950	146,559
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and trade receivable (including related parties), net	(206,992)	559,695
Other receivable	(19,101)	14,226
Inventories	461,836	(216,503)
Other current assets	8,705	(4,763)
Other non-current assets	(988)	(1,213)
Total changes in operating assets	243,460	351,442
Changes in operating liabilities:		
Notes and trade payable (including related parties)	182,469	(536,707)
Other financial liabilities	(10,522)	(32,849)
Other current liabilities	(8,627)	(12,988)
Other non-current liabilities	(140)	16
Total changes in operating liabilities	163,180	(582,528)
Total changes in operating assets and liabilities	406,640	(231,086)
Total adjustments	603,590	(84,527)
Cash inflow generated from (used in) operations	391,450	(40,718)
Interest received	7,921	2,907
Dividends received	46,785	30,511
Interest paid	(13,296)	(10,067)
Income taxes paid	(10,353)	(28,665)
Net cash flows from (used in) operating activities	422,507	(46,032)
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	658	10
Acquisition of investments accounted for using equity method	(12,907)	(17,895)
Proceeds from disposal of non-current assets classified as held for sale	75,179	-
Acquisition of property, plant and equipment	(68,631)	(235,319)
Proceeds from disposal of property, plant and equipment	3,085	64,195
Decrease in other receivables	1,014	179,323
Other investing activities	(2,841)	(19,981)
Net cash flows used in investing activities	(4,443)	(29,667)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(25,000)	(120,842)
Proceed from long-term debt	5,833	35,498
Payment of lease liabilities	(44,754)	(44,913)
Cash dividends paid	(41,269)	(137,564)
Net cash flows used in financing activities	(105,190)	(267,821)
Effect of exchange rate changes on cash and cash equivalents	(49,945)	72,053
Net increase (decrease) in cash and cash equivalents	262,929	(271,467)
Cash and cash equivalents at beginning of period	430,494	701,961
Cash and cash equivalents at end of period	\$ 693,423	430,494

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Min Aik Technology Co., Ltd. (the “Company”) was incorporated on October 3, 1979, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The address of the Company’s registered office is 10F. 1, No. 492 1, Sec. 1, Wanshou Rd., Guishan District, Taoyuan City. The Company and subsidiaries (together referred to as the “Group” and individually as “Group entities”) primarily is involved in the design, manufacture, and sale of hard disk drive components, plastic camera components, CD ROM drive components, and mechanical components for optical devices.

(2) Approval date and procedures of the consolidated financial statements:

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

(3) New standards, amendments and interpretations adopted:

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

The details of impact on the Group’s adoption of the new amendments beginning January 1, 2023 are as follows :

- (i) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group may need to recognize equal deferred income tax assets and deferred income tax liabilities. The application of the amendments resulting in deferred tax assets and deferred tax liabilities to increase by \$850 thousand each on January 1, 2022, deferred tax assets and deferred tax liabilities to increase by \$3,766 thousand each on December 31, 2022. There is no impact on the cash flows in the said period.

- (ii) Other amendments

The following amendments are not expected to have a significant impact on the Group’s consolidated financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

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

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized as follows. The following accounting policies were applied consistently to the periods presented in the financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter, referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, ROC.

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of preparation

(i) Basis of measurement

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

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, 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.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control 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 will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding	
			December 31, 2023	December 31, 2022
The Company	Min Aik Technology USA Inc. (MAUS)	Researching hard disk drive components	100.00 %	100.00 %
"	Min Aik International Development Pte., Ltd. (MAS)	Investment holding, researching hard disk drive components, and providing sales and marketing support	100.00 %	100.00 %
"	Synergy Technology Industrial Co., Ltd. (Synergy)	Holding company	100.00 %	100.00 %
"	Min Aik Technology (Thailand) Co., Ltd. (MATH)	Manufacture and sale of hard disk drive components	100.00 %	100.00 %
"	Good Master Holding Co., Ltd. (Good Master)	Holding company	100.00 %	100.00 %
"	Green Far Company Ltd. (Green Far)	Sale of electricity produced by curvature module	100.00 %	100.00 %
"	Geminovative Technology Co., LTD. (GIT)	Sale and retail of electricity product	100.00 %	100.00 %
MAS	Min Aik Technology(M) Sdn. Bhd. (MAM)	Manufacture and sale of hard disk drive components	100.00 %	100.00 %
Synergy	Min Aik Technology (Suzhou) Co., Ltd. (MAY) (Note 1)	Manufacture and sale of hard disk drive components	100.00 %	100.00 %
"	Min Aik-Automation (Suzhou) Co., Ltd (MAA) (Note 1)	Manufacture and sale of automatic drive	- %	100.00 %
"	MATC Technology (M) Sdn. Bhd. (MATC)	Manufacture and sale of hard disk drive components	80.00 %	80.00 %
Good Master	MU-Technology Ptd. Ltd. (MUS)	Holding Company	69.41 %	69.41 %
MUS	MU Technology (M) Sdn.Bhd. (MUM)	Manufacture and sale of hard disk drive components	100.00 %	100.00 %

Note 1: The Company's indirect holding company MAY and MAA merged in December 2023 after obtaining the approval letter from the Ministry of Economic Affairs, R.O.C.. MAY is the surviving company.

(iii) Subsidiaries excluded from the consolidated financial statement: None.

(d) Foreign currencies

(i) Foreign currency transaction

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

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(ii) Foreign operations

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

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

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

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

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when:

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Cash and cash equivalents

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

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Fair value through other comprehensive income (FVOCL)

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

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

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

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

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

Lifetime of ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Equity instrument

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

3) Treasury shares

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

4) Financial liabilities

Financial liabilities are classified as measured at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- 1) Building facilities: 8 ~50 years
- 2) Machinery: 2 ~20 years
- 3) Leasehold improvement: 3 ~15 years
- 4) Office and other equipment: 1 ~ 10 years

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

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Leases

(i) Identifying a lease

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

(ii) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitory that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Research & development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(m) Impairment – non-derivative financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods—electronic components

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

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

2) Financing components

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

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Income taxes

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

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Earnings per share

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

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

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

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

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Judgment regarding control of subsidiaries

Although the Group is the largest shareholder of Min Aik Precision Industrial Co., Ltd (MAP), the Group still cannot assign more than half of the total number of MAP's directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group only has significant influence on MAP.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Group strives to use market observable inputs when measuring assets and liabilities.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- (a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- (c) Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to note 6(u) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and demand deposits	\$ 420,495	400,332
Time deposits	272,928	30,162
Cash and cash equivalents in consolidated statement of cash flows	\$ 693,423	430,494

Please refer to note 6(u) for the interest rate risk, and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

- (b) Financial assets at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss - current:		
Forward foreign exchange contract	\$ 1,328	131
Financial assets at fair value through profit or loss - non-current:		
Funds investment	\$ 5,759	5,469
Stocks listed on domestic markets	168,208	291,401
	\$ 173,967	296,870

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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The Group uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Group exposures arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial assets:

December 31, 2023			
Financial instruments	Nominal amount (in thousand)	Currency	Delivery date
Forward exchange sold	USD1,000	USD to MYR	2023.12.11 ~2024.6.13
Forward exchange sold	USD1,000	USD to MYR	2023.10.20 ~2024.3.25

December 31, 2022			
Financial instruments	Nominal amount (in thousand)	Currency	Delivery date
Forward exchange sold	USD1,000	USD to MYR	2022.12.22 ~2023.2.22

As of December 31, 2023 and 2022, none of the financial assets at fair value through profit of loss of the Group had been pledged as collateral.

(c) Notes and accounts receivable (including related parties)

	December 31, 2023	December 31, 2022
Notes receivable	\$ 736	2,315
Accounts receivable	736,738	529,523
Accounts receivable due from related parties	5,856	4,500
Less: allowance for impairment	(17,092)	(3,548)
	\$ 726,238	532,790

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2023 and 2022. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision in Taiwan was determined as follows:

	December 31, 2023		
Gross carrying amount	Weighted- average loss rate	Loss allowance provision	
Current	\$ 669,778	0%~1%	100
1 to 90 days past due	55,935	0%~21%	1,566
91 to 180 days past due	2,225	0%~27%	112
181 to 360 days past due	587	0%~100%	509
More than 360 days past due	14,805	0%~100%	14,805
	\$ 743,330		17,092

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 478,084	0%~1%	1,286
1 to 90 days past due	47,287	0%~9%	666
91 to 180 days past due	8,083	0%~10%	751
181 to 360 days past due	1,853	0%~100%	162
More than 360 days past due	1,031	0%~100%	683
	\$ 536,338		3,548

The movement in the allowance for notes and trade receivable were as follows:

	2023	2022
Balance at January 1	\$ 3,548	11,420
Impairment losses recognized (reversed)	13,548	(7,478)
Amount written off	-	(470)
Foreign exchange gains (losses)	(4)	76
Balance at December 31	\$ 17,092	3,548

As of December 31, 2023 and 2022, none of the aforementioned notes and trade receivables of the Group were pledged as collateral.

(d) Inventories

	December 31, 2023	December 31, 2022
Raw materials	\$ 475,636	775,168
Work in progress	80,338	120,194
Finished goods and products	248,959	402,021
	\$ 804,933	1,297,383

For the years ended December 31, 2023 and 2022, the Group recognized the following items as cost of goods sold:

	2023	2022
Cost of goods sold	\$ 2,230,527	2,670,752
Unallocated fixed manufacturing overhead resulting from the actual production being lower than the normal capacity	216,947	131,462
Write-down (Reversal of write downs) and retirement of inventory	(14,890)	42,001
Others	65	4,017
	\$ 2,432,649	2,848,232

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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As of December 31, 2023 and 2022, the Group did not provide any inventories as collateral.

- (e) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Overseas equity investment	\$ <u>-</u>	<u>7,546</u>

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent investments that the Group intends to hold for long-term for strategic purposes. The Group recognized the unrealized loss on valuation \$7,546 thousand for 2023.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2023 and 2022.

For credit risk and market risk, please refer to 6(u).

As of December 31, 2023 and 2022, none of the Group's financial assets at fair value through other comprehensive income had been pledged as collateral.

- (f) Investments accounted for using equity method

A summary of the Group's financial information for equity-accounted investees at the reporting date is as follows:

	December 31, 2023	December 31, 2022
Associates	\$ <u>753,756</u>	<u>760,465</u>

- (i) The information on material associates

Name of Associates	Main business activities	Country	Ownership (%)	
			December 31, 2023	December 31, 2022
MAP	Manufacturing of electronic parts and components	Taiwan	38.68 %	38.13 %

Although the Group is the largest shareholder of its associate MAP, considering that the Group cannot obtain more than half of the board seats or shareholder's voting rights at a shareholders' meeting, it is determined that the Group only has significant influence on MAP.

The fair value of material associate to the Group listed on the Stock Exchange is as follows:

	December 31, 2023	December 31, 2022
MAP	\$ <u>893,610</u>	<u>880,710</u>

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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The following consolidated financial information of significant associate has been adjusted according to individually prepared IFRS financial statements of these associates:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 1,774,367	1,919,725
Non-current assets	1,289,929	1,360,829
Current liabilities	(944,746)	(908,941)
Non-current liabilities	<u>(256,367)</u>	<u>(473,381)</u>
Net assets	<u>\$ 1,863,183</u>	<u>1,898,232</u>
Net assets attributable to non-controlling interests	<u>\$ 1,855,336</u>	<u>1,890,385</u>
	<u>2023</u>	<u>2022</u>
Operating revenue	<u>\$ 2,075,139</u>	<u>2,275,017</u>
Net income	\$ 83,064	161,828
Other comprehensive loss	<u>(2,613)</u>	<u>77,005</u>
Total comprehensive income	<u>\$ 80,451</u>	<u>238,833</u>
Comprehensive income attributable to controlling interests	<u>\$ 80,451</u>	<u>238,833</u>
	<u>2023</u>	<u>2022</u>
Share of net assets of affiliate as of January 1	\$ 732,229	645,630
Equities acquired due to increase in ownership of associates	28,219	89,057
Comprehensive income attributable to the Group	12,907	17,895
Dividends received from associates	<u>(44,246)</u>	<u>(20,353)</u>
Share of net assets of affiliate as of December 31	729,109	732,229
Add: The differences of equity attributable to owners	28,632	28,632
Less: Unrealized profit in ending inventory	<u>(3,985)</u>	<u>(396)</u>
The equity of associates that belongs to the Group	<u>\$ 753,756</u>	<u>760,465</u>

The Group acquired interest in an associate-Min Aik Precision Industrial Co., Ltd. (MAP) for \$12,907, increasing its ownership from 38.13% to 38.68%.

(ii) Collateral

As of December 31, 2023 and 2022, the Group did not provide any investment accounted for using equity method as collaterals for its loans.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022 were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Other facilities</u>	<u>Prepayment for purchase of equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2023	\$ -	197,341	1,797,250	759,796	167,931	2,922,318
Additions	-	-	7,426	11,867	44,845	64,138
Disposal	-	-	(111,135)	(68,832)	-	(179,967)
Transfer from inventory	-	-	36,803	8,701	-	45,504
Reclassification	-	-	19,785	156,938	(176,723)	-
Transfer to others	-	-	-	(615)	(27)	(642)
Effect of movements in exchange rates	-	(8,630)	(51,013)	(19,432)	(6,965)	(86,040)
Balance on December 31, 2023	<u>\$ -</u>	<u>188,711</u>	<u>1,699,116</u>	<u>848,423</u>	<u>29,061</u>	<u>2,765,311</u>
Balance on January 1, 2022	\$ 22,387	213,023	1,843,313	739,475	6,954	2,825,152
Additions	-	410	46,637	10,782	175,507	233,336
Disposal	-	-	(164,690)	(13,133)	-	(177,823)
Reclassified to non-current assets held for sale	(23,980)	(27,788)	-	-	-	(51,768)
Reclassification	-	-	16,685	1,029	(17,714)	-
Transfer to others	-	-	(1,859)	-	(1,739)	(3,598)
Effect of movements in exchange rates	1,593	11,696	57,164	21,643	4,923	97,019
Balance on December 31, 2022	<u>\$ -</u>	<u>197,341</u>	<u>1,797,250</u>	<u>759,796</u>	<u>167,931</u>	<u>2,922,318</u>
Depreciation and impairments loss:						
Balance on January 1, 2023	\$ -	80,999	1,490,454	621,887	-	2,193,340
Depreciation for the year	-	3,268	74,691	28,981	-	106,940
Disposal	-	-	(110,453)	(67,927)	-	(178,380)
Transfer from others	-	-	154	387	-	541
Effect of movements in exchange rates	-	(3,610)	(43,800)	(13,816)	-	(61,226)
Balance on December 31, 2023	<u>\$ -</u>	<u>80,657</u>	<u>1,411,046</u>	<u>569,512</u>	<u>-</u>	<u>2,061,215</u>
Balance on January 1, 2022	\$ -	84,662	1,468,588	594,909	-	2,148,159
Depreciation for the year	-	5,361	72,743	24,170	-	102,274
Disposal	-	-	(99,636)	(13,132)	-	(112,768)
Reclassified to non-current assets held for sale	-	(13,894)	-	-	-	(13,894)
Transfer to others	-	-	(702)	(194)	-	(896)
Effect of movements in exchange rates	-	4,870	49,461	16,134	-	70,465
Balance on December 31, 2022	<u>\$ -</u>	<u>80,999</u>	<u>1,490,454</u>	<u>621,887</u>	<u>-</u>	<u>2,193,340</u>
Carrying amounts:						
Balance on December 31, 2023	<u>\$ -</u>	<u>108,054</u>	<u>288,070</u>	<u>278,911</u>	<u>29,061</u>	<u>704,096</u>
Balance on December 31, 2022	<u>\$ -</u>	<u>116,342</u>	<u>306,796</u>	<u>137,909</u>	<u>167,931</u>	<u>728,978</u>
Balance on January 1, 2022	<u>\$ 22,387</u>	<u>128,361</u>	<u>374,725</u>	<u>144,566</u>	<u>6,954</u>	<u>676,993</u>

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(i) The Group's subsidiary MATH had decided to dispose some of its land and buildings, of which is expected to be completed within one year. Therefore, the related land and buildings were classified as non-current asset held for sale at the lower of cost or net realizable value. Please refer to note 6(i).

(ii) Collateral

As of December 31, 2023 and 2022, none of the property, plant and equipment of the Group had been pledged as collateral.

(h) Right-of-use assets

Information about leases for which the Group is a lessee was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2023	\$ 39,195	138,247	3,087	180,529
Additions	-	13,326	1,001	14,327
Disposal	-	(27,327)	(1,626)	(28,953)
Effect of change in foreign exchange rates	(1,714)	(1,205)	(10)	(2,929)
Balance at December 31, 2023	<u>\$ 37,481</u>	<u>123,041</u>	<u>2,452</u>	<u>162,974</u>
Balance at January 1, 2022	\$ 37,236	121,439	1,694	160,369
Additions	-	22,695	1,374	24,069
Disposal	-	(5,767)	-	(5,767)
Effect of change in foreign exchange rates	1,959	(120)	19	1,858
Balance at December 31, 2022	<u>\$ 39,195</u>	<u>138,247</u>	<u>3,087</u>	<u>180,529</u>
Accumulated depreciation:				
Balance at January 1, 2023	\$ 1,819	80,019	1,650	83,488
Depreciation for the year	444	42,378	554	43,376
Disposal	-	(25,793)	(1,626)	(27,419)
Other	-	852	40	892
Effect of movements in exchange rates	(89)	(343)	(9)	(441)
Balance at December 31, 2023	<u>\$ 2,174</u>	<u>97,113</u>	<u>609</u>	<u>99,896</u>
Balance at January 1, 2022	\$ 1,296	41,608	1,052	43,956
Depreciation for the year	440	41,567	462	42,469
Disposal	-	(5,767)	-	(5,767)
Other	-	2,237	120	2,357
Effect of movements in exchange rates	83	374	16	473
Balance at December 31, 2022	<u>\$ 1,819</u>	<u>80,019</u>	<u>1,650</u>	<u>83,488</u>
Carrying amount:				
Balance at December 31, 2023	<u>\$ 35,307</u>	<u>25,928</u>	<u>1,843</u>	<u>63,078</u>
Balance at January 1, 2022	<u>\$ 35,940</u>	<u>79,831</u>	<u>642</u>	<u>116,413</u>
Balance at December 31, 2022	<u>\$ 37,376</u>	<u>58,228</u>	<u>1,437</u>	<u>97,041</u>

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Non-current assets to be sold

In December 2022, the Group has sold the land and factory buildings of its subsidiary company MATH as a result of a takeover offer for cash. The sales amount was \$95,830 thousand and the fair value was \$37,345 thousand. The gain on disposal of property, plant and equipment was \$52,065 thousand and had been recognized under other income and losses. As of December 31, 2023, transfer procedures related to this transaction has been completed and cash generated from the disposal of property, plant and equipment has been collected in full.

Considering the future investment benefits of the Group's subsidiary, the Board of Directors had decided on January 2021 to sell off its subsidiary company Green Far's solar power generation module. On September 2021, Green Far had signed an agreement with Gloria Material Technology Corp. to sell off the solar power generation module at a price of \$60,000 thousand (pretax) and transfer the asset on January 2022. This transaction was completed as of June 2022 and a \$148 thousand gain on disposal of property, plant and equipment was recognized under other income and losses.

(j) Other current assets and other non-current assets

The following are other current assets and other non-current assets of the Group:

	December 31, 2023	December 31, 2022
Tax refundable and offset against business tax payable	\$ 12,256	23,035
Prepayment for purchases	22,103	22,572
Refundable deposits	26,295	26,582
Others	45,378	58,665
	\$ 106,032	130,854

(k) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank loans	\$ 285,000	360,000
Secured bank loans	100,000	50,000
	\$ 385,000	410,000
Unused short-term credit lines	\$ 237,500	670,550
Range of interest rates	1.85%~1.89%	1.6%~2.0106%

Please refer to note 6(u) for the interest rate risk, and the liquidity risk of the financial assets and liabilities of the Group. For the collateral for short-term borrowings, please refer to note 8.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Long-term borrowings

The details were as follows:

December 31, 2023				
	Currency	Interest rate	Maturity year	Amount
Unsecured bank loans	NTD	1.93%~2.45%	2024~2028	\$ 210,625
Less: current portion				<u>(84,667)</u>
Total				<u><u>\$ 125,958</u></u>
Unused long-term credit lines				<u><u>\$ -</u></u>

December 31, 2022				
	Currency	Interest rate	Maturity year	Amount
Unsecured bank loans	NTD	1.93%~2.20%	2024~2028	\$ 204,792
Less: current portion				<u>(94,167)</u>
Total				<u><u>\$ 110,625</u></u>
Unused long-term credit lines				<u><u>\$ 31,806</u></u>

(m) Lease liabilities

	December 31, 2023	December 31, 2022
Current	<u><u>\$ 10,719</u></u>	<u><u>42,088</u></u>
Non-current	<u><u>\$ 17,554</u></u>	<u><u>18,311</u></u>

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss was as follows:

	2023	2022
Interest expenses on lease liabilities	<u><u>\$ 557</u></u>	<u><u>827</u></u>
Expenses relating to short-term leases	<u><u>\$ 4,817</u></u>	<u><u>5,230</u></u>

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

	2023	2022
Total cash outflow for leases	<u><u>\$ 50,128</u></u>	<u><u>50,970</u></u>

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligations and the fair value of the plan assets of the Company were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 40,893	39,987
Fair value of plan assets	<u>(44,559)</u>	<u>(44,530)</u>
Net defined benefit assets	<u>\$ (3,666)</u>	<u>(4,543)</u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits calculated based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$44,559 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

The movement in the present value of the defined benefit obligations of the Group were as follows:

	2023	2022
Defined benefit obligation at January 1	\$ 39,987	39,498
Current service costs and interest	699	481
Re-measurement loss (gain):		
- Return on plan assets excluding interest income	1,653	8,732
- Actuarial loss (gain) arising from -financial assumptions	582	(3,956)
Benefit paid	<u>(2,028)</u>	<u>(4,768)</u>
Defined benefit obligation at December 31	<u>\$ 40,893</u>	<u>39,987</u>

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Movements of the defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 44,530	44,393
Interest income	597	319
Re-measurement loss (gain)		
- Return on plan assets excluding interest income	371	3,410
Contribution paid by employer	1,089	1,176
Benefits paid	<u>(2,028)</u>	<u>(4,768)</u>
Fair value of plan assets at December 31	<u>\$ 44,559</u>	<u>44,530</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	<u>2023</u>	<u>2022</u>
Current service cost	\$ 174	203
Net interest of net liabilities (assets) for defined benefit obligations	<u>(72)</u>	<u>(41)</u>
	<u>\$ 102</u>	<u>162</u>
Operating cost	\$ 38	104
Selling expenses	9	6
Administrative expenses	29	32
Research and development expenses	<u>26</u>	<u>20</u>
	<u>\$ 102</u>	<u>162</u>

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	1.300 %	1.400 %
Future salary increase rate	1.500 %	1.500 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$1,078 thousand.

The weighted-average lifetime of the defined benefits plans is 9 years.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

Actuarial assumptions	Influences of defined obligations	
2023.12.31	Increase of 0.5%	Decrease of 0.5%
Discount rate 1.3%	(1,442)	1,533
Future salary increase rate 1.5%	1,477	(1,403)
	Influences of defined obligations	
Actuarial assumptions	Increase of 0.5%	Decrease of 0.5%
2022.12.31		
Discount rate 1.4%	(1,503)	1,602
Future salary increase rate 1.5%	1,545	(1,464)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There was no change in the method and assumptions used in the preparation of the sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Group recognized pension costs under the defined contribution method amounting to \$31,383 and \$32,853 thousand for the years ended December 31, 2023 and 2022, respectively.

(o) Income taxes

(i) The components of income tax for the years 2023 and 2022 were as follows:

	2023	2022
Current tax expense	\$ 9,043	29,820
Deferred tax expense (income)	12,579	(6,576)
Income tax expense	\$ 21,622	23,244

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) The amount of income tax expense (income) recognized in other comprehensive income for 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Foreign currency translation differences from foreign operations	\$ <u>(13,046)</u>	<u>17,252</u>

- (iii) Reconciliation of income tax and profit or loss before tax for 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Profit (loss) excluding income tax	\$ (212,140)	43,809
Income tax using the Company's domestic tax rate	(55,540)	13,336
Effect of tax rates in foreign jurisdiction	(4,915)	1,514
Changes in unrecognized deferred tax asset and deferred tax liability	16,507	(336)
Permanent differences	38,536	(18,363)
Changes in provision in prior periods and others	<u>27,034</u>	<u>27,093</u>
	<u>\$ 21,622</u>	<u>23,244</u>

- (iv) Deferred tax assets and liabilities

- 1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized for 2023 and 2022 was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
The carry forward of unused tax losses	\$ 156,101	139,594
Tax effect of deductible temporary differences	<u>111,676</u>	<u>111,676</u>
	<u>\$ 267,777</u>	<u>251,270</u>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be sufficient to utilize deferred tax asset.

As of December 31, 2022, the Group's unrecognized deduction of tax loss amounts in \$193,125 thousand. Deduction may be higher under condition of using the tax rate in foreign jurisdiction up to \$835,545 thousand.

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Investment income recognized under the equity method	Others	Total
	<u> </u>	<u> </u>	<u> </u>
Deferred tax liabilities:			
Balance on January 1, 2023	\$ 230,616	5,924	236,540
Recognized in profit or loss	11,657	(3,028)	8,629
Recognized in other comprehensive income	<u>(13,046)</u>	<u>-</u>	<u>(13,046)</u>
Balance on December 31, 2023	<u>\$ 229,227</u>	<u>2,896</u>	<u>232,123</u>
Balance on January 1, 2022	\$ 190,383	6,580	196,963
Recognized in profit or loss	22,981	(656)	22,325
Recognized in other comprehensive income	<u>17,252</u>	<u>-</u>	<u>17,252</u>
Balance on December 31, 2022	<u>\$ 230,616</u>	<u>5,924</u>	<u>236,540</u>

	Additional loss on inventory valuation	Unused tax losses carry forwards	Others	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deferred tax assets:				
Balance on January 1, 2023	\$ (5,761)	(46,874)	(16,229)	(68,864)
Recognized in profit or loss	<u>547</u>	<u>9,846</u>	<u>(6,443)</u>	<u>3,950</u>
Balance on December 31, 2023	<u>\$ (5,214)</u>	<u>(37,028)</u>	<u>(22,672)</u>	<u>(64,914)</u>
Balance on January 1, 2022	(4,812)	(25,070)	(10,081)	(39,963)
Recognized in profit or loss	<u>(949)</u>	<u>(21,804)</u>	<u>(6,148)</u>	<u>(28,901)</u>
Balance on December 31, 2022	<u>\$ (5,761)</u>	<u>(46,874)</u>	<u>(16,229)</u>	<u>(68,864)</u>

(v) Examination and approval

The Company's, Green Far's and GIT's tax returns for the years through 2021 were examined and approved by the Taipei National Tax Administration.

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Capital and other equity

As of December 31, 2023 and 2022, the authorized common stock was \$4,000,000 (including employee stock options for 7.5 million shares). The total common stock outstanding amounted to \$1,375,632 thousand as of both December 31, 2023 and 2022. The par value of the Company's common stock is \$10 (NT dollars) per share. All of the payments of outstanding shares were received.

(i) Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 1,161,430	1,171,059
Treasury share transactions	39,954	39,954
Gain on disposal of assets	7	7
Change of equity of associates accounted for using equity method	265,333	265,333
	\$ 1,466,724	1,476,353

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

The resolution that capital surplus will be used to pay cash dividends of \$0.07 per share, for a total of \$9,629 had been approved during the board meeting on March 22, 2023, as well as the shareholders' meeting on June 15, 2023.

The resolution that capital surplus will be used to pay cash dividends of \$0.93 per share, for a total of \$127,934 had been approved during the board meeting on March 17, 2022, as well as the shareholders' meeting on June 14, 2022.

(ii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be more than 10% of total dividends. Distribution of earnings may be exempted if surplus of earnings is less than \$0.5 per share.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of the capital may be distributed.

2) Special reserve

A portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (and is not qualified for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. As of December 31, 2023 and 2022, the amount of reversal of special reserve are \$730,163 and \$729,059 thousand, respectively.

3) Earnings distribution

Earnings distributions for 2022 and 2021 were decided via shareholders' meetings held on June 15, 2023 and June 14, 2022, respectively.

	2022		2021	
	Dividends per share (NT dollars)	Amount	Dividends per share (NT dollars)	Amount
Dividend distributions to shareholders:				
Cash from unappropriated retained earnings	\$ 0.23	31,640	0.07	9,630

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Earnings (loss) per share

(i) Basic earnings (loss) per share

The calculation of basic earnings (loss) per share and diluted earnings per share at December 31, 2023 and 2022 were calculated as follows:

	2023	2022
Profit (loss) attributable to ordinary shareholders of the Company	\$ (215,646)	39,758
Weighted-average number of ordinary shares at December 31 (thousand shares)	137,564	137,564
Basic earnings (loss) per share (dollar)	\$ (1.57)	0.29

(ii) Diluted earnings per share

	2022
Profit attributable to ordinary shareholders of the Company	\$ 39,758
Weighted-average number of ordinary shares at December 31 (thousand shares)	137,564
Impact on employee compensation	282
Weight-average number of ordinary shares (diluted) at December 31 (thousand shares)	137,846
Diluted earnings per share (dollar)	\$ 0.29

There was a net loss for the year 2023. There will not be a dilutive effect by adjusting based on the potential diluted ordinary shares. Thus, the diluted earnings per share for 2023 is not disclosed.

In calculating the dilutive effect of employee compensation, which is considered as issuing all shares, the fair value is based on the quoted market price on the day before the company's reporting date.

(r) Revenue from contracts with customers

(i) The details of the revenue were as follows:

	2023	2022
Primary geographical markets		
Thailand	\$ 1,620,537	1,763,200
Singapore	626,445	825,235
Taiwan	156,929	204,847
China	126,273	245,415
Others	125,344	184,383
	\$ 2,655,528	3,223,080

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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	2023	2022
Major products/services lines		
VCM	\$ 1,045,886	1,107,278
EHD	432,770	634,368
COVER	261,690	247,370
HDD	183,140	241,618
OEM	153,795	163,383
OPTICS	84,608	206,603
Others	493,639	622,460
	\$ 2,655,528	3,223,080

(ii) Contract balance

For disclosures related to trade receivables and impairment, please refer to note 6(c).

(s) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, when there are still accumulated loss, the compensation should be reserved. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the year ended December 31, 2022, the Company estimated its employee remuneration and directors' and supervisors' remuneration amounting to \$1,772 thousand and \$354 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors, and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022. Related information would be available at the Market Observation Post System website.

In addition, since the Company was at a net loss position before tax for the year ended December 31, 2023, the company did not contribute to employee compensation or directors' and supervisors' remuneration. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Non-operating income and expenses

(i) Other income

The other income for the years ended December 31, 2023 and 2022, was as follows:

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 2,539	10,158
Others	<u>12,280</u>	<u>36,534</u>
	<u>\$ 14,819</u>	<u>46,692</u>

(ii) Other gains and losses

The other gains and losses for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Foreign exchange gains	\$ 31,848	60,205
Gain (loss) on disposal property, plant and equipment	1,498	(860)
Reversal of impairment loss on non-current asset held for sale	52,065	-
Losses on valuation of financial assets	(121,684)	(22,430)
Other	<u>2,359</u>	<u>(286)</u>
	<u>\$ (33,914)</u>	<u>36,629</u>

(u) Financial instruments

(i) Credit risk

1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises from the Group's accounts receivable and security investments.

a) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. These limits are reviewed periodically. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Investment

The credit risk exposure in bank deposits, fixed-income investment, and other financial instruments is measured and monitored by the Group's finance department. As the Group deals with banks and other external parties with good credit standing and with financial institutions, corporate organizations, and government agencies which are graded above investment level, the management believes that the Group does not have any compliance issues, and therefore, there is no significant credit risk.

2) Other information about credit risk was as follows:

a) Exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities. As of December 31, 2023 and 2022, the carrying amount of financial assets, which represents the maximum amount exposed to credit risk, was \$1,484,228 thousand and \$1,008,247 thousand, respectively. Furthermore, the bank deposits of the Company are made with various banks, all of which are with good credits, therefore, there is no significant credit risks.

b) The Group's credit risk is mainly affected by the credit characteristics of each creditor. This is also an impact on credit risk from the business of the customer. As of December 31, 2023 and 2022, 86% and 77%, respectively, of the ending balance of accounts receivable arose from sales to individual customers constituting the top three customers.

(ii) Liquidity risk

Liquidity risk is a risk that the Group is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as much as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities:

- 1) Based on the date on which the Group may be required to make an early repayment and on the preparation of the financial liabilities' undiscounted cash flows, including interest.
- 2) Other non-derivative financial liabilities' maturity analysis prepared in accordance with the agreed repayment date.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>2 ~5 years</u>	<u>Over 5 years</u>
December 31, 2023						
Non-derivative financial liabilities:						
Short-term and long-term borrowings	\$ 595,625	606,571	473,743	38,579	59,870	34,379
Accounts payable	444,383	444,383	444,383	-	-	-
Accounts payable-related parties	97,715	97,715	97,715	-	-	-
Lease liabilities	28,273	29,473	11,096	6,995	6,968	4,414
Other financial liabilities	86,634	86,634	86,634	-	-	-
Derivative financial liabilities:						
Forward Exchange Agreement:						
Outflow	-	61,025	61,025	-	-	-
Inflow	(1,328)	(62,353)	(62,353)	-	-	-
	<u>\$ 1,251,302</u>	<u>1,263,448</u>	<u>1,112,243</u>	<u>45,574</u>	<u>66,838</u>	<u>38,793</u>
December 31, 2022						
Non-derivative financial liabilities:						
Short-term and long-term borrowings	\$ 614,792	621,404	508,399	75,666	614,792	621,404
Accounts payable	289,668	289,668	289,668	-	289,668	289,668
Accounts payable-related parties	69,961	69,961	69,961	-	69,961	69,961
Lease liabilities	60,399	61,748	42,537	7,540	60,399	61,748
Other financial liabilities	87,015	87,015	87,015	-	-	-
Derivative financial liabilities:						
Forward Exchange Agreement						
Outflow	-	30,715	30,715	-	-	-
Inflow	(131)	(30,846)	(30,846)	-	-	30,715
	<u>\$ 1,121,704</u>	<u>1,129,665</u>	<u>997,449</u>	<u>83,206</u>	<u>1,121,835</u>	<u>1,160,511</u>

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Exposure to foreign currency risk

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

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	\$ 34,560	30.705	1,061,165	23,151	30.71	710,965
SGD	2,015	23.29	46,929	2,504	22.88	57,293
Financial liabilities						
Monetary items						
USD	7,618	30.705	233,911	32,207	30.71	989,090
THB	2,503	3.93	9,834	169	3.94	665
SGD	25	23.29	582	35	22.88	794

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the TWD against the foreign currency as of December 31, 2023 and 2022, would have increased (decreased) the net profit (loss) before tax by \$8,638 thousand and \$(2,223) thousand, respectively. The analysis is performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. In 2023 and 2022, the foreign exchange gain, including both realized and unrealized, amounted to \$31,848 thousand and \$60,205 thousand, respectively.

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	December 31, 2023	December 31, 2022
Fixed-rate instruments:		
Financial assets	\$ 200,966	31,446
Financial liabilities	(392,500)	(340,000)
	\$ (191,534)	(308,554)
Variable-rate instruments:		
Financial assets	\$ 459,373	402,030
Financial liabilities	(203,124)	(274,792)
	\$ 256,249	127,238

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. If the interest rate had increased or decreased by 0.25%, the net profit (loss) before tax would have increased (decreased) by \$641 thousand and \$318 thousand for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors were constant. This mainly resulted from borrowings at variable interest rates.

The Group's financial liabilities at fixed interest rates are measured using the amortized cost method. Since the change in market interest rate at the end of each reporting period had no impact on profit and loss, disclosure of the sensitivity to changes in fair value is not necessary.

3) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Prices of securities at the reporting date	For the years ended December 31,			
	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 5%	\$ -	8,410	377	14,570
Decreasing 5%	\$ -	(8,410)	(377)	(14,570)

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Fair value of financial instrument

1) Fair value and carrying amount

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss	\$ 1,328	-	1,328	-	1,328
Total non-current financial assets at fair value through profit or loss	\$ 173,967	5,759	-	168,208	173,967
Financial assets carried at amortized cost					
Cash and cash equivalents	\$ 693,423				
Accounts and notes receivable, net	720,382				
Accounts receivable – related parties, net	5,856				
Other receivables	64,567				
	<u>\$ 1,484,228</u>				
Financial liabilities carried at amortized cost					
Borrowings	595,625				
Accounts and notes payable	444,383				
Accounts payable-related parties	97,715				
Lease liabilities	28,273				
Other financial liabilities	160,388				
	<u>\$ 1,326,384</u>				

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2022				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	\$ <u>131</u>	-	<u>131</u>	-	<u>131</u>
Total non-current financial assets at fair value through profit or loss	\$ <u>296,870</u>	<u>5,469</u>	-	<u>291,401</u>	<u>296,870</u>
Non-current financial assets at fair value through other comprehensive income	\$ <u>7,546</u>	-	-	<u>7,546</u>	<u>7,546</u>
Financial assets carried at amortized cost					
Cash and cash equivalents	\$ 430,494				
Accounts and notes receivable, net	528,290				
Accounts receivable—related parties, net	4,500				
Other receivables	<u>44,963</u>				
	<u>\$ 1,008,247</u>				
Financial liabilities carried at amortized cost					
Borrowings	\$ 614,792				
Accounts and notes payable	289,668				
Accounts payable—related parties	69,961				
Lease liabilities	60,399				
Other financial liabilities	<u>171,890</u>				
	<u>\$ 1,206,710</u>				

2) Valuation techniques for financial instruments not measured at fair value

a) Non-derivative financial instruments

If the quoted prices in active markets are available, the market price is established as the fair value.

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

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments held by the Company are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Financial instruments without an active market are classified according to their fair value categories and attributes: equity instruments without public quoted prices, which uses the market comparable company method, estimation basis being the earnings before tax, depreciation, amortization and interest, comparable to other listed company's multiplier. The estimation has been adjusted for the discounting effect due to the lack of market liquidity of the security.

b) Derivative financial instruments

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

3) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income
Opening balance, January 1, 2023	\$ 291,401	7,546
Recognized in profit or loss	(123,193)	-
Recognized in other comprehensive income	-	(7,546)
Ending Balance, December 31, 2023	\$ 168,208	-
Opening balance, January 1, 2022	\$ 312,193	40,669
Recognized in profit or loss	(20,792)	-
Recognized in other comprehensive income	-	(33,123)
Ending Balance, December 31, 2022	\$ 291,401	7,546

The above total gains and losses for the years ended December 31, 2023 and 2022 were listed under "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income".

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement.

The Group's financial instruments that use Level 3 inputs to measure fair value including "fair value through profit or loss-equity investments and fair value through other comprehensive income – equity investments".

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets measured at fair value through profit or loss – equity investments without an active market	Comparable Listed Company Method	· Enterprise Value to Revenue (2023: 2.87; 2022: 3.34)	· The higher the discount on market liquidity, the lower the fair value
		· Enterprise Value to EBITDA margin(2022: 16.24)	· The higher the multiplier, the higher the fair value.
		· Price-Book Ratio(2023: 2.61; 2022: 3.24)	
		· Lack of discount on market liquidity (2023 and 2022: 21%)	
	Comparable Transaction Method	· Enterprise Value to Revenue (2023: 2.35; 2022: 2.4)	· The higher the discount on market liquidity, the lower the fair value
		· Enterprise Value to EBITDA margin(2022: 19.13)	· The higher the multiplier, the higher the fair value.
		· Price-Book Ratio(2023: 2.27; 2022: 2.64)	
		· Lack of discount on market liquidity (2023 and 2022: 21%)	
Financial assets at fair value through other comprehensive income – equity investments without an active market	Comparable Company Method	· Enterprise Value to Revenue (2022: 0.87)	· The higher the discount on market liquidity, the lower the fair value
		· Price-Book(2022: 1.23)	· The higher the multiplier, the higher the fair value.
		· Lack of discount on market liquidity (2022: 33%)	
	Comparable Transaction Method	· Enterprise Value to Revenue (2022: 2.02)	· The higher the discount on market liquidity, the lower the fair value
		· Price-Book(2022: 2.34)	· The higher the multiplier, the higher the fair value.
		· Lack of discount on market liquidity (2022: 33%)	

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 5) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The method to derive at the fair value of financial instruments is reasonable but could yield different outcomes when using different multipliers. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possibilities of alternative assumptions would have the following effects:

	<u>Data</u>	<u>Change upper or lower</u>	<u>Other comprehensive income</u>	
			<u>Favour- able</u>	<u>Unfavour- able</u>
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	multiplier	lower 0.5	-	(898)
	multiplier	upper 0.5	1,479	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (v) Financial risk management
- (i) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to The Group's Board of Directors.

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) The Group is exposed to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

This note presents information on exposure to each of the above risks and on the objectives, policies, and processes as for measuring and managing risk. For detailed information, please refer to 6(u).

(w) Capital management

The Group manages capital to safeguard the capacity to continue to operate. The management uses the asset-liability ratio to manage capital. This ratio is debt divided by assets. Debt is derived from the loans, accounts payable, expense payable and other liabilities.

As of December 31, 2023 and 2022, the Group's asset-liability ratios were 39% and 35%, respectively. As of December 31, 2023 and 2022, there were no changes in the Group's approach to capital management.

(x) Investing and financing activities affecting non-current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022 as each, were as follows:

- (i) For acquisition of right-of-use assets, please refer to notes 6(h).
- (ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			Changes in lease payments	Others	
Long-term borrowings	\$ 204,792	5,833	-	-	210,625
Short-term borrowings	410,000	(25,000)	-	-	385,000
Lease liabilities	60,399	(44,754)	14,327	(1,699)	28,273
Total liabilities from financing activities	<u>\$ 675,191</u>	<u>(63,921)</u>	<u>14,327</u>	<u>(1,699)</u>	<u>623,898</u>

	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			Changes in lease payments	Others	
Long-term borrowings	\$ 90,152	114,640	-	-	204,792
Short-term borrowings	609,984	(199,984)	-	-	410,000
Lease liabilities	80,538	(44,913)	24,069	705	60,399
Total liabilities from financing activities	<u>\$ 780,674</u>	<u>(130,257)</u>	<u>24,069</u>	<u>705</u>	<u>675,191</u>

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Name of related parties and relationships

The related parties who have transactions with the Group during the period covered by the the Consolidated Financial Statements are as follows:

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Min Aik Precision Industrial Co., Ltd (MAP)	An associate
MAP Plastics Ptd Ltd. (MAPP)	An associate
Ablytek Co., Ltd (Ablytek)	An associate
Amould Plastic Technologies (Suzhou) Co., Ltd (AMO)	An associate
Key management personnel	Key management personnel of the Group

(b) Significant related-party transactions

(i) Sales

The amounts of significant sales by the Group to related parties and the resulting accounts receivable were as follows:

	<u>Sales</u>		<u>Accounts receivable – related party</u>	
	<u>2023</u>	<u>2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Associates				
MAPP	\$ 25,625	45,099	5,856	4,500
Other related parties	<u>12</u>	<u>561</u>	<u>-</u>	<u>-</u>
	<u>\$ 25,637</u>	<u>45,660</u>	<u>5,856</u>	<u>4,500</u>

The credit terms were 30 to 120 days for related parties, but may be adjusted depending on the demand for funds of the related party. The general credit terms for counterparties other than related parties are about 2 to 3 months after delivery. The sales prices were not significantly different from those for third-party customers.

(ii) Purchases

The amounts of purchases by the Group from related parties were as follows:

	<u>Purchase</u>		<u>Accounts payable – related party</u>	
	<u>2023</u>	<u>2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Associates				
MAP	\$ <u>253,421</u>	<u>323,824</u>	<u>97,715</u>	<u>69,961</u>

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The credit terms were 90 to 120 days for related parties, but they may be adjusted depending on the demand for funds of the related party. The general credit terms for counterparties other than related parties are L/C, T/T, or 60~120 days after goods are received. The purchase price is negotiated by the parties.

(iii) Service revenue

1) Inspection revenue

	Amounts		Other accounts receivable – related party	
	2023	2022	December 31, 2023	December 31, 2022
	Associates			
MAP	\$ <u>4,042</u>	<u>3,425</u>	<u>1,284</u>	<u>1,564</u>

2) Other revenues

	Amounts		Accounts receivable – related party	
	2023	2022	December 31, 2023	December 31, 2022
	Associates			
MAP	\$ 354	1,082	163	44
MAPP	<u>26</u>	<u>1,348</u>	<u>-</u>	<u>443</u>
	<u>\$ 380</u>	<u>2,430</u>	<u>163</u>	<u>487</u>

Revenue stated above are shown as operating revenue or other revenue after the deduction of related expense.

(iv) Property transactions

	Amounts		Other accounts payable – related parties	
	2023	2022	December 31, 2023	December 31, 2022
	Associates			
	\$ <u>293</u>	<u>203</u>	<u>-</u>	<u>-</u>

(c) Key management personnel compensation

	2023	2022
Short-term employee benefits	\$ 34,862	37,960
Post-employment benefits	<u>441</u>	<u>422</u>
	<u>\$ 35,303</u>	<u>38,382</u>

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MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Time deposit (classified under other receivable)	Bank loans and guarantee for credit line	\$ <u>35,779</u>	<u>36,793</u>

(9) Significant commitments and contingencies:

(a) Unrecognized commitments of the Group were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Acquisition of property, plant and equipment	\$ <u>5,707</u>	<u>58,053</u>

(b) Guarantee notes issued as collateral for applying for a credit line were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes issued	\$ <u>1,126,705</u>	<u>1,382,260</u>
Endorsement guarantee	\$ <u>35,000</u>	<u>35,000</u>

(c) Green Far has entered into a contract with Taiwan Power Company since 2012 for the purchase and sale of electricity generated by solar power. The duration of the agreement is 20 years and shall commence on the agreed date. In addition, the contract stipulates that the electricity can only be used by power plants with equipment registered under the Energy Bureau of the Ministry of Economic Affairs in a single region, violation of this term would release Taiwan Power Company of its liability of the purchase fees of the period and grant Taiwan Power Company of the right to terminate the contract immediately.

(d) The Group purchased machinery and equipment from its supplier, Company E, wherein the Group claimed the equipment specifications submitted by Company E were incorrect; hence, the Group refused to pay for the items, resulting in Company E to file a lawsuit against the Group, demanding to be paid accordingly. As of December 31, 2023, the above-mentioned litigation matter was still in progress, in which the Group made the litigation deposit of \$13,526 thousand, recognized as other non-current assets, to a designated account in accordance with the court order.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
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(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	2023			2022		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		314,446	177,265	491,711	360,803	183,755	
Labor and health insurance		15,500	13,823	29,323	20,759	13,843	
Pension		20,009	11,476	31,485	22,663	10,352	
Remuneration of directors		-	5,744	5,744	-	6,012	
Others		38,680	10,228	48,908	55,835	10,830	
Depreciation		111,675	38,641	150,316	107,355	37,388	
Amortization		3,329	1,003	4,332	4,246	1,462	

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	MATC	Other receivables from related parties	Yes	184,230	184,230	158,131	2%	Short-term financing	-	Working turnover	-	-	-	503,160	1,006,320

Note 1: The highest amounts were approved by the Board of Directors.

Note 2: The short term financing available for purposes shall not exceed 20% of the lending company’s net worth in the latest financial statements.

Note 3: The total amount available for lending purposes shall not exceed 40% of the lending company’s net worth in the latest financial statements.

MIN AIK TECHNOLOGY CO., LTD. AND ITS SUBSIDIARIES
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(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Green Far	Subsidiary of the Company	251,580	35,000	35,000	25,764	-	1.39 %	5,031,604	Y	N	N

Note 1: Except for the Company's subsidiaries, in which the Company directly or indirectly holds 100% of their shares, the guarantee amounts given to them shall not exceed 10% of the Company's net worth in the latest financial statements.

Note 2: The highest balance for guarantees can not exceed 2 time the Company's net worth in the latest financial statement.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance			Fair value	Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)			
The Company	United 3 to 5 years trigger EMD term fund trust	NO	Non-current financial assets at fair value through profit and loss	20	5,759	- %	5,759	- %	
"	Archers Inc.	"	"	4,500	-	13.89 %	-	13.89 %	
"	LBO	"	"	165	-	0.72 %	-	0.72 %	
"	HDDisk	"	"	833	-	12.50 %	-	12.50 %	
"	DAS	"	"	5,079	168,208	10.158 %	168,208	16.13 %	
					<u>\$ 173,967</u>				
"	Tascent, Inc.	"	Non-current financial assets at fair value through other comprehensive income	4,500	\$ -	5.14 %	-	5.14 %	

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

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MIN AIK TECHNOLOGY CO., LTD. AND ITS SUBSIDIARIES
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(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	MAM	The subsidiary held 100 percentage shares by MAS	Purchase	1,004,069	48 %	Note 1	-	The general credit terms are about 2 to 4 months	(872,706)	(67)%	Note 2
MAM	The Company	The subsidiary held 100 percentage shares by MAS	(Sale)	(1,004,069)	(99) %	"	-	"	872,706	100%	"
The Company	MATC	The subsidiary held 80 percentage shares by Synergy	Purchase	251,653	12 %	"	-	"	(20,822)	(2)%	"
MATC	The Company	The subsidiary held 80 percentage shares by Synergy	(Sale)	(251,653)	(97) %	"	-	"	20,822	85%	"
The Company	MAY	The subsidiary held 100 percentage shares by Synergy	Purchase	419,556	21 %	"	-	"	(267,671)	(21)%	"
MAY	The Company	The subsidiary held 100 percentage shares by Synergy	(Sale)	(419,556)	(85) %	"	-	"	267,671	81%	"
The Company	MAP	The Company held 38.68 percentage shares of the invested company	Purchase	113,111	5 %	"	-	-	(45,331)	(3)%	-
MAM	MAP	The Company held 38.68 percentage shares of the invested company	Purchase	140,310	25 %	"	-	"	(51,918)	(19)%	-

Note 1: Payment term given to related parties is 120 days; any further adjustment on the term will have to be agreed by both parties.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
MAM	The Company	The subsidiary held 100 percentage shares by MAS	872,706	1.32	344,885	Receipt according to fund status	200,033	-
MAY	The Company	The subsidiary held 100 percentage shares of Synergy	267,671	2.20	-	-	44,539	-

Note 1: The information is last updated on February 6, 2023.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements.

MIN AIK TECHNOLOGY CO., LTD. AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements

(ix) Trading in derivative instruments: Please refer to note 6(b).

(x) Business relationships and significant intercompany transactions:

Disclosure of the amounts exceeding the \$10,000.

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	MAM	1	Purchase	1,004,069	Note 3	37.70%
				Accounts payable	872,706	"	21.00%
0	"	MAY	1	Purchase	419,556	"	15.75%
				Accounts payable	267,671	"	6.44%
0	"	MATC	1	Purchase	251,653	"	9.45%
				Accounts payable	20,822	"	0.50%
				Advanced payment	46,766	"	1.13%
				Other receivables	158,376	Loans	3.81%
0	The Company	GIT	1	Service revenue	14,099	Note 3	0.53%
1	MAS	MAM	3	Service revenue	33,230	"	1.25%
2	MAUS	MAM	3	Service revenue	10,510	"	0.39%
3	GIT	MAY	3	Purchase	49,793	"	1.87%
				Accounts payable	52,301	"	1.26%
3				Prepaid expense	61,410	"	1.48%

Note 1: "0" represents the parent company, and the others represent the subsidiaries.

Note 2: "1" represents the transactions from parent company to subsidiary.

"2" represents the transactions from subsidiary to parent company.

"3" represents the transactions between subsidiaries.

Note 3: The purchase price paid to related parties is negotiated after considering the cost incurred. In addition, capital allocation of these related parties is decided by the Company. The netting off on accounts receivable and accounts payables concerning purchase transactions, advance payment on behalf of the associated company, and the provision of labor income is agreed upon by both parties. Payment term given to related parties is 120 days; any further adjustment on the term will have to be agreed upon by both parties.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	MAS	Singapore	Market development and customer service	353,522	353,522	18,564	100.00 %	1,451,386	100.00 %	(53,010)	(52,953)	Note 1
The Company	Synergy	Samoa	Holding company	883,384	883,384	22,057	100.00 %	402,686	100.00 %	(58,467)	(58,467)	"
The Company	MATH	Thailand	Manufacturing and sale of machinery components	433,606	433,606	262	100.00 %	104,449	100.00 %	44,685	44,685	"
The Company	MAUS	USA	Information collection on hardware	968	968	30	100.00 %	3,283	100.00 %	(76)	(76)	"
The Company	Good Master	Caymen	Holding company	239,894	239,894	7,490	100.00 %	22,926	100.00 %	(185)	(185)	"
The Company	Green Far	Taiwan	Energy	12,000	12,000	1,200	100.00 %	16,001	100.00 %	(5)	(5)	"

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	GIT	Taiwan	Sale of raw materials for electronic parts	5,000	5,000	500	100.00 %	15,122	100.00 %	1,279	1,279	-
The Company	MAP Tech.	Singapore	Holding company	260,791	260,791	66,913	46.60 %	-	46.60 %	(405)	-	-
The Company	MAP	Taiwan	Manufacturing of electronic parts and components	566,744	553,837	29,787	38.68 %	753,756	38.68 %	83,064	28,165	-
The Company	Abyltek (Note 2)	Taiwan	Manufacturing and sales of solar mold	209,885	209,885	16,229	27.05 %	-	27.05 %	-	-	Note 2
MAS	MAM	Malaysia	Sale and retail of electronic materials	333,937	333,937	60,000	100.00 %	1,431,858	100.00 %	(53,557)	(53,499)	Note 1
Synergy	MATC	Malaysia	Manufacture and sale of hard disk drive components	406,648	406,648	17,707	80.00 %	(26,060)	80.00 %	(90,174)	(72,140)	"
Good Master	MUS	Singapore	Holding company	239,201	239,201	11,800	69.41 %	22,924	69.41 %	(267)	(185)	"
MUS	MUM	Malaysia	Manufacture and sale of hard disk drive components	347,134	347,134	35,996	100.00 %	66	100.00 %	(58)	(41)	"

Note 1: Transactions within the Group were eliminated in the consolidated financial statements.

Note 2: Abyltek was discontinued on November 10, 2021, but the liquidation documents are not yet received.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 1)	Book value (Note 1)	Highest Percentage of ownership	Accumulated remittance of earnings in current period
					Outflow	Inflow							
MAY	Manufacturing sale of machinery components and customer service	492,127 (USD15,000 thousands)	Remittance from third-region company Synergy to invest in Mainland China	385,168 (USD11,512 thousands)	-	-	476,438 (USD11,512 thousands)	8,086 (Note 2)	100%	8,086	428,969	100%	-
MAA	Manufacture and sale of automatic devices	- (Note 2)	Remittance from third-region company Synergy to invest in Mainland China	91,270 (USD3,000 thousands)	-	-	- (Note 2)	5,587	-% (Note 2)	5,587	-	100%	-

Note 1: The investment income (loss) were based on financial statements audited by the auditor of the Company.

Note 2: MAA merged with MAY in December 2023. MAY was the surviving company.

Note 3: Transactions within the Group were eliminated in the consolidated financial statements.

MIN AIK TECHNOLOGY CO., LTD. AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements

- (ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
479,610	520,548	1,509,481

- (iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions” and “Business relationships and significant intercompany transactions”.

- (d) Major shareholders:

The major shareholders information is based on the last business day of the end of each quarter by TDCC (Taiwan Depository & Clearing Corporation), which calculated that the total number of ordinary shares and special shares registration of non-physical securities (including treasury shares) that have been reached more than 5%. The Consolidated Company does not disclose the information of major shareholders, because there are no shareholders holding more than 5% of the shares.

(14) Segment information:

- (a) General information

The Group identifies its operating segments based on the decision of the chief operating decision maker (CODM). The Group’s operating segments are EMS (Electronics Manufacturing Service), Automatic Equipment Service, and Commerce Service. Except for EMS, the operating segments did not meet the quantitative threshold for individually reportable segments nor are they aggregated with other operating segments.

EMS’s main operating activities are designing and manufacturing consumer electronics end products. Those of Automatic Equipment Service are designing and manufacturing automatic machinery for industrial use. The main operating activity of Commerce Service is trading business. Since the strategy of each segment is different, it is necessary to separate them for management.

- (b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The operating segment accounting policies are similar to those described in note 4 “significant accounting policies” except for the recognition and measurement of pension cost, which is on a cash basis.

The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

The Group’s segment financial information was as follows:

	For the years ended December 31, 2023			
	EMS	Others	Adjustments and eliminations	Total
Revenue				
External revenue	\$ 2,354,494	301,034	-	2,655,528
Intra-group revenue	-	-	-	-
Total segment revenue	\$ 2,354,494	301,034	-	2,655,528
Segment profit (loss)	\$ (227,397)	10,343	-	(217,054)
Segment total assets				\$ 4,156,332
	For the years ended December 31, 2022			
	EMS	Others	Adjustments and eliminations	Total
Revenue				
External revenue	\$ 2,819,587	403,493	-	3,223,080
Intra-group revenue	-	-	-	-
Total segment revenue	\$ 2,819,587	403,493	-	3,223,080
Segment loss	\$ (85,731)	(10,430)	-	(96,161)
Segment total assets				\$ 4,434,253

(c) Product and service information

The Group’s product revenues from exterior clients were as follows:

Product	2023	2022
VCM	\$ 1,045,886	1,107,278
EHD	432,770	634,368
COVER	261,690	247,370
HDD	183,140	241,618
OEM	153,795	163,383
OPTICS	84,608	206,603
Others	493,639	622,460
	\$ 2,655,528	3,223,080

(Continued)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Geographic information

The Group's non-current assets are located in Asia, and its revenue from external clients by geographical location was as follows:

<u>Geographic area</u>	<u>2023</u>	<u>2022</u>
Thiland	\$ 1,620,537	1,763,200
Singapore	626,445	825,235
Taiwan	156,929	204,847
China	126,273	245,415
Others	<u>125,344</u>	<u>194,383</u>
	<u>\$ 2,655,528</u>	<u>3,233,080</u>

(e) Major customers

Sales to individual clients constituting over 10% of total revenue in 2023 and 2022 are summarized as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Revenue</u>	<u>Percentage of net sales</u>	<u>Revenue</u>	<u>Percentage of net sales</u>
Western Digital Storage	\$ 1,589,104	60	1,701,823	53
Western Digital (Singapore)	<u>399,004</u>	<u>15</u>	<u>603,203</u>	<u>19</u>
	<u>\$ 1,988,108</u>	<u>75</u>	<u>2,305,026</u>	<u>72</u>

V. Parent Company Only Financial Statements Audited and Certified by the External Auditors in the Most Recent Year

Independent Auditors' Report

Board of Directors of the MIN AIK TECHNOLOGY CO., LTD.,

Audit Opinions

We have audited the accompanying balance sheet of MIN AIK TECHNOLOGY CO., LTD. as of December 31, 2023 and 2022, and the statement of comprehensive income, statement of changes in equity, statement of cash flow, and notes to parent company only financial statements (including a summary of significant accounting policies) for the years ended thereof.

In our opinion, all material disclosures of the parent company only financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and presented a fair view of the financial position of MIN AIK TECHNOLOGY CO., LTD. as of December 31, 2023 and 2022, and financial performance and cash flow for the years ended thereof.

Basis of audit opinion

The CPA performs audit work in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing principles. 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. All relevant personnel of the accounting firm have followed the CPA code of ethics and maintained independence from MIN AIK TECHNOLOGY CO., LTD. when performing their duties. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

A key audit matter is one that, in our professional judgment, is material to the examination of the parent company only financial statements of MIN AIK TECHNOLOGY CO., LTD. for 2023. These matters were addressed in the content 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 them. We determined that key audit matters that shall be communicated in our report are as follows:

I. Recognition of revenue

Regarding the accounting policy for the recognition of revenue, please refer to Note 4(14) Recognition of revenue to the parent company only financial statements; for the description of revenue, please refer to Note 6(16) to the parent company only financial statements.

Description of key audit matters:

The recognition of sales revenue of MIN AIK TECHNOLOGY CO., LTD. is determined based on the terms of the transaction with the customers. Considering that the transaction volume of the sales revenue is large and comes from multiple business locations, the sales revenue is listed as a material audit matter.

Corresponding audit process:

Our main audit procedures for the abovementioned key audit matter include: understanding the accounting policy for revenue recognition adopted by MIN AIK TECHNOLOGY CO., LTD. and comparing the terms of sale to assess the appropriateness of the policy adopted; understanding the design of the internal control system for sales revenue and performing sample tests on the effectiveness of its implementation; performing sample tests of individual revenue transactions and verifying them with customer orders and shipping certificates; sampling sales transactions before and after the end of the year to examine the sales terms, shipping documents, and customer confirmation documents so as to evaluate whether the sales transactions at the end of the year are recognized in the appropriate period.

II. Valuation of inventory

For the accounting policy of inventory evaluation, please refer to Note 4(7) Inventory to the parent company only financial statements; for the uncertainty of accounting estimates and assumptions of inventories, please refer to Note 5(1) to the parent company only financial statements.

Description of key audit matters:

MIN AIK TECHNOLOGY CO., LTD. has the requirement for inventory and stocking as it engages in the production of electronic parts and components. However, with the rapid progress and replacement of electronic product technologies, the stocked inventory may no longer comply with the market demand; therefore, it has the risk related to inventory cost exceeding the net realizable value. The estimation of the net realizable value of inventories depends on the subjective judgment of the management, which falls into the category of accounting estimates with estimation uncertainties.

Corresponding audit process:

Our main audit procedures for the abovementioned key audit matter include: understanding the policy for the provision of inventory devaluation losses of MIN AIK TECHNOLOGY CO., LTD. and assessing whether the inventory valuation has been carried out in accordance with the established accounting policies, including executing sampling procedures to check the accuracy of the age of inventories and analyzing the changes in the age of inventories of each period; examining the reasonableness of the inventory loss allowance in the past to assess whether the method and assumption for estimating the inventory allowance in the current period is appropriate; examining the sales of inventories after the period to evaluate the reasonableness of the inventory allowance valuation and estimates.

III. Investments under the equity method

For the accounting policy of evaluation of investments under the equity method, please refer to Note 4(9) Investments in subsidiaries to the parent company only financial statements; for the description of investments under the equity method, please refer to Note 6(6) Investments under the equity method to the parent company only financial statements.

Description of key audit matters:

Regarding the investments under the equity method of MIN AIK TECHNOLOGY CO., LTD., material subsidiaries have the requirement for inventory and stocking as they engage in the production of electronic parts and components. However, with the rapid development and replacement of electronic product technologies, the stocked inventory may no longer comply with the market demand; therefore, it has the risk related to inventory cost exceeding the net realizable value. The estimation of the net realizable value of inventories depends on the subjective judgment of the management, which falls into the category of matters with estimation uncertainties. Therefore, relevant inventory valuation items in the financial statements of such subsidiaries are listed as a material audit matter.

Corresponding audit process:

Our main audit procedures for the abovementioned key audit matter include: understanding the policy for the provision of inventory devaluation losses of MIN AIK TECHNOLOGY CO., LTD. and assessing whether the inventory valuation has been carried out in accordance with the established accounting policies, including executing sampling procedures to check the basis and calculation of the net realizable value of inventories, the accuracy of the age of inventories and analyzing the changes in the age of inventories of each period; examining the reasonableness of the inventory loss allowance in the past to assess whether the method and assumption for estimating the inventory allowance in the current period is appropriate; examining the sales of inventories after the period to evaluate the reasonableness of the inventory allowance valuation and estimates.

Responsibilities of management and the governance unit for the parent company only financial statements

Management is responsible for preparing the appropriate parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Additionally, it is responsible for maintaining the internal control mechanism that is related to and necessary for the preparation of the parent company only financial statements. As a result, it can ensure material misstatement due to fraud or error does not occur in the parent company only financial statements.

In preparing the parent company only financial statements, management's responsibility also includes assessing MIN AIK TECHNOLOGY CO., LTD.'s ability to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate MIN AIK TECHNOLOGY CO., LTD. or cease operations, or there is no practical alternative to liquidation or cessation of operations.

The governance unit (the audit committee) of MIN AIK TECHNOLOGY CO., LTD. is responsible for overseeing the financial reporting process.

Independent 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 auditors' report that includes our opinion. Reasonable assurance means a high degree of assurance. However, there is no guarantee that any material misstatement contained in the parent company only financial statements will be discovered during an audit conducted in accordance with relevant auditing standards. Misstatements might have been caused by fraud or errors. If individual values or an overview of misstatements can be reasonably expected to affect economic decisions made by users of the parent company only financial statements, they are considered significant.

We rely on our professional judgment and professional skepticism during an audit conducted in accordance with relevant auditing standards. We also perform the following tasks:

1. Identify and assess the risk of material misstatement of the parent company only financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence to be used as the basis for the 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. We obtained an understanding of the internal control relevant to our 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 MIN AIK TECHNOLOGY CO., LTD.'s internal control.

3. Evaluate the adequacy of accounting policies adopted by management and the legitimacy of accounting estimates and related disclosures made.
4. Based on the evidence obtained, we have made a conclusion on the appropriateness of management's adoption of the going concern basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of MIN AIK TECHNOLOGY CO., LTD. to continue as a going concern. In cases where we consider that events or circumstances have significant uncertainty in this regard, then relevant disclosure of the parent company only financial statements shall be provided in the auditors' report to allow users of the parent company only financial statements to be aware of such events or circumstances, or we shall revise our opinion when such disclosure is considered inappropriate. Our conclusion is based on the audit evidence obtained up to the date of our report. However, future events or circumstances may cause MIN AIK TECHNOLOGY CO., LTD. and its subsidiaries to cease to have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We obtained sufficient and appropriate audit evidence on the financial information of investees under the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and execution of MIN AIK TECHNOLOGY CO., LTD.'s audits, and for forming an opinion on the audits.

Communication between the CPAs and governance units includes the planned scope and timing of inspection as well as significant inspection findings (including significant deficiencies found with internal control during inspection).

We also provide the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related safeguards) that may be considered to affect the accountant's independence.

From the matters communicated with the governance unit, we decided on the key audit matters for the audit of the parent company only financial statements of MIN AIK TECHNOLOGY CO., LTD. for 2023. We describe these matters in our auditors' report unless laws or regulations preclude public disclosure about these matters, 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 communications.

KPMG International

CPA:

Approval reference number from the competent authority of securities	Jin-Guan-Zheng-Shen-Zi No. 1010004977
March 13, 2024	Jin-Guan-Zheng-Shen-Zi No. 1060005191

Assets		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalent (Note 6(1))	\$ 388,847	8	240,054	5
1170	Net notes and accounts receivable (Note 6(3))	707,867	15	513,927	11
1180	Net accounts receivable - related parties (Notes 6(3) and 7)	6,341	-	11,742	-
1200	Other receivables (including related parties) (Notes 6(6), 7 and 8)	219,463	4	31,305	1
130X	Inventories (Note 6(4))	238,365	5	324,014	7
1470	Other current assets	76,979	2	211,917	4
		<u>1,637,862</u>	<u>34</u>	<u>1,332,959</u>	<u>28</u>
Non-current assets:					
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	173,967	4	296,870	6
1518	Investments in equity instruments at fair value through other comprehensive income (Note 6(5))	-	-	7,546	-
1550	Investments under the equity method (Note 6(6))	2,769,609	58	2,947,090	61
1600	Property, plant and equipment (Note 6(7))	73,085	2	94,919	2
1755	Right-of-use assets (Note 6(8))	9,500	-	33,605	1
1840	Deferred income tax assets (Note 6(13))	62,864	1	65,098	1
1900	Other non-current assets (Note 6(6) and (12))	33,536	1	34,972	1
		<u>3,122,561</u>	<u>66</u>	<u>3,480,100</u>	<u>72</u>
Total assets		<u>\$ 4,760,423</u>	<u>100</u>	<u>4,813,059</u>	<u>100</u>

Liabilities and equity		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Current liabilities:					
2100	Short-term borrowings (Note 6(9))	\$ 385,000	8	410,000	9
2170	Notes and accounts payable	91,190	2	129,506	2
2180	Accounts payable - related parties (Note 7)	1,206,530	25	836,956	17
2280	Lease liabilities – current (Note 6(11))	2,936	-	33,915	1
2322	Long-term borrowings due within one year or one business cycle (Note 6(10))	78,833	2	88,333	2
2399	Other current liabilities (Note 7)	126,424	3	139,906	3
		<u>1,890,913</u>	<u>40</u>	<u>1,638,616</u>	<u>34</u>
Non-current liabilities:					
2540	Long-term borrowings (Note 6(10))	106,028	2	84,861	2
2570	Deferred income tax liabilities (Note 6(13))	230,074	5	232,774	5
2580	Lease liabilities – non-current (Note 6(11))	6,607	-	-	-
2670	Other non-current liabilities	10,999	-	10,999	-
		<u>353,708</u>	<u>7</u>	<u>328,634</u>	<u>7</u>
Total Liabilities		<u>2,244,621</u>	<u>47</u>	<u>1,967,250</u>	<u>41</u>
Equity: (Note 6(14))					
3110	Common share capital	1,375,632	29	1,375,632	29
3200	Capital surplus	1,466,724	31	1,476,353	31
Retained earnings:					
3310	Legal reserve	22,875	-	18,844	-
3320	Special reserve	730,163	15	729,059	15
3350	Undistributed earnings (losses pending compensation)	(217,720)	(4)	41,420	1
		<u>535,318</u>	<u>11</u>	<u>789,323</u>	<u>16</u>
3400	Other equity	(861,872)	(18)	(795,499)	(17)
Total equity		<u>2,515,802</u>	<u>53</u>	<u>2,845,809</u>	<u>59</u>
Total liabilities and equity		<u>\$4,760,423</u>	<u>100</u>	<u>4,813,059</u>	<u>100</u>

MIN AIK TECHNOLOGY CO., LTD.

Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

Unit: NT\$ thousand

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(16) and 7)	\$ 2,547,963	100	2,979,729	100
5000	Operating cost (Notes 6(4), (11), (12), 7, and 12)	2,376,927	93	2,786,903	94
	Gross operating profit	171,036	7	192,826	6
	Operating expenses (Notes 6(3), (11), (12), 7 and 12):				
6100	Selling expenses	51,881	2	70,624	2
6200	Management expenses	92,587	4	95,380	3
6300	Research and development expenses	76,153	3	92,851	3
6450	Expected credit impairment loss	13,544	1	722	-
	Total operating expenses	234,165	10	259,577	8
	Net operating loss	(63,129)	(3)	(66,751)	(2)
	Non-operating income and expenses (Note 6(11), (18) and 7):				
7100	Interest revenue	9,037	-	2,179	-
7010	Other revenue	12,843	1	35,680	1
7020	Other profits and losses	(111,570)	(4)	(1,755)	-
7050	Finance costs	(12,574)	-	(8,859)	-
7070	Share of profit or loss of subsidiaries and affiliated companies under the equity method	(37,557)	(1)	72,825	2
	Total non-operating income and expense	(139,821)	(4)	100,070	3
7900	Net profit (loss) before tax	(202,950)	(7)	33,319	1
7950	Less: Income tax expenses (gains) (Note 6(13))	12,696	-	(6,439)	-
	Net profit (loss) for the period	(215,646)	(7)	39,758	1
8300	Other comprehensive income:				
8310	Items not reclassified to profit or loss				
8311	Remeasurements of the defined benefit plan (Note 6(12))	(1,864)	-	(1,366)	-
8316	Unrealized valuation gain or loss of investments in equity instruments at fair value through other comprehensive income (Note 6(5))	(7,546)	-	(33,123)	(1)
8330	Share of other comprehensive income of subsidiaries and affiliated companies under the equity method	(4,855)	-	1,924	-
	Total items not reclassified to profit or loss	(14,265)	-	(32,565)	(1)
8360	Items that may be subsequently reclassified as profit or loss				
8361	Exchange difference in the financial statement translation of foreign operations	(71,873)	(3)	123,844	4
8399	Income tax related to items that may be reclassified (Note 6(13))	13,046	1	(17,252)	(1)
	Total items that may be subsequently reclassified as profit or loss	(58,827)	(2)	106,592	3
8300	Other comprehensive income for the period	(73,092)	(2)	74,027	2
	Total comprehensive income for the period	\$ (288,738)	(9)	113,785	3
9750	Basic earnings (losses) per share (Unit: NT\$) (Note 6(15))	\$ (1.57)		0.29	
9850	Diluted earnings per share (Unit: NT\$) (Note 6(15))			0.29	

MIN AIK TECHNOLOGY CO., LTD.
Statement of Changes in Equity
For the years ended December 31, 2023 and 2022

Unit: NT\$ thousand

	Capital stock		Retained earnings				Other equity items		Total	Total equity
	Common share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (losses pending compensation)	Total	Exchange difference in the financial statement translation of foreign operations	Financial assets measured at fair value through other comprehensive income – unrealized losses		
Balance as of January 1, 2022	\$ 1,375,632	1,604,287	-	570,199	188,438	758,637	(771,824)	(97,144)	(868,968)	2,869,588
Net profit for the period	-	-	-	-	39,758	39,758	-	-	-	39,758
Other comprehensive income for the period	-	-	-	-	558	558	106,592	(33,123)	73,469	74,027
Total comprehensive income for the period	-	-	-	-	40,316	40,316	106,592	(33,123)	73,469	113,785
Appropriation and distribution of earnings:										
Provision of legal reserve	-	-	18,844	-	(18,844)	-	-	-	-	-
Allocated special reserve	-	-	-	158,860	(158,860)	-	-	-	-	-
Cash dividend for common shares	-	-	-	-	(9,630)	(9,630)	-	-	-	(9,630)
Distribution of cash dividends from the capital reserve	-	(127,934)	-	-	-	-	-	-	-	(127,934)
Balance as of December 31, 2022	1,375,632	1,476,353	18,844	729,059	41,420	789,323	(665,232)	(130,267)	(795,499)	2,845,809
Current net loss	-	-	-	-	(215,646)	(215,646)	-	-	-	(215,646)
Other comprehensive income for the period	-	-	-	-	(6,719)	(6,719)	(58,827)	(7,546)	(66,373)	(73,092)
Total comprehensive income for the period	-	-	-	-	(222,365)	(222,365)	(58,827)	(7,546)	(66,373)	(288,738)
Appropriation and distribution of earnings:										
Provision of legal reserve	-	-	4,031	-	(4,031)	-	-	-	-	-
Allocated special reserve	-	-	-	1,104	(1,104)	-	-	-	-	-
Cash dividend for common shares	-	-	-	-	(31,640)	(31,640)	-	-	-	(31,640)
Distribution of cash dividends from the capital reserve	-	(9,629)	-	-	-	-	-	-	-	(9,629)
Balance as of December 31, 2023	\$ 1,375,632	1,466,724	22,875	730,163	(217,720)	535,318	(724,059)	(137,813)	(861,872)	2,515,802

MIN AIK TECHNOLOGY CO., LTD.

Statement of Cash Flow

For the years ended December 31, 2023 and 2022

Unit: NT\$ thousand

	2023	2022
Cash flow from operating activities:		
Net profit (loss) before tax for the period	\$ (202,950)	33,319
Adjustments:		
Income, expenses, and losses		
Depreciation and amortization expenses	68,544	66,868
Net loss on financial assets and liabilities at fair value through profit or loss	122,903	22,274
Dividend revenue	(2,539)	(10,158)
Share of profit of subsidiaries and affiliated companies under the equity method	37,557	(72,825)
(Gains) losses on the disposal and scrapping of property, plant and equipment	(38)	600
Loss on inventory devaluation and scrapping	2,251	13,159
Interest revenue	(9,037)	(2,179)
Interest expenses	12,574	8,859
Others	13,774	(205)
Total income/expense items	245,989	26,393
Changes in assets/liabilities related to operating activities:		
Changes in assets related to operating activities:		
Notes and accounts receivable (including related parties)	(202,083)	531,165
Inventory	73,117	(32,312)
Other current assets	(34,363)	(150,576)
Other non-current assets	(988)	(1,014)
	(164,317)	347,263
Net changes in liabilities related to operating activities:		
Notes and accounts payable (including the related party)	331,258	(530,710)
Other current liabilities	(11,455)	(37,389)
	319,803	(568,099)
Total net changes in assets and liabilities related to operating activities	155,486	(220,836)
Total adjustments	401,475	(194,443)
Cash outflow from operations	198,525	(161,124)
Interest received	7,519	2,145
Stock dividend received	66,082	64,446
Interest paid	(12,274)	(8,845)
Income tax paid	(744)	(44)
Net cash inflow (outflow) from operating activities	259,108	(103,422)
Cash flow from investing activities:		
Acquisition of investment under the equity method	(12,907)	(17,895)
Acquisition of property, plant and equipment	(6,965)	(22,073)
Disposal of property, plant and equipment	180	3,787
Decrease (increase) in other financial assets	(2,304)	179,190
Net cash inflow (outflow) from investment activities	(21,996)	143,009
Cash flow from financing activities:		
Decrease in short-term borrowings	(25,000)	(111,651)
Increase in long-term borrowings	11,667	84,861
Lease principle repayment	(33,717)	(34,058)
Distribution of cash dividends	(41,269)	(137,564)
Net cash outflow from financing activities	(88,319)	(198,412)
Increase (decrease) in cash and cash equivalents in the current period	148,793	(158,825)
Balance of cash and cash equivalents at the beginning of the period	240,054	398,879
Balance of cash and cash equivalents at the end of the period	\$ 388,847	240,054

MIN AIK TECHNOLOGY CO., LTD.
Notes to the Parent Company Only Financial Statements
2023 and 2022

(Unless otherwise stated, all amounts are in NT\$ thousand)

I Company Profile

MIN AIK TECHNOLOGY CO., LTD. (the “Company”) was approved for establishment by the Ministry of Economic Affairs on October 3, 1979. The registered address is 10F-1, No. 492-1, Sec. 1, Wanshou Rd., Longhua Vil., Guishan Dist., Taoyuan City. The Company mainly engages in the R&D, manufacturing and trading of hard disk drive (HDD) parts and components, precision electronic part and component assembly, CD ROM parts and components, optical parts and precision plastic molds.

II Date and Procedures of Approval of the Financial Statements

The parent company only financial statements were approved by the Board for publication on March 13, 2024.

III Adoption of New Standards, Amendments, and Interpretations

(I) The impact of the adoption of new and amended standards and interpretations recognized by the Financial Supervisory Commission (FSC)

The Company began to apply the following newly amended IFRSs on January 1, 2023, and there was no significant impact on the parent company only financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 regarding “Deferred Taxes Related to Assets and Liabilities Arising from A Single Transaction”

The Company began to apply the following newly amended IFRSs on May 23, 2023, and there was no significant impact on the parent company only financial statements.

- Amendments to IAS 12 International Tax Reform-Pillar Two Model Rules”

(II) The impact of not adopting the IFRSs recognized by the FSC

According to the evaluation of the Company, the application of the following newly amended IFRSs that became effective on January 1, 2024 will not have a material impact on the parent company only financial statements.

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Financing Arrangements”
- Amendments to IFRS 16 “Lease Liability in A Sale and Leaseback”

(III) New and amended standards and interpretations not yet recognized by the FSC

The Company expects that the following new and amended standards that have not yet been recognized will not have a significant impact on the parent company only financial statements.

- Amendments to IFRS 10 and IAS 28 regarding “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 17 “Insurance Contracts” and IFRS 17
- Amendments to IAS No. 21 “Lack of Exchangeability”

IV Summary of Significant Accounting Policies

The significant accounting policies adopted in the parent company only financial statements are summarized as follows. Unless otherwise specified, the following accounting policies have been applied throughout the presentation period of the parent company only financial statements.

(I) Compliance Statement

The parent company only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

(II) Basis of preparation

1. Basis of measurement

Except for the following important items on the balance sheet, the parent company only financial statements have been prepared on the basis of historical cost:

- (1) Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value;
- (2) Net defined benefit liabilities (or assets) are measured at the fair value of the pension fund assets less the present value of the defined benefit obligation.

2. Functional currency and presentation currency

The Company’s functional currency is the currency of the main economic environment where its operations are located. The parent company only financial statements are expressed in NT\$, the functional currency of the Company. All financial information expressed in NT\$ is with a unit of NT\$ thousand.

(III) Foreign currency

1. Foreign currency transactions

Transactions denominated in foreign currencies are translated into functional currency in accordance with the exchange rates prevailing on the transaction date. At the end of each subsequent reporting period (the “reporting date”), monetary items denominated in foreign currencies are translated into functional currency in accordance with the exchange rates on that day. Non-monetary items denominated in foreign currency measured at fair value are translated into functional currency in accordance with the exchange rates on the date the fair value is measured. Non-monetary items denominated in foreign currency measured at historical cost are translated in accordance with the exchange rate on the transaction date.

Foreign currency exchange differences arising from the translation are generally recognized in profit or loss; however, foreign currency exchange differences arising from the translation of equity instruments designated as measured at fair value through other comprehensive income are recognized in other comprehensive income.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisitions, are translated into NT\$ in accordance with the exchange rate on the reporting date; incomes and expenses are translated into NT\$ in accordance with the average exchange rate of the period, and the exchange differences generated thereof are recognized as other comprehensive income.

When the disposal of a foreign operation results in a loss of control, loss of joint control, or significant influence, the accumulated exchange differences related to the foreign operation are entirely reclassified as profit or loss. When the partial disposal includes subsidiaries of foreign operations, relevant accumulated exchange differences are re-attributed to non-controlling interests on a pro-rata basis. When the partial disposal includes investments in affiliated companies of foreign operations, relevant accumulated exchange differences are reclassified to profit or loss on a pro-rata basis.

(IV) Classification standards for current and non-current assets and liabilities

Assets that meet one of the following conditions are classified as current assets; assets other than current assets are classified as non-current assets:

1. The asset is expected to be realized or intended to be sold or consumed in the normal business cycle;
2. The asset is held primarily for the purpose of trading;
3. The asset is expected to be realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalents, except for those that are subject to other restrictions on exchange or used to settle liabilities at least 12 months after the reporting period.

Liabilities that meet one of the following conditions are classified as current liabilities; assets other than current liabilities are classified as non-current liabilities:

1. The liabilities are expected to be settled in the normal business cycle;
2. The liabilities are held primarily for the purpose of trading;
3. The Liabilities are expected to be settled within 12 months after the reporting period; or
4. Liabilities that have no right to unconditionally postpone the settlement deadline to at least 12 months after the reporting period. The terms of liabilities that may, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(V) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. Cash equivalents are short-term investments with high liquidity that are readily convertible to known amounts of cash with insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of fulfilling short-term cash commitments rather than investment or other purposes are reported as cash equivalents.

(VI) Financial instruments

Accounts receivable are recognized at the time of occurrence. All other financial assets and financial liabilities are recognized when the Company becomes a party to the terms of a financial instrument contract. Financial assets that are not measured at fair value through profit or loss (except for accounts receivable that do not contain significant financial components) or financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are initially measured at transaction prices.

1. Financial assets

If the purchase or sale of financial assets is in line with customary transactions, the Company adopts the trade date or settlement date treatment for all purchases and sales of all financial assets classified consistently.

At the time of initial recognition, financial assets are classified as the following: financial assets measured at amortized cost, investments in equity instruments measured at fair value through other comprehensive income, and financial assets at fair value through profit or loss. The Company only reclassifies all affected financial assets from the first day of the next reporting period when the business model for managing financial assets is changed.

(1) Financial assets measured at amortized cost

Financial assets that meet the following conditions and are not designated as measured at fair value through profit or loss are measured at amortized cost:

- The financial asset is held under the business model for the purpose of collecting contract cash flow.
- The contract terms of the financial asset generate cash flows on specific dates, and such cash flows are fully used to pay the principal and interest of the outstanding principal.

Subsequently, such assets are measured at amortized cost by adding/deducting the accumulated amortization calculated by adopting the effective interest method to/from the initial recognition amount with adjustments made to any loss allowance. Interest revenue, foreign currency exchange gains or losses, and impairment losses are recognized in profit or loss. Upon derecognition, the gain or loss is recognized in profit or loss.

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

The Company may make an irrevocable selection at the time of initial recognition to present the subsequent fair value changes of investments in equity instruments not held for trading in other comprehensive income. The aforementioned selection is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend revenue (unless obviously representing the recovery of the partial investment cost) is

recognized in profit or loss. The remaining net gain or loss is recognized as other comprehensive income and is not reclassified to profit or loss.

Dividend revenue from equity investments is recognized on the date on which the Company is entitled to receive dividends (usually the ex-dividend date).

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

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income above are measured at fair value through profit or loss. At initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company may irrevocably designate financial assets that meet the conditions of measurement at amortized cost or fair value through other comprehensive income as financial assets at fair value through profit and loss.

Such assets are subsequently measured at fair value, and the net gain or loss (including any dividend and interest revenue) is recognized in profit or loss.

(4) Impairment of financial assets

The Company recognizes loss allowance for the expected credit loss (ECL) of financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, refundable deposits, and other financial assets) accounts receivable.

The following financial assets have allowance losses measured at the 12-month ECLs, and the rest are measured at the lifetime ECLs:

- Debt securities determined to have a low credit risk on the reporting date; and
- The credit risk of other debt securities and bank deposits (i.e., the risk of default during the expected lifetime of the financial instrument) has not increased significantly since the initial recognition.

The loss allowance for accounts receivable is measured at lifetime ECLs.

Lifetime ECLs refer to the ECLs generated by all possible defaults during the expected lifetime of a financial instrument.

The 12-month ECLs refer to the ECLs arising from the possible default of the financial instrument within 12 months after the reporting date (or a shorter period if the expected lifetime of the financial instrument is shorter than 12 months).

The longest period for measuring ECLs is the longest contract period in which the Company is exposed to credit risk.

In determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and supportive information (which can be obtained without excessive cost or effort), including qualitative and quantitative information, and analysis based on the Company's historical experience, credit assessment and forward-looking information.

ECL is the probability-weighted estimate of the credit loss during the expected lifetime of a financial instrument. Credit loss is measured at the present value of all cash shortfalls, which is the difference between the cash flow that the Company can collect in accordance with the contract and the cash flow that the Company expects to collect. ECLs are discounted at the effective interest rate of financial assets.

The loss allowance of financial assets measured at amortized cost is deducted from the carrying amount of the assets.

When the Company cannot reasonably expect the entire or partial recovery of financial assets, it directly reduces the total carrying amount of its financial assets. The Company analyzes the timing and amount of write-off on the basis of whether the recovery is reasonably expected. The Company expects that the written-off amount will not be materially reversed. However, the written-off financial assets can still be enforced compulsorily to meet the Company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

Only after the contractual rights to the cash flows from the assets are terminated, or the financial assets are transferred, and almost all the risks and rewards of the ownership of the assets have been transferred to other enterprises, or the substantial ownership of the assets has not been transferred or retained, and the control over the financial assets is not retained, are the financial assets derecognized.

When the Company enters into a transaction to transfer a financial asset, if all or almost all of the risks and rewards of the transferred asset ownership are retained, it will continue to be recognized in the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

The liabilities and equity instruments issued by the Company are categorized as financial liabilities or equity based on the substance of the contract agreement and the definition of financial liabilities and equity instruments.

(2) Equity transactions

An equity instrument refers to any contract in which the Company has residual equity after deducting all liabilities from assets. The equity instruments issued by the Company are recognized based on the acquisition price less direct issuing cost.

(3) Treasury stock

When repurchasing the equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury stock. In the subsequent sale or re-issuance of the treasury stock, the proceeds received are recognized as increases in equity, and the surplus or loss arising from the transaction is recognized as the capital

surplus or retained earnings (if the capital surplus is insufficient to offset).

(4) Financial liabilities

Financial liabilities are classified as measured fair value through profit or loss. Financial liabilities held for trading, being derivatives, or designated at the time of initial recognition, are classified as measured at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and related net gains or losses, including any interest expenses, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost by using the effective interest method. Interest expenses and exchange gains or losses are recognized in profit or loss. Any gain or loss is recognized in profit or loss at the time of derecognition.

(5) Derecognition of financial liabilities

The Company derecognizes financial liabilities when contractual obligations are fulfilled, canceled, or expired. When the terms of financial liabilities are amended, and there is a significant difference in the cash flow of the liabilities after the amendment, the original financial liabilities are derecognized, and the new financial liabilities are recognized based on the fair value in accordance with the amended terms.

When derecognizing financial liabilities, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(6) Offsetting financial assets and liabilities

Financial assets and financial liabilities can be offset against each other and presented in the balance sheet in net amount only when the Company has a legally enforceable right to offset against them with an intention to settle in net amount, or realize the assets and settle the liabilities concurrently.

(VII) Inventory

Inventories are measured at the lower of cost or net realizable value. Costs include the acquisition, production or processing costs and other costs incurred to make them available for use, and are calculated in accordance with the weighted average method. The cost of inventories of finished goods and work-in-progress includes the manufacturing expenses allocated based on the normal production capacity in an appropriate proportion.

The net realizable value refers to the balance of the estimated selling price under normal operations less the estimated cost of completion and the estimated cost of sales.

(VIII) Investments in affiliated companies

Affiliated companies are those over which the Company has significant influence on their financial and operating policies that are not under its control or joint control.

The Company's equity in affiliated companies is accounted for using the equity method. Under the equity method, investments are initially recognized at cost. Investment cost includes

transaction cost. The carrying amount of investments in affiliated companies includes the goodwill identified at the time of the initial investment less any accumulated impairment loss.

The parent company only financial statements include the profit and loss and other comprehensive income of the investments in affiliated companies recognized by the Company based on the equity ratio from the date of possession of the significant influence to the date of loss of the significant influence after consistent adjustments made with the Company's accounting policies. When changes in equity other than profit and loss and other comprehensive income occur to an affiliated company that does not affect the Company's shareholding ratio, the Company's share of the changes in equity in the affiliated company shall be recognized as capital surplus in proportion to the shareholding ratio.

Unrealized gains and losses arising from the transactions between the Company and its affiliated companies are recognized in the corporate financial statements only within the scope of the non-related investor's equity in the affiliated companies.

When the Company's share of losses from an affiliated company to be recognized on a pro-rata basis equals or exceeds its equity in the affiliated company, the Company stops recognizing its losses. The Company only recognizes additional losses and relevant liabilities when a legal obligation, constructive obligation, or payment on behalf of the investee is made.

The Company ceases to adopt the equity method from the date its investment is no longer an affiliated company or joint venture, and the retained equity is measured at fair value. The difference between the fair value of the retained equity and the disposal consideration, and the carrying amount of the investment on the date when it ceases to adopt the equity method is recognized in profit or loss of the period. The accounting treatments for all amounts previously recognized in other comprehensive income related to the investment are the same as that required for the direct disposal of relevant assets or liabilities by the affiliated company or joint venture. That is, gains or losses previously recognized in other comprehensive income shall be reclassified as profit or loss when disposing of relevant assets and liabilities, and when the Company ceases to adopt the equity method, such gains or losses shall be reclassified from equity to profit or loss. If the Company's ownership interest in the affiliated company or joint venture decreases but the equity method continues to be applied, the Company will make reclassification and adjustments to the gain or loss previously recognized in other comprehensive income related to the decrease in ownership based on the decrease proportion by adopting the abovementioned method.

When the affiliated company issues new shares, if the Company fails to subscribe based on its shareholding ratio and this results in a change in the shareholding ratio, causing an increase/decrease in the net equity of the investment, the capital surplus and investments under the equity method are adjusted based on the increase/decrease. If the adjustment is the write-down of capital surplus, or if the balance of capital surplus generated by the investments under

the equity method is insufficient, the difference is debited to retained earnings. However, if the Company fails to subscribe based on its shareholding ratio, resulting in a decrease in its ownership interest in an affiliated company, the amount related to the affiliated company previously recognized in other comprehensive income is reclassified based on the decrease proportion, and its accounting treatments are the same as that required for the direct disposal of relevant assets or liabilities by the affiliated company.

(IX) Investments in subsidiaries

In preparing the parent company only financial statements, the Company has adopted the equity method to assess the investees it has control over. Under the equity method, the profit or loss and other comprehensive income of the period in the parent company only financial statements and the allocation of profit or loss and other comprehensive income of the period attributable to the parent company's owners in the financial statements prepared on a consolidation basis, and the equity of owners in the parent company only financial statements is equivalent to the equity attributable to owners of the parent company in the financial statements prepared on a consolidation basis.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are treated as equity transactions with owners.

(X) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment.

When the significant components of property, plant and equipment have a different useful life, they are treated as a separate item (a major component) of property, plant and equipment.

Gains or losses on disposal of property, plant and equipment are recognized in profit or loss.

2. Subsequent costs

Subsequent expenses may be capitalized only when their future economic benefits are likely to flow into the Company.

3. Depreciation

Depreciation is calculated at the cost of the asset less residual value and recognized in profit or loss by using the straight-line method over the estimated useful life of each component.

The estimated useful life for the current period and the comparison period is as follows:

- (1) Machinery and equipment: 2 to 15 years
- (2) Lease improvement: 3 to 15 years
- (3) Office equipment and others: 1 to 10 years

The Company examines the depreciation method, useful life, and residual value on the reporting date each year and makes appropriate adjustments when necessary.

(XI) Lease

The Company assesses whether the contract is or contains a lease on the date of establishment of the contract. If the contract transfers the control over the use of identified assets for a period of time in exchange for the consideration, the contract is or contains a lease.

1. Lessee

The Company recognizes right-of-use assets and lease liabilities on the lease commencement date. Right-of-use assets are initially measured at cost, which includes the initial measurement of lease liabilities; adjustments are made for any lease payments paid on or before the lease commencement date, plus the initial direct cost that occurred and the estimated cost of dismantling, removing the underlying asset and restoring the location or underlying asset, while deducting any lease incentives received.

Subsequently, right-of-use assets are depreciated by using the straight-line method from the lease commencement date to the expiry of their useful lives or the expiry of the lease term, whichever is earlier. In addition, the Company regularly assesses whether the right-of-use assets are impaired and treats any impairment losses that have occurred. The right-of-use assets are adjusted if the lease liabilities are remeasured.

Lease liabilities are initially measured at the present value of the unpaid lease payments on the lease commencement date. If the implicit interest rate of the lease is easy to determine, the discount rate shall be the interest rate. If it is not easy to determine, the Company's incremental borrowing interest rate is used. Generally, the Company adopts its incremental borrowing interest rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

- (1) Fixed payments, including substantive fixed payments;
- (2) Variable lease payments subject to a certain index or rate that are initially measured at the index or rate on the lease commencement date;
- (3) The residual guarantee amount expected to be paid; and
- (4) The exercise price or penalties when the purchase option or lease termination option is reasonably determined to be exercised.

Subsequent interest on lease liabilities is accrued by using the effective interest method, and the amount is remeasured when the following circumstances occur:

- (1) Changes in future lease payments due to changes in the index or rate used to determine lease payments;
- (2) Changes in the residual guarantee amount expected to be paid;
- (3) Changes in the evaluation of the underlying asset's purchase option;
- (4) Changes in the evaluation of the lease period due to changes in the estimate of whether

to exercise the extension or termination option;

(5) Amendment to the subject, scope, or other terms of the lease.

When lease liabilities are remeasured due to a change in the index or rate used to determine lease payments, changes in the residual guarantee amount, or changes in the evaluation of the purchase, extension, or termination options, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use assets is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For a lease modification that reduces the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and its difference with the remeasurement of the lease liabilities is recognized in profit or loss.

The Company presents the right-of-use assets and lease liabilities that do not meet the definition of investment property as separate line items in the balance sheet.

For the short-term leases of staff dormitories and other equipment, the Company chooses not to recognize the right-of-use assets and lease liabilities but to recognize the relevant lease payments as expenses on a straight-line basis over the lease term.

(XII) Intangible assets

Expenditures related to research activities are recognized in profit or loss when incurred.

Development expenditures are capitalized only when they can be measured reliably, the technical or commercial feasibility of the product or process has been achieved, the future economic benefits are likely to flow into the Company, and the Company has the intention and sufficient resources to complete the development and use of or sell the asset. Other development expenditures are recognized in profit or loss when incurred. After initial recognition, the capitalized development expenditure is measured at its cost less accumulated amortization and accumulated impairment.

Subsequent expenses are capitalized only when they increase the future economic benefits of the relevant specific assets. All other expenditures are recognized in profit or loss when incurred.

(XIII) Impairment of non-financial assets

The Company assesses whether there is any indication that the carrying amount of non-financial assets (except inventories and deferred income tax assets) may be impaired at each reporting date. If any indication exists, the recoverable amount of the asset shall be estimated.

For the purpose of impairment tests, the group of assets with cash inflow mostly independent of other individual assets or asset groups is recognized as the smallest identifiable asset group.

The recoverable amount is the fair value of an individual asset or cash-generating unit less the cost of disposal and its value in use, whichever is higher. In assessing value in use, the estimated future cash flows are converted to the present value by using a pre-tax discount rate

that reflects the current market's assessment of the time value of money and the assessment of specific risks of the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, the Company recognizes impairment loss. Impairment losses are recognized immediately in profit or loss of the period.

(XIV) Recognition of revenue

1. Revenue from customer contracts

Revenue is measured based on the consideration that is expected to be obtained for the transferred product. The Company recognizes revenue when the control of the product is transferred to the customer, and the performance obligation is met. The main revenue items of the Company are described as follows:

The Company recognizes revenue when the control of the product is transferred. The transfer of control means that the product has been delivered to the customer, the customer can fully determine the sales channels and prices of the product, and there are no outstanding obligations that may affect the acceptance of the product by the customer. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, the customer has accepted the product in accordance with the sales contract, and the acceptance terms have become invalid, or the Company has objective evidence that all acceptance conditions have been met.

The Company recognizes the accounts receivable when the goods are delivered as it has the right to unconditionally receive the consideration at that point in time.

2. Financial components

The Company expects the interval between the time when all products are transferred to customers based on customer contracts and the time when customers pay for such products to be less than one year; therefore, the Company does not adjust the time value of money.

(XV) Employee benefit

1. Defined contribution plan

The contribution obligation of the defined contribution plan is recognized as expenses within the service period of the employees.

2. Defined benefit plan

The Company's net obligation to the defined benefit plan is calculated by converting the future benefit amount earned from services provided by employees in the current or prior period into its present value less the fair value of the plan assets.

Defined benefit obligations are calculated annually by a qualified actuary using the Projected Unit Credit Method. When the calculation result may be favorable to the Company, the assets recognized shall be limited to the present value of any economic benefit that can

be derived from the refund of the contribution from the plan or the reduction of the contribution of the plan in the future. The calculation of the present value of the economic benefits takes into account all minimum capital contributions required.

The remeasurement of net defined benefit liabilities, including actuarial gains and losses, plan asset returns (excluding interest), and any change in the effect of asset caps (excluding interest) is immediately recognized in other comprehensive income and accumulated in retained earnings. The Company determines the net interest expenses (revenue) of net defined benefit liabilities (assets) by using the net defined benefit liabilities (assets) and the discount rate determined at the beginning of the annual reporting period. The net interest expenses and other expenses of the defined benefit plan are recognized in profit or loss.

When the plan is revised or curtailed, the changes in benefits related to the prior service cost or curtailed benefit or loss are recognized immediately in profit or loss. When the settlement occurs, the Company recognizes the settlement gain or loss of the defined benefit plan.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when the services are provided. If the Company has a current legal or presumed payment obligation due to the past services provided by employees, and the obligation can be estimated reliably, the amount is recognized as liabilities.

(XVI) Income tax

Income tax includes current income tax and deferred income tax. Except for those related to M&As and recognized directly in equity or other comprehensive income, current income tax and deferred income tax shall be recognized in profit or loss.

The current income tax includes the expected income tax payable or tax refund receivable calculated based on the taxable income (loss) of the current year, and any adjustments to the income tax payable or tax refund receivable from prior years. The amount is measured at the statutory tax rate or tax rate substantially enacted on the reporting date, the best estimate of the amount expected to be paid or received.

Deferred income tax is measured and recognized on temporary differences between the carrying amount of assets and liabilities and their tax bases on the reporting date. Temporary differences arising from the following circumstances are not recognized as deferred income tax:

1. Assets or liabilities initially recognized in a transaction that is not M&As that (i) do not affect accounting profits and taxable income (loss); and (ii) do not give rise to equivalent taxable discrepancy;

2. For temporary differences arising from investments in subsidiaries and joint ventures, the time point for the Company to control the reversal of temporary differences is likely not to be reversed in the foreseeable future; and
3. The taxable temporary difference arising from the initial recognition of goodwill.

Deferred income tax is measured at the tax rate at which the temporary difference is expected to be reversed by adopting the statutory tax rate or tax rate substantially enacted on the reporting date as the basis, with income tax-related uncertainties reflected, if any.

The Company offsets the deferred income tax assets and deferred income tax liabilities when the following conditions are met concurrently:

1. Has the legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxable entities levied by the same taxation authority:
 - (1) The same taxable entity; or
 - (2) Different taxable entities, but each entity intends to settle current income tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously in each future period in which significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be settled.

Unused tax losses, unused income tax credits carried forward and deductible temporary differences are recognized as deferred income tax assets when it is likely to have future taxable income available for use. The Company shall perform a reevaluation on each reporting date and adjust the relevant income tax benefits to the extent that it is not likely to be realized, or to reverse the amount reduced in the range where it is likely that there will be sufficient taxable income.

(XVII) Earnings per share

The Company presents the basic and diluted earnings per share attributable to the Company's ordinary shareholders. The basic earnings per share of the Company is calculated by dividing the profit or loss attributable to the Company's ordinary shareholders by the weighted average number of the outstanding ordinary shares during the period. Diluted earnings per share is calculated by having the profit or loss attributable to the Company's ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all potential diluted ordinary shares. The Company's potential diluted ordinary shares include the estimated employee remuneration that can be paid in shares.

(XVIII) Segment Information

The Company has disclosed the segment information in the consolidated financial statements; therefore, the segment information is not disclosed in the parent company only financial statements.

V Major Sources of Uncertainty to Significant Accounting Judgments, Estimates and Assumptions

The management, when preparing the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” is required to make judgments, estimates and assumptions that will affect the adoption of accounting policies and the reporting amounts of assets, liabilities, gains, and expenses. Actual results may differ from estimates.

The management continues to examine the estimates and underlying assumptions, and changes in accounting estimates are recognized in the period in which they are affected in the future.

The accounting policies involve significant judgments, and the information that affects the amounts recognized in the parent company only financial statements is as follows:

- (I) For details on whether the Company has substantial control over the investee, please refer to the 2023 consolidated financial statements.
- (II) The judgment on whether the Company has a significant influence on the investee.

The Company is the largest shareholder of the affiliated company, MIN AIK PRECISION INDUSTRIAL CO., LTD. (the “MIN AIK PRECISION”). However, considering that the Company is unable to appoint more than half of the Directors of MIN AIK PRECISION or secure more than half of voting rights of attending shareholders’ meetings, it is determined that the Company only has a significant influence on MIN AIK PRECISION.

Information related to material adjustments in the following year caused by material risks in the uncertainties of assumptions and estimates is as follows:

- (I) Valuation of inventory

As the inventory needs to be measured at the lower of cost or net realizable value, the Company’s major subsidiaries under the equity method evaluate the amount of inventory of normal depletion, obsolescence, or no market sales value on the reporting date and write down the cost of inventories to the net realizable value. The valuation of inventories is mainly based on the demand for products in a specific period in the future; therefore, it may result in significant changes due to rapid changes in the industry.

- (II) Assessment of Investments under the equity method

In the process of inventory valuation and asset impairment evaluation by subsidiaries it invested, the Company is required to depend on subject judgments to determine the independent cash flow of specific asset groups, useful lives of assets, and gains and expenses that may be generated in the future based on the use models of assets and industry features; any changes in the economic conditions or changes in estimates due to the Company’s strategies may cause material impairment losses or the reversal of recognized impairment losses in the future.

The Company's accounting policies and disclosures include the adoption of fair value to measure its financial and non-financial assets and liabilities. The Company has established relevant internal control systems for the measurement of fair value and assigned personnel to review the inputs of significant parameters and assumptions to ensure that the valuation results are reasonable.

When measuring its assets and liabilities, the Company uses market-observable input values as much as possible. The level of fair value is based on the inputs used in the valuation technology, classified as follows:

- (I) Level 1: The open quotation (unadjusted) of similar assets or liabilities in an active market.
- (II) Level 2: In addition to the open quotation included in Level 1, the input parameters of assets or liabilities that can be observed directly (i.e., prices) or indirectly (i.e., derived from prices).
- (III) Level 3: The input parameters of assets or liabilities that are not based on observable market data (non-observable parameters).

If there are any transfers between the fair value levels or other circumstances, the Company recognizes such transfers on the reporting date. For the relevant information on the assumptions adopted for measuring fair value, please refer to Note 6(19) below.

VI Description of Significant Accounting Items

(I) Cash and cash equivalents

	<u>2023.12.31</u>	<u>2022.12.31</u>
Cash on hand, check and demand deposits	\$ 210,758	230,841
Time deposits	178,089	9,213
	<u>\$ 388,847</u>	<u>240,054</u>

Please refer to Note 6(19) for the disclosure of the interest rate risk of the Company's financial assets and liabilities and sensitivity analysis.

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

	<u>2023.12.31</u>	<u>2022.12.31</u>
Fund investment	\$ 5,759	5,469
Stocks listed on the Emerging Stock Market	168,208	291,401
	<u>\$ 173,967</u>	<u>296,870</u>

As of December 31, 2023 and 2022, the Company's financial assets at fair value through profit or loss had not been provided for security or guarantee.

(III) Net notes and accounts receivable (including related parties)

	<u>2023.12.31</u>	<u>2022.12.31</u>
Notes receivable	\$ 736	2,315
Accounts receivable	724,208	515,145
Accounts receivable - related parties	6,341	11,742
Less: Allowance loss	<u>(17,077)</u>	<u>(3,533)</u>
	<u>\$ 714,208</u>	<u>525,669</u>

The Company uses the simplified method to estimate ECLs for all notes and accounts receivable; that is, it uses lifetime ECLs for measurement. For the purpose of measurement, such notes and accounts receivable are based on the shared credit risk characteristics of the ability of customers to pay all amounts due under the contract terms, and the forward-looking information has been included. The ECLs of notes and accounts receivable (including related parties) of the Company as of December 31, 2023 and 2022 are analyzed as follows:

	<u>2023.12.31</u>		
	<u>Carrying amount of notes and accounts receivable</u>	<u>Weighted average ECL rate</u>	<u>Allowance for lifetime ECLC</u>
Undue	\$ 665,123	0%~1%	100
Overdue for less than 90 days	48,545	0%~21%	1,551
Overdue for 91 to 180 days	2,225	0%~27%	112
Overdue for 181 to 360 days	587	0%~100%	509
Overdue for more than 361 days	<u>14,805</u>	0%~100%	<u>14,805</u>
	<u>\$ 731,285</u>		<u>17,077</u>
	<u>2022.12.31</u>		
	<u>Carrying amount of notes and accounts receivable</u>	<u>Weighted average ECL rate</u>	<u>Allowance for lifetime ECLC</u>
Undue	\$ 475,552	0%~1%	1,286
Overdue for less than 90 days	44,418	0%~9%	651
Overdue for 91 to 180 days	8,083	0%~10%	751
Overdue for 181 to 360 days	466	0%~100%	162
Overdue for more than 361 days	<u>683</u>	0%~100%	<u>683</u>
	<u>\$ 529,202</u>		<u>3,533</u>

The table of changes in the allowance for notes and accounts receivable of the Company is as follows:

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 3,533	2,811
Recognized impairment losses	13,544	722
Closing balance	<u>\$ 17,077</u>	<u>3,533</u>

As of December 31, 2023 and 2022, the Company's notes and accounts receivable had not been provided for security or guarantee.

(IV) Inventory

	<u>2023.12.31</u>	<u>2022.12.31</u>
Raw material	\$ 63,540	102,931
Goods in process	38,624	54,647
Merchandise and finished goods	136,201	166,436
	<u>\$ 238,365</u>	<u>324,014</u>

The inventory-related expenses recognized by the Company as cost of sales are as follows:

	<u>2023</u>	<u>2022</u>
Cost of sales	\$ 2,295,988	2,732,887
Unallocated fixed manufacturing expenses due to the production capacity being lower than normal	85,989	41,669
Loss on inventory devaluation and loss on scrapping	2,251	13,159
Others	(7,301)	(812)
	<u>\$ 2,376,927</u>	<u>2,786,903</u>

As of December 31, 2023 and 2022, the Company's inventories had not been provided for security or guarantee.

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

	<u>2023.12.31</u>	<u>2022.12.31</u>
Investments in foreign equity	<u>\$ -</u>	<u>7,546</u>

1. The Company's investments in such equity instruments are long-term strategic investments and are not held for trading purposes; therefore, they are designated to be measured at fair value through other comprehensive income, and a valuation loss of NT\$7,546 thousand was appropriated in 2023.
2. The Company did not dispose of strategic investments in 2023 and 2022, and there was no transfer of any accumulated gain or loss within the equity during the period.
3. Please refer to Note 6(19) for the information on credit risk and market risk.
4. The above financial assets have not been provided for security or guarantee.

(VI) Investments under the equity method

The Company's investments under the equity method on the reporting date are as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Subsidiary	\$ 2,015,853	2,186,625
Affiliated company	<u>753,756</u>	<u>760,465</u>
	<u>\$ 2,769,609</u>	<u>2,947,090</u>

1. Subsidiary

- (1) Please refer to the 2023 consolidated financial statements.
- (2) In 2023 and 2022, the Company received cash dividends from subsidiaries of NT\$31,609 thousand and NT\$37,146 thousand, respectively, and they were recognized as a deduction item for investments under the equity method. The uncollected dividends as of December 31, 2023 and 2022 were NT\$33,032 thousand and NT\$20,720 thousand, respectively, and they are accounted for under other receivables and other non-current assets.

2. Affiliated company

The information on affiliates important to the Company is as follows:

<u>Affiliated company</u>	<u>Nature of the relationship with the Company</u>	<u>Principal location of business/ country of incorporation</u>	<u>Ratio of ownership interests and voting rights</u>	
			<u>2023.12.31</u>	<u>2022.12.31</u>
MIN AIK PRECISION	Electronic parts and components manufacturing	Taiwan	38.68%	38.13%

For listed affiliated companies important to the Company, the fair value of shares held by the Company is as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
MIN AIK PRECISION	<u>\$ 893,610</u>	<u>880,710</u>

The financial information of the material affiliated company of the Company is summarized as follows. For the financial information, the amounts included in the parent company only financial statements of the affiliates in accordance with the IFRSs have been adjusted to reflect the adjustments made by the Company for the differences in accounting policies:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Current assets	\$ 1,774,367	1,919,725
Non-current assets	1,289,929	1,360,829
Current liabilities	(944,746)	(908,941)
Non-current liabilities	<u>(256,367)</u>	<u>(473,381)</u>
Net assets	<u>\$ 1,863,183</u>	<u>1,898,232</u>
Net assets attributable to the owners of investees	<u>\$ 1,855,336</u>	<u>1,890,385</u>

	<u>2023</u>	<u>2022</u>
Operating revenue	<u>\$ 2,075,139</u>	<u>2,275,017</u>
Net profit for the period	\$ 83,064	161,828
Other comprehensive income	(2,613)	77,005
Total comprehensive income	<u>\$ 80,451</u>	<u>238,833</u>
Total comprehensive income attributable to owners of investees	<u>\$ 80,451</u>	<u>238,833</u>
	<u>2023</u>	<u>2022</u>
Share of net assets of affiliated company at the beginning of the period	\$ 732,229	645,630
Total comprehensive income attributable to the Company for the period	28,219	89,057
Amount of equity in affiliated companies acquired during the period	12,907	17,895
Dividends from affiliated companies during the period	(44,246)	(20,353)
Share of net assets of affiliated company at the end of the period	729,109	732,229
Add: Difference of net worth of equity	28,632	28,632
Less: Unrealized gross profit from sales	(3,985)	(396)
Carrying amount of the Company's equity in affiliated companies at the end of the period	<u>\$ 753,756</u>	<u>760,465</u>

In 2023, the Company acquired additional shares of its affiliated company, MIN AIK PRECISION, with consideration of NT\$12,907 thousand, and its shareholding ratio increased from 38.13% to 38.68%.

3. Guarantee

As of December 31, 2023 and 2022, the Company's investments under the equity method had not been provided for security or guarantee.

(VII) Property, plant and equipment

The breakdown of changes in cost, accumulated depreciation, and impairment loss of the Company's property, plant and equipment for the years ended December 31, 2023 and 2022 is as follows:

	Machinery and equipment	Other equipment	Unfinished construction and equipment pending inspection	Total
Cost or recognized cost:				
Balance on January 1, 2023	\$ 494,074	258,180	-	752,254
Addition	1,663	2,975	-	4,638
Diverted from self-produced products for own use	1,888	8,701	-	10,589
Disposal	(46,885)	(5,090)	-	(51,975)
Others	-	(615)	-	(615)
Balance on December 31, 2023	\$ 450,740	264,151	-	714,891
Balance on January 1, 2022	\$ 528,987	254,761	744	784,492
Addition	13,124	5,738	1,632	20,494
Disposal	(50,206)	(3,011)	-	(53,217)
Reclassification	2,169	692	(2,376)	485
Balance on December 31, 2022	\$ 494,074	258,180	-	752,254
Accumulated depreciation and impairment loss:				
Balance on January 1, 2023	\$ 418,585	238,750	-	657,335
Depreciation of the year	19,923	14,919	-	34,842
Disposal	(46,757)	(5,076)	-	(51,833)
Others	660	802	-	1,462
Balance on December 31, 2023	\$ 392,411	249,395	-	641,806
Balance on January 1, 2022	\$ 440,971	231,724	-	672,695
Depreciation of the year	22,297	9,794	-	32,091
Disposal	(45,819)	(3,011)	-	(48,830)
Others	1,136	243	-	1,379
Balance on December 31, 2022	\$ 418,585	238,750	-	657,335
Carrying amount:				
December 31, 2023	\$ 58,329	14,756	-	73,085
December 31, 2022	\$ 75,489	19,430	-	94,919

As of December 31, 2023 and 2022, the Company's property, plant and equipment had not been provided for security or guarantee.

(VIII) Right-of-use assets

The cost and depreciation of the Company's houses and buildings, and other equipment are as follows:

	<u>Houses and buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost of right-of-use assets:			
Balance on January 1, 2023	\$ 99,830	520	100,350
Addition	9,896	1,001	10,897
Derecognition	(14,349)	(520)	(14,869)
Balance on December 31, 2023	<u>\$ 95,377</u>	<u>1,001</u>	<u>96,378</u>
Balance on January 1, 2022	\$ 98,019	520	98,539
Addition	1,811	-	1,811
Balance on December 31, 2022	<u>\$ 99,830</u>	<u>520</u>	<u>100,350</u>
	<u>Houses and buildings</u>	<u>Other equipment</u>	<u>Total</u>
Depreciation of right-of-use assets:			
Balance on January 1, 2023	\$ 66,333	412	66,745
Depreciation appropriated	31,324	303	31,627
Derecognition	(12,815)	(520)	(13,335)
Others	1,800	41	1,841
Balance on December 31, 2023	<u>\$ 86,642</u>	<u>236</u>	<u>86,878</u>
Balance on January 1, 2022	\$ 32,530	152	32,682
Depreciation appropriated	31,565	260	31,825
Others	2,238	-	2,238
Balance on December 31, 2022	<u>\$ 66,333</u>	<u>412</u>	<u>66,745</u>
Carrying amount:			
December 31, 2023	<u>\$ 8,735</u>	<u>765</u>	<u>9,500</u>
December 31, 2022	<u>\$ 33,497</u>	<u>108</u>	<u>33,605</u>

(IX) Short-term borrowings

	<u>2023.12.31</u>	<u>2022.12.31</u>
Credit loans	\$ 285,000	360,000
Secured bank borrowings	100,000	50,000
Total	<u>\$ 385,000</u>	<u>410,000</u>
Unused limit	<u>\$ 237,500</u>	<u>670,550</u>
Interest rate interval at the end	<u>1.85%~1.89%</u>	<u>1.6%~2.0106%</u>

For the information on the exposure of the Company's interest rate and liquidity risks, please refer to Note 6(19). Please refer to Note 8 for the Company's assets pledged as collateral for bank borrowings.

(X) Long-term loans

	2023.12.31			
	Currency	Interest rate interval	Maturity	Amount
Credit loans	NTD	1.93%-2.32%	2024-2025	\$ 184,861
Less: Portion due within one year				<u>(78,833)</u>
Total				<u>\$ 106,028</u>

	2022.12.31			
	Currency	Interest rate interval	Maturity	Amount
Unsecured bank borrowings	NTD	1.93%-2.175%	2024-2025	\$ 173,194
Less: Portion due within one year				<u>(88,333)</u>
Total				<u>\$ 84,861</u>

For the information on the exposure of the Company's interest rate and liquidity risks, please refer to Note 6(19).

(XI) Lease liabilities

The carrying amount of lease liabilities of the Company is as follows:

	2023.12.31	2022.12.31
Current	<u>\$ 2,936</u>	<u>33,915</u>
Non-current	<u>\$ 6,607</u>	<u>-</u>

For the liquidity risk, please refer to Note 6(19) Financial instruments.

The amounts recognized in profit or loss are as follows:

	2023	2022
Interest expenses of lease liabilities	<u>\$ 265</u>	<u>496</u>
Expenses of short-term leases	<u>\$ 2,467</u>	<u>2,392</u>

The amounts recognized in the statement of cash flow are as follows:

	2023	2022
Total cash outflow for leases	<u>\$ 36,449</u>	<u>36,946</u>

(XII) Employee benefit

1. Defined benefit plan

The reconciliation of the present value of the Company's defined benefit obligations and the fair value of the plan assets is as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Present value of the defined benefit obligations	\$ 40,893	39,987
Fair value of plan assets	<u>(44,559)</u>	<u>(44,530)</u>
Net defined benefit assets	<u><u>\$ (3,666)</u></u>	<u><u>(4,543)</u></u>

The Company's defined benefit plan makes appropriation to the labor pension reserve account at the Bank of Taiwan. The pension payment of each employee under the Labor Standards Act is calculated based on the base points earned from the years of service and the average salary six months prior to retirement.

(1) Composition of plan assets

The pension fund appropriated by the Company in accordance with the Labor Standards Act is coordinated and managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau of Labor Funds"). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum income allocated shall not be lower than the income calculated based on the two-year time deposit interest rate of local banks.

The balance of the Company's labor pension reserve account at the Bank of Taiwan was NT\$44,559 thousand as of the reporting date. The labor pension fund asset utilization information includes fund yield rate and fund asset allocation. Please refer to the information announced on the website of the Bureau of Labor Funds, Ministry of Labor

(2) Changes in the present value of the defined benefit obligations

Changes in the present value of the Company's defined benefit obligations in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Defined benefit obligations on January 1	\$ 39,987	39,498
Service cost and interests of the current period	699	481
Remeasurement of net defined benefit liabilities (assets)	1,653	8,732
- Return on plan assets (excluding interest for the current period)		
- Actuarial gains or losses arising from changes in financial assumptions	582	(3,956)
Benefits planned to be paid	<u>(2,028)</u>	<u>(4,768)</u>
Defined benefit obligations on December 31	<u><u>\$ 40,893</u></u>	<u><u>39,987</u></u>

(3) Changes in the fair value of plan assets

Changes in the fair value of the Company's plan assets in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets on January 1	\$ 44,530	44,393
Interest revenue	597	319
Remeasurement of net defined benefit liabilities (assets)	371	3,410
- Return on plan assets (excluding interest for the current period)		
Amount appropriated to the plan	1,089	1,176
Benefits planned to be paid	<u>(2,028)</u>	<u>(4,768)</u>
Fair value of plan assets on December 31	<u>\$ 44,559</u>	<u>44,530</u>

(4) Expenses recognized in profit or loss

The breakdown of expenses recognized as expenses by the Company in 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Service cost in the current period	\$ 174	203
Net interest of net defined benefit liabilities (assets)	<u>(72)</u>	<u>(41)</u>
	<u>\$ 102</u>	<u>162</u>
Operating cost	\$ 38	104
Selling expenses	9	6
Management expenses	29	32
R&D expenses	<u>26</u>	<u>20</u>
	<u>\$ 102</u>	<u>162</u>

(5) Actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligations by the Company at the end of the financial period are as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	1.300%	1.400%
Future salary increase rate	1.500%	1.500%

The Company expects to pay NT\$1,078 thousand as the appropriation amount to the defined benefit plan in the following year to the 2023 reporting date.

The weighted average duration of the defined benefit plan is nine years.

(6) Sensitivity analysis

The effects of changes in the main actuarial assumptions adopted the present value of defined benefit obligations as of December 31, 2023 and 2022 are as follows:

<u>Actuarial assumptions</u> <u>December 31, 2023</u>	<u>Effects on defined benefit obligations</u>	
	<u>Increase by 0.5%</u>	<u>Decrease by 0.5%</u>
Discount rate of 1.3%	(1,442)	1,533
Future salary increase rate of 1.5%	1,477	(1,403)

<u>Initial actuarial</u> <u>assumptions</u> <u>December 31, 2022</u>	<u>Effects on defined benefit obligations</u>	
	<u>Increase by 0.5%</u>	<u>Decrease by 0.5%</u>
Discount rate of 1.4%	(1,503)	1,602
Future salary increase rate of 1.5%	1,545	(1,464)

The above sensitivity analysis analyzes the effects of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis of the current period are the same as those used in the previous period.

2. Defined contribution plan

The Company's defined contribution plan for its domestic employees complies with the Labor Pension Act. A contribution rate of 6% of the employees' monthly wages is appropriated to the individual labor pension account with the Bureau of Labor Insurance. Under the plan, after appropriating a fixed amount to the Bureau of Labor Insurance, the Company no longer has legal or constructive obligations to make additional payments.

In 2023 and 2022, the Company's pension expenses under the defined contribution regulations were NT\$8,483 thousand and NT\$9,735 thousand, respectively.

(XIII) Income tax

1. Income tax expenses

The breakdown of income tax expenses (gains) of the Company in 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Current income tax expenses	\$ 116	137
Deferred income tax expenses (gains)	12,580	(6,576)
	<u>\$ 12,696</u>	<u>(6,439)</u>

2. The breakdown of the Company's income tax expenses (gains) recognized in other comprehensive income in 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Exchange difference in the financial statement translation of foreign operations	<u>\$ (13,046)</u>	<u>17,252</u>

3. The reconciliation between income tax expenses (gains) and net profit (loss) before tax of the Company in 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Net profit (loss) before tax	\$ (202,950)	33,319
Income tax calculated in accordance with the domestic tax rate in the place where the Company is located	(40,590)	6,664
Permanent difference	38,449	(18,363)
Others	14,837	5,260
	<u>\$ 12,696</u>	<u>(6,439)</u>

4. Deferred income tax assets and liabilities

- (1) Unrecognized deferred income tax assets

The items that have not been recognized by the Company as deferred income tax assets are as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Deductible temporary difference	<u>\$ 111,676</u>	<u>111,676</u>

Such items are not recognized as deferred income tax assets because the Company is not likely to have sufficient taxable income in the future available for use by temporary differences.

(2) Deferred income tax assets and liabilities recognized

In 2023 and 2022, changes in deferred income tax assets and liabilities are as follows:

	Share of subsidiaries and affiliated companies under the equity method	Others	Total
Deferred income tax liabilities:			
Balance on January 1, 2023	\$ 230,616	2,158	232,774
Debit/(credit) profit or loss	11,657	(1,311)	10,346
Debit/(credit) other comprehensive income	(13,046)	-	(13,046)
Balance on December 31, 2023	<u>\$ 229,227</u>	<u>847</u>	<u>230,074</u>
Balance on January 1, 2022	\$ 190,383	5,730	196,113
Debit/(credit) profit or loss	22,981	(3,572)	19,409
Debit/(credit) other comprehensive income	17,252	-	17,252
Balance on December 31, 2022	<u>\$ 230,616</u>	<u>2,158</u>	<u>232,774</u>
	Inventory devaluation losses	Loss deduction	Others
			Total
Deferred income tax assets:			
Balance on January 1, 2023	\$ (5,761)	(46,874)	(12,463)
Debit/(credit) profit or loss	547	9,846	(8,159)
Balance on December 31, 2023	<u>\$ (5,214)</u>	<u>(37,028)</u>	<u>(20,622)</u>
Balance on January 1, 2022	\$ (4,812)	(25,070)	(9,231)
Debit/(credit) profit or loss	(949)	(21,804)	(3,232)
Balance on December 31, 2022	<u>\$ (5,761)</u>	<u>(46,874)</u>	<u>(12,463)</u>

(3) The deadline for the deduction of the Company's taxable losses as of December 31, 2023 is as follows:

Year of loss	Amount assessed/filed	Non-deductible amount	Amount deducted for previous years	outstanding balance	Last year for deduction
2017	\$ 125,350	64,442	38,228	22,680	2027
2017	10,614	8,675	-	1,939	2028
2019	34,497	11,467	-	23,030	2029
2020	64,868	13,334	-	51,534	2030
2022	149,255	63,296	-	85,959	2032

5. The profit-seeking income tax of the Company filed has been audited and approved by the tax authorities up to 2021.

(XIV) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized capital was NT\$4,000,000 thousand (including 7.5 million shares for subscription under employee stock warrants); the par value of the shares was NT\$10 per share. To issued amount was NT\$1,375,632 thousand. All payments for the issued shares have been collected.

1. Capital surplus

The content of the balance of the Company's capital surplus is as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Premium of issued stocks	\$ 1,161,430	1,171,059
Treasury stock trading	39,954	39,954
Gain on disposal of assets	7	7
Changes in net equity of affiliated companies and joint ventures recognized under the equity method	<u>265,333</u>	<u>265,333</u>
	<u>\$ 1,466,724</u>	<u>1,476,353</u>

Pursuant to the Company Act, the capital surplus shall be first used to make up losses before issuing new shares or cash based on the realized capital surplus in accordance with the initial shareholding ratio. The realized capital surplus mentioned in the preceding paragraph includes the premium from shares issued in excess of the par value and the income from gifts received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus available for capitalization each year shall not exceed 10% of the paid-in capital.

As proposed by the Board on March 22, 2023 and resolved at the shareholders' meeting on June 15, 2023, the Company distributed cash dividends of NT\$0.07 per share from the capital surplus, totaling NT\$9,629 thousand.

As proposed by the Board on March 17, 2022 and resolved at the shareholders' meeting on June 14, 2022, the Company distributed cash dividends of NT\$0.93 per share from the capital surplus, totaling NT\$127,934 thousand.

2. Retained earnings

According to the Company's Articles of Incorporation, if there is a profit in the final account, the tax shall be paid first, the losses of the previous years shall be covered, and then 10% of the legal reserve shall be appropriated. However, when the legal reserve has reached the amount of the Company's paid-in capital, this shall not apply. In addition, the special reserve shall be appropriated based on the Company's business requirements and regulatory requirements. Combine the remaining earnings (if any) with the undistributed earnings at the beginning of the period, and the Board shall formulate the proposal for earning distribution and submit it to the shareholders' meeting for resolution before the

distribution.

In order to pursue long-term shareholder interests and stable business performance goals, the Company adopts a balanced dividend policy. Specifically, the distributed earnings shall be no less than 50% of the distributable earnings in the current year, and the cash dividends shall be no less than 10% of the total dividends, provided that no earnings shall be distributed if the distributable earnings are less than NT\$0.5 per share in the current year.

(1) Legal reserve

When the Company has no losses, the shareholders' meeting may resolve to distribute new shares or cash from the legal reserve; however, it shall be limited to the part exceeding the paid-in capital by 25%.

(2) Special reserve

When distributing the distributable earnings, for the net amount debited to the other shareholders' equity in the current year, the Company appropriates the special reserve in the same amount from the current profit or loss and the undistributed earnings of the previous period; for the amount debited to the other shareholders' equity accumulated in the previous period, the special reserve of the same amount shall be set aside from the undistributed earnings of the previous period, which shall not be distributed. If the amount debited to other shareholders' equity is reversed subsequently, the reversed amount may be distributed as earnings. The balance of the special reserve was NT\$730,163 thousand and NT\$729,059 thousand as of December 31, 2023 and 2022, respectively.

(3) Earnings distribution

The 2022 proposal for earning distribution resolved at the shareholders' meeting on June 15, 2023 is as follows:

	2022		2021	
	Dividends per share (NT\$/share)	Amount	Dividends per share (NT\$/share)	Amount
Cash Dividend	\$ 0.23	31,640	0.07	9,630

(XV) Earnings (losses) per share

1. Basic earnings (losses) per share

The basic earnings (losses) per share of the Company for 2023 and 2022 were calculated based on the net profit (loss) and the weighted average number of outstanding ordinary shares. The calculation is as follows:

	2023	2022
Net profit (loss) attributable to the Company's ordinary shareholders	\$ (215,646)	39,758
Weighted average number of outstanding ordinary shares (thousand shares)	137,564	137,564
Basic earnings (losses) per share (NT\$)	\$ (1.57)	0.29

2. Diluted earnings per share

	<u>2022</u>
Net profit attributable to the Company's ordinary shareholders	<u>\$ 39,758</u>
Weighted average number of outstanding ordinary shares (thousand shares)	137,564
Effects of a full stock issuance for the estimation of remuneration of employees	<u>282</u>
Weighted average number of outstanding ordinary shares (thousand shares)	<u>137,846</u>
Diluted earnings (losses) per share	<u>\$ 0.29</u>

In 2023, the Company incurred a loss; therefore, the diluted earnings per share is not disclosed when the effect of the adjustments to potentially diluted ordinary shares has no dilutive effect.

When calculating the dilutive effect of the deemed issuance of all shares, the fair value is based on the market quotation on the day followed by the Company's reporting date.

(XVI) Revenue from customer contracts

1. Recognition of revenue

	<u>2023</u>	<u>2022</u>
Key regional markets:		
Thailand	\$ 1,619,861	1,762,403
Singapore	600,415	780,136
Taiwan	161,261	211,234
Others	<u>166,426</u>	<u>225,956</u>
	<u>\$ 2,547,963</u>	<u>2,979,729</u>
Main product/service lines:		
Voice Coil Motor (VCM)	\$ 1,045,885	1,107,276
External Hard Drive (EHD)	432,770	634,333
HDD cover	261,690	247,370
HDD parts	183,140	241,616
Microscope parts	154,541	163,300
Others	<u>469,937</u>	<u>585,834</u>
	<u>\$ 2,547,963</u>	<u>2,979,729</u>

2. Contract balance

Please refer to Note 6(3) for the disclosure of notes and accounts receivable and the impairment thereof.

(XVII) Remuneration to employees and Directors

In accordance with the Articles of Incorporation of the Company, if there is a profit recorded during the year, over 1% of the profit shall be distributed as remuneration to employees and no more than 3% as remuneration to Directors. Where the Company has any cumulative loss, the profit shall be reserved to offset the loss. The targets for the distribution of stocks or cash as the remuneration to employees include employees of subordinates who fulfill certain conditions.

The 2022 amount appropriated as employees' remuneration and Directors' remuneration was NT\$1,772 thousand and NT\$354 thousand, respectively. The amount is calculated by multiplying the amount of net profit before tax less the remuneration of employees and Directors of the Company during the period by the distribution ratio of remuneration of employees and Directors stated in the Articles of Incorporation, and the amount is reported as the operating cost or operating expenses of the period; for relevant information, please visit MOPS for inquiries. In addition, the Company suffered losses before tax in 2023; therefore, there was no estimation of the remuneration of employees and Directors. The amount of remuneration of employees and Directors distributed as resolved at the abovementioned Board meeting is in line with the estimated amount in the Company's 2022 financial statements.

(XVIII) Non-operating income and expenses

1. Other revenue

The breakdown of other revenue by the Company in 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Dividend revenue	2,539	10,158
Others	10,304	25,522
	<u>\$ 12,843</u>	<u>35,680</u>

2. Other profits and losses

The breakdown of other profits and losses by the Company in 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Net gain from currency exchange	\$ 11,549	21,388
Valuation loss of financial assets	(122,903)	(22,274)
Others	(216)	(869)
	<u>\$ (111,570)</u>	<u>(1,755)</u>

(XIX) Financial instruments

1. Credit risk

Credit risk is the risk of financial loss incurred by the Company due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations, which mainly comes from the accounts receivable from customers and securities investments.

(1) Accounts receivable and other receivables

In accordance with the credit policy, the Company shall analyze the credit rating of each new customer before granting standard payment and delivery terms. The credit limit is established for individual customers and is reviewed regularly. Customers who do not meet the benchmark credit ratings of the Company may only trade with the Company on the basis of advance payment.

(2) Investment

The credit risk of bank deposits, securities investments and other financial instruments is measured and monitored by the Company's finance department. As the counterparties of the Company are banks with favorable credit standing and financial institutions, corporations and government agencies of investment grade or above, there is no major concern about performance; therefore, there is no significant credit risk.

(3) Credit risk exposure

Credit risk refers to the risks of financial losses for the Company caused by the delay in fulfilling the contractual obligations of trade counterparties. The carrying amount of the Company's financial assets represents the maximum credit risk exposure. The maximum credit risk exposure was NT\$1,339,238 thousand and NT\$814,537 thousand as of December 31, 2023 and 2022, respectively. In addition, the Company's cash is deposited in different financial institutions, all of which are creditworthy banks, without causing significant credit risk.

(4) Concentration of credit risk

The Company's credit risk is mainly affected by the credit characteristics of each creditor, and the industry where customers operate also affects the credit risk. As of December 31, 2023 and 2022, 88% and 78% of the Company's total accounts receivable are from the top three sales customers, respectively.

(5) Credit risk of amounts receivable

Please refer to Note 6(3) for the credit risk of amounts receivable.

2. Liquidity risk

The table below sets out the maturity date of contracts of financial liabilities, including interest, but excluding the effect of net amount negotiations.

	Carrying amount	Contractual cash flow	Within 1 year	1 - 2 years	2 - 5 years	More than 5 years
December 31, 2023						
Non-derivative financial liabilities						
Long- and short-term borrowings						
	\$ 569,861	579,386	467,343	32,323	45,341	34,379
Accounts payable	91,190	91,190	91,190	-	-	-
Accounts payable - related parties	1,206,530	1,206,530	1,206,530	-	-	-
Lease liabilities	9,543	9,843	3,088	3,117	3,638	-
Other financial liabilities	30,853	30,853	30,853	-	-	-
	\$ 1,907,977	1,917,802	1,799,004	35,440	48,979	34,379
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings						
	\$ 583,194	587,895	501,930	69,324	16,641	-
Accounts payable	129,506	129,506	129,506	-	-	-
Accounts payable - related parties	836,956	836,956	836,956	-	-	-
Lease liabilities	33,915	34,089	34,089	-	-	-
Other financial liabilities	34,603	34,603	34,603	-	-	-
	\$ 1,618,174	1,623,049	1,537,084	69,324	16,641	-

The Company does not expect that the cash flow analysis on the maturity date will be significantly earlier or the actual amount will be significantly different.

3. Market risk

(1) Exchange rate risk

The financial assets and liabilities of the Company exposed to significant exchange rate risks are as follows:

	2023.12.31			2022.12.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
<u>Monetary items</u>						
USD	\$ 38,084	30.705	1,169,369	20,350	30.71	624,939
SGD	2,015	23.29	46,929	2,504	22.88	57,293

	2023.12.31			2022.12.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial liabilities						
<u>Monetary items</u>						
USD	39,571	30.705	1,215,028	27,855	30.71	855,422

The exchange rate risk of the Company's monetary items mainly comes from the currency exchange gains or losses arising from the translation of cash and cash equivalents, accounts receivable, other receivables, and accounts payable that are denominated in foreign currencies. As of December 31, 2023, when the NT\$ depreciates or appreciates by 1% against foreign currencies, and all other factors remain unchanged, the net profit (loss) before tax for 2023 and 2022 will increase (decrease) by NT\$13 thousand and NT\$(1,732) thousand, respectively. The analysis of the two periods adopts the same basis.

The information on the amount of the exchange gain or loss (including realized and unrealized) on the Company's monetary items translated into the functional currency and the exchange rate for the translation to the functional currency of the parent company (i.e., the presentation currency of the Company) is as follows:

	2023		2022	
	Exchange gain or loss	Average exchange rate	Exchange gain or loss	Average exchange rate
NTD	\$ 11,549	1	21,388	1

(2) Interest rate risk

The interest rate of interest-bearing financial instruments of the Company on the reporting date is summarized as follows:

	Carrying amount	
	2023.12.31	2022.12.31
Fixed interest rate instruments:		
Financial assets	\$ 348,729	21,213
Financial liabilities	(392,500)	(340,000)
	\$ (43,771)	(318,787)
Variable interest rate instruments:		
Financial assets	\$ 209,314	229,512
Financial liabilities	(177,361)	(243,194)
	\$ 31,953	(13,682)

The Company conducts sensitivity analysis based on the interest rate risk of non-

derivative instruments on the reporting date. If the interest rate increases/decreases by 0.25%, and all other variables remain unchanged, the net profit (loss) before tax in 2023 and 2022 will increase/decrease by NT\$80 thousand and NT\$(34) thousand, respectively, mainly due to exposure to the interest rate risk from the variable interest rate.

In addition, the Company's financial assets of fixed interest rate instruments are measured at amortized cost. Changes in the market interest rate on the reporting date have no impact on the gain or loss; therefore, the Company does not intend to disclose the sensitivity analysis of changes in fair value.

(3) Other price risks

If the price of equity securities changes on the reporting date (the analysis for the two periods adopts the same basis, and assuming other variables remain unchanged), the effect on the comprehensive income is as follows:

	2023		2022	
	Other comprehensive income before tax	Profit or loss before tax	Other comprehensive income before tax	Profit or loss before tax
Securities price on the reporting date				
Up by 5%	\$ -	8,410	377	14,570
Down by 5%	\$ -	(8,410)	(377)	(14,570)

4. Fair value information

(1) Category and fair value of financial instruments

Financial assets at fair value through other comprehensive income of the Company are measured at fair value on a repetitive basis. The carrying amount and fair value of various financial assets and financial liabilities (including fair value hierarchy information; financial instruments not measured at fair value with fair value reasonably approximate the fair value and investments in equity instruments with no quoted price in the active market and a fair value that cannot be reliably measured, it is not required to disclose the fair value information according to the requirements) is shown as follows:

2023.12.31					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets designated at fair value through profit or loss	\$ 173,967	5,759	-	168,208	173,967
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 388,847				
Net notes and accounts receivable	707,867				
Net accounts receivable - related parties	6,341				
Other accounts receivable	<u>236,183</u>				
Total	<u>\$ 1,339,238</u>				
Financial liabilities measured at amortized cost					
Long- and short-term borrowings	\$ 569,861				
Accounts payable	91,190				
Accounts payable - related parties	1,206,530				
Lease liabilities	9,543				
Other financial liabilities	<u>67,805</u>				
Total	<u>\$ 1,944,929</u>				

	2022.12.31				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	<u>\$ 296,870</u>	<u>5,469</u>	<u>-</u>	<u>291,401</u>	<u>296,870</u>
Financial assets at fair value through other comprehensive income	<u>\$ 7,546</u>	<u>-</u>	<u>-</u>	<u>7,546</u>	<u>7,546</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 240,054				
Net notes and accounts receivable	513,927				
Net accounts receivable - related parties	11,742				
Other accounts receivable	<u>48,814</u>				
Total	<u>\$ 814,537</u>				
Financial liabilities measured at amortized cost					
Long- and short-term borrowings	\$ 583,194				
Accounts payable	129,506				
Accounts payable - related parties	836,956				
Lease liabilities	33,915				
Other financial liabilities	<u>76,864</u>				
Total	<u>\$ 1,660,435</u>				

(2) Valuation technique for the fair value of financial instruments measured at fair value

A. Non-derivative financial instruments

If a financial instrument has a quoted price in the active market, the quoted price will be the fair value.

If the open quotation of the financial instrument can be timely and frequently acquired from exchanges, brokers, underwriters, industrial unions, pricing service institutions or competent authorities, and the price represents actual and fair market transactions that occur frequently, then the financial instrument has an open quotation of the active market. If the conditions mentioned above are not fulfilled, the market is not viewed as an active one. Generally, large bid-ask spread, significant increase in bid-ask spread or less trading volume are indices of an inactive market.

The fair value of the financial instruments held by the Company is obtained by using evaluation techniques or by referring to the quotation of trade counterparties. The fair value acquired through the valuation technique can take reference from other

substantial conditions and present fair value, cash flow discount methods and other valuation techniques used on similar financial instruments, including market information that can be acquired on the balance sheet date. The information is then used in a calculation model.

For financial instruments held by the Company that have no active market, the fair value is listed as follows by category and attribute:

Equity instruments without public quotations: The fair value is estimated using the approach of comparable companies in the market, and the main assumption is based on the earning multiple calculated based on the estimated earnings of investors before tax, interests, depreciation, and amortization (EBITDA) and the market quotations of listed companies. The adjustments for the effect of the discount due to the lack of market liquidity of the equity securities have been made.

(3) Statement of Changes in Level 3

In 2023 and 2022, Level 3 fair value measurements were mainly composed of financial assets at fair value through profit or loss and other comprehensive income; the changes are as follows:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
January 1, 2023	\$ 291,401	7,546
Recognized as profit and/or loss	(123,193)	-
Recognized under other comprehensive income	-	<u>(7,546)</u>
December 31, 2023	<u>\$ 168,208</u>	<u>-</u>
January 1, 2022	\$ 312,193	40,669
Recognized as profit and/or loss	(20,792)	-
Recognized under other comprehensive income	-	<u>(33,123)</u>
December 31, 2022	<u>\$ 291,401</u>	<u>7,546</u>

The above profit or loss and other comprehensive income are reported under other gain or loss and in the unrealized valuation gain or loss of financial assets at fair value through other comprehensive income.

(4) Quantitative information on the fair value measurement of significant unobservable inputs (Level 3)

Fair value measurements of the Company classified as Level 3 primarily include financial assets at fair value through profit or loss - investments in equity securities and financial assets at fair value through other comprehensive income - investments in equity

securities. Financial assets at fair value through profit or loss - investments in equity securities adopt third-party pricing information as its fair value. The unobservable input for determining fair value was not established when the Company measured fair value; therefore, the Company does not intend to disclose the significant unobservable input quantitative information and sensitivity analysis.

The majority of the Company's fair value classified as Level 3 has only a single significant unobservable input, and only investments in equity instruments with no active market have multiple significant unobservable inputs. They are independent of each other; therefore, there is no mutual connectivity.

The quantitative information of the significant unobservable inputs is as follows:

Item	Valuation technique	Unobservable major input	Relationship between the unobservable significant input and fair value
Financial assets at fair value through profit or loss - investments in equity instruments with no active market	Comparable public company approach	<ul style="list-style-type: none"> • Enterprise value to revenue multiplier (2.87 for December 31, 2023 and 3.34 for December 31, 2022) • Enterprise value to EBITDA multiplier (16.24 for December 31, 2022) • Price-book ratio (2.61 for December 31, 2023 and 3.24 for December 31, 2022) • Discount for lacking market liquidity (21% for both December 31, 2023 and 2022) 	<ul style="list-style-type: none"> • The higher the discount for lacking market liquidity, the lower the fair value. • The higher the multiplier, the higher the fair value.

Item	Valuation technique	Unobservable major input	Relationship between the unobservable significant input and fair value
	Comparable transaction approach	<ul style="list-style-type: none"> • Enterprise value to revenue multiplier (2.35 for December 31, 2023 and 2.4 for December 31, 2022) • Enterprise value to EBITDA multiplier (19.13 for December 31, 2022) • Price-book ratio (2.27 for December 31, 2023 and 2.64 for December 31, 2022) • Discount for lacking market liquidity (21% for both December 31, 2023 and 2022) 	<ul style="list-style-type: none"> • The higher the discount for lacking market liquidity, the lower the fair value. • The higher the multiplier, the higher the fair value.
Financial assets at fair value through other comprehensive income - investments in equity instruments with no active market	Comparable company approach	<ul style="list-style-type: none"> • Enterprise value to revenue multiplier (0.87 for December 31, 2022) • Price-book ratio (1.23 for December 31, 2022) • Discount for lacking market liquidity (33% for December 31, 2022) 	<ul style="list-style-type: none"> • The higher the discount for lacking market liquidity, the lower the fair value. • The higher the multiplier, the higher the fair value.
	Comparable transaction approach	<ul style="list-style-type: none"> • Enterprise value to revenue multiplier (2.02 for December 31, 2022) • Price-book ratio (2.34 for December 31, 2022) • Discount for lacking market liquidity (33% for December 31, 2022) 	<ul style="list-style-type: none"> • The higher the discount for lacking market liquidity, the lower the fair value. • The higher the multiplier, the higher the fair value.

(5) Fair value measurement for Level 3 and sensitivity analysis for fair value to reasonably possible alternative assumptions

The Company's measurement of the fair value of its financial instruments is reasonable; however, the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as Level 3, if the valuation parameters change, the effect on other comprehensive income is as follows:

	Input	Upward or downward changes	Changes in fair value reflected in other comprehensive income	
			Favorable change	Unfavorable change
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Investments in equity instruments without an active market	Enterprise value to revenue multiplier	Downward change by 0.5	-	(898)
	Enterprise value to revenue multiplier	Upward change by 0.5	1,479	-

The Company's favorable and unfavorable changes refer to the fluctuation of the fair value, and the fair value is calculated by adopting the valuation techniques based on the unobservable input parameters of different levels. If the fair value of a financial instrument is affected by more than one input, the above table only reflects the impact of changes in a single input, and does not take into account the correlation and variability between the inputs.

(XX) Financial risk management

1. Risk management structure

The Company's risk management policy is established to identify and analyze the risks faced by the Company, and to set appropriate risk limits and control to monitor risks and compliance with risk limits. The Company reviews risk management policies and systems on a regular basis to reflect changes in market conditions and operations in due course. In addition, it strives to develop a disciplined and constructive control environment through training, management guidelines, and operating procedures to allow all employees to be aware of their roles and obligations.

The Company's Board oversees how the management monitors the compliance of the Company's risk management policies and procedures and reviews the adequacy of relevant risk management structures for the risks faced. Internal auditors assist the Board in supervision. They conduct regular and exceptional reviews of risk management control and procedures and report the review results to the Board.

2. The Company is exposed to the following risks due to the use of financial instruments:

- (1) Credit risk
- (2) Liquidity risk
- (3) Market risk

Information on the risk exposure of the above risks and the objectives, policies and procedures of the Company's risk measurement and management. Please refer to Note 6(19) of the parent company only financial statements for further quantitative disclosure.

(XXI) Capital management

The Company's capital management policy is to maintain a sound capital foundation to ensure necessary and reasonable financial resources for future development. The Company adopts debt ratio as the basis for capital management, and its liabilities include bank borrowings, accounts payable, expenses payable, and other liabilities.

The debt ratio was 47% and 41% as of December 31, 2023 and 2022, respectively. The capital management method has not changed for the years ended December 31, 2023 and 2022.

(XXII) Investing and financing activities of non-cash transactions

Investing and financing activities of non-cash transactions of the Company in 2023 and 2022 are as follows:

1. For the right-of-use assets acquired by lease, please refer to Note 6(8).
2. The reconciliation of liabilities from financing activities is as follows:

	<u>2023.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>2023.12.31</u>
			<u>Changes in lease payment</u>	<u>Others</u>	
Long-term loans	\$ 173,194	11,667	-	-	184,861
Short-term borrowings	410,000	(25,000)	-	-	385,000
Lease liabilities	33,915	(33,717)	10,897	(1,552)	9,543
Total liabilities from financing activities	<u>\$ 617,109</u>	<u>(47,050)</u>	<u>10,897</u>	<u>(1,552)</u>	<u>579,404</u>

	<u>2022.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>2022.12.31</u>
			<u>Changes in lease payment</u>	<u>Others</u>	
Long-term loans	\$ -	173,194	-	-	173,194
Short-term borrowings	609,984	(199,984)	-	-	410,000
Lease liabilities	66,162	(34,058)	1,811	-	33,915
Total liabilities from financing activities	<u>\$ 676,146</u>	<u>(60,848)</u>	<u>1,811</u>	<u>-</u>	<u>617,109</u>

VII Related Party Transaction

(I) Name and relationship of the related party

The subsidiaries of the Company and other related parties having transactions with the Company during the period covered by the parent company only financial statements are as follows:

<u>Name of the related party</u>	<u>Relationship with the Company</u>
MIN AIK PRECISION INDUSTRIAL CO., LTD. (the “MIN AIK PRECISION”)	Affiliated company of the Company
GREEN FAR COMPANY LTD. (the “GREEN FAR”)	Subsidiary of the Company
GEMINNOVATIVE TECHNOLOGY CO., LTD. (the “GEMINNOVATIVE”)	Subsidiary of the Company

Min Aik Technology (M) Sdn. Bhd. (the “MAM”)	Subsidiary indirectly held by the Company
MATC Technology (M) Sdn. Bhd. (the “MATC”)	Subsidiary indirectly held by the Company
Min Aik Technology (Suzhou) Ltd. (the “Suzhou Min Aik”) (Note 1)	Subsidiary indirectly held by the Company
Min Yan (Suzhou) Automated Equipment Co., Ltd. (the “Suzhou Min Yan”) (Note 1)	Subsidiary indirectly held by the Company
Key management personnel	Key management personnel of the Company

Note 1: Suzhou Min Aik and Suzhou Ming Yan, subsidiaries indirectly held by the Company, were merged after obtaining the approval letter in December 2023. Suzhou Ming Aik is the surviving company.

(II) Major transactions with the related party:

1. Operating revenue

The Company’s significant sales to related parties and the outstanding balance are as follows:

	Sale		Amounts due from related parties	
	2023	2022	2023.12.31	2022.12.31
MIN AIK PRECISION	\$ 12	166	-	-

The collection term of the Company’s sales to related parties is 30 to 120 days, which may be adjusted subject to the actual operation. Generally, it is two to three months for sales. The price of sales to related parties is not significantly different from the general sales.

2. Purchase

The Company’s purchases from related parties and the outstanding balance are as follows:

Subsidiary	Purchase	
	2023	2022
MAM	\$ 1,004,069	1,075,703
Suzhou Min Aik	419,556	501,160
MATC	251,653	235,002
Others	1,012	648
Affiliated company	113,111	168,249
	<u>\$ 1,789,401</u>	<u>1,980,762</u>

	Amounts due to related parties	
	2023.12.31	2022.12.31
Subsidiary		
MAM	\$ 872,706	646,203
Suzhou Min Aik	267,671	113,104
MATC	20,822	17,396
Affiliated company	45,331	60,253
	\$ 1,206,530	836,956

The amount of purchases from related parties in 2023 and 2022 above was after deducting the amount of materials supplied by the Company. The amount of purchases on behalf of subsidiaries in 2023 and 2022 was NT\$13,674 thousand and NT\$116,082 thousand. The balance of other payables (accounted for under other current liabilities) due to suppliers as of December 31, 2023 and 2022 for the purchases on behalf of subsidiaries was nil and NT\$2 thousand, respectively.

The Company's payment terms to its related parties is on monthly settlement of 120 days. Accounts to subsidiaries are written off on a monthly basis and for net collection and payment. As the use of funds of subsidiaries is mainly controlled by the Company, the transaction amount is agreed between both parties and adjusted according to the actual operations. L/C, T/T, or monthly settlement of 60 to 120 days are adopted for general suppliers. In addition, except that partial purchase prices from affiliated companies and subsidiaries are negotiated between both parties, the remaining transaction prices are determined based on the cost that occurred to related parties by taking into account reasonable profits.

3. Provision of services to related parties

	Transaction amount	
	2023	2022
Subsidiary		
GEMINNOVATIVE	\$ 14,422	19,656
MAM	5,479	9,903
Others	2,155	2,201
Affiliated company		
MIN AIK PRECISION	4,042	3,425
	\$ 26,098	35,185

		Amounts due from related parties and other amounts receivable from related parties	
		2023.12.31	2022.12.31
Subsidiary			
	GEMINNOVATIVE	\$ 6,510	11,742
	MAM	4,320	8,055
	Others	239	490
Affiliated company			
	MIN AIK PRECISION	1,284	1,564
		\$ 12,353	21,851

The service revenue above is accounted for at net after deducting relevant expenses under operating revenue or other revenue.

4. Endorsement/guarantee

In order to meet the capital needs of subsidiaries' business development, the Company provides endorsements/guarantees for subsidiaries and assists them in obtaining bank financing limits as follows:

	2023.12.31	2022.12.31
Endorsement/guarantee	\$ 35,000	35,000

5. Loaning of funds

The utilization of loans to related parties by the Company is as follows:

Subsidiary	2023.12.31	2022.12.31
	\$ 158,131	-

The interest rate for the above loans to subsidiaries is 2%, and such loans are unsecured loans. The interest income arising from loans to subsidiaries in 2023 was NT\$1,120 thousand. As of December 31, 2023, the outstanding amount was NT\$245 thousand, which was accounted for under other receivables.

6. Others

The unrecovered dividends due from subsidiaries as of December 31, 2023 and 2022 were NT\$33,032 thousand and NT\$20,720 thousand, respectively, which were accounted for under other receivables and other non-current assets.

(III) Transactions with key management personnel

Compensation of key management personnel includes:

	2023	2022
Short-term employee benefits	\$ 33,652	35,874
Benefits after severance/retirement	441	422
	\$ 34,093	36,296

VIII Pledged Assets

The breakdown of the carrying amount of the Company's assets pledged as collateral is as follows:

<u>Asset</u>	<u>Subject pledged</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Restricted assets (accounted for in other receivables)	Short-term borrowing guarantee, borrowing limit, letter of credit guarantee, and customs guarantee	<u>\$ 12,000</u>	<u>12,000</u>

IX Major contingent liabilities and commitments made under unrecognized contracts

(I) Major commitments made under unrecognized contracts

	<u>2023.12.31</u>	<u>2022.12.31</u>
Acquisition of property, plant and equipment	<u>\$ 98</u>	<u>2,595</u>

(II) The guaranteed notes issued by the Company in order to obtain the bank borrowing limit are as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Guaranteed notes issued	<u>\$ 1,126,705</u>	<u>1,382,260</u>

(III) Please refer to Note 7 for the Company's endorsement/guarantee provided to banks for subsidiaries' financing needs.

X Losses due to major disasters: None.

XI Significant subsequent events: None.

XII Others

The employee benefits, depreciation, depletion, and amortization expenses by function are summarized as follows:

By function	2023			2022		
	As operating costs	As operating expenses	Total	As operating costs	As operating expenses	Total
Employee benefit expenses						
Salary expenses	93,559	119,430	212,989	122,042	127,588	249,630
Expenses for labor and health insurance	9,681	10,915	20,596	14,414	11,324	25,738
Pension expenses	3,174	5,411	8,585	4,421	5,476	9,897
Remuneration Paid to Directors	-	5,744	5,744	-	6,012	6,012
Other employee benefit expenses	7,920	7,627	15,547	9,151	7,977	17,128
Depreciation and amortization expenses	53,347	15,197	68,544	52,390	14,478	66,868

The additional information on the number of employees and employee benefit expenses in 2023 and 2022 is as follows:

	2023	2022
Number of employees	292	352
Number of directors not concurred as employees	6	6
Average employee benefit expenses	\$ 901	\$ 874
Average employee salary expenses	\$ 745	\$ 721
Adjustments to average employee salary expenses	3.33%	(6.49)%
Remuneration of supervisors	\$ -	\$ -

The Company's remuneration policy (including Directors, supervisors, managers and employees) is as follows:

Employees' remuneration mainly includes basic salary, allowances and bonuses. The basic salary is agreed between the Company and employees. Remuneration is determined based on factors such as seniority, job level, work performance, and special achievements.

The remuneration of managers is determined with reference to the level of remuneration within the industry, as well as a comprehensive consideration of business performance, goal achievements and future risks.

The Company does not have any supervisor. The remuneration of Directors includes the Director's remuneration and business execution fees, which are distributed according to the Articles of Incorporation and resolved by the Board before distribution.

XIII Noted Disclosures

(I) Information on Significant Transactions

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company shall further disclose the information of significant transactions in 2023 as follows:

1. Loaning of funds to others:

No.	Lender	Debtor	Current account	Whether a related party or not	Maximum amount during the period (Note 1)	Closing balance	Amount actually disbursed	Interest rate interval	Nature of funds loaned	Amount of business transactions	Reasons for short-term financing	Amount of loss allowance appropriated	Collateral		Limit of loans to individual borrowers (Note 2)	Total limit of loans (Note 3)
													Name	Value		
0	The Company	MATC	Other amounts due from related parties	Y	184,230	184,230	158,131	2%	There is a need for short-term financing	-	Operating turnover	-	-	-	503,160	1,006,320

Note 1: It is the maximum amount of loans resolved by the Board. If foreign currencies are involved in the current period in the table, it is translated into NTS at the exchange rate on the date of the financial statements.

Note 2: Where there is a need for short-term financing, the amount shall not exceed 20% of the net worth in the latest financial statements.

Note 3: The total loans provided by the Company shall not exceed 40% of the net worth in the latest financial statements.

2. Endorsements/guarantees provided for others:

No.	Name of endorsing/guaranteeing company	Counterparty of endorsement/guarantee		Endorsement/guarantee limit for a single enterprise (Note 1)	Maximum balance of endorsement/guarantee made during the current period	Balance of endorsement/guarantee at the end of the period	Amount actually disbursed	Endorsement/guarantee secured by company assets	Ratio of the accumulated endorsement/guarantee amount to the net worth in the most recent financial statement	Maximum limit of endorsement/guarantee (Note 2)	As the parent company's endorsements/guarantees toward subsidiary(ies)	As a subsidiary's endorsements/guarantees toward its parent company	As the endorsements/guarantees toward the mainland China area
		Company name	Relationship										
0	The Company	GREEN FAR	Subsidiary of the Company	251,580	35,000	35,000	25,764	-	1.39%	5,031,604	Y	N	N

Note 1: The limit on endorsements/guarantees made by the Company to a single enterprise shall be no more than 10% of the Company's net worth in its latest financial statements.

Note 2: Maximum limit on endorsements/guarantees made by the Company shall be no more than two times the Company's net worth in its latest financial statements.

3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies and joint ventures):

Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
				Share/stock (thousand shares/stock)	Carrying amount	Ratio of shareholding	Fair value	
The Company	United 5Y Trigger EMD Term Fd B USD	None	Financial assets at fair value through profit or loss - non-current	20	\$ 5,759	-	5,759	
"	Archers Inc.	"	"	4,500	-	13.89 %	-	
"	LBO	"	"	165	-	0.72 %	-	
"	HDDisk	"	"	833	-	12.50 %	-	
"	Das Technology	"	"	5,079	168,208	10.158 %	168,208	
					\$ 173,967			
"	Tascent, Inc.	"	Financial assets measured at fair value through other comprehensive income – non-current	4,500	\$ -	5.14 %	-	

4. Accumulated purchases or sales of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital: None.

5. Acquisition of property amounting to at least NT\$300 million or 20% of the paid-in capital:

6. Disposal of property amounting to at least NT\$300 million or 20% of the paid-in capital:

7. Sales or purchases with related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Purchasing (selling) company	Name of the counterparty	Relationship	Transaction status				Distinctive terms and conditions of trade and the reasons		Notes/accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	As a percentage of total purchases (sales)	Duration	Unit price	Duration	Balance	As a percentage of total notes and accounts receivable (payable)	
The Company	MAM	Subsidiary wholly-owned by MAS	Purchase	1,004,069	48%	註1	-	The general transaction payment period is approximately two to four months	(872,706)	(67)%	
MAM	The Company	Subsidiary wholly-owned by MAS	(Sales)	(1,004,069)	(99)%	"	-	"	872,706	100%	
The Company	MATC	Subsidiary in which Synergy holds 80% of its equity	Purchase	251,653	12%	"	-	"	(20,822)	(2)%	
MATC	The Company	Subsidiary in which Synergy holds 80% of its equity	(Sales)	(251,653)	(97)%	"	-	"	20,822	85%	
The Company	Suzhou Min Aik	Subsidiary in which Synergy holds 100% of its equity	Purchase	419,556	21%	"	-	"	(267,671)	(21)%	
Suzhou Min Aik	The Company	Subsidiary in which Synergy holds 100% of its equity	(Sales)	(419,556)	(85)%	"	-	"	267,671	81%	
The Company	MIN AIK PRECISION	Investee in which the Company holds 38.68% of its equity	Purchase	113,111	5%	"	-	"	(45,331)	(3)%	
MAM	MIN AIK PRECISION	Investee in which the Company holds 38.68% of its equity	Purchase	140,310	25%	"	-	"	(51,918)	(19)%	

Note 1: A monthly settlement of 120 days is adopted, and the payment term may be adjusted by both parties upon agreement.

8. Amounts due from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Stated company of accounts receivable	Name of the counterparty	Relationship	Balance of amounts due from related parties	Turnover rate	Overdue amounts due from related parties		Amounts due from related parties recovered after the period (Note)	Amount of loss allowance appropriated
					Amount	Treatment		
MAM	The Company	Subsidiary wholly-owned by MAS	872,706	1.32	344,885	Collection based on fund position	200,033	-
Suzhou Min Aik	The Company	Subsidiary in which Synergy holds 100% of its equity	267,671	2.20	-	-	44,539	-

Note: Data as of February 6, 2024.

9. Transactions of derivatives: None.

(II) Information Related to Reinvested Enterprises:

Information on the Company's investees in 2023 are as follows (excluding investees in Mainland China):

Name of investor	Name of investee	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment gain or loss	Remarks
				End of the current period	The last year end	Number of shares (thousand shares)	Ratio	Carrying amount			
The Company	MAS	Singapore	Import & export, agency, warehousing management and after-sale service of products	353,522	353,522	18,564	100.00%	1,451,386	(53,010)	(52,953)	
The Company	Synergy	Samoa	Holdings company	883,384	883,384	22,057	100.00%	402,686	(58,467)	(58,467)	
The Company	MATH	Thailand	HDD manufacturing and trading	433,606	433,606	262	100.00%	104,449	44,685	44,685	
The Company	MAUS	U.S.	Trading, after-sale service and R&D of HDD	968	968	30	100.00%	3,283	(76)	(76)	
The Company	Good Master	Cayman Islands	Holdings company	239,894	239,894	7,490	100.00%	22,926	(185)	(185)	
The Company	GREEN FAR	Taiwan	Energy technical services and renewable energy power generation	12,000	12,000	1,200	100.00%	16,001	(5)	(5)	
The Company	GEMINNOVATIVE	Taiwan	Electronic materials wholesale and retail	5,000	5,000	500	100.00%	15,122	1,279	1,279	
The Company	MAP Tech.	Singapore	Investment holding company	260,791	260,791	66,913	46.60%	-	(405)	-	
The Company	MIN AIK PRECISION	Taiwan	Electronic parts and components manufacturing	566,744	553,837	29,787	38.68%	753,756	83,064	28,165	
The Company	ABLYTEK	Taiwan	Manufacturing and sales of solar modules	209,885	209,885	16,229	27.05%	-	-	-	Note 1
MAS	MAM	Malaysia	HDD manufacturing and trading	333,937	333,937	60,000	100.00%	1,431,858	(53,557)	(53,557)	
Synergy	MATC	Malaysia	HDD manufacturing and trading	406,648	406,648	17,707	80.00%	(26,060)	(90,174)	(72,140)	
Good Master	MUS	Singapore	Holdings company	239,201	239,201	11,800	69.41%	22,924	(267)	(185)	
MUS	MUM	Malaysia	HDD manufacturing and trading	347,134	347,134	35,996	100.00%	66	(58)	(41)	

Note 1: ABLYTEK was put to an end on November 10, 2021; however, the liquidation documents of the company have not been obtained.

(III) Information on investments in Mainland China:

1. Information on the name and main scope of business of the investees in Mainland China:

Name of invested company in Mainland China	Principal business	Paid-in capital	Investment method	Cumulative outward investment amount remitted from Taiwan – beginning of the period	Proportion of direct or indirect holdings		Cumulative outward investment amount remitted from Taiwan – ending of the period	Net income of investee	Shareholdings of the Company's direct or indirect investment	Recognized investment gain or loss (Note 1)	Carrying amount of investments at the end of the period (Note 1)	Repatriated investment gain as of the current period
					Remitted outward	Repatriated						
Suzhou Min Aik	Manufacturing, trading, after-sales service and R&D of HDD	492,127 (USD15,000 thousand)	Investment through Synergy	385,168 (USD11,512 thousand)	-	-	476,438 (USD14,512 thousand)	8,086 (Note 2)	100%	8,086	428,969	-
Suzhou Min Yan	Automation equipment manufacturing and trading	- (Note 2)	Investment through Synergy	91,270 (USD 3,000 thousand)	-	-	-(Note 2)	5,587	-% (Note 2)	5,587	-	-

Note 1: Based on the financial statements of the parent company in Taiwan audited by CPAs.

Note 2: Suzhou Min Yan merged with Suzhou Min Aik in December 2023, and Suzhou Min Aik is the surviving company.

2. Limit of investment in Mainland China:

Accumulated outward investments remitted from Taiwan to China at the end of the period	Investment amount approved by Investment Commission, MOEA	Ceiling on investment in Mainland China imposed by the Investment Commission, Ministry of Economic Affairs
NT\$479,610 thousand	NT\$520,548 thousand	NT\$1,509,481 thousand

3. Significant transactions with investees in Mainland China:

For the Company's direct or indirect significant transactions with investees in Mainland China in 2023, please refer to the description under "Information on Significant Transactions."

(IV) Information on Major Shareholders:

The information on major shareholders is calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter. Shareholders hold more than 5% of ordinary and preferred shares that have completed the delivery of scripless registration and delivery (including treasury shares). The Company does not intend to disclose the information of major shareholders as there is no shareholder holding more than 5% of the shares.

XIV Segment Information

Please refer to the 2023 consolidated financial statements for details.

VI. If the Company or its affiliates have experienced financial difficulties in the most recent year up to the date of publication of the Annual Report, the Annual Report shall explain how said difficulties will affect the Company's financial situation: None.

Ch 7. Review and analysis of financial status and financial performance and risk management

I. Comparison and Analysis on Financial Position

Unit: NT\$ thousand

Year Title	2022 (After restatement)		2023		Difference	
	Amount	%	Amount	%	Amount	%
	Current assets	2,435,916	55	2,360,315	57	(75,601)
Financial assets at fair value through profit or loss	296,870	7	173,967	4	(122,903)	(41)
Financial assets at fair value through other comprehensive income	7,546	0	0	0	(7,546)	(100)
Investments under equity method	760,465	17	753,756	18	(6,709)	(1)
Property, plant and equipment	728,978	16	704,096	17	(24,882)	(3)
Other assets	204,478	5	164,198	4	(40,280)	(20)
Total assets	4,434,253	100	4,156,332	100	(277,921)	(6)
Current liabilities	1,185,194	27	1,245,508	30	60,314	5
Non-current liabilities	381,413	9	391,432	9	10,019	3
Total Liabilities	1,566,607	35	1,636,940	39	70,333	4
Capital stock	1,375,632	31	1,375,632	33	0	0
Capital surplus	1,476,353	33	1,466,724	35	(9,629)	(1)
Retained earnings	789,323	18	535,318	13	(254,005)	(32)
Other equity	(795,499)	(18)	(861,872)	(21)	(66,373)	(8)
Non-controlled interests	21,837	0	3,590	0	(18,247)	(84)
Total equity	2,867,646	65	2,519,392	61	(348,254)	(12)

In the event of changes by more than 20% and amount thereof attaining NT\$10,000 thousand, the analysis is described as following:

- (I) Financial assets at fair value through profit or loss decreased during the period due to the valuation loss appropriated based on the fair value.
- (II) The decrease in the financial assets at fair value through other comprehensive income was a result of the valuation loss appropriated.
- (III) Other assets decreased during the period due to the decrease in right-of-use assets.
- (IV) Retained earnings decreased during the period from the previous period due to the operating loss.
- (V) The decrease in non-controlled interests in the current period from the previous period
- (VI) was a result of the operating loss.

II. Comparative and Analysis of Financial Performance:

(I) Comparative and Analysis of Financial Performance

Unit: NT\$ thousand

Item	Year	2022	2023	Change in amount	Change in proportion (%)
		Amount	Amount		
Operating income		3,223,080	2,655,528	(567,552)	(18)
Operating cost		2,848,232	2,432,649	(415,583)	(15)
Gross operating profit		374,848	222,879	(151,969)	(41)
Operating expenses		471,009	439,933	(31,076)	(7)
Operating Profit (loss)		(96,161)	(217,054)	(120,893)	(126)
Non-operating income and expenses		139,970	4,914	(135,056)	(96)
Net profit (loss) before tax		43,809	(212,140)	(255,949)	(584)
Less: Income Tax Expenses		23,244	21,622	(1,622)	(7)
Net profit (loss) this term		20,565	(233,762)	(254,327)	(1,237)
Other comprehensive income		76,167	(73,223)	(149,390)	(196)
Total comprehensive income (loss) this term		96,732	(306,985)	(403,717)	(417)
Net profit attributable to the owner of the parent		39,758	(215,646)	(255,404)	(642)

In the event of changes by more than 20% and amount thereof attaining NT\$10,000 thousand, the analysis is described as following:

1. The decrease in the operating revenue, cost and gross profit in the current period was a result of the downturn of the HDD market and decrease in the utilization.
2. The decrease in the operating profit is primarily a result of lower demand, lower utilization rate, and the decrease in profit.
3. The decrease in the net non-operating revenue is primarily a result of the decrease in the investment gains recognized due to the losses of affiliates of the Company, the valuation loss of financial assets, and the increase in the exchange loss due to exchange rate fluctuations.
4. The decrease in the net profit before and after tax from the previous period is a result of the decrease in operating profit.
5. The decrease in other comprehensive income is a result of the decrease on the cumulative translation adjustment of foreign currency financial statements resulting from fluctuations in foreign exchange rate.
6. As a result of the factors referred to above, the net profit attributable to the owners of the parent company for the period decreased compared with the same period of last year.

- (II) Sales volume forecast for the next year and the basis thereof, and the effect upon the Company's business and finances, as well as the plans to be taken in response:

The global HDD shipment amounted to about 123 million units in 2023, decreasing by 28.6% from the previous year. Meanwhile, after taking into consideration multiple variables, such as changes in consumer preferences, low inventory strategies adopted by the three major HDD manufacturers, and changes in cloud storage demand, the Company found that the significant increase in storage data volume and hard disk capacity has mitigated the trend that the hard disk market was declining year by year. The global HDD shipment in 2024 is expected to decline by about 5~8% from 2023. Total shipments of the Company are expected to remain stable upon integration of the organization's resources and diversification of products. The Company proposes the business plan in reference to the related analysis and report on the industry of computers, consumer electronics, and hard disks, as well as the expected shipments to customers, and also conducts evaluation and planning based on the past operating revenue growth rate, market share, and overseas subsidiaries' achievement of production capacity scale. Notwithstanding, the volatility in the foreign exchange rate for USD and price of raw materials and supplies still remain as one of the focuses to be observed in the current year.

III. Review and Analysis on Cash Flows

(I) Liquidity Analysis in the Most Recent Two Years

Unit: NT\$ thousand

Cash balance at beginning (1)	Net cash flow from operating activities for the year (2)	Net Cash Flow From Investing and Financing Activities for the Year (3)	Foreign Exchange Effects (4)	Expected Cash Surplus (1)+(2)+(3)+(4)	Responsive Measures Against Cash Deficit	
					Investment Plan	Wealth Management Plan
430,494	422,507	(109,633)	(49,945)	693,423	-	-

1. Cash flow from operating activities: The net cash inflow, NT\$422,507 thousand, was primarily a result of the decrease in inventory this year.
 2. Investing activities: The net cash outflow, NT\$4,443 thousand, is primarily a result of the addition of property and equipment.
 3. Financing activities: The net cash outflow, NT\$105,190 thousand, was a result of the distribution of cash dividends and repayment of bank loans.
- (II) Corrective Measures Against Insufficient Liquidity: The Company has no insufficient liquidity problem.

(III) Cash Liquidity Analysis for the Next Year

Unit: NT\$ thousand

Cash balance at beginning (1)	Projected cash inflow in current period (2)	Projected cash outflow in current period (3)	Projected Amount of Cash Surplus (deficit) (1)+(2)-(3)	Estimated Responsive Measures Against Cash Deficit	
				Investment plan	Wealth management plan
693,423	3,306,973	3,323,838	676,558	-	-

1. Analysis on Changes of Cash Flow in 2024

- (1) Operating activities: Net cash inflow from operating activities for the year is estimated as NT\$161,112 thousand.
- (2) Investing activities: The Company plans to expand its factory premises and purchase machines and equipment next year. The cash outflow will be about NT\$99,311 thousand.
- (3) Financing activities: The Company plans to repay the bank loans and pay cash dividends next year. The cash outflow will be about NT\$78,666 thousand.
- (4) In conclusion, cash surplus is estimated as NT\$676,558 thousand for the year.

2. Estimated Responsive Measures Against Cash Deficit: The Company has no cash deficit problem.

IV. Impact posed to the business and finance by major capital expenditures in the most recent year

(I) Material Capital Expenditure Utilization Status and Source of Capital:

Unit: NT\$ thousand

Projects	Actual or Expected Source of Capital	Actual or Expected Date of Completion	Total Capital Required	Actual or Scheduled Capital Utilization	
				2023	2024
Purchase of Production Equipment	Own Capital	2024 Q4	99,311	0	99,311

(II) Effect Expected to be Produced

The production equipment was purchased in order to maintain the production capacity of data storage OEM and update the equipment required for strict quality, and also to construct basic production capacity for the Company's development target for diversified business and technology upgrading.

V. The investment Strategy in the most recent year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

(I) The Investment Policy for the Most Recent Year: The Company's investments are handled in accordance with the "Procedure for Acquisition or Disposal of Assets". The investment income is evaluated upon approval of the Board of Directors.

(II) Investment Analysis Statement

1. Under the Equity Method:

Unit: NT\$ thousand

Item	Carrying Amount of Long-term Investment Until December 31, 2023	Policy	Major Causes for Profit or Loss	Improvement Plan	Other Future Investment Plans
MAP TECHNOLOGY HOLDINGS PTE. LTD.	0	Singapore Holdings Company	-	-	-
MIN AIK PRECISION INDUSTRIAL CO., LTD.	753,756	Electronic components manufacturing	Earnings decreased this year as a result of the decrease in operating revenue related to stamping parts and automation.	-	-
ABLYTEK CO., LTD.	0	R&D, manufacturing, and sale of monocrystalline/multi-crystalline standard module VIPVs, solar roof modules, and solar curved modules.	-	-	-

2. Other Financial Assets as Equity Instruments:

Unit: NT\$ thousand

Item	Carrying amount of long-term investment until December 31, 2023	Policy	Major causes for profit or loss	Improvement plan	Other future investment plans
HDDisk Filx	0	Diversified business	-	-	-
LIGHT BLUE OPTICS LTD.	0	Diversified business	-	-	-
ARCHERS INC.	0	Diversified business	-	-	-
DAS TECHNOLOGY CO., LTD.	168,208	Diversified business	-	-	-
TASCENT, INC.	0	Diversified business	-	-	-

3. Investment Plans for Next Year: None.

VI. Risk analysis and evaluation

(I) The impact of changes in interest rates, exchange rates, and inflation on the company's profit/loss and future countermeasures:

1. The Company's interest rate risk primarily arises from the loans for purchase of materials from operating activities. In this regard, bank loans are considered as financing instruments and the interest rate range is agreed to mitigate the interest rate risk.
2. Impacts of foreign exchange rate fluctuation to the Company's income, and future responsive measures: The Company's collection and payment is primarily denominated in USD. Some natural hedging effect produced by offset of regular purchase and sale items with each other can help mitigate the impact posed by foreign exchange rate fluctuation to the operating income. The Company will continue to monitor the changes in the foreign exchange rate to help take adequate hedging measures to mitigate the foreign exchange rate risk.
3. Impacts of inflation to the Company's income, and future responsive measures: No significant impact has been caused by inflation to the Company in 2023.

(II) The main causes for profits or losses for engaging in high-risk, high-leverage investments, loaning funds to others, endorsement/ guarantees and derivatives trading policies, and the future countermeasures:

In order to manage financial risk, the Company never engages in any high-risk and high-leverage investments. In order to control risk over certain transactions, the Company has adopted internal management regulations and operating procedure, including the "Procedure for Making of Endorsements/Guarantees", "Procedure for Loaning to Others", and "Procedure for Acquisition or Disposal of Assets" pursuant to laws and regulations.

(III) Future R & D plans and the budgets on R & D

In 2024, the Company plans to orient research toward the development and application of technology of 2.5-inch and 3.5-inch HDD (such as VCM and read/write head stops, etc.) and Mac/ Windows peripheral Thunderbolt 3 interfaces, USB3.2/USB4.0 interfaces, Thunderbolt 3 + USB3.2 interface single or multiple hard disks/SSD EHD products, application of galvanometers to enhance the resolution of DLP projectors (including ultra-thin 0.47-inch dual-axis galvanometer and 0.8- inch dual-axis galvanometer), laser spot removers (applied to reduce the spot produced by laser projection light sources) and contact lens precision molds, automated equipment, and smart manufacturing. The investment in R&D expenses is equivalent to those in the same period of last year, estimated to be 4~5% of the net turnover, as the basis for the Company's R&D of new products.

(IV) Financial impacts and response measures in the event of changes in local and foreign regulations:

The Company's operations comply with all relevant domestic/foreign laws and regulations. Meanwhile, the Company continues to take note of the development trend of domestic/foreign policies and changes in laws and regulations, in order to help adjust the Company's related operating policies. By the date of publication of

the Annual Report, no impact was posed to the Company's finances and business due to changes in domestic/foreign important policies and laws.

- (V) Impact posed to the Company's business and finance, and response measures, in the event of technological changes (including cyber security risks) or industrial changes:

The Company continues to note the development potential of the industry which it is engaged in, and response measures to be taken against the impact posed to its business and finances. Meanwhile, the Company mitigates the operational risk through diversification of technology and strategic alliances.

- (VI) Major impact on the company brought by company image change of and remedial actions:

The Company always complies with laws and regulations and fulfills its social responsibility. There is no related coverage on the Company's bad corporate identity. Since the Company was listed on the TWSE upon approval in 2002, the investors have required stricter information disclosure. Therefore, the Company established the spokesperson system and information disclosure operations pursuant to laws.

- (VII) Potential effects and risks associated with mergers and acquisitions and response measures: Not applicable.

- (VIII) Potential effects and risks associated with expansion in plant capacity and remedial action: Not applicable.

- (IX) Potential effects and risks associated with the concentration of purchases or sales:

Purchase: The upstream key raw materials are concentrated in a few suppliers.

VCM is the Company's main product. The Company doesn't engage in the production of the major raw materials thereof, large magnets and upper and lower boards, for the time being. If the main raw materials are in short supply, the cost of materials will increase, and the Company's mass production scale will be affected too.

Response measures:

1. The Company establishes strategic alliances or executes supply contracts with key component suppliers, in order to stabilize the source of raw material supply and increasing its production capacity.
2. Currently, the Company has two suppliers to ensure the supply of various raw materials.

Sales: The Company's concentration of industry appears to be high and thereby increases its operational risk.

The Company's HDDs generate operating revenue accounting for about 70% of the Company's total operating revenue. Therefore, any excessive or unbalanced changes in the supply and demand of the industry might produce pressure on the Company's operations.

Response measures:

The Company is using its best effort to develop the business towards EMS, optical components design and manufacturing, and medical equipment/consumables. In order to diversify the Company's products further, multiple products and processes are also under R&D, including medical automated machine development, 3D printers, design and manufacture of optical galvanometers applied to laser TVs and projectors etc.

- (X) Impact and risks brought by significant shareholdings transfer by the Directors, Supervisors, or shareholders with more than 10% ownership, and the remedial actions: Not applicable.
- (XI) Impacts, risks and response measures associated with a change to the management of the financial holding company: Not applicable.
- (XII) Litigious and Non-litigious Matters: If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceedings, or administrative disputes involving any of the Company's directors, supervisors, president, de facto responsible person, or major shareholders with a stake of more than 10%, and the matter was finalized or remained pending, please disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case up to the date of publication of the Annual Report: None.
- (XIII) Other material risks and corresponding measures: None.

VII. Other Major Events: None.

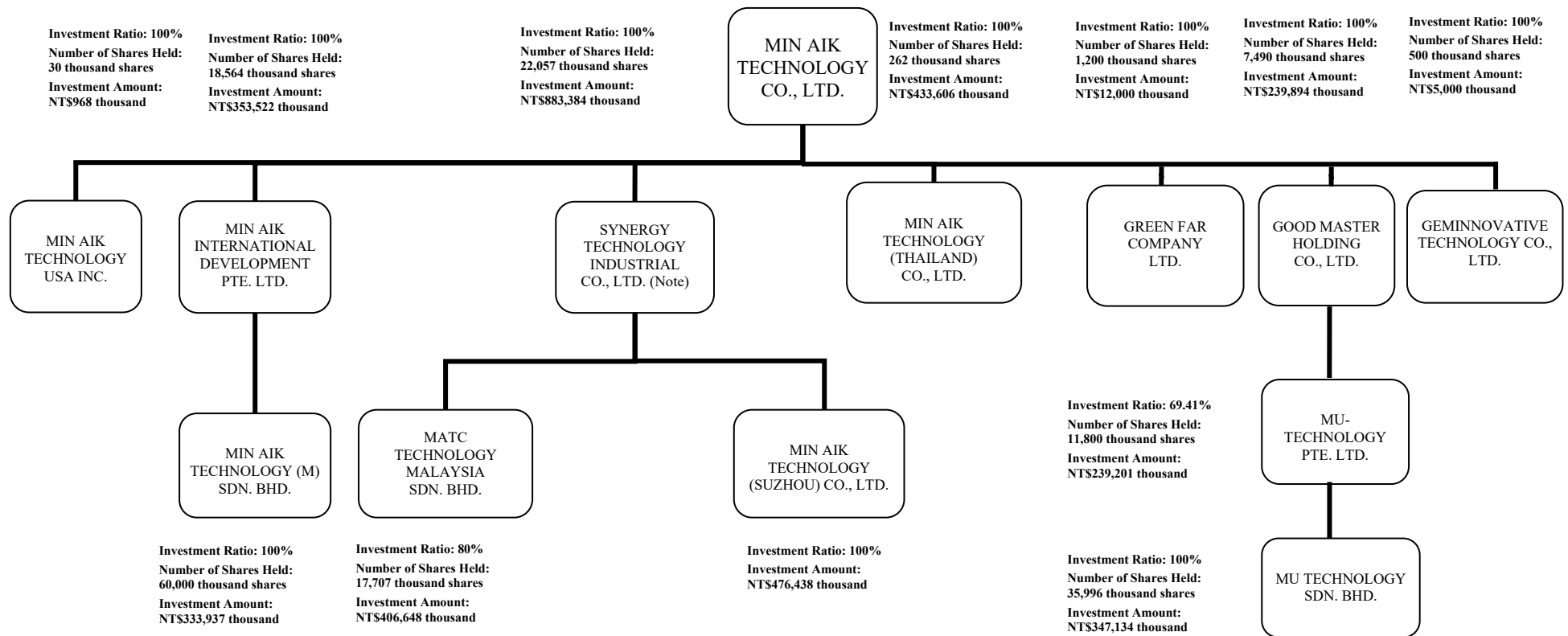
Ch 8. Special Disclosure

I. Information on Affiliates

(I) Information on Affiliates

Baseline date: December 31, 2023

1. Organizational Chart of Affiliated Companies



2. Basic Information on Affiliates

Baseline date: December 31, 2023

Corporate name	Date of Establishment	Address	Paid-in capital	Scope of business/production
MIN AIK TECHNOLOGY USA INC.	1998.12	1059 Bright Oak Place San Jose, California 95120,USA	USD30,000	Trading, after-sales service, and R&D of HDD
MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD.	2001.02	136 Joo Seng Road #04-01 Singapore 368360	USD10,582,317	Import and export, agency, warehousing management, and after-sales service of products
MIN AIK TECHNOLOGY (M) SDN. BHD.	2001.02	ST814,Kawasan Perindustrian Masjid Tanah,78300 Masjid Tanah, Melaka, Malaysia	RM60,000,000	HDD manufacturing and trading
SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD.	2004.04	Level 2,Lotemau Centre, Vaea Street, Apia Samoa	USD22,056,508	Holdings Company
MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	2004.03	High-tech Zone Export Processing Zone, Suzhou City, Jiangsu Province	USD12,000,000	Manufacturing, trading, after-sales service, and R&D of HDD
MATC TECHNOLOGY MALAYSIA SDN. BHD.	2007.09	LOT684,Kawasan Perindustrian Masjid Tanah,78300 Masjid Tanah,Melaka,Malaysia	RM22,133,500	HDD manufacturing and trading
MIN AIK TECHNOLOGY (THAILAND) CO., LTD.	2005.12	40/4, Moon 5, Rojana Industrial Park, Tambol U-Thai, Amphur U-Thai Ayutthaya 13210, Thailand	THB52,474,800	HDD manufacturing and trading
GOOD MASTER HOLDING CO., LTD.	2011.05	1 st Floor, Windward 1,Regatta Office Park, P.O. Box 10338, Grand Cayman, KYI-1003, Cayman Islands.	USD7,490,000	Holdings Company
MU-TECHNOLOGY PTE. LTD.	2008.06	9 Raffles Place # 32-00 Republic Plaza Singapore 048619	USD17,000,000	Holdings Company
MU TECHNOLOGY SDN. BHD.	2009.03	PTD 42929,Jalan Murni 12, Kawasan Perindustrian Mumi, 81400 Senai, Johor, Malaysia.	USD10,707,172	HDD manufacturing and trading
GREEN FAR COMPANY LTD.	2012.03	4F.-3, No. 492-1, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City	NTD12,000,000	Energy technology service industry and renewable energy power generation
GEMINNOVATIVE TECHNOLOGY CO., LTD.	2018.08	4F.-3, No. 492-1, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City	NTD5,000,000	Electronic materials wholesale and retail

USD : 31.1275 NTD ; THB : 0.9001 NTD ; RM : 6.8221NTD

3. Businesses activities covered by affiliated companies:

Baseline date: December 31, 2023

By Industry	Name of Affiliated Company	Affiliation With the Operations of Affiliated Company
Trading Business	MIN AIK TECHNOLOGY USA INC.	Trading, after-sales service, and R&D of HDD
Trading Business	MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD.	Import and export, agency, warehousing management, and after-sales service of products
Manufacturing Business	MIN AIK TECHNOLOGY (M) SDN. BHD.	HDD Manufacturing and Trading
Investment Business	SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD.	Holdings Company
Manufacturing Business	MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	Manufacturing, trading, after-sales service, and R&D of HDD
Manufacturing Business	MATC TECHNOLOGY MALAYSIA SDN. BHD.	HDD manufacturing and trading
Manufacturing Business	MIN AIK TECHNOLOGY (THAILAND) CO., LTD.	HDD manufacturing and trading
Investment Business	GOOD MASTER HOLDING CO., LTD.	Holdings Company
Investment Business	MU-TECHNOLOGY PTE. LTD.	Holdings Company
Manufacturing Business	MU TECHNOLOGY SDN. BHD.	HDD manufacturing and trading
Manufacturing Business	GREEN FAR COMPANY LTD.	Energy technology service industry and renewable energy power generation
Trading Business	GEMINNOVATIVE TECHNOLOGY CO., LTD.	Electronic materials wholesale and retail

4. Information on related shareholders assumed to be in a controlling and subordinate relationship: None.

5. Information on directors, supervisors, and presidents of affiliated corporations

Baseline date: December 31, 2023 ; Unit: thousand shares; %

Corporate name	Title	Name of individual or representative(s)	Number of shares held	
			Number of shares	Ratio of shareholding
MIN AIK TECHNOLOGY USA INC.	Director	Lee Khay Soon	0	0
	Director	Chia Kin Heng	0	0
MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD.	Director	Chia Kin Heng	0	0
	Director	Kuan Seow Thong	0	0
MIN AIK TECHNOLOGY (M) SDN. BHD.	Director	Chia Kin Heng	0	0
	Director	Yang Hung Jen	0	0
	Director	Wee Cheong Ann	0	0
SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD.	Director	MIN AIK TECHNOLOGY CO., LTD.	22,057	100
MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	Director	Chia Kin Heng	0	0
	Director	Tsai Chen Shan	0	0
	Director	Sung Tsan Yung	0	0
	Supervisor	Yang Hung Jen	0	0
	President	Wang Yao Hung	0	0
MATC TECHNOLOGY MALAYSIA SDN. BHD.	Director	Chia Kin Heng	0	0
	Director	Wee Cheong Ann	0	0
MIN AIK TECHNOLOGY (THAILAND) CO., LTD.	Director	Kuan Seow Thong	0	0
	Director	Yang Hung Jen	0	0
GOOD MASTER HOLDING CO., LTD.	Director	MIN AIK TECHNOLOGY CO., LTD.	7,490	100
MU-TECHNOLOGY PTE. LTD.	Director	Kuan Seow Thong	0	0
	Director	Yang Hung Jen	0	0
MU TECHNOLOGY SDN. BHD.	Director	Kuan Seow Thong	0	0
	Director	Yang Hung Jen	0	0

Corporate name	Title	Name of individual or representative(s)	Number of shares held	
			Number of shares	Ratio of shareholding
GREEN FAR COMPANY LTD.	Director/President	MIN AIK TECHNOLOGY CO., LTD. Representative: Chia Kin Heng	1,200	100
	Director	MIN AIK TECHNOLOGY CO., LTD. Representative: Yang Hung Jen	1,200	100
	Director	MIN AIK TECHNOLOGY CO., LTD. Representative: Sun Te Wen	1,200	100
	Supervisor	MIN AIK TECHNOLOGY CO., LTD. Representative: Chen Yu Jhen	1,200	100
GEMINNOVATIVE TECHNOLOGY CO., LTD.	Director/President	MIN AIK TECHNOLOGY CO., LTD. Representative: Chia Kin Heng	500	100
	Director	MIN AIK TECHNOLOGY CO., LTD. Representative: Lee Lung Fang	500	100
	Director	MIN AIK TECHNOLOGY CO., LTD. Representative: Sun Te Wen	500	100
	Supervisor	MIN AIK TECHNOLOGY CO., LTD. Representative: Chen Yu Jhen	500	100

6. Operating overview of affiliated corporations:

Baseline date: December 31, 2023 ; Unit: NT\$ thousand

Corporate name	Capital	Total assets	Total Liabilities	Net worth	Operating income	Operating benefit	Current income (loss) (after tax)	Earnings Per Share (NT\$) (after tax)
MIN AIK TECHNOLOGY USA INC.	968	3,889	585	3,304	10,510	(31)	(76)	(2.53)
MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD.	353,522	1,788,990	337,413	1,451,577	1,022,355	(93,713)	(53,011)	(2.86)
MIN AIK TECHNOLOGY (M) SDN. BHD.	333,937	1,768,223	336,365	1,431,858	1,019,604	(95,813)	(54,773)	(9.13)
SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD.	716,222	854,885	458,481	396,403	768,250	(68,508)	(58,467)	(2.65)
MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	492,127	616,051	187,083	428,969	506,420	15,547	8,086	0.56
MATC TECHNOLOGY MALAYSIA SDN. BHD.	298,868	238,826	271,399	(32,573)	261,021	(84,415)	(90,174)	(5.09)
MIN AIK TECHNOLOGY (THAILAND) CO., LTD.	47,487	107,675	3,232	104,442	0	(9,561)	44,685	170.55
GOOD MASTER HOLDING CO., LTD.	239,894	33,132	102	33,030	0	(136)	(185)	(0.02)
MU-TECHNOLOGY PTE. LTD.	526,396	33,064	102	32,961	0	(218)	(210)	(0.02)
MU TECHNOLOGY SDN. BHD.	347,134	66	0	66	0	81	(60)	0.00
GREEN FAR COMPANY LTD.	12,000	69,700	53,699	16,000	9,535	850	(6)	(0.01)
GEMINNOVATIVE TECHNOLOGY CO., LTD.	5,000	91,541	76,419	15,122	71,316	1143	1,279	2.56

(II) Consolidated Financial Statements of Affiliated Companies: Please refer to the 2023 consolidated financial statements audited and certified by the external auditors referred to in Paragraph 4 of the “Overview of Finances”.

(III) Affiliation report: Not applicable.

II. Private placement of securities in the most recent year and up to the date of publication of the Annual Report: None.

- III. The shares in the Company held or disposed of by subsidiaries in the most recent years up to the publication of this annual report: None.
- IV. Other important supplementary information: None.

**Ch 9. Events occurred in the most recent year or up to the publication of this annual report, which significantly affect shareholders' equity or price of shares pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act:
None.**

MIN AIK TECHNOLOGY CO., LTD.

Chairman: Chia Kin Heng