Stock Code:4545

銘鈺精密工業股份有限公司

Min Aik Precision Industrial Co., Ltd.

Annual Report 2023

Annual Report is available at
Taiwan Stock Exchange Market Observation Post System:
https://mops.twse.com.tw
Company Website: https://www.mapi.com.tw

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Notice to readers

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

1. **Spokesperson**
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   Title: Assistant Vice President of Finance Administration Division
   Tel: 03-4389966
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   Acting Spokesperson
   Name: Hsieh, Hsiu-Lan
   Title: Assistant Vice President of Operating Service Division
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2. **Address and Telephone of Headquarters, Branches and Factories**
   Headquarters and factory: No.2, Guorui Rd., Guanyin Dist., Taoyuan City 328, Taiwan R.O.C.
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   Branches: N/A

3. **Stock Transfer Agency**
   Taishin Securities Stock Transfer Agency Department
   Address: B1F, No.96, Sec. 1, Jianguo N.Road, Zhongshan District,Taipei City
   Website: www.tssco.com.tw
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4. **CPA for latest certified annual financial statements**
   Name of CPA firm: KPMG
   CPAs: Yu, Sheng-Ho & Cheng, An-Chih
   Address: 68F, Taipei 101 Tower, No.7, Sec.5, Xinyi Road, Taipei City 110, Taiwan (R.O.C.)
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5. **Name of stock exchange for overseas listed securities and method for enquiry of overseas securities information: N/A**

6. **Corporate Website: www.mapi.com.tw**

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I. Letter to Shareholders

Dear Shareholders:

On behalf of the management team, we would like to express our gratitude to all our shareholders for your participation in and long-term support for our company. In 2023, the rising global energy costs and high inflation resulted in a shrinkage in end demand, a sharp growth in raw material and labor costs, and an increase in overall economic uncertainty. The Company faced pressure from sluggish demand in the terminal market, slowing demand in both domestic and export markets and high-level inventory across the industry, contributing to a slowdown in the Company's overall growth trend.

Nevertheless, despite various variables and challenges such as war, inflation, and increases in interest rates, Min Aik Precision Industrial Co., Ltd. persisted in making continuous technological progress, successfully meeting customer needs, and actively expanding its business. As a result, the company maintained stable operating results throughout 2023. Looking ahead, Min Aik Precision Industrial Co., Ltd. will maintain its focus on its core business, fulfill its social responsibilities, enhance its technology research and development capabilities, and fully leverage the Group's comprehensive efficiency. This approach will enable us to continually generate high-value ideas, effectively respond to various challenges, and demonstrate sustainable competitive strength.

I. 2023 Operating results

(I) Overview of operation policy and implementation

In 2023, as a whole, the stamping business experienced a decline compared to the previous year due to weakened end-market demand and industrial inventory adjustment. However, the medical plastics and automation business held the line. Despite the rising labor and raw material costs in the market, the management team reduced the impact of rising costs through a business strategy focused on optimizing processes, reducing costs, and developing diversified businesses, and continued to generate profits in the year.

The consolidated net operating revenue is NT$ 2,075,139 thousand dollars. Consolidated operating gross profit NT$ 382,598 thousand dollars. Consolidated operating net income is NT$ 87,533 thousand dollars. Consolidated net income (after tax) is NT$ 83,065 thousand dollars. The consolidated after-tax earnings per share is NT$ 1.08, and the net value per share is NT$ 24.2.

(II) Implementation achievements of the operating plan

Item	2023	2022
Operating Revenue	2,075,139	2,275,017
Operating Gross Profit	382,598	485,222

Operating profit/loss	87,533	166,756
Non-Operating Income and Expenses	30,386	55,362
Net income	83,065	161,828

(III) Analysis of profitability

Item		2023	2022
Return on asset (%)		3.03	5.37
Return on equity (%)		4.42	8.96
Paid-in capital (%)	Operating Income	11.37	21.66
	Pre-tax Profit	15.31	28.85
Profit ratio (%)		4.00	7.11
Earnings per share (NT$)		1.08	2.10

(IV) Research and Development

A consistent operation pattern, integrating production, manufacturing, research and development, marketing, and management is employed in our precision metal stamping business. Additionally, a computer-aided engineering simulation design system is applied to bolster design and development, as well as production competitiveness. Furthermore, we are continuously undertaking the development and implementation of automated machines to enhance our product competitiveness. In the medical plastics business, Min Aik Precision Industrial Co., Ltd. invests in automated inspection equipment to reduce production costs, improve product quality, and increase production efficiency. Leveraging existing excellent mold opening capabilities and clean room capacity, the company also develops other non-medical products to expand product diversity. In the automation business, Min Aik Precision Industrial Co., Ltd. continues to make progress in response to the ever-changing development and innovation needs within the industry. The company continuously expands the range and depth of its business in diverse manners and grasps change and opportunities of design trends to enhance both design and mass production capacity.

To provide high-quality products and services and meet customer needs, Min Aik Precision Industrial Co., Ltd. integrates the aforementioned three main businesses through the utilization of group resources. We are continuously investing in innovation and research and development to create high-value technical services, driving success in our existing business operations.

II. 2024 Business Plan Overview

(I) Operation guidelines

With the rapid changes in the market, Min Aik Precision Industrial Co., Ltd. will continue to enhance its international competitiveness, demonstrate sustainable management, and fulfill its social responsibility. Three strategies for the development of the Company are as follows:

1. Precision metal stamping: During this year Min Aik Precision Industrial Co., Ltd. will adhere to the consistent integration of resources, talent cultivation, and research and development technology improvement, and by combining with mold application software and testing instruments, provide more accurate new products and shorten the research and development cycle, and actively cooperate with customers to develop and verify related products, to be in line with new products and meet customer needs.
2. Medical consumables: In addition to the current stable business of medical consumables, we will continue to develop the non-medical plastic products, and expand the business to overseas markets to create more business opportunities.
3. Automatic equipment: In the face of the intensifying technology war between the United States and China, we will promote and train technical talents to meet customer needs. In addition to continuing to expand the existing business, we will also actively deploy the automation business with the OEM factories to expand the application field of automated machines and coverage of customers.

(II) Expected sales volume and basis of calculation and important production and sales policies

1. Precision metal stamping: In the face of drastic changes in market demand for hard disks, we will improve inventory management, and optimize production efficiency through technology upgrading and process improvement. In heat dissipation products for non-hard disks, we will primarily aim to implement stable production and elevate the operating rate to continuously drive the revenue and profit of the precision metal stamping business.
2. Medical consumables: Driven by the growth of the aging population, medical plastic products are growing steadily, and we will further develop non-medical new products, and make good use of the new factory facilities and bases to improve production efficiency and expand business opportunities.
3. Automatic equipment: With the continuous rise of labor costs, the demand for automated equipment in the market is growing, and industrial upgrading is an inevitable trend in the future. Through the development of talents and techniques

and the improvement of core technology, in addition to the business expansion, it is expected that the automation business will grow.

III. Future Development Strategies of the Company

As raw material costs and labor costs continue to rise, the Company will improve product margins and research and development capabilities through automated production processes, software and hardware equipment upgrades, and talent cultivation, to increase the Company's profitability. In addition, we will integrate various business units of the Group, exert comprehensive benefits on the client or product side, develop new products for existing customers, and actively expand the business to drive the growth of the Group's revenues. At the same time, to enhance international competitiveness and visibility, Min Aik Precision Industrial Co., Ltd. will continue to pay attention to the concerns of all stakeholders, focus on environmental protection, fulfill social responsibilities, and implement corporate governance. While pursuing the interests of the company, we are also committed to the sustainable development of the enterprise.

IV. Impact of external competition environment, legal environment, and macro operation environment

Affected by the general economic environment such as global geopolitics, high inflation, and market demand uncertainty, in addition to improving technical capabilities and expanding business, we will improve inventory management to promptly respond to the impact of general market changes. In addition, to fulfill corporate social responsibility and achieve sustainable development, make social and environmental contributions, including responding to the global goal of net zero carbon emissions by 2050, we need to invest more resources and efforts to cope with them and will pay close attention to the risks related to the operating environment, carry out continuous monitoring and management to respond to various challenges.

In the face of global economic uncertainty, in the future, in addition to continuously expanding business and pursuing performance growth, we will focus on improving profitability through various management and technical improvements and continue to actively invest in the development of ESG, create sustainable business value in both internal and external aspects, and establish a good corporate culture to meet the expectations of all stakeholders.

Finally, on behalf of the board of directors, the management team, and all employees, we extend our heartfelt gratitude to all shareholders for your trust and unwavering support. We wish everyone good health and happiness in the upcoming year.

Chairman: Chia, Kin-Heng

II. Company Description

2.1 Date of Incorporation: January 18, 2001

2.2 Corporate History:

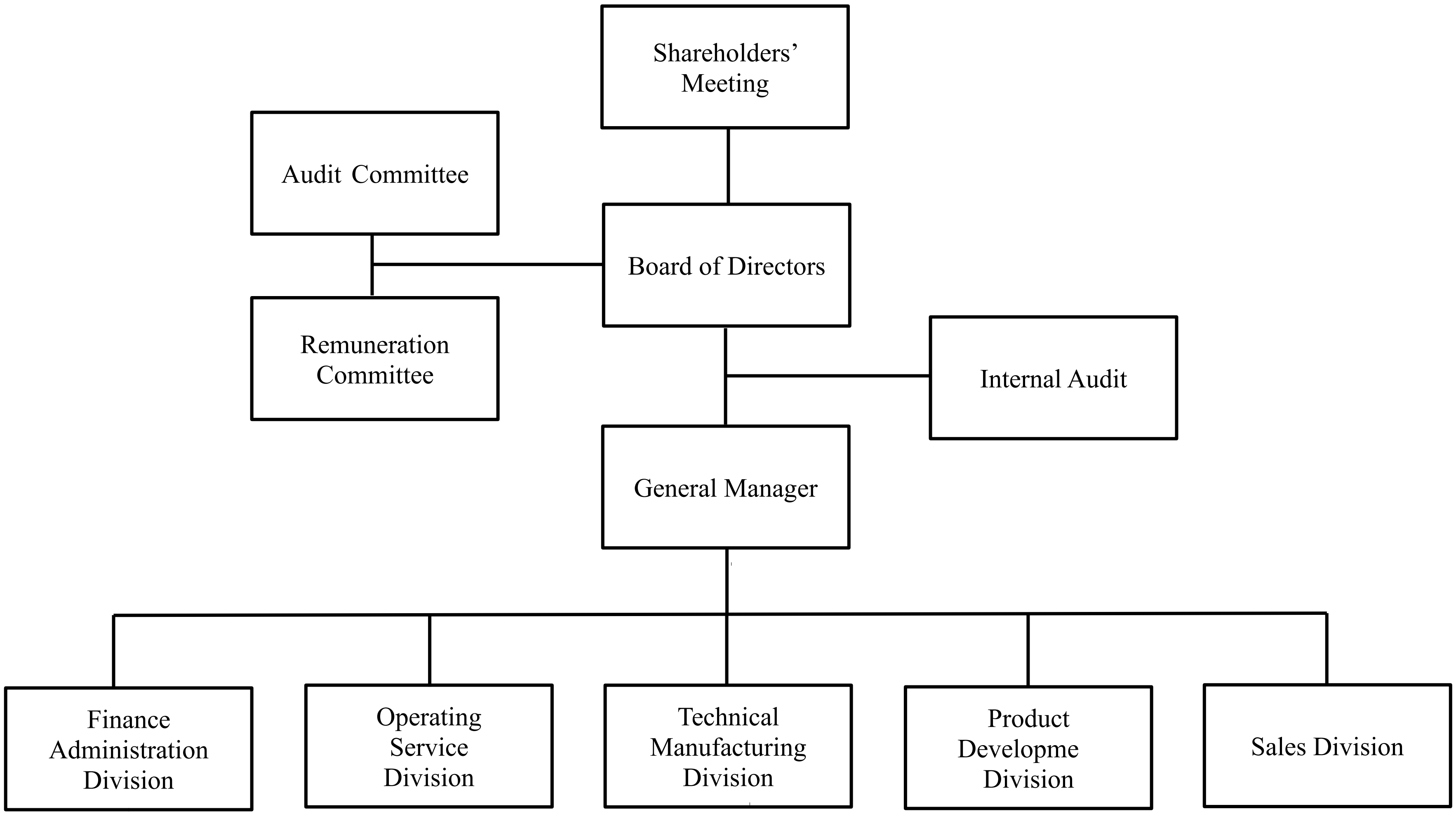
Year	Important Matters
Jan. 2001	The company was duly incorporated. It was originally named Min En Color Plating Co., Ltd. Its address was No. 5, Jingjian 4th Road, Guanyin Industrial Park, Guanyin District, Taoyuan County. The registered capital was NT$120 million, and the paid-in capital, NT$60 million. The company engaged in business of was surface treatment.
Sep. 2001	The capital was increased by NT$80 million. The paid-in capital was increased to NT$140 million.
Jul. 2003	Capital was increased by NT$140 million in cash. The paid-in capital was increased to NT$280 million. Min En Color Plating Co., Ltd. was renamed as Min Aik Precision Industrial Co., Ltd. For business expansion, more business items were included. The company was moved to No. 2, Guorui Road, Guanyin Industrial Park, Guanyin District, Taoyuan City.
Apr. 2004	The capital was reduced by NT$63 million and the capital was increased by NT$100 million in cash. The paid-in capital was increased to NT$317 million.
May 2006	The earnings in the amount of NT$92 million were transferred to capital. The paid-in capital was increased to NT$409 million.
May 2008	The company achieved FREESCALE certification.
Mar. 2009	The company achieved ISO14001/OHSAS18001 certification.
Dec. 2009	The company achieved TOSHMS certification.
Jan. 2010	The company achieved SEAGATE certification.
Mar. 2012	The company proceeded with achievement of PAS2050: 2008 and ISO14064-1: 2006 certification.
Mar. 2012	The company invested in Esteem King Limited (hereinafter referred to as Esteem King), and indirectly invested US$360 thousand in Ming Hung Material and Technology (Changshoou) Co.; Ltd..
Jul. 2012	The company invested in Esteem King and indirectly invested US$4,258,943 in MATC Technology (M) Sdn. Bhd (hereinafter referred to as MATC).
Aug. 2012	The company invested in Esteem King and indirectly invested US$8,066,990 in MAP Plastic Pte. Ltd. (hereinafter referred to as MAPP).
Sept. 2012	The company invested in Esteem King and indirectly invested US$1,253,419 in Amould Plastic Industries Pte. Ltd (hereinafter referred to as API).
Sep. 2012	The company invested in Esteem King and indirectly invested US$3,500,000 in API.
Sep. 2012	The employee stock option in the amount of NT$32,720,000 was transferred to capital. The paid-in capital was increased to NT$441,720,000.
Dec. 2012	Initial public offering

Year	Important Matters
Dec. 2012	The company completed the merger program with respect to holding companies that it controlled 100% in Singapore. MAPP, a sub-subsidiary that it controlled 100%, merged with Seb Plastic Pte. Ltd. and Seb Engineering & Trading Pte. Ltd., both of which were subsidiaries that it controlled 100%, API and Amould Technologies Pte. Ltd, a subsidiary that it controlled 100%. MAPP was the surviving company after the merger.
Apr. 2013	Stocks were registered at Emerging Stock Market.
Jul. 2013	The earnings and capital surplus in the amount of NT$119,280,000 were transferred to capital. The paid-in capital was increased to NT$561,000,000.
Dec. 2013	Ming Hung Material and Technology (Changshoou) Co.; Ltd., a company in which the company had reinvested, was dissolved and liquidated.
Jun. 2014	The earnings in the amount of NT$51,100,000 were transferred to capital. The paid-in capital was increased to NT$617,100,000.
Apr. 2015	The company indirectly invested US$2,500,000 in Dongguan Yi Hong Precision Industrial Co., Ltd. (hereinafter referred to as Dongguan Yi Hong) by investing in Evolution Holdings Limited (hereinafter referred to as Evolution).
Aug. 2015	The earnings in the amount of NT$61,710,000 were transferred to capital. The paid-in capital was increased to NT$678,810,000.
Dec. 2015	For initial public offerings, the capital was increased by NT$91,190,000 in cash. The paid-in capital was increased to NT$770,000,000.
Jan. 2016	Listed on the Taiwan Stock Exchange.
Feb. 2017	The company achieved ISO 22301 certification.
Mar. 2017	Increased investment in Dongguan Yi Hong US$1,900,000 and paid-in capital increased to US$4,100,000.
May 2017	Liquidation Dongguan Yi Hong Precision Industrial Co., Ltd.
Mar. 2018	The company achieved IATF16949: 2016 certification.
Mar. 2018	Increased investment in Evolution US$2,100,000 and paid-in capital increased to US$4,600,000.
Jun. 2018	Disposal of the investment company SEB Manufacturing (Malaysia) Sdn. Bhd.
Dec. 2019	Dongguan Yi Hong Liquidation was completed.
Feb. 2020	The company achieved SA8000:2014 certification.
Feb. 2021	The company achieved ISO45001:2018 certification.
May 2023	Liquidation EVOLUTION.
Oct. 2023	The company achieved ISO14064-1:2018 Greenhouse Gas Verification Opinion Statement.
Mar. 2024	EVOLUTION Liquidation was completed.

III. Corporate Governance Report

3.1 Organization system

3.1.1 Organization structure



3.1.2 Business of Each Main Department

Department	Business
Internal Audit	Development, establishment, amendment and implementation of internal control and internal audit systems; supervision and management of subsidiaries; conduction of audit and submission of audit reports; reporting the result to the board of directors
Finance Administration Division	Daily accounting routines and preparation of financial statements; management of affairs relating to applicable laws; control of risks relevant to exchange rate and interest rate; management of working capital and its liquidity; budgeting, planning and review; matters relating to board of directors and shares
Operational Service Division	Supervision of personnel, administration and general affairs; monitoring of environmental pollution; prevention of occupational injury; maintenance of the company's internal information system, and management and maintenance of software and hardware for computer and the information system; management, review and approval of procurement; review of prices offered for procurement, and control of procurement cost; supervision of supplier management and assessment; management, control and review of demand for production; management of raw materials and purchase requisition
Technical Manufacturing Division	Production and quality control; collection of information of customers; control or production and product quality; management and planning of production units; production capacity planning and effectuation; production management, control, review and approval; management of expenses and purchase requisition of production units; planning of mass production and research of manufacturing process; production and delivery control; warehouse management planning, and management and review of materials and supplies; management of idle goods; maintenance of production equipment and power supply; introduction of automatic equipment, and maintenance and repair of factory equipment
Product Development Division	Responsible for new product development; sample delivery management and confirmation and mold design planning and execution, proposal and execution of mold design changes, research, development and maintenance of new mold technology and new manufacturing processes.
Sales Division	Establishment and performance of business goals; achievement of business objectives; maintenance of customer relationship and service; communication with customers; understanding and collection of information of customers and market trends; understanding of problems mentioned by customers and provision of feedback for factories; credit management; quotation management; order management

3.2 Director and Management Team

3.2.1 Directors

2024/4/1

Title	Name	Nationality or Place of Registration	Gender Age	Date First Elected	Date Elected	Term (Years)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Main Experience/Educational Background	Current Positions at The Company and Other Companies	Others with a relationship of spouse or second-degree relative			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Min Aik Technology Co., Ltd.	R.O.C	-	2001.01.09 (Note 1)	2023.06.21	3	29,487,000	38.29	29,857,000	38.78	0	0	0	0	-	-	-	-	-	
	Representative： Chia, Kin-Heng	Singapore	Male 61~70	2001.01.09 (Note 2)	2023.06.21	3	-	-	722,766	0.94	146,000	0.19	0	0	• Nanyang University Business School, Singapore • Senior Purchasing Assistant, Singapore Baigong Electric Appliance Co., Ltd. • Senior Director, Miniscribe Co., Ltd. • Senior Materials Manager, Leica Instrument Pte. Ltd. • Senior Associate of The Materials Department, Western Digital (S)Pte. Ltd. • Vice President, Far East Region of Corner Co. Ltd. • Vice President, Materials and Production Planning of Maxtor Peripherals (S) Pte. Ltd.	• Chairman and CEO of Min Aik Technology Co., Ltd. • Director of Min Aik Technology USA Inc. • Director of Min Aik International Development Pte. Ltd. • Min Aik Technology (M) Sdn. Bhd. Director • MATC Technology Malaysia Sdn. Bhd. Director • Map Technology Holdings Pte. Ltd. Director • Director of M&J Technologies Co., Ltd. • Director of Mingyu Technology (Suzhou) Co., Ltd. • Director of Jinghao (Shanghai) Energy Technology Co., Ltd. • Director of Jinghao (Suzhou) New Energy Technology Co., Ltd. • Director of Geminnovative Technology Co., Ltd. • Chairman of Green Far Co., Ltd. • Director of MAP Plastics Pte. Ltd. (Singapore) • Director, Archers (Shanghai) Systems Limited. • Director, Archers (Suzhou) Systems Limited.	-	-	-	

Title	Name	Nationality or Place of Registration	Gender Age	Date First Elected	Date Elected	Term (Years)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Main Experience/Educational Background	Current Positions at The Company and Other Companies	Others with a relationship of spouse or second-degree relative			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Representative： Yang, Hung-Jen	R.O.C	Male 51~60	2023.06.21	2023.06.21	3	-	-	250,000	0.32	0	0	0	0	• Institute of Science and Technology Management, Fu Jen Catholic University • Director, Das Technology Co., Ltd.	• Chief Operating Officer, 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 Co., Ltd. • Supervisor, Mingyu Technology (Suzhou) Co., Ltd.	-	-	-	
Director	Representative： Sun, Te-Wen	R.O.C	Male 41~50	2023.06.21	2023.06.21	3	-	-	12,000	0.01	0	0	0	0	• Department of Accounting, National Taiwan University • Senior Specialist, Tax Department, PwC Taiwan • Manager, Accounting Department, Buwon Precision Sciences Co., Ltd.	• Director, Financial Management Division, Min Aik Technology Co., Ltd. • Representative Of Director, Green Far Company Ltd. • Representative Of Director, Geminnovative Technology Co., Ltd. • Representative Of Director, Advanced Meter Inc. • Representative Of Director, Das Technology Co., Ltd.	-	-	-	
Director	Beacon Investments Limited	Malaysia	-	2011.12.20	109.05.15	3	24,718,763	32.10	24,497,763	31.82	0	0	0	0	-	-	-	-	-	
	Representative： Kuo, Yao-Wen	R.O.C	Male 51~60	2011.06.17 (Note 3)	2023.06.21	3	0	0	0	0	0	0	0	0	• Master of Business Administration, University of Chicago, USA • Managing Director of Leon Capital Management Co., Ltd. • Vice President, Citibank	• Independent Director, Audit Committee and Remuneration Committee of MEGA International Development Co.,Ltd.	-	-	-	

Title	Name	Nationality or Place of Registration	Gender Age	Date First Elected	Date Elected	Term (Years)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Main Experience/Educational Background	Current Positions at The Company and Other Companies	Others with a relationship of spouse or second-degree relative			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Chen, John-Sea	R.O.C	Male 61~70	2020.06.16	2023.06.21	3	0	0	0	0	0	0	0	0	• Bachelor of Materials Science and Engineering, National Tsinghua University • Ph.D. in Materials Science, University of Southern California, USA • Researcher, Rockwell Scientific Center, USA • Co-founder and General Manager of Hexawave, Inc. • Deputy General Manager and Spokesperson of Etron Technology, Inc. • General Manager of CMSC, Inc.	• Chairman and CEO of CMSC, Inc. • Chairman of Logos Electornics, Inc. • Director of Art Analog, Inc. • Independent Director, Audit Committee and Remuneration Committee of GNT Biotech & Medicals Corporation	-	-	-	
Independent Director	Sun, Chu-Wei	R.O.C	Male 51~60	2020.05.15	2023.06.21	3	0	0	0	0	0	0	0	0	• Auditor of RSM Taiwan • Deputy Leader of Audit Department of Deloitte • Supervisor of Tien Liang BioTech Co., Ltd. • Independent Director of Taishan Enterprise Co., Ltd. • Independent Director of SanDi Properties Co., Ltd.	• Head of Baiqi Certified Public Accountants • Member of the Public Relations Committee of the Taipei Association of Accountants • Independent Director, Audit Committee and Remuneration Committee of Apex Material Technology Corp.	-	-	-	
Independent Director	Chung, Kai-Hsun	R.O.C	Male 41~50	2020.05.15	2023.06.21	3	0	0	0	0	0	0	0	0	• Master of Law, Taipei University • Partner Lawyer of AY Commercial Law Offices • Lecturer, School of Law and Business, Soochow University • Lawyer of Ernst & Young Law Firm • Lawyer of Taiwan International Patent & Law Office • Lawyer of RootLaw Firm • Staff of the Legal Affairs Office of the Trade Investigation Committee of the Ministry of Economic Affairs	• Senior Consultant Lawyer, AY Commercial Law Offices	-	-	-	

Note 1: After the first election date, the discharge date is June 29 2007; Since December 20 2011, it has been appointed as a director again.
Note 2: After the first election date, the discharge date is December 1 2014; Since June 16 2017, it has been appointed as a director again.
Note 3: After the first election date, the discharge date is May 15 2013; Since July 28 2015, it has been appointed as a director again.

3.2.1.1 Major shareholders of the institutional shareholders

2024/4/1

Name of Institutional Shareholders	Major Shareholders
Min Aik Technology Co., Ltd.	Chen-Source Inc. (2.04%), Yang, Jun-Yi (1.61%), Chia, Kin-Heng (1.52%), Zhen-Long Investment Co., Ltd. (1.47%), Koh Soe Khon (1.45%), Taipei Fubon Commercial Bank Entrusted Property Account (1.39%), Hong-Yu Social Welfare Charitable Trust Fund (1.08%), Lgt Bank (Singapore) Ltd. (0.80%), Yang, Jin-Song (0.75%), J.P. Morgan Securities Plc (0.52%)
Beacon Investments Limited (Malaysia)	Alpha Option Investments Limited (B.V.I) (100%)

3.2.1.2 Major shareholders of the Company’s major institutional shareholders

2024/4/1

Name of Institutional Shareholders	Major Shareholders
Zhen-Long Investment Co., Ltd.	Chang, Lung-Ken (90%)
Chen-Source Inc.	Ming-Guan Investment Co., Ltd. (21.82%) 、Chen, Feng-Ming (21.74%) 、Chen, Mei-Chi (3.31%)
Alpha Option Investments Limited (B.V.I)	Leon Capital L.P. I (100%)

3.2.2 Disclosure of the professional qualifications of directors and the independence of independent directors

2024/4/1

Criteria / Name	Professional qualifications and experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chia, Kin-Heng	Graduated from the Nanyang University Business School, Singapore, and served as the Senior Purchasing Assistant of Singapore Baigong Electric Appliance Co., Ltd., the Senior Director of Miniscribe Co., Ltd., the Senior Materials Manager of Leica Instrument Pte. Ltd., the Senior Associate of Materials Department of Western Digital (S)Pte. Ltd., the Vice President of Far East Region of Corner Co., Ltd., the Vice President of Materials and Production Planning Department of Maxtor Peripherals (S) Pte. Ltd. He is currently the Chairman and CEO of Min Aik Technology Co., Ltd. There is no any of the circumstances in the subparagraphs of article 30 of the Company Act.		0
Yang, Hung-Jen	Graduated from Institute of Science and Technology Management, Fu Jen Catholic University. He once served as the representative director of Das Technology Co., Ltd., and is currently the chief operating officer of Min Aik Group and concurrently serves as a director and supervisor of several investment companies of the group. There is no any of the circumstances in the subparagraphs of article 30 of the Company Act.		0
Sun, Te-Wen	Graduated from Department of Accounting, National Taiwan University. He once served as a senior specialist in the tax department of PwC Taiwan and the manager of the accounting department of Buwon Precision Sciences Co., Ltd. He is currently the chief financial officer, corporate governance officer and spokesperson of Min Aik Group, and serves as a director of several of the group's investment companies. There is no any of the circumstances in the subparagraphs of article 30 of the Company Act.		0
Kuo, Yao-Wen	Graduated from the University of Chicago with a master's degree in business administration, served as vice president of Citibank and managing director of Leon Capital Management Co., Ltd., with experience in finance and investment. Since 2001, he has served as the representative of the company's legal person director for 4 sessions. He is currently the independent director, audit committee and compensation committee of MEGA International Development Co.,Ltd. There is no any of the circumstances in the subparagraphs of article 30 of the Company Act.		1

Criteria / Name	Professional qualifications and experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chen, John-Sea	Graduated from the Department of Materials Science and Engineering, National Tsinghua University, and obtained a Ph.D. in Materials Science from the University of Southern California, USA. He has served as a researcher at Rockwell Scientific Center, Co-founder and General Manager of Hexawave, Inc. Deputy General Manager and Spokesperson of Etron Technology, Inc. and General Manager of CMSC, Inc. etc. He is currently the Chairman and CEO of CMSC, Inc. , Chairman of Logos Electornics, Inc., Director of Art Analog, Inc. and the independent director, audit committee and compensation committee of GNT Biotech & Medicals Corporation. He has more than 30 years of work experience in corporate business. There is no any of the circumstances in the subparagraphs of article 30 of the Company Act.	The following conditions must be met during the two years prior to the election and during the term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings: None of the three independent directors and the above-mentioned persons hold any shares of the company. (4) Not A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. (5) Not A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.	1
Sun, Chu-Wei	Graduated from the Accounting Department of Tamkang University and obtained an accountant certificate. Currently, he is the head of Baiqi Certified Public Accountants and a member of the Public Relations Committee of the Taipei Association of Accountants. He has served as an Assistant Professor in the Accounting Department of Tamkang University, an Auditor of RSM Taiwan, the Deputy Leader of Audit		1

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<td>Department of Deloitte, a supervisor of Tien Liang BioTech Co., Ltd., an Independent Director of Taishan Enterprise Co., Ltd., an Independent Director of SanDi Properties Co., Ltd., with more than 25 years of financial and accounting work experience.
There is no any of the circumstances in the subparagraphs of article 30 of the Company Act.</td>
<td rowspan="2">(6) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
(7) Not the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
(8) Not A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
(9) Not A professional individual who, 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 affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof:
None of the three independent directors provided audit services, and they did not receive any remuneration for the above-mentioned services in the last two years
(10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
(11) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</td>
<td></td>
</tr>
<tr>
<td>Chung, Kai-Hsun</td>
<td>Graduated from the Law Institute of Taipei University and obtained the certificate of lawyer and patent attorney.
Currently, he is a senior consultant lawyer of AY Commercial Law Offices. He has served as a lecturer at the School of Law and Business of Soochow University, a lawyer at Ernst & Young Law Firm/Taiwan International Patent & Law Office / RootLaw Firm, and a staff member of the Legal Office of the Trade Investigation Committee of the Ministry of Economic Affairs.
He specializes in civil and commercial law, intellectual property law and labor law, and has more than 20 years of legal work experience.
There is no any of the circumstances in the subparagraphs of article 30 of the Company Act.</td>
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3.2.3 Diversity and independence of the board:

In order to strengthen the functions of the Board, the Company's "Corporate Governance Best Practice Principles" specifies that the composition of the Board of Directors should be diversified to ensure that the Board as a whole can have operational judgment, operational management and analytical oversight capabilities, and in the Company's "Procedures for Election of Directors" Establish a policy of diversity of board members. The Professional background of the 7 current directors covers commerce, finance, accounting, law and the field in which the company engages its business.

The 10th Board of Directors of the Company consists of 4 General Directors and 3 Independent Directors. Among them, the directors with employee status accounted for 0%, female directors accounted for 0%; The 2 Independent Directors are appointed for a period of 3 years, 1 Independent Director is appointed for a period of 6 years; The 2 directors are between 61 and 70 years old, 3 directors are between 51 and 60 years old, 2 director is between 41 and 50 years old, the average age of all directors is about 56 years old. There are no spouses or relatives within the second degree of kinship among the 7 directors.

The members of the board of directors of the Company implement the diversity policy and specific management objectives are as follows:

Diversity items / Name	Nationality	Gender/Age	Term (years) of independent directors	The ability to make judgments about operations	Accounting and financial analysis ability	Business management ability	Crisis management ability	Knowledge of the industry	An international market perspective	Leadership ability	Decision-making ability	Industry experience / Professional ability
Chia, Kin-Heng	Singapore	Male / 61~70		✓		✓	✓	✓	✓	✓	✓	Hard Disk and Peripheral Industry
Yang, Hung-Jen	R.O.C	Male / 51~60		✓		✓	✓	✓	✓	✓	✓	
Sun, Te-Wen	R.O.C	Male / 41~50		✓	✓	✓	✓	✓	✓	✓	✓	Finance and Accounting
Kuo, Yao-Wen	R.O.C	Male / 51~60		✓	✓	✓	✓	✓	✓	✓	✓	Finance and Invest
Chen, John-Sea	R.O.C	Male / 61~70	6	✓		✓	✓	✓	✓	✓	✓	Technology industry

Sun, Chu-Wei	R.O.C	Male / 51~60	3	✓	✓	✓	✓		✓	✓	✓	Accounting
Chung, Kai-Hsun	R.O.C	Male / 41~50	3	✓		✓	✓		✓	✓	✓	Law

Diversification	Specific management goals	Achievement
Gender	At least one female director	
Expertise or Background	At least one qualified accountant	✓
	At least one qualified lawyer	✓

3.2.4 Management Team

2024/4/1

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
General Manager	R.O.C	Fang, Kuang-Yi	Male	2010.05.01	800,022	1.04%	67,000	0.09%	0	0	• Bachelor of Science, St. John University of Technology • Sanyo Audio Machinery Development Engineer • Vice General Manager, Manufacturing Department, Min Aik Technology Co., Ltd. • Director of Min Aik Precision Industry Co., Ltd.	• Director of MAP Plastics Pte. Ltd. (Singapore) • Chairman and General Manager of Amould Plastic Technology (Suzhou) Co., Ltd. • CEO of MAP Technology Holdings Pte. Ltd. • Director and General Manager of M&J Technologies Co., Ltd.	-	-	-
Assistant Vice President of Operating Service Division	R.O.C	Hsieh, Hsiu-Lan	female	2014.01.01	108,054	0.16%	3,250	0.00%	0	0	• Department of Business Administration, South Asian Institute of Technology • Purchasing Director of Qiming Machinery Co., Ltd.	• Director of Amould Plastic Technology (Suzhou) Co., Ltd. •	-	-	-
Assistant Vice President of Finance Administration Division, CGO	R.O.C	Hsiao, Chia-Ling	female	2010.07.01	55,734	0.07%	0	0	0	0	• Department of Enterprise Management, Longhua University of Science and Technology • Chongshi United Certified Public Accountants auditor • Min Aik Technology Co., Ltd. Accounting	• Supervisor of Amould Plastic Technology (Suzhou) Co., Ltd.	-	-	-

Senior Assistant Vice President of Technical Manufacturing Division and Product Development Division	R.O.C	Chen, Chin-Tung	Male	2020.11.06	8,882	0.01%	0	0	0	0	• Master of Chemical Engineering and Materials Science, Yuan Ze University • Deputy Section Chief of Unimicron Technology Corp. • R&D Engineer of Microbase Technology Corp. • QC Engineer of Min Aik Technology Co., Ltd.	-	-	-	-
Assistant Vice President of Sales Division	R.O.C	Li, Chung-Hsien	Male	2020.11.06	20,035	0.03%	0	0	0	0	• Department of Economics, University of Toronto • Customer Service of IPC Canada Ltd. • Factory Assistant of Hong Yang Industrial Co., Ltd. • Sales Supervisor of Min Aik Technology Co., Ltd. • Sales Deputy Manager of Min Aik Technology (Suzhou) Co., Ltd.	• Director of Amould Plastic Technology (Suzhou) Co., Ltd.-	-	-	-
Accounting Officer	R.O.C	Chan, Chih-Chi	Male	2020.07.03	0	0	0	0	0	0	• Department of Finance, National Chung Cheng University • Deputy Manager of Deloitte Audit Department	-	-	-	-
Internal Auditing Officer	R.O.C	Chang, Ya-Wen	female	2016.09.02	5,020	0.01%	0	0	0	0	• University of Science and Technology, Department of Accounting • Section Chief, Accounting Department, Min Aik Precision Industry Co., Ltd.	-	-	-	-

3.3 Remuneration paid to directors, general manager, and vice general managers in the most recent year

3.3.1 Remuneration of Directors

Unit: NT$ thousands

Title	Name	Remuneration								Total Remuneration (A+B+C+D) and percentage of net income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Remuneration and percentage of net income (%) (A+B+C+D+E+F+G) and percentage of net income (%)		Compensation from investments other than subsidiaries or the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Min Aik Technology Co., Ltd. Representative: Chia, Kin-Heng	2,030	2,030	0	0	497	497	30	30	2,557 3.08%	2,557 3.08%	0	0	0	0	0	0	0	0	2,557 3.08%	2,557 3.08%	None
Director	Min Aik Technology Co., Ltd. Representative: Yang, Hung-Jen	420	420	0	0	239	239	10	10	669 0.81%	669 0.81%	0	0	0	0	0	0	0	0	669 0.81%	669 0.81%	None
Director	Min Aik Technology Co., Ltd. Representative: Sun, Te-Wen	420	420	0	0	239	239	15	15	674 0.81%	674 0.81%	0	0	0	0	0	0	0	0	674 0.81%	674 0.81%	None
Director	Beacon Investments Limited Representative: Kuo, Yao-Wen	770	770	0	0	451	451	25	25	1,246 1.5%	1,246 1.5%	0	0	0	0	0	0	0	0	1,246 1.5%	1,246 1.5%	None
Independent Director	Chen, John-Sea	890	890	0	0	542	542	15	15	1,447 1.74%	1,447 1.74%	0	0	0	0	0	0	0	0	1,447 1.74%	1,447 1.74%	None
Independent Director	Sun, Chu-Wei	890	890	0	0	587	587	30	30	1,507 1.81%	1,507 1.81%	0	0	0	0	0	0	0	0	1,507 1.81%	1,507 1.81%	None
Independent Director	Chung, Kai-Hsun	890	890	0	0	587	587	25	25	1,502 1.81%	1,502 1.81%	0	0	0	0	0	0	0	0	1,502 1.81%	1,502 1.81%	None
Director	Min Aik Technology Co., Ltd. Representative: Chang, Lung-Ken (Note 1)	360	360	0	0	212	212	15	15	587 0.71%	587 0.71%	0	0	0	0	0	0	0	0	587 0.71%	587 0.71%	None

Director	Beacon Investments Limited Representative: Jin, Bor-Shi (Note 1)	360	360	0	0	212	212	15	15	587 0.71%	587 0.71%	0	0	0	0	0	0	0	0	587 0.71%	587 0.71%	None

1. Independent directors' remuneration policies, systems, standards and structures, and the relationship with the amount of remuneration will be described according to the responsibilities, risks, investment time and other factors: In addition to paying fixed remuneration and transportation fees for independent directors, directors compensation can also be allocated based on directors' tenure, concurrent committee members, and participation in company operations.
2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors (For example, serving as a consultant for the parent company or all companies or reinvested enterprises in the financial report that are not employees, etc.): None

Note 1：2023.06.21 term expires

3.3.2 Remuneration of the President and Vice Presidents

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Total Remuneration (A+B+C+D) and percentage of net income (%)		Compensation from investments other than subsidiaries or the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Fang, Kuang-Yi	4,950	4,950	219	219	3,500	3,500	771	0	771	0	9,440 11.36%	9,440 11.36%	None

3.3.3 Names of managerial officers allocated with remuneration to employees and facts of allocation

Unit: NT$ thousands

Title	Name	Total Share Bonus	Total Cash Bonus	Total	Ratio of the Aggregate Amount to the Net Income After Tax (%)
General Manager	Fang, Kuang-Yi	0	3,208	3,208	3.86
Senior Assistant Vice President	Chen, Chin- Tung				
Assistant Vice President	Hsieh, Hsiu-Lan				
Assistant Vice President	Li, Chung- Hsien				
Assistant Vice President Financial Officer	Hsiao, Chia-Ling				
Manager Accounting officer	Chan, Chih-Chi				

3.3.4 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents.

(1) The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Unit: NT$ thousands

Remuneration payment object	2022				2023			
	Total remuneration		Ratio of total remuneration (%)		Total remuneration		Ratio of total remuneration (%)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	13,251	13,251	8.19%	8.19%	10,776	10,776	12.97%	12.97%
General Manager and Vice General Manager	9,970	9,970	6.16%	6.16%	9,439	9,439	11.36%	11.36%
Total	23,221	23,221	14.35%	14.35%	20,215	20,215	24.33%	24.33%

(2) The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

A. **Director remuneration:** In addition to the transportation fee, the directors of the Company are entitled to fixed remuneration each month, the amount of which shall be discussed and determined by an authorized remuneration committee and the board of directors based on their involvement and contribution scale, along with the standard pay of the industry. The individual directors' annual performance assessment shall be held for reference. Furthermore, an amount of no more than 3% of the annual profit shall be set aside as directors' rewards pursuant to the Articles of Association of the Company, where the detailed distribution of the reward shall be calculated based on the provisions of the Remuneration Payment Guidelines for Directors and Functional Committee Members and then presented to the remuneration committee and the board of directors for resolution prior to distribution. The evaluation content of the overall director's remuneration includes: financial indicators such as revenue and net profit after tax, as well as non-financial indicators such as meeting participation, speech performance, and internal control.

B. **Manager remuneration:** The package includes fixed salary, year-end bonus, and an amount of 3%-9% of the annual profit set aside as employee reward pursuant to the Articles of Association. The fixed salary is evaluated based on industrial standards, position, job rank, education background, work experiences, professionalism, and job scope; the bonus and employee reward take into consideration the manager’s performance, including annual budget achievement, personal KPI, and individual professionalism, as well as behavior and conduct. The evaluation content includes: financial indicators such as revenue, after-tax net profit ratio, market share, gross profit margin, etc., as well as non-financial indicators such as operational management capabilities, participation in sustainable development, and risk control. The procedures of Administrative Measures for Salary and Remuneration of Managers and Guidelines Governing Manager Performance Assessment are followed when the remuneration committee offers suggestions regarding distribution principles and details, and from there it is submitted to the board of directors for resolution.

C. The review of our company's remuneration policy, relevant compensation standards, and systems is primarily based on the overall operational performance of the company. Compensation standards are determined based on performance achievement and contribution levels, aiming to enhance the overall effectiveness of the board of directors and management departments. Additionally, industry salary standards are taken into consideration to ensure that the compensation for our management tier remains competitive within the industry, thereby retaining excellent managerial talent.

D. The key performance indicators set for our company's management team are integrated with risk management to ensure effective management and mitigation of potential risks within their scope of responsibility. Important decisions made by our company's management tier are made after assessing various risk factors. The performance of these decisions is reflected in the company's revenue and profitability, thereby correlating the compensation of the management tier with the effectiveness of risk management.

3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

The board of directors met for 6 times (A) in the latest year (2023). Directors attending the meetings are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Min Aik Technology Co., Ltd. Representative: Chia, Kin-Heng	6	0	100%	Renew
Director	Beacon Investments Limited Representative: Kuo, Yao-Wen	6	0	100%	
Director	Min Aik Technology Co., Ltd. Representative: Yang, Hung-Jen	1	2	33%	New appointment on 2023.6.21 (Should attend 3 time)
Director	Min Aik Technology Co., Ltd. Representative: Sun, Te-Wen	3	0	100%	
Independent Director	Chen, John-Sea	6	0	100%	Renew
Independent Director	Sun, Chu-Wei	6	0	100%	
Independent Director	Chung, Kai-Hsun	6	0	100%	
Director	Min Aik Technology Co., Ltd. Representative: Chang, Lung-Ken	3	0	100%	Dismissed on 2023.6.21 (Should attend 3 time)
Director	Beacon Investments Limited Representative: Jin, Bor-Shi	3	0	100%	

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
   (1) Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable, since the company has established an audit committee; matters listed under Article 14-5 of the Securities and Exchange Act shall be applicable instead.
   (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:
   (1) During the 1st session of the 10th Board of Directors meeting on June 28, 2023, when appointing the 5th-term Remuneration Committee, three independent directors abstained from participating in the discussion and voting due to conflicts of interest. They were also unable to act as proxies for other directors in exercising their voting rights, in adherence to the principle of abstention based on conflicts of interest. The case was approved by the consensus of the directors present at the meeting. ◦

(2) On August 4, 2023, during the second session of the 10th Board of Directors meeting, the adjustment of director remuneration for the company was discussed. Due to conflicts of interest involving all members of the board, the Chairman, directors, and independent directors abstained from participating in the discussion and voting on the relevant parts of this case, based on their respective roles. The case was approved after a vote by the directors present at the meeting.

3. The self-evaluation (or peer evaluation) cycle and period, scope, method, and content of the Board:

Board Evaluation Status

Evaluation Cycle	Evaluation Period	Scope	Method	Content
Once every year	2023.01.01 to 2023.12.31	1. Board 2. Individual directors 3. Functional committees	Self-evaluation of the Board, committees, and directors	Note 1
At least once every three years	2022.01.01 to 2022.12.31	1. Board 2. Individual directors 3. Functional committees	An external independent institution [Taiwan Corporate Governance Association] is designated for evaluation	Note 2

Note 1:

(1) Board performance evaluation includes five major directions: the degree of participation in company operations, promotion quality of Board decisions, Board composition and structure, the selection and continuous training of directors, and internal control, with 45 indicators in total.

(2) The performance evaluation of individual directors includes six major directions: the control company goals and missions, knowledge to competences of director, the degree of participation in company operations, internal relationship operations and communication, professional and continuous study of director, and internal control, with 23 indicators in total.

(3) The performance evaluation of the audit committee includes five major directions: the degree of participation in company operations, promotion quality of functional committee decisions, the composition of functional committee and member selection, and internal control, with 22 indicators in total.

(4) The performance evaluation of the remuneration committee includes four major directions: the degree of participation in company operations, knowledge to the competence of functional committees, promotion quality of functional committee decisions, and the composition of functional committee and member selection, with 18 indicators in total.

Note 2: The external evaluation unit assesses eight major dimensions: the composition, instructions, authorization, supervision, communication, internal control, risk management, self-discipline, and other (board meeting, supporting system, etc.) of the Board, through written review and field interview.

4. Evaluation of achievement of the goal of strengthening functions of the board of directors (e.g.: establishing an audit committee, enhancing transparency of information, etc.) during the current year and the latest years:

(1) To carry out corporate governance, enhance the functions of the Board, and establish

performance goals to reinforce the efficiency of Board operation, the Board of the company approved the "Regulations Governing the Board Performance Evaluation" and implemented internal and external evaluation.

(2) To cooperate with the competent author regulations, the English version of the financial report and information related to shareholders are prepared, and significant information in English is published to promote the transparency of information.

3.4.2 Audit Committee

The audit meeting met for 5 times (A) in the latest year (2023). Independent directors attending the meetings are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director	Chen, John-Sea	5	0	100%	Renew
Independent Director	Sun, Chu-Wei	5	0	100%	
Independent Director	Chung, Kai-Hsun	5	0	100%	

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, the independent directors' objections, reservations or major recommendations, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

   (1) Matters referred to in Article 14-5 of the Securities and Exchange Act.:

Date/Session of Audit Committee	Content of Proposal	The independent directors' objections, reservations or major recommendations	Resolution of Audit Committee	The Company's response
2023.01.16 The 18th meeting of the 3rd Session	1. Approved the endorsement and guarantees provided for Amould Plastic Technologies (Suzhou) Co., Ltd. 2. Approved the proposal for Esteem King Limited to lend funds to the Company.	None	It was approved unanimously by all members of the Audit Committee.	The BOD agrees with the resolution of the Audit Committee.
2023.03.17 The 19th meeting of the 3rd Session	1. Approved the business report, individual financial report, and consolidated financial report of the company for 2022. 2. Formulate the "Accountants' Independence and Competence Evaluation Measures". 3. Approved the appointment and remuneration of the auditing CPA for 2023. 4. Approve the 2023 Certified Public Accountant Offering of Non-Conviction Services. 5. Approved the proposal of distributing earnings of 2022. 6. Approved the declaration for internal control system of the company for 2022.	None	It was approved unanimously by all members of the Audit Committee.	The BOD agrees with the resolution of the Audit Committee.
2023.05.05 The 20th meeting of the 3rd Session	1. Approved the Company's consolidated financial quarter report for Q1 2023. 2. Approval of the company holding 100% subsidiary Evolution Holdings Limited (HK) liquidation proposal	None	It was approved unanimously by all members of the Audit Committee.	The BOD agrees with the resolution of the Audit Committee.
2023.08.04 The 1st meeting of the 4th Session	1. Approved the Company's consolidated financial quarter report for Q2 2023. 2. Approved the endorsement and guarantees provided for Esteem King Limited.	None	It was approved unanimously by all members of the Audit Committee.	The BOD agrees with the resolution of the Audit Committee.
2023.11.03 The 2nd meeting of the 4th Session	1. Approved the Company's consolidated financial quarter report for Q3 2023. 2. Approved the annual audit plan of the company for 2024.	None	It was approved unanimously by all members of the Audit Committee.	The BOD agrees with the resolution of the Audit Committee.

Date/Session of Audit Committee	Content of Proposal	The independent directors' objections, reservations or major recommendations	Resolution of Audit Committee	The Company's response
2024.03.07 The 3rd meeting of the 4th Session	1. Approved the business report, individual financial report, and consolidated financial report of the company for 2023. 2. Approved the appointment and remuneration of the auditing CPA for 2024. 3. Approve the 2024 Certified Public Accountant Offering of Non-Conviction Services. 4. Approved the proposal of distributing earnings of 2023. 5. Approved the declaration for internal control system of the company for 2023.	None	It was approved unanimously by all members of the Audit Committee.	The BOD agrees with the resolution of the Audit Committee.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g., the material items, methods and results of audits of corporate finance or operations, etc.):

(1) All independent directors were members of the audit committee. They not only had to review the audit report of the head of internal audit periodically and communicate with the head of internal audit, but also should invite the head of internal audit to report at the meeting of the audit committee, if necessary.

(2) Certified public accountants were also invited periodically to fully explain certification of financial statements of the company and relevant internal control and audit at the meeting of the audit committee

(3) Frequency of independent communication between independent directors and Head of audit and CPAs: Head of audit at least once a quarter; CPAs at least twice a year.

(4) Communication situation this year:

Date	Method of communication	Person to communicate with	Focus of communication	Communication Situation and Results
2023.01.16	Audit Committee	Head of audit	➢ Report the results of auditing business execution from September to November 2022.	No comments and suggestions
2023.03.17	Audit Committee	Auditing CPA	➢ Review of the 2022 annual financial report.	Submit the resolution to the board of directors after consent
2023.03.17	Audit Committee	Head of audit	➢ Report the results of auditing business execution from December 2022 to January 2023. ➢ Discuss the 2022 Internal Control System Statement.	Submit the resolution to the board of directors after consent
2023.05.05	Audit Committee	Auditing CPA	➢ Review of the Company's Q1 2023 financial report.	Submit the resolution to the board of directors after consent
2023.05.05	Audit Committee	Head of audit	➢ Report on the results of auditing business execution from February to March 2023.	No comments and suggestions
2023.07.21	Video conference	Head of audit	➢ Report the results of auditing business execution from April to May 2023. ➢ Report on the operating status of subsidiaries.	No comments and suggestions
2023.08.04	Audit Committee	Auditing CPA	➢ Review of the Company's Q2 2023 financial report.	Submit the resolution to the board of directors after consent
2023.08.04	Audit Committee	Head of audit	➢ Report the results of auditing business execution from April to May 2023. ➢	No comments and suggestions
2023.09.20	Meeting on discussion	Head of audit	➢ Report on the results of auditing business execution from June to August 2023. ➢ Report on the operating status of subsidiaries.	No comments and suggestions
2023.10.20	Meeting on discussion	Head of audit	➢ Report on the results of auditing business execution from June to July 2023. ➢ Report on the operating status of subsidiaries.	No comments and suggestions
2023.11.03	Audit Committee	Auditing CPA	➢ Review of the Company's Q32023 financial report.	Submit the resolution to the board of directors after consent
2023.11.03	Audit Committee	Head of audit	➢ Report on the results of auditing business execution in August 2023. ➢ Formulate the "2024 Annual Audit Plan"	Submit the resolution to the board of directors after consent

4. Functionality of the Audit Committee:

(1) The main function of the Audit Committee is to supervise the following matters:

A. Fair presentation of the financial reports of this Corporation.

B. The hiring (and dismissal), independence, and performance of certificated public accountants of this Corporation.

C. The effective implementation of the internal control system of this Corporation.

D. Compliance with relevant laws and regulations by this Corporation.

E. Management of the existing or potential risks of this Corporation.

(2) The audit committee of the company held 5 meetings in 2023, and the actual attendance rate of all members was 100%. The work priorities completed this year are as follows: ：

A. Assessment of the effectiveness of the internal control system.

B. Asset transactions.

C. Loans of funds, endorsements, or provision of guarantees of a material nature.

D. Appointment and remuneration of CPAs, and periodic assessment of their independence and competence.

E. Annual and quarterly financial reports.

F. Other material matters as may be required by this Corporation or by the competent authority.

5. The state of participation in board meetings by the supervisors in the most recent year: Not applicable, since the company has established an audit committee.

3.4.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The board of directors of the company established and disclosed the corporate governance principles in Market Observation Post System and its website on Jan. 26, 2016.	None
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions,		✓	(1) The company has not established an internal operating procedure, but has designated a	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
doubts, disputes and litigations, and implement based on the procedure?			spokesperson, an acting spokesperson and share affairs personnel to deal with suggestions, disputes and conflicts of shareholders. It has also established a specific section for stakeholders and designated a contact person for investors at its website.	
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The company has designated share affairs personnel to manage relevant information and appointed a stock transfer agent to assist the company in dealing with share-related matters. By doing so, the company is informed of main shareholders that actually control the company and the final controllers of the main shareholders.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The company and its affiliates have their respective rights and responsibilities for management of their respective employees, assets and financial affairs, and have established their respective internal control systems to clarify and ensure everything goes in compliance with applicable laws. Risk evaluation is also conducted periodically and from time to time to complete the management mechanism and establish proper firewalls.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The company has established the Operating Procedure for Processing of Internal Important Information to regulate its operation of internal important information confidentiality and its procedure of banning purchase and sale in order to prevent insider trading.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
3. Composition and Responsibilities of the Board of Directors				None
(1) Does the Board develop and implement a diversified policy and specific management objectives?	✓		(1) In order to strengthen the functions of the Board, the Company's "Corporate Governance Best Practice Principles" specifies that the composition of the Board of Directors should be diversified to ensure that the Board as a whole can have operational judgment, operational management and analytical oversight capabilities, and in the Company's "Procedures for Election of Directors" Establish a policy of diversity of board members. The Professional background of the 7 current directors covers commerce, finance, accounting, law and the field in which the company engages its business. The board of directors of the company to implement the diversity policy and specific management objectives as follows (Page 16).	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(2) The company has set up the remuneration committee and audit committee in accordance with applicable laws. It also plans to set up other committees with different functions in accordance with applicable laws and based on actual needs in the future.	
(3) Does the company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?	✓		(3) The company has formulated performance evaluation methods for the board of directors and conducts regular performance evaluations. In addition to submitting the evaluation results to the board for review and improvement, the evaluation results will also be used as a reference for individual directors' salary and remuneration.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description of Summary	
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) As per the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, our company evaluates the independence and suitability of the appointed accountant concerning the audit quality index (AQI) at least once a year. We also refer to the “Audit Quality Indicators (AQI)” issued by the Financial Supervisory Commission and the Norm of Professional Ethics for Certified Public Accountants of the Republic of China No. 10 the “Independence of Inspection and Review” to formulate the “Certifying Accountant Independence and Competency Assessment Method” for our company. Before our company appoints certified public accountants for 2024, it will evaluate the certified public accountants as per the audit quality index (AQI) issued by the accounting firm and the accountant independence and competence assessment form stipulated in the company’s “certified accountant independence and competence assessment method”. After independence and eligibility are satisfied, the evaluation results will be submitted to the Audit Committee and the Board of Directors on March 7, 2024, to approve the appointment and remuneration of accountants.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description of Summary	
4. Does the public company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?	✓		The company has appointed the Corporate Governance Officer, responsible for handling corporate governance related matters, and its terms of reference, current year's business execution and training are as follows (Note 2).	None
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The company has established the stakeholder section at its website to identify stakeholders that it contacts or influences based on the business of each unit and collect feedback and concerns of stakeholders through course of business, interview, telephone, Email, website and any other communication chancel. For the concerns of different stakeholders, the company determines priority and actions based on the importance and impact of the concerns on the company and through internal communication and negotiation and the integrated evaluation made by the management. the company responses timely to their important concerns of the stakeholders after further understanding their reasonable expectations and needs through proper channels.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company has appointed "Stock-Affairs Agency Department of Taishin Securities Co., Ltd. " to deal with affairs relating to shareholders’ meetings.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Description of Summary</th></tr>
<tr><td>7. Information Disclosure
(1) Does the company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status?

(2) Does the company have other information disclosure channels (e.g., maintaining an English language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?

(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?</td><td>✓

✓</td><td>

✓</td><td>(1) The company has established a website to disclose its financial business and governance information.

(2) The company has designated proper persons to collect and, if necessary, disclose its information. With the established system of spokesperson, the company has a spokesperson and an acting spokesperson.

(3) The company's financial report and monthly operating status are completed within the statutory period.</td><td>None</td></tr>
<tr><td>8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</td><td>✓</td><td></td><td>Information relating to governance of the company is as follows:
(1) Rights of Employees and Care for Employees: The company adopts the minimum requirements provided in the Labor Standards Act, the Act of Gender Equality in Employment, the Sexual Harassment Prevention Act and applicable government regulations in its personnel management regulations to ensure rights and benefits of its employees.</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
			(2) Relationship with Investors: The company discloses its important operational information periodically and also continues to enhance information transparency for investors to be aware of operational activities and development planning of the company. (3) Relationship with Suppliers: The company maintains a good and long-term relationship with its suppliers and provides a mailbox for complaints in the stakeholder section on its webpage. (4) Rights of Stakeholders: For protecting rights and interests of stakeholders, the company has established various unimpeded communication channels. It deals with things pursuant to the principle of good faith and with a responsible attitude and also assumes corporate social responsibility properly. (5) Training Programs for Directors and Supervisors: The courses and hours of the training programs taken by the company's directors and independent directors meet the Directions for the Implementation of Continuing Education for Directors and Supervisors of Listed and OTC Companies. The status of training is disclosed in Market Observation Post System. (Note 3) (6) Performance of Risk Management Policy and Risk Evaluation Standards: The company conducts risk	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
			management and evaluation in accordance with internal regulations to control risks. (7) Performance of Customer Policy: The company and its subsidiaries value opinions of customers very much. It holds meetings periodically to review business with customers in order to understand opinions of customers about products and relevant questions and maintain a stable relationship with customers to create profits for the company. (8) Insurance Acquired by the company for Directors and Supervisors: The company has acquired liability insurance for directors.	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.	✓		The results of this year's corporate governance evaluation are expected to be comparable to last year's. In the future, efforts will be made not only to continuously enhance information transparency and promote sustainable development but also to strive to meet the requirements of various newly added indicators.	None

Note 1: The independence and competence assessment items of accountants:

1. As per the AQIs provided by KPMG in Taiwan to assess the independence and suitability of the firm and accountants:
   (1) Professionalism: review experience, training hours, turnover rate, professional support
   (2) Quality control: accountant load, audit investment, EQCR review status, quality control support capability
   (3) Independence: public fees for non-audit services, customer familiarity
   (4) Supervision: lack of external inspection and punishment - the competent authority issued a letter for improvement
   (5) Innovative capability: innovation planning or initiative

2. Refer to Article 47 of the Certified Public Accountant Act and the Norm of Professional Ethics for Certified Public Accountants of the Republic of China No. 10 evaluation indicators:

(1) The term of office of the auditing CPA is less than 7 years.

(2) Do the members of the audit service team, other joint practicing CPAs or CPA firm shareholders, CPA firms and their respective affiliates remain independent from the company?

(3) Neither the auditing CPA nor the members of the audit service team serve as director, supervisor or manager of any audited customer or in any important position currently or in the latest 2 years.

(4) Neither the auditing CPA nor the members of the audit service team have a kinship relationship with any director, supervisor, manager of the company or any person having an important influence on an audit case.

(5) The auditing CPA has not served as director, supervisor or manager of the company or in any important position having an important influence on an audit case within one year after his/her resignation.

(6) The auditing CPA does not have any direct or indirect important financial interest in the company.

(7) The revenue of the auditing CPA's firm does not come from a single customer (The Company).

(8) The auditing CPA does not have a significant and close business relationship with the company.

(9) There is not an employer and employee relationship between the auditing CPA and the company.

(10) The auditing CPA has no contingent sponsorship relevant to an audited case.

(11) The auditing CPA does not represent the company to defend in a legal case of a third party or any other dispute.

(12) The auditing CPA does not promote or introduce stocks or securities issued by the company.

(13) The auditing CPA does not receive valuable gifts or special preference from the company or any of its directors, supervisors, managers or main shareholders.

(14) Neither the auditing CPA nor the members of the audit service team temporarily take care of money on behalf of the company.

(15) Whether the certified accountant has complied with the regulations for independence stipulated in the Norm of Professional Ethics for Certified Public Accountants of the Republic of China No. 10 and obtained the "Statement of Independence" issued by the certified accountant.

(16) Whether the quality and timeliness of accounting, auditing, and taxation services meet the company's needs.

(17) Whether the accountant regularly takes the initiative to update the company on the tax and securities management laws and applicable regulations of the new standards.

(18) Whether the accountant assists in communication and coordination with the competent authority.

(19) Whether the accountant has appropriate interaction with the audit committee and keeps records before the audit planning and issuance of audit opinions.

Note 2：Corporate Governance Officer established and Operation:

1. In order to strengthen corporate governance and enhance the effectiveness of the Board of Directors, we will consider the relevant provisions of Article 3(1) of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the “Regulations Governing the Appointment and Exercise of Powers by the Board of Directors of Listed Companies”, and will be issued on January 17, 2019. The board of directors decided to appoint the Corporate Governance Officer.
2. Terms of Reference: including but not limited to the following:
   (1) Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law;
   (2) Preparation of minutes of the board of directors meetings and shareholders meetings;
   (3) Assistance in onboarding and continuing education of the directors;
   (4) Provision of information required for performance of duties by the directors;
   (5) Assistance in the directors' compliance of law;
   (6) Report to the board of directors the results of its review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure;
   (7) Handle matters related to the change of directors; and
   (8) Other matters described or established in the articles of incorporation or under contract.
3. The implementation of the annual business: the implementation of the above business will be handled or supervised in accordance with the laws and regulations.
   (1)Handle the pre-registration and various announcements of the shareholders' meeting according to law, and make relevant notices, discussion manuals and other related matters within the statutory time limit.
   (2)Assist in the compliance of the board of directors and the committee's proceedings and resolutions to ensure compliance with relevant laws and corporate governance practices:
      A. Prepare the agenda of each board of directors, notify the directors and provide the information required for the meeting before the 7th, and complete the production and distribution of the minutes within 20 days after the meeting.
      B. Remind the directors to abide by the regulations and matters that need to be avoided when implementing the business or conference resolutions.
      C. Issue important information of important resolutions of the board of directors and ensure the legality and correctness of the contents of the announcement to protect the rights and interests of investors.
   (3)Formulate an annual training plan and assist in arranging courses according to the company's business field and the characteristics of the industry and the background of each director's study and experience.
   (4)Arrange for the audit supervisor, accountant, visa accountant and relevant department heads to communicate and communicate with the directors to assist the directors in performing their duties.

4. 2023 Corporate Governance Officer training records:

Name	Study Date	Sponsoring Organization	Course	Training hours	Annual training hours
Hsiao, Chia-Ling	2023/05/26	Ministry of Environment	Green chemistry-Create sustainable	3	12
	2023/07/04	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit	6	
	2023/11/15	Securities & Futures Institute	2023 Insider Equity Transaction Legal Compliance Publicity Briefing	3	

Note 3：2023 Directors' training records:

Name	Study Date	Sponsoring Organization	Course	Training hours	Annual training hours
Chia, Kin-Heng	2023/07/04	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit	6	6
Yang, Hung-Jen	2023/07/04	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit	6	12
	2023/10/13	Securities & Futures Institute	2023 Insider Trading Prevention Promotion Conference	3	
	2023/12/08	Securities & Futures Institute	2023 Insider Equity Transaction Legal Compliance Publicity Briefing	3	
Sun, Te-Wen	2023/04/27	Taiwan Stock Exchange Corporation & TPEx	Sustainable Development Action Plan for Listed and OTC-traded Companies promotion conference	3	18
	2023/05/26	Ministry of Environment	Green chemistry-Create sustainable	3	
	2023/06/02	Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Power Summit Forum	3	
	2023/09/20	Accounting Research and Development Foundation	Common defects in financial report review & practical analysis of important internal control regulations	6	
	2023/10/20	Securities & Futures Institute	2023 Insider Trading Prevention Promotion Conference	3	
Kuo, Yao-Wen	2023/10/20	Securities & Futures Institute	2023 Insider Trading Prevention Promotion Conference	3	6
	2023/11/15	Securities & Futures Institute	2023 Insider Equity Transaction Legal Compliance Publicity Briefing	3	
Chen, John-Sea	2023/02/07	Taiwan Corporate Governance Association	Enacting Information Security Governance (ISG) Practices: Analyzing the Critical Business Issues	3	6
	2023/04/28	Taiwan Corporate Governance Association	Information Technology Progression and Board of Directors Duties	3	

Name	Study Date	Sponsoring Organization	Course	Training hours	Annual training hours
Sun, Chu-Wei	2023/05/26	Corporate Operating and Sustainable Development Association	The understanding of directors and senior executives of Listed and OTC-traded Companies on the current supervision by competent authorities	3	6
	2023/10/13	Securities & Futures Institute	2023 Insider Trading Prevention Promotion Conference	3	
Chung, Kai-Hsun	2023/10/20	Securities & Futures Institute	2023 Insider Trading Prevention Promotion Conference	3	6
	2023/12/08	Securities & Futures Institute	2023 Insider Equity Transaction Legal Compliance Publicity Briefing	3	

3.4.4 Composition, Responsibilities and Operations of the Remuneration Committee

1. Information on Members of the Remuneration Committee

Title	Name	Criteria: Professional qualifications and experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Convener Independent Director	Chung, Kai-Hsun	Please refer to page 13-15 for information on directors		0
Independent Director	Sun, Chu-Wei			1
Independent Director	Chen, John-Sea			1

2. Remuneration Committee Scope of duties

According to the company's Remuneration Committee Charter, the Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion. However, recommendations regarding compensation for supervisors may be submitted to the board of directors for discussion only when the board of directors is expressly authorized to resolve on that matter by the articles of incorporation or by a resolution of the shareholders meeting:

(1) Periodically reviewing this Charter and making recommendations for amendments.

(2) Establishing and periodically reviewing the annual and long-term performance goals for the directors, supervisors, and managerial officers of this Corporation and the policies, systems, standards, and structure for their compensation.

(3) Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of this Corporation have been achieved, and setting the types and amounts of their individual compensation.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

(1) Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.

(2) Performance assessments and compensation levels of directors, supervisors, and managerial officers shall take into account the general pay levels in the industry, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation.

(3) There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.

(4) For directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of this Corporation's business.

(5) No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

"Compensation" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with the compensation for directors, supervisors, and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If the decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of this Corporation, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

3. Attendance of Members at Remuneration Committee Meetings

(1) The Remuneration Committee of the Company is comprised 3 members.

(2) Committee members' tenure of their current term: from June 28, 2023 to June 20, 2026. and the Remuneration Committee held 3 meetings(A) in 2023, during the most recent year, and members' qualifications and their attendance are given as bellows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Convener Independent Director	Chung, Kai-Hsun	3	0	100%	Renew
Independent Director	Sun, Chu-Wei	3	0	100%	
Independent Director	Chen, John-Sea	3	0	100%	

Other mentionable items:

(1) If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion:

A. 2023.01.16 The 18th meeting of the 9th Session

proposal: Discuss the performance appraisal of managers in 2022 and the payment of year-end bonuses.

Resolution: The proposal was approved by the Board of Directors after voting.

Opinion response: Approval by vote as some directors oppose the case.

B. 2023.08.04 The 2nd meeting of the 10th Session

Proposal: Discuss the proposal to adjust directors' remuneration.

Resolution: The proposal was approved by the Board of Directors after voting.

Opinion response: Approval by vote as some directors oppose the case.

C. 2023.08.04 The 2nd meeting of the 10th Session

Proposal: Discuss the proposal to adjust the general manager's remuneration.

Resolution: The proposal was approved by the Board of Directors after voting.

Opinion response: Approval by vote as some directors oppose the case.

(2) Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(3) Content of Proposal, Resolution of Remuneration Committee, and How the company Dealt With it Subsequently：

Date/Term	Content of Proposal, Resolution of Remuneration Committee, and How the company Dealt With it Subsequently
2023.01.16 The 12th meeting of the 4th Session	1. Approval the proposal for 2022 employee remuneration and director remuneration appropriation ratio proposal. 2. Approved the salary increase proposal for the manager of the subsidiary Amould Plastic Technologies (Suzhou) Co., Ltd. ■ Resolution: Approved by all members. ■ Opinion response: Agree and implement the committee's resolutions. 3. Approve the proposal for 2022 manager performance appraisal and year-end bonus payment. ■ Resolution: Approved by all members. ■ Opinion response: This proposal was approved by the Board of Directors after voting.
2023.03.17 The 13th meeting of the 4th Session	1. Approved the distribution of employees' and directors' compensation in 2022. 2. Approved the KPI of managers for 2023. ■ Resolution: Approved by all members. ■ Opinion response: Agree and implement the committee's resolutions.
2023.08.04 The 1st meeting of the 5th Session	1. Approved the proposal for the distribution of directors' remuneration in 2022. 2. Approved the proposal for managers to allocate employee compensation for 2021. ■ Resolution: Approved by all members. ■ Opinion response: Agree and implement the committee's resolutions. 3. Discuss the remuneration proposal for directors of the Adjustment Department. 4. Discuss the proposal to adjust the general manager's remuneration.

Date/Term	Content of Proposal, Resolution of Remuneration Committee, and How the company Dealt With it Subsequently
	■ Resolution: Approved by all members. ■ Opinion response: This proposal was approved by the Board of Directors after voting.
2024.01.25 The 2nd meeting of the 5th Session	1. Approved the proposal for 2023 employee remuneration and director remuneration appropriation ratio proposal. 2. Approved the proposal for 2023 manager performance appraisal and year-end bonus payment. 3. Approved the proposal on the promotion and salary adjustment of company managers. ■ Resolution: Approved by all members. ■ Opinion response: Agree and implement the committee's resolutions.
2024.03.07 The 3rd meeting of the 5th Session	1. Approved the distribution of employees' and directors' compensation in 2023. 2. Approved the KPI of managers for 2024. ■ Resolution: Approved by all members. ■ Opinion response: Agree and implement the committee's resolutions.

3.4.5 The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
1. Does the company establish a governance structure to promote sustainable development, established a dedicated (part-time) unit to promote sustainable development; and did the Board of Directors authorize senior management to handle it and report the supervisory status to the Board of Directors?	✓		1. In 2020, the Social Responsibility Performance Team was established by the Operating Service Division to SA 8000 (Social Accountability 8000 International standard). To incorporate corporate social responsibility into the Company's business strategy, the Team includes the General Manager as the Chairperson, the management personnel of the Department of Business in charge of management, and the management personnel of each department as a member to each system in accordance with their respective expertise. 2. The Operation Service Division integrates and bridges vertical and horizontal communication, pinpointing topics of concern for both clients and stakeholders across annual key tasks as the guidelines for execution throughout the year. The execution status is monitored at least quarterly, while environmental sustainability and the execution outcome of social responsibility are reported to the Board of Directors at year's end to ensure key tasks and achievement. 3. Each year, the internal audit and management review inspects the practice of all improvement measures, with at least a management review meeting to track labor rights, employee health, working environment, risk identification and improvement, hygiene, welfare, normal equipment, system and other employee- related matters. 4. The Company has been certified as an Environmental Management System (ISO14001), ISO 45001 Occupational Health and Safety Management Systems (OH&SMS), RBA (Responsible Business Alliance, formerly: EICC), and SA 8000 and is active in social responsibility, environment protection, and public benefit activities. While developing our business, we stand by the environment, occupational safety, corporate governance, and	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
			social responsibility, among other topics.	
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		1. Risk identification and assessment is performed once a year by Social Accountability 8000 International standard, which is joined by related units and departments. The assessment results lead to strategies for improvement and monitoring. Furthermore, the internal audit and management review once a year confirms the progress of each improvement measure. 2. The risk assessment for operation related topics is conducted pursuant to the materiality of Corporate Social Responsibility, followed by risk management policy adoption according to the risks assessed (See Table 1). 3. The disclosed information covers our achievements with regard to environmental sustainability in 2023; the boundary of risk assessment focuses on the precision metal stampings of our business.	None
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		1. The main process of the Company is precision metal stampings and surface treatment. By effectively identifying potential environmental pollution that may be caused through the process, an appropriate environment management solution was proposed and the company environment management system established in order to execute the system and ensure legal compliance by our dedicated personnel of the Environmental Engineering Department. 2. To strengthen the process and environment safety management, the Company adopted effective management in accordance with management system and regulations, and every pollution facility installation and discharge permit abides by relevant laws and regulations. Furthermore, the PDCA cycle is implemented to successfully reduce the impact made to the environment by polluted air, sewage, waste, and toxicity. 3. The Company became a certified Environmental Management System (ISO14001) in 2009; its latest certificate is valid from 2021.11.03 through 2024.10.10.	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		1. The Company has a system for sorting garbage and a dedicated place for recycling. Papers are recycled and reused, and we encourage reusable food ware. Our paperless movement helps reduce impact on the environment. 2. Wastewater recycling equipment has been installed to reduce water usage and the load wastewater places on the natural environment. The target is to recycle more than 10,000 tons of used water. 3. Regarding energy use, no effort was spared for saving electricity. From energy saving lighting to smart electric meters in selected areas, energy consumption is minimized with our eco-friendly measures. 4. Natural gas has replaced boiler fuel since the end of 2019 as part of the company's energy efficiency enhancement policy. With the same heating value but fewer CO_2 emissions, GHG volume has been continuously examined every year since then. Compared with the reference year, 2019, where 7,901 tons of CO_2 was emitted, a total of 2,034.55 tons of CO_2 was emitted from 2020 to 2023. In the future, continuous carbon reduction will be an annual goal.	None
(3) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	✓		1. Within the structure of the S H E (Safety, Health, and Environment) management system, in each department, the personnel implementing the system must review any changes in the internal and external environment and Company products, activities, and service flow via annual management review meetings and perform risk identification based on the analysis of internal and external S H E risks and opportunities that may affect the company management system's operation. Quantitative scoring is made against the impact and urgency to the Company in accordance with Internal and External Topics Scoring Criteria to locate material topics. 2. As a result of such assessment, countermeasures were taken on the topics of Greenhouse Gas Management, pollution and wastes, energy saving, and carbon reduction to improve performance through personnel training,	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Description of Summary</th></tr>
<tr><td></td><td></td><td></td><td>reduction from sources, water quality investigation, improvement assessment, and recycle tests and examination.
3. In response to climate change and in line with government policies, the company established a greenhouse gas inventory system in 2023 and obtained a greenhouse gas inventory verification statement in October of the same year.</td><td></td></tr>
<tr><td>(4) Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?</td><td>✓</td><td></td><td>The main statistical boundary of the Company is precision metal stamping. The GHG volume has been disclosed on the Company's website for the past two years. Waste reduction, wastewater recycling and reuse, and steam reuse are all a part of the policy contributing to environmental protection.
1. GHG: At the end of 2019, an energy efficiency enhancement policy was carried out, with natural gas replacing boiler fuel, with 39.7% CO_2 reduction as a yearly goal. The statistics below show the GHG volume emitted by the Company in the past two years.
<table>
<tr><th>Year</th><th>Direct (tons CO2e)</th><th>Indirect energy (tons CO2e)</th><th>Other indirect (tons CO2e)</th><th>Intensity (tons CO2e /million NT-net income)</th><th>Note</th></tr>
<tr><td>2022</td><td>1,286.564</td><td>5,845.217</td><td>1,539.591</td><td>7.20</td><td>Verification report has been issued</td></tr>
<tr><td>2023</td><td>1,062.890</td><td>5,045.910</td><td>1,437.903</td><td>7.21</td><td>Statistics have been completed and verification is expected to be completed in July 2024</td></tr>
</table></td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th>Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Description of Summary</th><th></th></tr>
<tr><td></td><td></td><td></td><td>2. Water usage: The Company started recycling wastewater years ago. Each year, we aim to recycle more than 10,000 tons of tap water for reuse. The statistics of water usage and recycling in the past two years are listed below.
<table>
<tr><th>Year</th><th>Water usage (tons)</th><th>Water recycled (tons)</th><th>Intensity(tons water /million NT-net income)</th></tr>
<tr><td>2022</td><td>260,753</td><td>10,964</td><td>216</td></tr>
<tr><td>2023</td><td>198,237</td><td>19,272</td><td>189</td></tr>
</table>
3. Waste: With source reduction as our original intention, the sludge drying system helps cut sludge by 57% in each batch of hazardous industrial waste. The statistics below list the wastes in the past two years.
<table>
<tr><th>Year</th><th>Hazardous waste (tons)</th><th>Intensity of non-hazardous wastes (tons water /million NT-net income)</th><th>Hazardous wastes reduced (tons)</th></tr>
<tr><td>2022</td><td>176</td><td>0.15</td><td>309</td></tr>
<tr><td>2023</td><td>100</td><td>0.10</td><td>176</td></tr>
</table>
<table>
<tr><th>Year</th><th>Non-hazardous waste (tons)</th><th>Intensity of non-hazardous wastes(tons water /million NT-net income)</th></tr>
<tr><td>2022</td><td>280</td><td>0.23</td></tr>
<tr><td>2023</td><td>194</td><td>0.19</td></tr>
</table></td><td></td></tr>
<tr><td>4. Social issues
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and</td><td>✓</td><td></td><td>1. The Company opted to abide by the UN’s Universal Declaration of Human Rights, follows relevant labor laws in adopting and implementing procedures, and is RBA and SA 8000 certified.
2. The following human rights policies have been adopted
■ Choice of work at free will: The Company prohibits coercion, sponsorship,</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
the International Bill of Human Rights?			or contracts to bind involuntary laborers. ■ Youth labor: No child laborer is employed in any part of the manufacturing process. ■ Work hours: Work hours are aligned with the Labor Act. ■ Pay and welfare: Laborers are paid according to the provisions of relevant laws and orders. ■ Humane treatment: Equal treatment and respect shall be given to each and every employee. No violence, verbal abuses, maltreatment, or inhuman treatment is tolerated. ■ Non-discrimination: The company provides equal job opportunities to job seekers and every employee, and shall not discriminate against their race, class, language, thought, religion, party affiliation, place of origin, place of birth, gender, sexual orientation, age, marriage, appearance, Facial features, disabilities, horoscope, blood type or past union membership.. ■ Freedom of association: The Company respects employees' rights of free association and protects employees from retaliation, threats, or harassment while openly discussing work conditions with the management team. 3. In addition to labor and health insurance, each employee is insured with group accident insurance; there are employee welfare committees, labor-management meetings, meal committees and other organizations, and meetings are held regularly, and symposiums are held regularly with foreign migrant workers to safeguard the rights and interests of employees. 4. With respect to employee feedback, in addition to the employee opinion box and direct complaint line, a dedicated independent director letterbox and a phone line are in place so that employees can make direct contact with independent directors to provide their opinions on Company operation, financial status, and/or major decisions about employee -related interests and benefits. For foreign employees, regular foreign colleague communication	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
			meetings are held so that they can express their opinions. 5. The Company training on human rights protection is as follows. This year, the total training hours reached 1,200 hours, with 340 employees completing human rights training. (1) Internal communication structure: Pre-job training for new employees includes no coercive labor or child labor, no discrimination, no harassment, work hour management, and humane treatment protection, passing down and promoting relevant laws and regulations. (2) Training on unlawful infringement prevention: understand the concept of unlawful infringement and how the Company handles it. (3) Series of comprehensive occupational safety training: suitable safety training associated with situations faced by different types of employees in the workplace. These training sessions include fire training, emergency reaction training, first aid training, and statutory safety training, among others. 6. See Table 2 for the Company's Human Rights Concerned Issues and Practices.	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		1. Thorough employee welfare measures and retirement system: The off-day system is in accordance with the Labor Act. For child caring, major illness, and major incidents that require longer leave, unpaid leave is applicable to meet personal and family needs. According to the Articles of Association, 3%-9% of annual profits shall be set aside as employee compensation, reflecting business achievement on the employee remuneration package. 2. To secure the future living of employees, the Management Guidelines for Employee Stock Ownership Trust has been adopted, along with the employee Stock Ownership Committee, setting aside a reward amount based on the amount of members' salary withheld.	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
			3. In addition to regular labor physical examinations, employees who have served for two years can enjoy additional physical examination subsidies. The subsidy is once every two years at NT$10,000 each time. 4. We value a diversified workplace and gender equality. Women represent 50% of our employees, while 40% of senior management personnel are female. 5. See Labor Relationship under Operation Overview (page 115) for employee welfare measures and retirement system implementation.	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		1. The following sets out the SHE policy adopted by the Company to provide a safe and healthy working environment. **Legal compliance, continuous improvement, risk minimization, training implementation, consultation and communication, energy saving and carbon reduction, health improvement** 2. The Company has established a S H E management system. Continuous improvement with annual validation ensures that both legal and system requirements are met. In 2020, S H E trainers of the Occupational Safety Team were appointed. Representing their own departments, each trainer underwent professional training every month to become an internal lecturer in order to educate and pass down the training to their colleagues, so that safety awareness prevails. So far, 338 individuals have received training, and total training hours have reached 2,434 hours. In addition, 402 individuals have undertaken regular fire drills, evacuation, chemical spillage and leakage drills, together with personnel safety training when necessary, for a total of 670 training hours. 3. In addition to a safe and healthy work environment, the Company provides regular employee safety lectures and employee health examinations. Furthermore, work environment monitoring twice a year helps ensure a healthy work environment.	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
			4. A total of 4 occupational safety accidents occurred this year. Although there were significantly fewer incidents than last year's 7 incidents, the company still adheres to the practice of continuous improvement and has added various safety measures, including strengthening 6S inspections, adding machine safety interlock devices, revising SOPs, safety production observations, safety KPI systems and factory Conduct extensive safety education and training to ensure safe production for employees. 5. The company regularly conducts fire-fighting related education and training, such as fire extinguisher training and operation, plant-wide evacuation drills, escape and evacuation knowledge training and education, fire protection and electricity safety training and publicity, etc. There have been no fire incidents this year. 6. The Company was ISO45001 (standard for occupational health and safety) certified in February 2021. The latest certificate is valid 2024.02.03-2027.02.03.	
(4) Does the company provide its employees with career development and training sessions?	✓		The training programs for employees and their implementation are described below: 1. New employees receive their orientation on the day they report to the position. A total of 130 people received such training this year, with a total of 390 training hours. 2. Training programs are designed for all employees, and programs are implemented accordingly. A total of 320 people received such training this year, with a total of 1,204 training hours. 3. A total of 96 individuals received professional skills training outside the Company this year, with a total of 208 training hours.	None
(5) Does the company comply with relevant regulations and	✓		Consumer protection, customer rights, and complaint procedures have not been adopted because the parts and components we produce are not categorized as end products. However, as specified by the provision of SA 8000, an NDA is signed	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
international standards in customer health and safety, customer privacy, and marketing and labeling its goods and services, and has it established consumer rights protection policies and complaint procedures?			and implemented to protect mutual rights and interests with regard to client privacy. For customer health and safety, all raw materials in production are compatible with RoHS requirements, and restricted substances and green assurance are explicitly defined. Environment protection related laws and orders are followed when making applications and reports regarding industrial waste disposal.	
(6) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	✓		1. The Supplier Quality Management Procedure was adopted in conformity with ISO19001 Quality management principles, Environmental Management System (ISO14001), ISO45001 occupational safety management system, RBA, and SA8000. 2. With respect to environment protection and occupational safety and health, suppliers are required to commit to lowering risks to employees and stakeholders caused by processes, facilities, and activities and make every effort to create regulations that comply with standard environment and occupational safety and health management systems. 3. With regard to labor rights, suppliers are required to abide by national labor acts and regulations and assume respective social responsibility in order to ensure that its business operation and management activities fall under the guidance of the Company's social responsibility policy and work to minimize the risks of social responsibility. Inspection is required on child labor, forced labor, health and safety, freedom of association, right to collective bargaining, discrimination, disciplinary measures, work hours, and payment and reward, among others. 4. At fixed intervals, the Company gives supplier training and questionnaires to	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th>Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Description of Summary</th><th></th></tr>
<tr><td></td><td></td><td></td><td>verify that suppliers have received and understood the procedures stipulated by the Company.
5. The supervision of supplier abidance is carried out through field assessment, which covers items from “Supplier Quality Audit system” to “supplier procurement system audit” and “general assessment and check on supplier social responsibility management.” A contract with a supplier that violates social responsibility and brings significant impact on the environment shall be canceled or terminated pursuant to the content of the contract.</td><td></td></tr>
<tr><td>5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit?</td><td></td><td>✓</td><td>Although the company has not yet compiled a sustainability report, we are still committed to promoting social responsibility, and has acquired ISO14001, ISO 45001, RBA and SA 8000 certification.</td><td>None</td></tr>
<tr><td colspan="5">6. If the company has its own sustainable development policy in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please specify its operation and the difference from its policy.

The company has not established the sustainable development policy. However, to keep its promise to employees, shareholders and the public, the company not only makes information transparent, but also actively participates in environmental protection and public welfare activities. By doing so, the company has complied with the spirit of “The Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”.</td></tr>
</table>

7. Important information helpful for understanding the state of the company's promotion of sustainable development:

(1) Employees of the company are offered equal rights of employment and opportunities of expressing opinions and developing abilities freely regardless of race, sex and age. the company has also established and complied with strict standards for safety and health of the work environment for employees.
(2) As a corporate citizen, the company, when developing its business, also pays attention to protection of natural environment and prevention of occupational injury to meet the requirements provided by internal and external customers. To perform social responsibility, the company also promotes the road adoption activity while facilitating the growth of the enterprise as well as environmental protection.
(3) The company has achieved ISO14001, ISO45001, RBA and SA 8000 certification. Members of the team not only promote the aforementioned system, but also visit nearby underprivileged groups needing assistance in hopes of starting from communities to take care every corner that needs us.
(4) With the philosophy of "Take from Society and Give Back to Society", the company performs its obligations as an enterprise by developing and realizing the concept of environmental protection and making charitable contributions in order to bring about care and warmness for the society. Checking greenhouse gases has been listed as one of the key points in work in recent years. The company actively reduces greenhouse gases in order to achieve the objective of reduction of CO2 omission, protecting the earth and sustainable operation.

8. Implementation of Climate-related Information

Item	Status of implementation
1. Describe the oversight of the Board and Management's, governance of climate-related risks and opportunities.	The supervision and governance of climate-related risks and opportunities are crucial for the sustainable development of companies, and the board of directors and managers play a significant role in this regard to ensure effective response to the risks due to climate change while seizing corresponding opportunities. The management team established the Social Responsibility and Performance Team in 2020, which is responsible for formulating climate-related policies, risk assessment and management measures, personnel training and education, and promoting dialogue with stakeholders to ensure that the company's climate policies align with the interests of all parties and achieve sustainable development goals.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the organization (short, medium, and long term).	1. Short-term Impact: ■ Business: Sudden climate events may cause damage to or shutdown of production facilities, thereby affecting production capacity and delivery times. ■ Strategy: In the short term, it may be necessary to adjust business strategies to cope with sudden climate events, such as rearranging plans of or adjusting supply chains.

	■Finance: Production interruptions and facility damage may lead to a short-term decrease in revenue and additional maintenance costs, which could have a negative impact on cash flow and profit margins. 2. Medium-/Long-term Impact: ■Business: Climate change may lead to instable supply chains, or changes in product demand and market trends, thereby affecting the company's business model and development direction. ■Strategy: The company needs to include climate risk into its strategic planning, and evaluate and invest in more advanced production facilities and supply chain management systems, while seeking new market opportunities, such as products that cater to an increased demand, to address climate change. ■Finance: Medium-/long-term climate change will lead to higher risks and challenges for companies, but it also presents an opportunity to open up new markets and generate profits.
3. Describe the financial impacts of extreme climate events and transformational actions.	1. Extreme weather events will cause losses to the company's production and inventory equipment and may also disrupt the supply chain and halt production, affecting the company's manufacturing and sales, thereby directly impacting its finance. 2. The transformation actions in response to extreme weather conditions will inevitably increase the company's capital expenditures and operating costs, which will have an impact on cash flow and financial conditions. However, it may also bring new market opportunities, enhance the company's brand value and reputation, and create long-term competitive advantages and market benefits.
4. Describe how the process of identifying, assessing, and managing climate risk is integrated into the overall risk management system.	Our company's Social Responsibility Performance Team is responsible for climate risk management, the responsibilities of which include identifying climate-related risks, evaluating the likelihood and impact of risks, developing response strategies, establishing supervision and audit mechanisms, and integrating climate risk management into the overall risk management system.
5. If scenario analysis is used to assess the resilience to climate change risk, describe the scenarios, parameters, assumptions, analytical actors, and key financial impacts.	The Company has not yet used scenario analysis to assess resilience to climate change risks.

6. If there is a transformation plan for managing climate-related risks, describe the content of the plan and the metrics and objectives used to identify and manage physical and transformation risks.	The Company does not yet have a transformation plan to manage climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be stated.	The Company does not yet use internal carbon pricing.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) offset should be described.	To cope with work from the Sustainable Development Roadmap and release the greenhouse gas inventory in stages with verified information, the company has submitted the greenhouse gas inventory and verification schedules of each company in the group to the board of directors and completed internal inventory and external verification in 2023. The consolidated financial subsidiary is expected to complete internal inventory in 2025 and external verification in 2026.
9. GHG inventory and confirmation situation, reduction targets, strategies and specific action plans.	Please refer to 1-1 and 1-2 below.

1-1GHG Inventory and Confirmation Situation of the Company in the Last Two Years

1-1-1 GHG Inventory Information

Describe the emission volume (tons CO2e), intensity (tons CO2e/million yuan) and data coverage of GHG in the past two years.

■ Information covered

Company Name: Min Aik Precision Industrial Co., Ltd.

Address and function: No.2, Guorui Rd., Guanyin Dist., Taoyuan City（office and factory）, Tai'an St., Guanyin Dist., Taoyuan City（staff dorm）, Lequn St., Guanyin Dist., Taoyuan City（staff dorm）

■ GHG inventory standard: ISO 14064-1:2018

■ Emissions in the last two years:

Year	Direct (tons CO2e)	Energy Indirect (tons CO2e)	Other Indirect (tons CO2e)	Intensity (tons CO2e /million NT-net income)	Note
2022	1,286.564	5,845.217	1,539.591	7.20	Verification report has been issued
2023	1,062.890	5,045.910	1,437.903	7.21	The inventory has been completed and is expected to be verified in July 2024

1-1-2 GHG Verification Information

Describe the verification situation in the last two years as of the publication date of the annual report, including verification scope, verification agency, verification criteria and verification opinions.

■ The company established a GHG inventory system in 2023 and obtained a GHG inventory certificate statement in October 2023.

■ Verification scope:

Company Name: Min Aik Precision Industrial Co., Ltd.

Address and function: No.2, Guorui Rd., Guanyin Dist., Taoyuan City（office and factory）, Tai'an St., Guanyin Dist., Taoyuan City（staff dorm）, Lequn St., Guanyin Dist., Taoyuan City（staff dorm）

- Verification agency: AFNOR Asia Ltd (艾法諾國際股份有限公司)
- Verification criteria: ISO 14064-1:2018
- Verification opinions: The company disclosed that the total greenhouse gas emissions in 2022 are 8,671.372 tons of CO2e, which was verified by the verification agency using the ISO 14064-1:2018 standard, and stated that the reasonable assurance level of the inventory data is Scope 1 and Scope 2.

1-2 GHG reduction targets, strategies and specific action plans.

Describe the GHG reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.
■ The base year for reduction is 2022, with emissions of 8,671.372 tons. ■ Reduction target: In order to respond to global climate change and achieve the international reduction trend, the Company uses 2022 as the carbon emission base year and expects to reduce carbon emissions by 2.5% annually to achieve the 2050 net-zero emission goal. ■ Reduction measures: The current main reduction measures are adding a frequency converter to adjust the speed of the water pump, gradually replacing air compressors and ice water machines, and recovering steam waste heat. In the long term, solar power generation will be installed. ■ Achievement of reduction targets: The total direct, energy indirect and other indirect emissions in 2023 will be reduced by 1,124 metric tons of CO2e (13%) compared with 2022.

Table 1- Risk assessment and management policy

Material Topic	Items assessed	Description
Environment	Environment protection and ecological maintenance	1. Acquired the first environment certificate in 2009 and again in November 2021, the Company environment management system has maintained ISO 14001 certification. 2. Substantial reduction of pollution source. Practices in line with the government regarding the protection of air quality. Full practice of natural gas throughout process lines to minimize waste gas emitted from heavy fuel combustion. 3. Water reuse policy pursuant to government policy. Wastewater recycling system to reduce discharge so that every drop can be reused. 4. Beach cleaning activities restore the natural look a coast should have. Beach adoption in response to government policy further protects our environment through physical action. 5. Sludge drying system in place to reduce solid wastes.
Society	Occupational safety	1. In 2021, the Company's occupational safety management system was ISO 45001 Occupational Health and Safety Management Systems (OH&SMS) certified. Daily field safety is checked based on 6S for the work environment. 2. Regular annual employee fire drills, plant-scaled evacuation drills and dormitory escape drills fully prepare employees' capability in reacting to emergency and safe escape.
	Social responsibility	1. Approved by and received RBA certificate regarding the full inspection on labor, health and safety, environment, and ethics. The Company is RBA VAP validated with a silver award. 2. Participate in public welfare and spare no effort, organize "blood donation activities" and call on employees to participate together; Joining hands with the Genesis Foundation, employees are invited to respect the spirit of life, donate invoices as a gesture of love, and devote all their efforts to implement social missions by gathering sand into a tower. 3. In response to "Earth Day", we organized a plastic reduction and ocean beach cleaning activity, using Zhuwei Fishing Harbor as the beach cleaning site, and led colleagues to use corporate capabilities to improve coastal cleanliness.
Corporate Governance	Ethical management	1. Any form of bribery, corruption, blackmail, or embezzlement is prohibited. Specific standards and regulations are established for employees to follow. 2. Promising, offering, approving, giving, or accepting bribes or any form of unjustifiable income, including promising, offering, or taking any valued items, is prohibited.
	Continuous operation and management	1. Regulations of each department and office shall be followed; internal control procedure implemented to ensure all personnel are working pursuant to Company regulations. 2. The operation is in line with government regulations by regular follow up on acts and orders and update Article

Material Topic	Items assessed	Description
		of Associations. 3. To fulfill environmental sustainability, every management policy is implemented, along with the obtainment of ISO 22301, Business Continuity Management System certificate.
	Reinforcing the function of Directors and its value	1. To advance the function of Directors, courses are offered every year regarding the most updated legal regulations and concerned topics available for directors. 2. The Procedure for Handling Demands by Directors is adopted to ensure proper handling and execution regarding issues raised by directors.
	Engaging stakeholders	1. We value employees' rights and interests by establishing consultation and complaint channels for employees to speak freely and express their concerns in their position; we follow up on Company related topics and are devoted to creating a work environment that is friendly and has positive labor relations. 2. Channels are in place for external communication; regular announcements on stakeholders' concerned issues are made for their reference.

Table 2- Concerned human rights and practices

Concerned Topics	Goal and Implementation	Risk Assessment	Measures for Mitigation	Remedy
Providing a safe and healthy work environment	Full prevention of occupational illness to enhance employees' physical and mental health.	1. Records with regard to any occupational illness caused by chemical exposure. 2. The voluntary participation rate in the health project shows how the Company supports employees in health promotion.	1. Control chemical, physical, human, biological, psychosocial hazardous elements that cause occupational illness by management representatives and committee representatives of laborer health and hygiene management in relevant departments. 2. Nursing staff in place for healthcare, health promotion, and employee support projects.	1. Immediate adjustment of work. 2. Sufficient medical resources. 3. Prevention from recurrence

Concerned Topics	Goal and Implementation	Risk Assessment	Measures for Mitigation	Remedy
			3. Regular residence to perform health consultation and related inquiry with physicians.	
Complete eradication of unlawful discrimination to ensure equal job opportunities	1. Operation in line with the Labor Law, Ministry of Labor, international regulations and Company Human Rights Policy; Implementation of internal regulations. 2. Procedures are adopted and implemented; declaration in Recruitment and Employment Management Procedure with regard to the non-discrimination principle: equal job opportunities for every job seeker and employee. No discrimination against their race, class, language, thought, religion, party affiliation, place of origin, place of birth, gender, sexual orientation, age, marriage, appearance, Facial features, disabilities, horoscope, blood type or past union membership. 3. Training for recruiting managers on no discrimination against applicants.	As early as possible in the recruit process, internal control is activated to eliminate any discrimination against laws. On their resume, no applicants are required to provide job-irrelevant personal information.	Legal compliance is performed from the very beginning of recruitment in order to eliminate discrimination against laws.	No violation cases.
Child Labor Avoidance	Child Labor Avoidance Management Procedures are adopted when interviewing applicants. Newly hired employees are reviewed to ensure no omission.	Applicants are required to produce statutory identification proof so that the Company may verify their appointment	Legal compliance is performed from the very beginning of recruitment.	No violation cases.

Concerned Topics	Goal and Implementation	Risk Assessment	Measures for Mitigation	Remedy
		qualification.		
Forced labor prohibited	1. Labor related acts and orders by the regional government, international regulations, and Company human rights policy are followed. No forced or coerced laborer shall perform labor. 2. It is specified in the work rules that extra work hours require the consent of employees, with overtime pay or compensatory leave.	In addition to internal controls for work hours, channels for complaint and communication sessions are in place for dissemination and inspection.	The attendance system and overtime report system are devised with reminders. Monthly checks and control on work hours.	In the event of forced labor, improvement measures shall be taken by relevant management personnel. Relevant employees shall be compensated accordingly.
Supporting employees' balance between mental and physical health and work life	1. Diversified activities from culture and art to sports, family, and kids; clubs and societies are available for expanding colleague interaction and obtaining a balance between work and life. 2. Contract with kindergarten helps provide childcare solutions and better support employees' work performance. 3. Make special agreements with external units to provide employees and their families with multiple leisure places at preferential prices, praying for peace of life and work, and physical and mental health.	Participation rate will be reviewed.	Encouraging employees and their family to participate in activities by publicizing such activities through Welfare Committee members and partner sponsors.	Survey after activities for future improvement.

3.4.6 Implementation of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons OK

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
1. Establishment of ethical corporate management policies and programs				None
(1) Did the company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?	✓		(1) The company not only establishes the ethical corporate management principles and the procedures for ethical management and guidelines for conduct, but also establishes FCPA management procedures and ethics management procedures in accordance with the Responsible Business Alliance (RBA; former EICC) specifications.	
(2) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies?	✓		(2) The company has established the ethical corporate management principles and the procedures for ethical management and guidelines for conduct, and has implemented them step by step. Training for new employees and on-the-job training will be communicated to all employees pursuant to the company's requirements for integrity and guidelines for conduct.	
(3) Did the company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?	✓		(3) The company has established relevant operational procedures in the "integrity operation procedures and code of conduct" to actively prevent dishonest acts.	

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) The company and its subsidiaries have established an assessment mechanism for their customers. When executing a contract with a customer, the company, which has clearly provided the rights and obligations of both parties in detail in the contract, makes a confidentiality agreement with the customer.	None
(2) Did the company establish a dedicated unit under the board of directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct prevention plan?	✓		(2) Operational Service Office is authorized by the company to be responsible for developing and dealing with ethical corporate management related matters for the company and its subsidiaries, and reporting the status of performance of the previous year to the Board of Directors every year.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) The company provides a policy for prevention of conflicts of interest and states relevant channels in the ethical management procedures for employees and the procedure for employees to complain and participate in management.	
(4) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct	✓		(4) The design of the accounting systems and internal control systems of the company and its subsidiaries are examined by the CPAs retained by the company and its subsidiaries and are reviewed periodically. During the audit conducted by internal auditors, no violation by	

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
prevention plan or commission a CPA to perform the audit?			any employee or the management of ethical corporate management principles has been found.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) The company holds internal educational training on ethical corporate management periodically and from time to time and holds external educational training based on actual needs.	
3. Operation of whistleblowing system				None
(1) Does the company establish both a reward/ punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) The company has provided a concrete reporting and reward system in the procedures for ethical management and guidelines for conduct. Internal or external persons are able to complain or report via telephone and Email. An ad hoc unit is authorized to deal with matters relevant to complaints.	
(2) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?	✓		(2) The company has provided relevant standard procedures and the confidentiality mechanism in the procedures for ethical management and guidelines for conduct.	
(3) Does the company provide proper whistleblower protection?	✓		(3) The company has provided relevant measures in the procedures for ethical management and guidelines for conduct.	
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its	✓		The company has disclosed information regarding ethical corporate management principles at its website and in Market Observation Post System.	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description of Summary	
implementation on the company's website and MOPS?				
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: None				
6. Important information helpful for understanding ethical corporate management: (e.g.: review and amendment of the ethical corporate management principles, etc.) The Board of Directors of the company approved the establishment of the ethical corporate management principles on Mar. 6, 2013 and approved the establishment of the procedures for ethical management and guidelines for conduct on Aug. 9, 2013. On Mar. 25, 2015, the Board of Directors also amended the company's ethical corporate management principles and procedures for ethical management and guidelines for conduct, after referring to the examples announced by the competent authority, in accordance with applicable laws and the company's governance-related rules and based on the company's actual needs.				

3.4.7 If the Company has established Corporate Governance Best Practice Principles and related regulations, the inquiry methods shall be disclosed: The information has disclosed At the Investor's Zone of the Company's official website and the Market Observation Post System (MOPS).

3.4.8 Other Important Information Relating to Governance of the company:

(1) The company set up the salary and remuneration committee on March 6, 2013.

(2) The company set up the audit committee on April 17, 2014.

(3) The Board of Directors of the company approved to establish the "corporate governance principles" on January 26, 2016.

(4) The company's board of directors established a Corporate Governance Officer on January 17, 2019.

3.4.9 The Performance in Internal Control System shall disclose items given as follows:

A. Declaration of Internal Control System

Min Aik Precision Industrial Co., Ltd.
Declaration of Internal Control System
Date: March 7, 2024

Over the Company's internal control system of Year 2023, based on the results of our self-evaluation, we'd hereby like to declare enumerated below:

1. Here at the Company, we confirm full awareness that implementation and maintenance of the internal control system are the inherent responsibility of the Company's Board of Directors and managers. The Company has duly set up such internal control system in an attempt to provide rational assurance of the effect and efficiency of the business operation (including profitability, performance and assurance of the safety of assets), reliability of reports, timeliness, transparency and accomplishment of the compliance targets on related requirements, laws and regulations.
2. Internal control system is subject to inherent restriction, disregarding how sound it has been designed. Effective internal control system could only provide rational assurance for accomplishment of the three aforementioned targets. Besides, in line with the changes in circumstances and environments, effectiveness of internal control system might change as well. For the Company's internal control system, nevertheless, we have set up sound self-superintendence mechanism. As soon as a defect is identified, the Company would take corrective action forthwith.
3. Exactly in accordance with the items of judgment for the effectiveness of the internal control system under "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Managerial Regulations"), we duly judge whether the internal control system is effective in design and implementation. The items adopted for aforementioned "Managerial Regulations" for judgment of internal control system are the process for management control. The internal control system is composed of five composition elements: 1. Circumstances of control, 2. Risk evaluation, 3. Control operation, 4. Information and communication, and 5. Superintendence. Each and every composing element includes a certain items. For more details regarding the aforementioned items, please refer to contents of the "Criteria".
4. Here at the Company, we have adopted the aforementioned items of judgment over internal control system to evaluate the effectiveness of the design and implementation of the internal control system.
5. On the grounds of the results of evaluation in the preceding paragraph, we are confident that the Company's internal control system in design and implementation as of December 31, 2023 (including the superintendence and management over subsidiaries), including the understanding of the results and efficiency of business operation in accomplishment of the targets, reliability of reports, timeliness, transparency and compliance of the relevant laws and regulations are effective and would reasonably assure accomplishment of the aforementioned targets.
6. The Declaration will function as the key element of the Company's Annual Report and Prospectus and will be made public externally. In the event that the aforementioned made public involve misrepresentation, concealment or such unlawful practice, the Company shall get involved in the legal responsibilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Declaration has been approved by the Company's Board of Directors on March 7, 2024. Seven (7) directors were in attendance, none kept objecting opinions, and all directors in attendance hereby state their agreement to the contents of this declaration.

Min Aik Precision Industrial Co., Ltd.

Chairman: Chia, Kin-Heng

General Manager: Fang, Kuang-Yi

B. Where accountant was commissioned to perform ad hoc review on the internal control system, the accountant review report required to be disclosed: None

3.4.10 For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: None

3.4.11 In the most recent year and as of the Annual Report issuance date, the Key Resolutions resolved in the shareholders' meeting and Board of Directors are as below:

(1) The summary and important resolutions made at the shareholders’ meeting and the status of performance are stated as follows:

Important Resolutions Made at Regular Meeting of Shareholders on June 21, 2023		
Subject	Result of Resolution	Status of Performance
(1) Proposal of recognizing the business report and financial statements of 2022	Approved after voting	Relevant statements have been announced and reported in accordance with applicable regulations.
(2) Proposal of recognizing the proposal of earnings distribution plan for 2022	Approved after voting	Allocated in accordance with the resolution of the shareholders meeting, the dates are as follows: 1. Record date of distribution: 2023.08.01 2. Date of cash distribution: 2023.08.23
(3) Amendment to the Company's director election procedure.	Approved after voting	The shareholders' meeting has elected directors in accordance with the revised procedures
(4) To elect directors to the Board of Directors for the 10th Term.	7 directors elected after voting	The newly appointed directors were approved by the Ministry of Economic Affairs No. 11230130950 dated July 18, 2023 to change registration.
(5) Release the Directors from Non-Competition Restrictions.	Approved after voting	It has been implemented after the approval of the shareholders meeting.

(2) Important matters resolved by board of directors: (Jan. 1, 2023 to Apr. 1, 2024)

Date/Term	Important matters resolved
2023.01.16 The 18th meeting of the 9th Session	(1) Approved the company's 2023 budget. (2) Approved the proposal of applying to the bank for credit extension. (3) Approved the endorsement and guarantees provided for Amould Plastic Technologies (Suzhou) Co., Ltd. (4) Approved the proposal for Esteem King Limited to lend funds to the Company. (5) Approval the proposal for 2022 employee remuneration and director remuneration appropriation ratio proposal. (6) Approve the proposal for 2022 manager performance appraisal and year-end bonus payment. (7) Approved the salary increase proposal for the manager of the subsidiary Amould Plastic Technologies (Suzhou) Co., Ltd.
2023.03.17 The 19th meeting of the 9th Session	(1) Approved the distribution of employees' and directors' compensation in 2022. (2) Approved the business report, individual financial report, and consolidated financial report of the company for 2022. (3) Formulate the "Accountants' Independence and Competence Evaluation Measures". (4) Approved the appointment and remuneration of the auditing CPA for 2023. (5) Approve the 2023 Certified Public Accountant Offering of Non-Conviction Services. (6) Approved the proposal of distributing earnings of 2022. (7) Approved the declaration for internal control system of the company for 2022. (8) Approved the proposal of amendment to the " Procedures for Election of Directors " of the company. (9) Proposal for shareholders to re-election the 10th director of the company. (10) Approved the proposal of convening the general meeting of shareholders for 2022 and other relevant matters. (11) Approved the KPI of managers for 2023.
2023.05.05 The 20th meeting of the 9th Session	(1) Approved the Company's consolidated financial quarter report for Q1 2023. (2) Approved the proposal for liquidation of the subsidiary Evolution Holdings Limited (HK). (3) Confirmation of Director Candidate Qualifications (4) Proposal for shareholders' meeting to lift the restriction on the prohibition of competition for new directors.
2023.06.28 The 1st meeting of the 10th Session	(1) Election of the 10th chairman of the BOD. (2) Appoint the members of the 5th Remuneration Committee.
2023.08.04 The 2nd meeting of the 10th Session	(1) Approved the Company's consolidated financial quarter report for Q2 2023. (2) Approved the endorsement and guarantees provided for Esteem King Limited. (3) Approved the proposal for the distribution of directors' remuneration in 2022.

	(4) Approve the proposal for managers to allocate employee compensation for 2022. (5) Approval of adjustment of directors' remuneration plan . (6) Approval of adjustment of general manager's remuneration.
2023.11.03 The 3rd meeting of the 10th Session	(1) Approved the Company's consolidated financial quarter report for Q3 2023. (2) Approved the annual audit plan of the company for 2024.
2024.01.25 The 4th meeting of the 10th Session	(1) Approved the company's 2024 budget. (2) Approved the proposal of applying to the bank for credit extension. (3) Approved the proposal for 2023 employee remuneration and director remuneration appropriation ratio proposal. (4) Approved the proposal for 2023 manager performance appraisal and year-end bonus payment. (5) Approved the proposal on the promotion and salary adjustment of company managers.
2024.03.07 The 5th meeting of the 10th Session	(1) Approved the distribution of employees' and directors' compensation in 2023. (2) Approved the business report, individual financial report, and consolidated financial report of the company for 2023. (3) Approved the appointment and remuneration of the auditing CPA for 2024. (4) Approve the 2024 Certified Public Accountant Offering of Non-Conviction Services. (5) Approved the proposal of distributing earnings of 2023. (6) Approved the declaration for internal control system of the company for 2023. (7) Approved the proposal of convening the general meeting of shareholders for 2024 and other relevant matters. (8) Approved the KPI of managers for 2024.

3.4.12 In the most recent year and as of the Annual Report issuance date, different opinions posed by the directors to the Key Resolutions in the board of directors, as backed with written records or declaration in writing:

(1) 2023.01.16

- Proposal: Discuss the proposal for 2022 manager performance appraisal and year-end bonus payment.
- Jin, Bor-Shi and Kuo, Yao-Wen: They believed that some managers' bonuses were too high, so they opposed the case.

(2) 2023.08.04

- Proposal: Discuss the proposal to adjust the remuneration of directors and general manager.
- Kuo, Yao-Wen: He believes that the current company situation is not the right time to adjust remuneration, so he opposes this case.

3.4.13 In the most recent year and as of the Annual Report issuance date, facts regarding the compilation for resignation, discharge of the chairman, general manager, chief accountant, financial head, principal internal auditor, Corporate Governance Officer, and research & development head: None.

3.5 Information on CPA professional fees

(1) Information on CPA professional fees

Unit: NT$ Thousand

Accounting Firm	Name of CPA	Audit period	Audit Fee	Non-audit Fee (Note)	Total	Remarks
KPMG	Yu, Sheng-Ho	2023.01.01 ~ 2023.12.31	4,060	777	4,837	
	Cheng, An-Chih					

Note: The non-audit Fee content includes tax visa (640 thousand) and payment in advance (112 thousand).

(2) If any of the following applies to the company, it shall disclose information as follows:

1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed:

   N/A

2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed:

   Since the company has been stable year by year since its IPO, the audit fee was re-examined with the accounting firm this year, and it was reduced by approximately NT$890,000 (18%) compared with last year.

3.6 Information on replacement of CPA

(1) Regarding the former CPA:

<table>
<tr><td>Replacement Date</td><td colspan="4">2023.03.17</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">Due to the internal business adjustment of the accounting firm, the CPAs were changed from Yu, Sheng-Ho and Huang, Yung-Hua to Yu, Sheng-Ho and Cheng, An-Chih.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="2">Parties / Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="2">Termination of appointment</td><td>N/A</td><td>N/A</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Differences with the company</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of Financial Statements</td></tr>
<tr><td></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Remarks/specify details:</td></tr>
<tr><td>Other facts of disclosure (Facts to be disclosed under Article 10, Paragraph 6, Subparagraph 1,</td><td colspan="4">None</td></tr>
</table>

Item 4 ~ 7 of the Regulations)	

(2) Regarding the successor CPA:

Name of accounting firm	KPMG
Name of CPA	Yu, Sheng-Ho Cheng, An-Chih
Date of appointment	2023.03.17
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(3) The reply by the former CPA in response to the three key points under Subparagraphs 1 and 2 of Paragraph 6, Article 10: N/A

3.7 Where the company's Chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None

3.8 In the most recent year and as of the Annual Report issuance date, transfer of shares, pledge or change in equity by the directors, managers and shareholders holding over 10% of the aggregate total:

(1) Changes in directors, managerial officers and Major shareholders

Title	Name	2023		As of 2024/04/01	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director Major shareholders	Min Aik Technology Co., Ltd.	430,000	0	70,000	0
Chairman	Chia, Kin-Heng	0	0	15,000	0
Director	Chang, Lung-Ken (Note 1)	0	0	0	0
Director	Yang, Hung-Jen (Note 2)	0	0	0	0
Director	Sun, Te-Wen (Note 2)	0	0	0	0
Director Major shareholders	Beacon Investments Limited	(110,000)	0	(110,000)	0
Director	Jin, Bor-Shi (Note 1)	0	0	0	0
Director	Kuo, Yao-Wen	0	0	0	0
Independent Director	Chen, John-Sea	0	0	0	0
Independent Director	Sun, Chu-Wei	0	0	0	0
Independent Director	Chung, Kai-Hsun	0	0	0	0

Title	Name	2023		As of 2024/04/01	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
General Manager	Fang, Kuang-Yi	0	0	0	0
Assistant Vice President	Hsieh, Hsiu-Lan	0	0	0	0
Assistant Vice President	Chen, Chin- Tung	0	0	0	0
Assistant Vice President	Li, Chung- Hsien	0	0	0	0
Assistant Vice President	Hsiao, Chia-Ling	0	0	0	0
Chief Accountant	Chan, Chih-Chi	0	0	0	0

Note 1: Dismissed on 2023.06.21
Note 2: Newly appointed on 2023.06.21

(2) Where the transferee of equity transfer is a related party, the Company should disclose the name, his or her relationship with the Company, the Company's directors and supervisors, key shareholders holding over 10% shares and the number of shares held: None

(3) Where the pledge of equity transfer is a related party, the Company should disclose the name, his or her relationship with the Company, the Company's directors and supervisors, key shareholders holding over 10% shares and the number of shares held: None

3.9 Information of the interrelationship as related party, spouse, blood relatives within the second degree of kinship among the top 10 shareholders in shareholding

2024/04/01

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top 10 Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Min Aik Technology Co., Ltd.	29,857,000	38.78%	-	-	-	-	Chia, Kin-Heng	Chairman of Min Aik Technology Co., Ltd.	-
Min Aik Technology Co., Ltd. Representative: Chia, Kin-Heng	722,766	0.94%	146,000	0.19%	-	-	-	-	-
Beacon Investments Limited	24,497,763	31.82%	-	-	-	-	-	-	-
Beacon Investments Limited Representative: Kuo, Yao-Wen	-	-	-	-	-	-	-	-	-
Taiwan Fu Hsing Industrial Co., Ltd.	1,077,000	1.4%	-	-	-	-	-	-	-

Taiwan Fu Hsing Industrial Co., Ltd. Representative: Lin, Jui-Chang	-	-	-	-	-	-	-	-	-
Fang, Kuang-Yi	800,022	1.04%	67,000	0.09%	-	-	-	-	-
Wang, Chung-Chi	730,000	0.95%	-	-	-	-	-	-	-
Chia, Kin-Heng	722,766	0.94%	146,000	0.19%	-	-	Min Aik Technology Co., Ltd.	Chairman	-
Chen, Wei-Jen	626,000	0.81%	-	-	-	-	-	-	-
LGT Bank (Singapore) Ltd.	444,000	0.58%	-	-	-	-	-	-	-
Tseng, Guo-Jin	429,000	0.56%	-	-	-	-	-	-	-
CTBC Bank Employee Stock Ownership Trust Account of Min Aik Precision Industrial Co., Ltd.	350,504	0.46%	-	-	-	-	-	-	-

3.10 The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the company

2024/04/01; Unit: thousand shares

Investees	Investments of the Company		Investment by directors, supervisor, manager and directly or indirectly controlled company		Comprehensive investments	
	Shares	%	Shares	%	Shares	%
MATC TECHNOLOGY MALAYSIA SDN.BHD.	4,427	20%	17,707	80%	22,134	100%

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

(1) Process for the share capital to come into being

2024/4/1; NT$ thousands; thousand shares

Month/ Year	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Other
Jan. 2001	10	12,000	120,000	6,000	60,000	Initiative founding capital	None	Note 1
Sep. 2002	10	20,000	200,000	14,000	140,000	Increment in cash 80,000 thousands	None	Note 2
Jul. 2003	10	35,000	350,000	28,000	280,000	Increment in cash 140,000 thousands	None	Note 3
Apr. 2004	10	35,000	350,000	21,700	217,000	Capital reduction 63,000 thousands	None	Note 4
Apr. 2004	10	35,000	350,000	31,700	317,000	Increment in cash 100,000 thousands	None	Note 4
May 2006	10	50,000	500,000	40,900	409,000	Capital increase by earnings 92,000 thousands	None	Note 5
Sep. 2012	20	50,000	500,000	44,172	441,720	Employee stock option certificate transferred to capital increase 32,720 thousands	None	Note 6
Aug. 2013	10	100,000	1,000,000	56,100	561,000	Capital increase by earnings 81,276 thousands, Capital Surplus to capital increase 38,004 thousands	None	Note 7
Jun. 2014	10	100,000	1,000,000	61,710	617,100	Capital increase by earnings 56,100 thousands	None	Note 8
Sep. 2015	10	100,000	1,000,000	67,881	678,810	Capital increase by earnings 61,710 thousands	None	Note 9
Jan. 2016	88	100,000	1,000,000	77,000	770,000	Increment in cash 91,190 thousands	None	Note 10

Note 1: Approved by the letter Jing-(90)-Zhong-Tzu No. 9031598960 dated January 18, 2001
Note 2: Approved by the letter Jing-Shou-Zhong-Tzu No. 09101374800 dated September 16, 2002
Note 3: Approved by the letter Jing-Shou-Zhong-Tzu No. 09232369190 dated July 16, 2003
Note 4: Approved by the letter Jing-Shou-Zhong-Tzu No. 09331981200 dated April 16, 2004
Note 5: Approved by the letter Jing-Shou-Zhong-Tzu No. 09532256130 dated May 30, 2006
Note 6: Approved by the letter Jing-Shou-Zhong-Tzu No. 10132553220 dated October 2, 2012
Note 7: Approved by the letter Jing-Shou-Shang-Tzu No. 10201160200 dated August 6, 2013
Note 8: Approved by the letter Jing-Shou-Shang-Tzu No. 10301112880 dated June 19, 2014
Note 9: Approved by the letter Jing-Shou-Shang-Tzu No. 10401182630 dated September 4, 2015
Note 10: Approved by the letter Jing-Shou-Shang-Tzu No. 10501022900 dated February 1, 2016

(2) Categories of outstanding shares

2024/4/1

Categories of shares	Authorized Capital			Remark
	Outstanding shares	Unissued shares	Total	
Common shares	77,000,000	23,000,000	100,000,000	Listed stocks

(3) Information for shelf registration: N/A

4.1.2 Structure of Shareholders

2024/4/1

Type of Shareholder / Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institutions & foreigners	Total
Number of Shareholders	0	6	161	14,139	26	14,332
Shareholding	0	546,504	31,021,808	19,279,082	26,152,606	77,000,000
Percentage	0%	0.71%	40.29%	25.04%	33.96%	100%

4.1.3 Shareholding Distribution Status

(1) Common Shares

2024/4/1; NT$10 per share

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	11,666	74,432	0.10%
1,000 ~ 5,000	2,080	3,913,472	5.08%
5,001 ~ 10,000	280	2,250,616	2.92%
10,001 ~ 15,000	93	1,194,864	1.55%
15,001 ~ 20,000	55	1,016,171	1.32%
20,001 ~ 30,000	58	1,480,017	1.92%
30,001 ~ 40,000	23	796,880	1.04%
40,001 ~ 50,000	15	689,581	0.90%
50,001 ~ 100,000	27	1,789,221	2.32%
100,001 ~ 200,000	18	2,454,691	3.19%
200,001 ~ 400,000	8	2,156,504	2.80%
400,001 ~ 600,000	2	873,000	1.13%
600,001 ~ 800,000	3	2,078,766	2.70%
800,001 ~ 1,000,000	1	800,022	1.04%
1,000,001 or over	3	55,431,763	71.99%
Total	14,332	77,000,000	100.00%

(2) Preferred Shares: N/A

4.1.4 List of Major Shareholders:

The names, shareholding number and percentages of shareholders holding over 5% or shareholders ranking among the top ten:

2024/4/1; shares

Name \ Shares	Shareholding	Percentage
Min Aik Technology Co., Ltd.	29,857,000	38.78%
Beacon Investment Limited (Malaysia)	24,497,763	31.82%
Taiwan Fu Hsing Industrial Co., Ltd.	1,077,000	1.40%
Fang, Kuang-Yi	800,022	1.04%
Wang, Chung-Chi	730,000	0.95%
Chia, Kin-Heng	722,766	0.94%
Chen, Wei-Jen	626,000	0.81%
LGT Bank (Singapore) Ltd.	444,000	0.58%
Tseng, Guo-Jin	429,000	0.56%
CTBC Bank Employee Stock Ownership Trust Account of Min Aik Precision Industrial Co., Ltd.	350,504	0.46%

4.1.5 Market price per share, net value, earnings, dividends and other related information for the most recent 2 years:

Unit: NT$; shares

Items \ Year			2022	2023	As of 2024/3/31
Market price per share（Note 1）	Highest		36	33.85	37.4
	Lowest		25.3	28.85	29
	Average		28.75	30.47	33.19
Net Value per share（Note 2）	Before Distribution		24.65	24.20	-
	After Distribution		23.15	23.20	-
Earnings per share	Weighted Average Shares		77,000,000	77,000,000	77,000,000
	Earnings per share（Note 3）		2.1	1.08	-
Dividends per share	Cash Dividends		1.5	1.0	-
	Stock Dividends	From Retained Earnings	-	-	-
		From Capital Surplus	-	-	-
	Accumulated Undistributed Dividends（Note 4）		-	-	-
Return on Investment	Price / Earnings Ratio（Note 5）		13.69	28.21	-
	Price / Dividend Ratio（Note 6）		19.17	30.47	-
	Cash Dividend Yield Rate（Note 7）		5.22%	3.28%	-

* If use profits or capital reserve for raising capital shares appropriate, then it should announce the information of the number of appropriate shares and retroactively adjust market price and cash dividend.

Note 1: list the highest and lowest price of the common stocks in that year, and the average market price for that year is calculated based on the transaction values and transaction amounts.
Note 2: Use the number of circulated shares at the end of the year as the base, then the dividend distributed determined by the board or in the coming year's stockholders' meeting.
Note 3: If there is any retroactive adjustment from the stock dividend without compensation, then it should list earning per share on before and after adjustment.
Note 4: If the equity investment has constraint that limits the undistributed dividend for that year and it is cumulated until to later profitable year. Then it should disclose the cumulative undistributed dividend up to that year.
Note 5: Price / Earnings Ratio = Average Market Price / Earnings per Share
Note 6: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share
Note 7: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price
Note 8: The net value per share and earnings per share should be filled in with the information checked by the accountant in the most recent quarter of the annual report. The remaining fields should be filled in the year of the year as of the date of publication of the annual report.

4.1.6 Dividend Policy and Implementation

(1) Dividend Policy

The net profit of the Company after yearly closing shall, other than paying the income tax payable by law, first be used to compensate losses from the past years. Then 10% of the balance amount shall be provided as legal reserve (unless the amount of legal reserve has reached the total amount of capital). Special reserve shall also be provided in accordance with the law as required. The rest shall be used to distribute dividend. If there is any profit remaining, it shall be combined with the undistributed profit in the beginning of the period, subject to a dividend distribution proposal to be prepared by the board of directors and submitted to the shareholders meeting for resolution for distribution.

To pursue long-term shareholder interest and achieve the target of stable operating performance, the Company adopts the policy of balanced dividend, provided that cash dividend shall not be less than 30% of total dividend.

Although the dividend policy of the company's articles of association does not specify the proportion of dividend distribution, considering the short-term capital needs and long-term financial planning of the company, as well as the domestic and international competition, and taking into account the interests of shareholders, the company's shareholder dividends should not be low. In the current year, the principle of 50% of the surplus is allocated.

(2) Allocation of dividend for the year having been proposed

The Company's board of directors already resolved the 2023 Earnings Distribution on March 7, 2024:

Unit: NT$

Item	Amount
Undistributed profit at start of period	108,769,097
Less: Variation following re-evaluation of confirmed welfare plan	(6,729,448)
Plus: Net profit after tax for the current period	83,064,862

Plus: Special surplus reserve Less: Legal reserve	4,115,847 (7,633,541)
Accumulated distributable earnings	181,586,817
Allocation items in this period Less: Cash dividends (NT$ 1 per share)	 (77,000,000)
Undistributed earnings at the end of the period	104,586,817

(3) If there is a significant change in the expected dividend policy, it should be stated: N/A

4.1.7 The impact of proposed stock dividend on the Company's business performance and earnings per share: N/A

4.1.8 Employees' and Directors' compensation

(1) Percentage or range of employees'/directors' compensation stated in the Articles of Incorporation:

If the Company has profit in the year, 3% to 9% shall be provided as employees 'compensation and no more than 3% as directors' compensation. However, if the Company has accumulated losses, the amount of compensation shall first be provided.

The employees entitled to shares or cash as compensation under the previous paragraph shall include employees of the subsidiaries who meet certain conditions.

(2) Basis of calculation for employees'/directors' compensation and share-based compensation, and accounting treatment for any discrepancies between the amounts estimated and the amounts paid: N/A

(3) Compensation approved by the board of directors:

The employees' compensation and directors' compensation in 2023 was approved by the Board of Directors on March 7, 2024 and they are to be distributed in cash. The amounts are as follows:

A. Employees' compensation: NT$ 8,320,842.

B. Directors' compensation: NT$ 3,566,075.

(4) Allocation of compensation to employees and directors in the preceding year with significant discrepancy of the acknowledgement of bonus to employees and compensation to directors, the causes, and countermeasures:

In 2022, the Company actually distributed NT$ 15,810,368 in employee compensation and NT$ 6,775,8721in director compensation, both of which were paid in cash, and there was no difference from the amount recognized in the financial report.

4.1.9 Share buybacks: None

4.2 Corporate Bonds issued: None

4.3 Preferred stock issued: None

4.4 Global depositary receipts (GDR) issued: None

4.5 Employee Stock Options issued: None

4.6 Acts on new restricted employee shares: None

4.7 Facts of merger/acquisition (M&A) or inward transfer of outstanding new shares from another company: None

4.8 Capital plans and execution: None

V. Operations Overview

5.1 Business Content

5.1.1 Business Scope

1. Main Content of Operating Activities

   Min Aik Precision Industrial Co., Ltd.: (hereinafter referred to as “The company” or Min Aik Precision)

   (1) C805050 Industrial Plastic Products Manufacturing
   (2) C805010 Plastic Sheets, Pipes and Tubes Manufacturing
   (3) C805030 Plastic Made Grocery Manufacturing
   (4) CA02010 Metal Architectural Components Manufacturing
   (5) CA02020 Aluminum and Copper Manufacturing
   (6) CA04010 Metal Surface Treating
   (7) CA01050 Iron and Steel Rolling, Drawing, and Extruding
   (8) CB01010 Machinery and Equipment Manufacturing
   (9) CB01990 Other Machinery Manufacturing Not Elsewhere Classified
   (10) CC01080 Electronic Parts and Components Manufacturing
   (11) CN01010 Furniture and Fixtures Manufacturing
   (12) F401030 Manufacturing Export
   (13) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

   MAP PLASTICS PTE. LTD.: (hereinafter referred to as “MAPP”)

   (1) Design and manufacturing of the medical plastic injection product.
   (2) Design and fabricate plastic injection mould.
   (3) Provide customised automation solutions to medical device industry.
   (4) Design and manufacturing of precision plastic injection product.

   Amould Technology (Suzhou) Co., Ltd.: (hereinafter referred to as “ Suzhou Amould”)

   (1) Design, R&D, production, manufacturing and marketing of automation equipment and providing related technologies and after-sales services.

2. Ratio of Operating Revenue

Unit: NT$ thousands

Main Content	2023	
	Sales volume	Proportion
Plastic injection parts	574,580	28%
Electronic stamping components	573,652	28%
Hard Disk Drive stamping components	449,480	21%
Automated machine	357,442	17%
Other	119,985	6%
Total	2,075,139	100%

3. Current Products (Services) of the Company

   Min Aik Precision

   (1) Stamping assembly of the hard disk drive.
   (2) Consumer electronic assembly.
   (3) Parts of the heat spreader.
   (4) Stamping parts for the automobile.

(5) Surface treatment and electroplating service of metal parts

MAPP

(1) Medical plastic consumables.
(2) Life Science consumable and enclosure plastic parts to be used in the lab.
(3) Other precision plastic products.
(4) Mould fabrication.
(5) Automation equipment for assembling of the medical consumables

Suzhou Amould

(1) Assembly, testing, installation, laser and assembly line of 3C Product automation equipment.
(2) Inspection and assembly automation equipment of medical products.
(3) Equipment for loading and unloading, assembly, testing of food and small household appliances.

4. New Products (Services) Planned to be Developed

Min Aik Precision

(1) Develop high-end servers and high-capacity hard disk related stamping components incorporated with market trend.
(2) The development and manufacturing of mobile phone, tablet, notebook, automobile, display electronic components.
(3) The development and manufacturing of semiconductor Heat Sink components.
(4) Electroplating and surface treatment services for precision machinery and mechanical parts

MAPP

(1) “Otoscope” complex secondary process with insert mould - reducing cost for customer by replacing laser direct structure (LDS).
(2) Silicon moulding of medical devices.

Suzhou Amould

(1) Design and develop automatic process equipment with the launch of 3C new products in the market.
(2) Design and develop automatic equipment to meet the needs of traditional industries.
(3) Design and develop automation equipment to meet the needs of medical products.
(4) Inspection and assembly automation equipment of medical products.
(5) Equipment for loading and unloading, assembly, testing of food and small household appliances.

5.1.2 Overview of the Industry

1. Current Situation and Development of the Industry

(1) Stamping of precision metal

A. Hard disk drive industry

After years of industrial competition and benign merger and acquisition, the oligopoly market mode in which the hard disk drive industry has been globally dominated by three major hard disk drive manufacturers began in 2012. All the procedures for Seagate to merge with and acquire the Hard Disk Drive Department of Samsung Electronics Co., Ltd. were completed on December 19, 2011. Western Digital Corporation (WD) successfully carried out its acquisition of Hitachi Global Storage Technologies (HGST) on March 8, 2012. However, due to requirements of mainland

China's Ministry of Commerce at that time, the status was maintained until October 2017, and the independent operation of WD and HGST brands was maintained until then. Therefore, WD and HGST were considered different brands and storage technology companies and occupied the market separately although they belonged to the same group. In 2018, WD Group continuously merged, organized, and adjusted its actions, market positioning, and target groups. After successive acquisitions of such internal storage device brands as HGST, SanDisk, G-Technology, Tegile, and Upthere, WD decided to re-adjust the brands it owned so that the products of the owned brands could be more easily identified in the market. After such adjustment, the name -- Western Digital would be used in a unified manner to refer to all the brands of the enterprise, as well as its commercial application products. In the future, HGST and WD brands would no longer be used to promote the products of the enterprise and commercial application, respectively. The three major hard disk drive manufacturers, Western Digital, Seagate, and Toshiba, shall continue to subsequently lead the hard disk drive market.

From the market share of HD manufacturers observed in 2023, Seagate will still take the lead with a 43% market share and stand firm as the biggest HD manufacturer of the world; it is followed by the manufacturer Western Digital with a market share of 38%; and Toshiba stands in third place with 19% of the market share.

Shipment statistics of hard disk drives and analysis of market shares of major hard disk manufacturers in 2021-2023

Unit: Million sets

Year	2021		2022		2023	
Manufacturer	Shipment	%	Shipment	%	Shipment	%
Seagate	110.0	43%	74.0	43%	53.1	43%
Western Digital	94.2	36%	63.0	37%	46.2	38%
Toshiba	54.7	21%	34.0	20%	23.5	19%
Total	258.9		172		122.8	
Growth (%)	-0.50%		-33.5%		-28.6%	

Source: Storage Newsletter & The Company's statistical evaluation

In 2023, the global overall economy experienced a slump, and with multiple factors such as economic headwinds, the ongoing Russia-Ukraine war, rising inflation, and geopolitical tensions, the overall market demand, supply, and outlook have been impacted profoundly. In the first half of the year, the entire industry of the PC supply chain was unexpectedly frozen, and customers continued to clear their inventories, resulting in terminal sales not being as expected. However, global PC shipments have shown signs of recovery in the third quarter of 2023 and are expected to continue to grow in 2024. AI PCs are expected to be the main driver of PC growth in 2024. According to the latest data from Counterpoint, the decline rate in global PC shipments in the fourth quarter of 2023 has narrowed to 0.2% compared to the same period in 2023.

In terms of industrial development, Seagate will mass produce HAMR technology HDDs with a capacity of more than 30TB in March 2024, and propose producing 40TB in 2025, launching more than 50TB in 2027~2028. Nikkei reported that the average annual growth rate of HDD capacity will be 1.4TB between 2020 and 2023, contributing to the introduction of new technologies and increasing by 2.2 times to 3TB from 2024. The difference in the price of unit capacity between SSD and HDD will also widen to 6.7 times in 2028.

Utilizing new magnetic disc technology on the hard disk, HAMR allows the data bits to be smaller and more tightly congregated together while maintaining the stability of magnetic properties and heat resistance. When writing new data, HAMR can be connected to a small laser diode attached to each magnetic head which briefly heats a small spot on the hard drive, allowing the magnetic head to flip the magnetic polarity one bit at a time to write the data.

While consumers have turned to faster solid-state discs (SSDs) for their storage needs, as storage capacity requirements have grown in almost all areas, only a hard disk drive can provide a low-cost option for the storage capacity required by data centers, the cloud, and other similar fields. It is expected that the two storage devices, HDD & SSD, will be able to continue to coexist in the future. Research institution TrendFocus has pointed out that large-capacity HDDs are still the mainstream in the market. With cloud and high-performance computing, application scenarios require inexpensive, low-power consumption, and high-density storage technology products. It is expected that HDD will still have the advantage of lower unit capacity cost than SSD in the future, especially in the nearline storage market for data centers.

B. Electronic Components

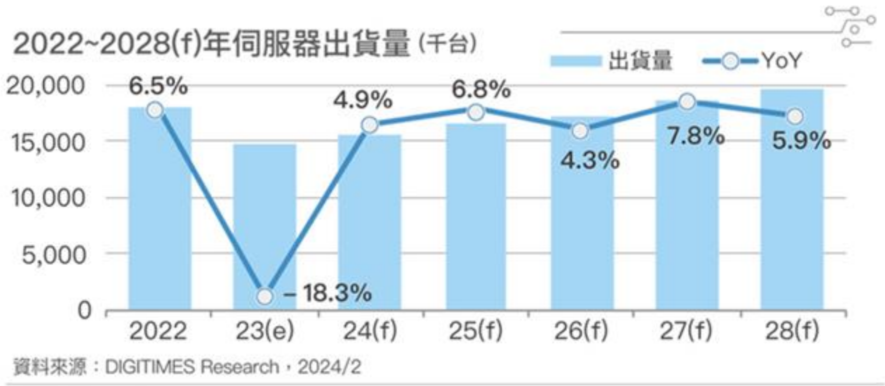
The Heat Sink is one of most basic heat spreading components and is usually made of metals that easily conduct heat. The metal materials of the heat spreader include such high heat conductive metal materials as copper alloy, aluminum material, alumina-silicon carbon, and stainless steel. In general, the heat spreader is in direct contact with the chip that is the direct material for CPU or GPU. Since the heat spread must be completely bound with CPU to equally conduct the heat, flatness is very important. Furthermore, because it needs to be bound with CPU, the heat spreader has become a highly customized product in order to meet the different requirements of various chip plants for the package.

The application range of the flip-chip-lid is broad and wide, such as electronic components, semiconductors, and photoelectric devices in the electronic information industry. The end industry of downstream applications has even extended to the 3C and automotive electronics industries. Presently, the most important applications are in computer microprocessors (CPU), graphics cards (GPU), data center servers, and electric vehicles, especially the extremely high demand for data center servers.

Affected by the overall economy, war, and inflation, 2023 is the year for global semiconductor inventory adjustments, with destocking being the main operating task for the year. Inventory adjustments in fields such as mobile phones and PC/NB were completed earlier and have successively returned to a healthy level. Applications such as automotive and industrial control are continuously being adjusted according to the conditions of some product lines.

With the advancement of semiconductor technology, more and more AI functions are expected to be integrated into personal devices from 2024. AI smartphones, AI PCs, and AI wearable devices will gradually enter the market. Access to AI PCs will also gradually expand; the rate of access to AI PCs is expected to increase slightly in 2024, significantly increase in 2025, and continue to increase in 2026. Sales of AI PCs are estimated to account for 40% to 50% of the total sales of laptops within three years.

As DIGITIMES Research estimated, the annual compound growth rate (CAGR) of global server shipments from 2023 to 2028 will be 6%. In 2024, the restart of general server procurement by large cloud operators in North America is expected to contribute a rebound of 4.9% in overall server shipments. In 2025, the overall economic environment will improve, leading to a rebound in corporate spending; shipments are expected to grow by another 6.8% driven by new processor platforms.



C. Automotive stamping parts

As the demand for electric vehicles continues to increase, it also drives the application and development of Insulated Gate Bipolar Transistor (IGBT) modules. China has the largest automobile market in the world, and IGBT is a key component of power semiconductors for power control and power conversion, making this module a vital technology for high-powered applications such as electric vehicles.

In 2023, the sales of electric vehicles (EVs) achieved strong annual growth, but the growth rate is expected to slow in 2024. The market is attempting to move from the original adopters into more price-sensitive mainstream buyers. In 2023, multiple manufacturers have significantly decreased the prices of their EVs, among which Tesla lowered the prices of its Model 3 and Luxury Model S by 25% in response to increasing competitive pressure.

According to SuperAlloy Industrial, a Chinese automotive parts supplier, the global sales of EVs, hybrid vehicles, and fuel cell vehicles are expected to increase by 32% in 2024 to a total of 1,700 vehicles.Although the global growth of EVs is slowing, besides current radiator manufacturers, there are many companies crossing over to this field, contributing to the increasing demand for electronics, semiconductors, and other technologies.

The Chinese EV market is undergoing a major reshuffle, but impacted by overall trends, it remains a poplular market. Catering for customer requests, some manufacturers who originally specialized in producing safety parts have begun to enter the EV radiator market in recent years.The Chinese EV market may therefore seem like a big cake, but the low-price competition for vehicle parts is fierce. In addition to the rising demand of EV radiators, which requires a great deal of research and development funds, there is considerable, intangible cost of research and investigation, contact with vehicle manufacturers, and sample delivery and calibration matters.Driven by Chinese government policies, Chinese vehicle manufactures are launching a new round of price wars, which will compress the profit margins of both vehicle manufacturers and the supply chain.

(2) Medical consumable industry

The global medical device market is projected to experience significant growth from 2024 to 2030. The market size is estimated at USD 637.04 billion in 2024, and is expected to reach USD 893.07 billion by 2029, growing at a CAGR of 6.99% during the forecast period.

The growth of the global medical device market is being driven by several factors:

A. Increasing Prevalence of Chronic Diseases: The rise in chronic diseases is leading to an increase in the number of patients undergoing diagnostic and surgical procedures. This is fueling the demand for medical devices.

B. Technological Advancements: The market is further augmented by the increasing R&D investments by leading market players to develop technologically advanced equipment.

C. Favorable Healthcare Reforms and Government Financial Assistance: These are making medical devices more accessible.

D. Rising Demand for Minimally Invasive Surgeries: These surgeries require specific medical devices, thus driving the market.

E. Increasing Global Aging Population: The geriatric population is more likely to acquire age-related diseases that are less prevalent among younger people.

F. Increasing Demand for Home Healthcare Devices: With the advent of telemedicine and remote patient monitoring, the demand for home healthcare devices is on the rise.

(3) Automation industry

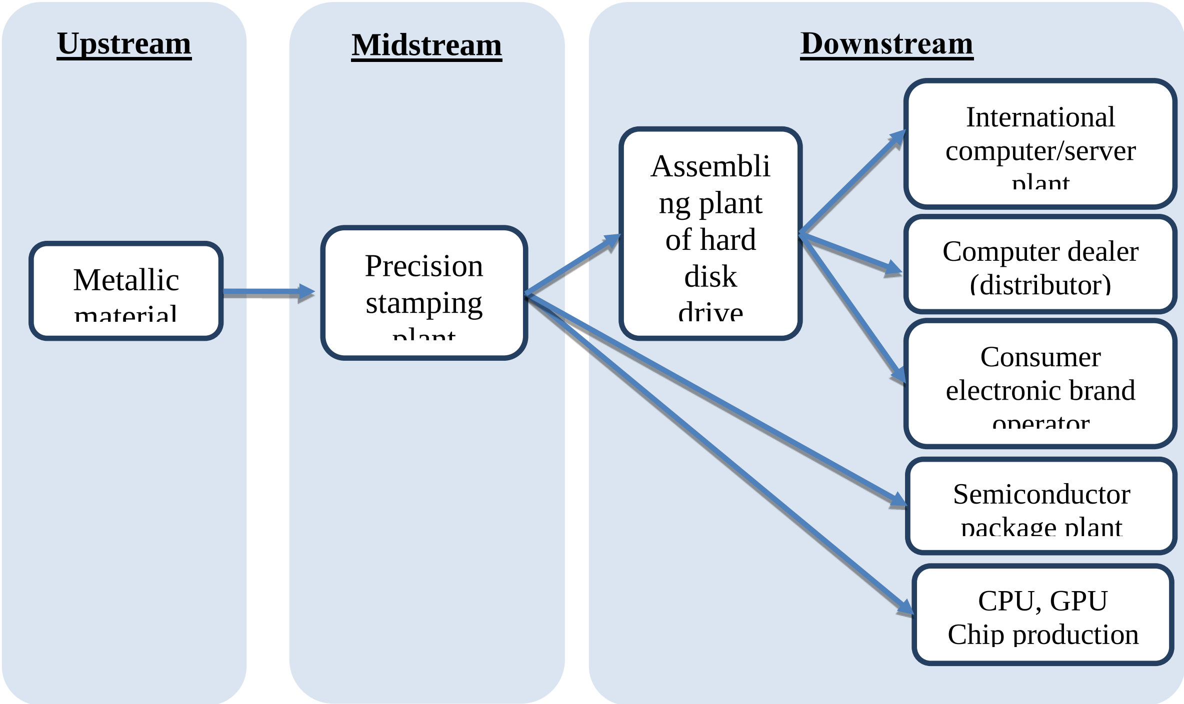
Automation industry is the support industry of automation technology for other industries, belonging to the upstream industry with technology-intensive, service-intensive, non-mass production and many kinds of projects. This characteristic is the same at home and abroad, but the advanced countries abroad started earlier, the industry has developed and formed, and the world market is mostly occupied by it, while the scale of domestic automation industry is still smalldue to its late start. Because of the wide range of automation products and the high quality of technical services, there is still a lot of room for the development of domestic automation industry in the future.

Automation refers to the combination of various types of computers, application software, sensors, control and communication technology, in order to replace or save labor, increase productivity, provide stable quality and increase efficiency. Various industries have different products and processes, and they need different functions of automation machines. Therefore, the demand for automation machines in industry is continuing. It is an important task for manufacturing industry to find manufacturers with the ability to design and manufacture automation equipment in order to manufacture automation machines that meet their needs.

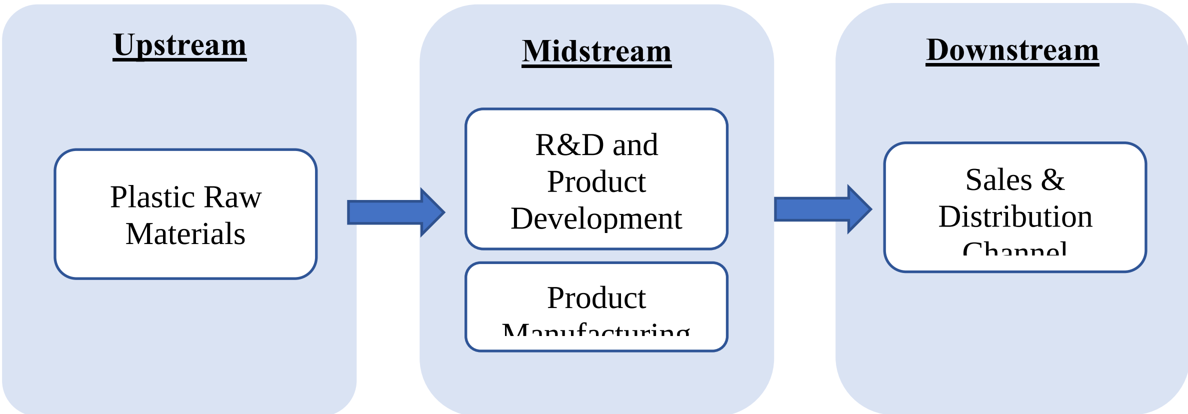
Since 2008, China has applied the Active Contract Law, which expressly stipulates the protection of employment rights, including the provision of social insurance, overtime pay and severance pay. This has greatly increased the employing cost of enterprises, especially in the intensive manufacturing industry. In addition, due to the increase of employment opportunities and wages in China, manufacturers in coastal areas are facing fierce competition. In severe cases, there will be job shortages. However, automation will help to improve production efficiency, reduce employee costs, improve quality, and enhance competitiveness. Especially in the case of high wages and job shortages, it is expected that the demand for automation will increase year by year in the future.

2. Relevance to Upstream, Midstream and Downstream Suppliers in the Industry

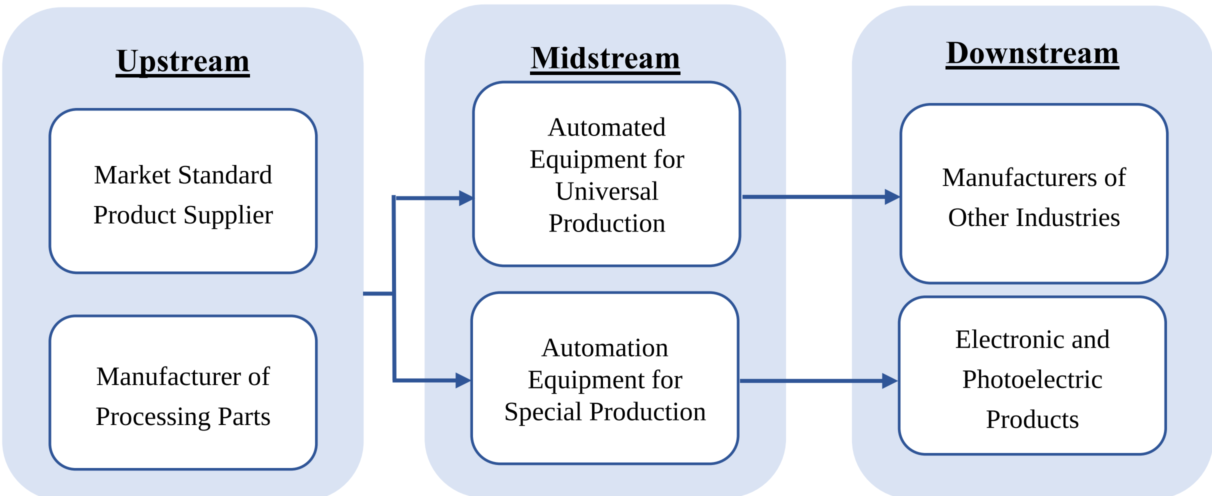
(1) Precision Metal Stamping



(2) 2.Medical Consumables Industry



(3) Automation industry



3. Trends of Product Development and Competition

(1) Hard disk drive industry

A. Development trend of hard disk products

In terms of future development of the hard disk product, the design to be applied to the non-portable product should emphasize the capacity and performance first. While the design of the hard disk product should emphasize breakthroughs on lower power consumption/power saving, lower heat dissipation, lightness and seismic resistance when applied to the portable products.

Observing the design trends of hard disk products in recent years, Energy-Assisted Magnetic Recording (EAMR) technology, Heat Assisted Magnetic Recording (HAMR), and Ultra-thin substrate technology with a thickness of less than 5mm are the most important technological developments, all of which can help to continue to expand the capacity of traditional hard drives. Recently, with the continuous growth of demand from large data centers and branded server manufacturers, hard disk drive manufacturers have invested more development resources in the R&D and the production of Nearline and other large-capacity hard drives.

As industrialized AI is driving explosive data growth, the amount of data created, captured, stored, protected, and analyzed globally is also growing rapidly. According to research firm IDC, generative AI is expected to contribute 100ZB of data itself alone in the next five years, while the data volume of the Global Datasphere is expected to reach 291ZB in 2027. Seagate CEO Dave Mosley observed that the value of raw data has been increased by using artificial intelligence (AI), and more and more companies are investing efforts into storing this data. Therefore, the large amount of data generated and this driving trend also makes areal density even more important than before. In the next decade, with the development of many new devices and software, AI will play a key role. Interestingly, before AI advances, companies need data to train AI otherwise it will not develop. The problem lies in the fact that these large amounts of collected and created data may also pose challenges for businesses, such as skyrocketing storage costs, rising energy consumption, and insufficient physical storage space.

Seagate's newly launched Mozaic 3+hard drive platform utilizes technology to overcome the problem of increasing the number of bits that can be stored on a disk without increasing the number of disks. This allows for more data to be stored in the same area, which also reduces power consumption and costs. By utilizing Thermal Assisted Magnetic Recording (HAMR) technology, the areal density per disk can exceed 3TB. In coming years, areal densities of 4TB and 5TB or more per disk are expected to be developed. The flagship series is currently in mass production, and its latest hard disk has a capacity of over 30TB. The Mozaic 3+hard drive platform integrates many innovative technologies, such as Superlattice Platinum Alloy Media, a plasmonic writer, and 12nm integrated controllers. According to the principles of basic physics, to increase storage density, magnetic particles need to be reduced at nanometer level. However, the smaller the magnetic particles, the more unstable they become. The magnetic stability of traditional alloys cannot guarantee the effectiveness and reliability of storage. Superlattice platinum alloy discs can significantly enhance their magnetic coercivity, achieving precise data writing and unprecedented positional stability.

The use of disks with stronger magnetism ensures the stability of magnetic particles, so the maganetic writer also needs to be developed synchronously. Seagate integrates nanophotonic lasers into the plasmonic writer subsystem, generating extremely small hotspots on the surface of the disk through nanophotonic lasers to ensure stable and reliable data writing.

HAMR technology will be able to support the latest large-capacity devices. HAMR can greatly increase the magnetic recording density and promote the development and growth of next-generation hardware in the next ten years.

B. Competitive situation of the hard disk product

Min Aik Precision Industrial Co., Ltd. produces a variety of stamping assemblies of the hard disk, therefore the competitive situations of all products are also different from each other according to different types of the products. The market competitive situations of the first two major products of the Group -- Voice Coil Motor Plate (VCM plate) and the stamping assembly of the hard disk drive shall be briefly explained.

The manufacturers from Southeast Asia or Taiwan are the main competitors of the Group. The main competitors of the VCM plate include Cheung Woh, Interplex (originally named as Amtek), CFTC and MMI Precision, the main competitors of the stamping assembly of the hard disk drive include IPT and NHK Spring. Because the stamping assembly of the hard disk plant has the high requirements -- high precision and high cleanliness, the entry threshold is high and the hard disk drive manufacturers rarely introduce and develop the new suppliers. The good and stable product quality is more important than the price competition. Based on slowdown of the hard disk shipment, the assembly suppliers have also begun to further merge, and the supply chain is also expected to be adjusted. With changing market environment and increasing demand of data center, the design of top and bottom plate of voice coil motor tends to have thicker materials and complicated design, which have promoted the threshold and technology of component suppliers and correspondent orders will be centered on more competitive component suppliers.

(2) Medical consumable industry

A. Development trend of Medical consumable industry

a. Building Back Supply Chain Resiliency: Medical device manufacturers are focusing on the resiliency of their supply chain. Strategies include multi-sourcing at the component level and building relationships with critical part suppliers.
b. Reimagining R&D for Sustainable Growth: R&D excellence is a top priority for medtech leaders. They are adopting agile development practices, next-generation digital and analytical tools, and engaging with external sources of innovation.
c. Software Innovation: Medtech companies are shifting their approaches to product development to function like software companies. They are building robust tech stacks, adopting software development best practices, and strategically sourcing intellectual property and talent.
d. Digital Health Ecosystems: The integration of hardware and software into digital health ecosystems is a growing trend.
e. Rise in Digital Therapeutics and At-Home Diagnostics: There is a growing use of biometric devices and wearable technology.
f. Increased Speed to Market: There is a greater emphasis on getting products to market more quickly.
g. Greater Emphasis on Inclusivity/Access and Sustainability: Companies are focusing more on making their products accessible to a wider range of people and on sustainability.
h. Adoption of IoT for Real-Time Monitoring: Healthcare startups are adopting IoT for continuous real-time monitoring of their patients.
i. Telemedicine: Telemedicine enhances clinical services for patients to consult remotely.
j. Big Data and Security: Processes are structured or unstructured data to generate insights.

k. Wearables: Wearables monitor vital signs with sensors developed on the devices.

B. Competitive situation of Medical consumable industry

a. Market Leaders: Major players with a significant global presence and substantial market share dominate the market. They have a broad product portfolio and strong distribution networks.
b. R&D Investments and Innovation: Leading market players are investing heavily in research and development to create technologically advanced equipment. They are adopting agile development practices, next-generation digital and analytical tools, and engaging with external sources of innovation.
c. Software Innovation and Digital Health Ecosystems: Medtech companies are shifting their approaches to product development to function like software companies. They are building robust tech stacks, adopting software development best practices, and strategically sourcing intellectual property and talent. The integration of hardware and software into digital health ecosystems is a growing trend.
d. Rise in Digital Therapeutics, At-Home Diagnostics, and Wearables: There is a growing use of biometric devices, wearable technology, and at-home diagnostics.
e. Increased Speed to Market: There is a greater emphasis on getting products to market more quickly.
f. Greater Emphasis on Inclusivity/Access and Sustainability: Companies are focusing more on making their products accessible to a wider range of people and on sustainability.
g. Adoption of IoT for Real-Time Monitoring and Telemedicine: Healthcare startups are adopting IoT for continuous real-time monitoring of their patients. Telemedicine enhances clinical services for patients to consult remotely.
h. Big Data and Security: Processes are structured or unstructured data to generate insights.
i. Industry Growth: The overall medtech revenue growth is expected to stabilize at 100 to 150 basis points above pre-pandemic rates. Cardiovascular health, digital healthcare, and robotics are expected to be among the fastest-growing segments.
j. Investor Focus: While sales growth remains chief in value creation, profitability and cash flow are increasingly coming into focus.

(3) Automation Industry

A. Development Trend of Automation Industry

As a world-class factory, China mainland provides processing and manufacturing services for many world-class customers. Automation industry started late in the mainland, and the existing industry is still small. There is still a lot of room for development in the future industry. In addition, China's labor costs are increasing year by year, and the demand for automation equipment is increasing gradually. The trend of industrial development in recent years,, the most important technology is the integrated use of robots and the application of precision mounting and measuring equipment. In addition, according to the manufacturing layout of existing and new customers, the service area will also be extended to Asia Pacific region such as Vietnam, India and other regions.

a. Integrated Utilization of Robots

Due to the increasing labor costs and the increasing requirements of assembly quality, more and more jobs have been replaced by robots to reduce the pressure of labor costs and work intensity. Robot technology will change factories in the next five years.

b. Application of Precision Mounting and Measurement Equipment

On the basis of improving the performance of the current consumer electronic equipment, the pursuit of thinning the product itself, accuracy requirements have been raised to the micron level for internal parts assembly, relying on manual work has been unable to meet the accuracy requirements, it is necessary to rely on automatic equipment to complete high-precision assembly and testing.

c. The rapid development of the medical industry has created a demand for automated production to improve its quality and output.

B. Competitive situation of Automation Products

3C: The automation equipment produced by our company involves the integration and use of automation in various fields, from robots to assembly lines, from precision adjustment platform to complete process development. The R&D team is actively integrating existing mechanical, control, optical and software modules to construct more precise and high-speed manufacturing and processing equipment to meet the development needs of future equipment.

Medical and other industries: In order to improve the company's product structure, in addition to continuing to develop 3C-related equipment in recent years, the company has paid more attention to the development of equipment to the medical industry. At present, it has made certain progress in related equipment in the medical field. In addition, we have also begun to set foot in the traditional manufacturing industry.

5.1.3 Technology and R&D

1. R&D expenses in the latest year and as of the publication date of the annual report:

Unit: NT$ thousands

Year / Item	2023
A.R&D expense	49,208
B. Operating income	2,075,139
A/B	2.37%

2. Technologies or products developed successfully in the latest year and as of the publication date of the annual report

(1) Min Aik Precision

Year	R&D achievements
2023	Heat sink process technology development Heat treatment dimensional accuracy technology development
2024	None

(2) MAPP

Year	R&D achievements
2023	Co-developing cattle tracking device with customer- involve injection moulding, electronic overmoulding and packaging.
2024	None

(3) Suzhou Amould

Year	R&D achievements
2023	1. Fixtures for testing the main board of the sweeping robot 2. Contraceptive rod packaging equipment 3. Sampling clamp packaging automation equipment
2024	1. Automatic assembly testing line for sweeping robots 2. Packing machine for food and alcohol production

5.1.4 Long-term and Short-term Business Development Plans

1. Short-term plans

(1) Min Aik Precision

In order to serve the existing customers and develop the potential customers, the company shall continuously implement the pace of globalization in accordance with the requirements of the market and the customers while establishing the overseas production and service bases duly and continuously introducing the automation technology, to improve the capacity, the productivity and the product quality, achieve the goal of reducing cost, expanding market share of the products and accordingly improve the profitability. In addition, the company shall strengthen the strategic alliance with the service agent partners while expanding other niche markets, developing the products and increasing the existing market share. In allusion to the existing customers, the company shall also enhance the high involvement in the development stage of the new product, to improve the customer's trust and dependence on the company and acquire the first opportunity in mass production and the high market share.

(2) MAPP

With the global COVID pandemic moving into the Endemic stage, we see a slow down in the Life-Science segment of the market, we will shift our focus back onto our Medical Consumable Clients.

Singapore’s MedTech Manufacturing eco system is the key factor to attract global key players to invest here. There more than 25 multinational MedTech companies have established their R&D presence in Singapore, with many investing in end-to-end capabilities ranging from product design, to optimization and validation. Also more than 50 regional headquarters from the world’s leading MedTech firms are based in Singapore. Singapore is a hub for business model innovation, marketing and regulatory, and e-commerce to expand access in Asian markets.

MAPP will align resources and strategies to capitalize on this regional growth, both from MedTech companies in Singapore and developing economies like Vietnam, India and Indonesia.

MAPP will look for opportunities to collaborate with MedTech startups, institutes and hospital to develop and manufacture new products and technologies.

MAPP to look for post Covid opportunities from existing and new customers.

MAPP to work with MedTech companies by leveraging group automation capabilities to provide automation solutions.

MAPP will also continue to create value with existing customers, by tapping on any available funding support from the Singapore Government.

(3) Suzhou Amould

Utilize the ability of automation equipment to solve the problem of lack of manpower, reduce costs and improve production capacity to meet the needs of the market. Machine modular design integrates the production technology of machinery and equipment, quickly supplies the machinery and equipment needed by downstream industries. Modularizes similar equipment institutions in various industries. Only special or different parts need to be designed and developed when receiving new demands. In addition to speeding up the lead time, it can also reduce the cost of research and development. Coordination of excellent management and sales personnel within the group and injects new blood into the company to meet the needs of professionals at all stages of the company's growth. At the same time, Amould will strengthen its business development in the medical industry and other traditional industries to explore the potential demand of existing customers and increase the promotion of the company's products, which can maintain the visibility and activity of Amould in the market and strive for more opportunities to seek cooperation with new customers.

2. Long-term plans

(1) Min Aik Precision

A. In terms of production: Min Aik shall actively cooperate with the strategic partners and establish a mode of division during production, to facilitate the control of the overseas inventory and make the timely adjustment and supply in real time in accordance with the changes of overseas customers' requirements. In this way, the transportation and process expenses may be effectively reduced, and the undertaking rate of the orders may be improved.

B. In terms of R&D: Min Aik shall maintain the technological improvement of the hard disk and the storage device, while continuously expanding the design, production and assembling technologies of other electronic assemblies and the assemblies for automobile and improving application of the production automation to mass production, inspection and packaging of the product.

C. In terms of marketing:

a. Min Aik shall consolidate and strengthen the existing business contacts with the customers having good relationships while creating the integrated advantages of Development and Manufacturing of Metal Assembly of Precision Hard Disk Drive in the field of storage, improving the customer satisfaction, expanding the proportion of the existing customers' orders and actively developing the potential customers and products.

b. Creation of other niche markets: Min Aik plans to gradually adjust the proportion of the hard disk customers in the future and increase the proportions of other 3C electronic products and the heat spreader, so as to gradually disperse the risk of the market.

c. Min Aik shall promote the field of professional Original Equipment Manufacturer (OEM) of the electronic parts and constitutive products to integrate the products and advantages of the subsidiaries of the Group and provide the customers with the more comprehensive product line, added values, bases and services.

d. Min Aik shall continuously focus on the metal stamping assembly market related to the automobile in response to the electronic trend of the automobile.

e. Extended services to electroplating and surface treatment of metal parts

D. In terms of quality assurance and environmental protection, Min Aik shall implement these policies related to quality assurance, environmental protection, labor and safety, such as ISO 9001, ISO 14001, ISO 22301, ISO 45001, IATF16949 , ISO 14064-

1:2018and RBA (EICC), Automobile quality management system certification, while creating the high-quality products on the premise of meeting the specification of RoHS, fulfilling the social responsibilities, and enhancing the enterprise image and the international competitiveness.

E. Operating scale:

a. Min Aik shall coordinate the industry boom and market development and adjust the diversified capacity, to increase the operating scale.

b. Except continuous research of the main products and diversification of product development, Min Aik shall adhere to the concept of "Sustainable operation", and develop towards the direction of enterprise cluster, in order to implement the management of various business systems.

(2) MAPP

A. In terms of production: Progress towards a Smarter factory through continuous efforts to automated our production process (minimize reliance on human and for better quality and productivity). Develop and introduce the use of Cobots.

To vertically integrate with customer needs, MAPP target to expand its offering from production to complete packaging and sterilization for MedTech devices.

B. In terms of R&D:

a. To work with prestigious institutes in Singapore in developing New Technologies in MedTech and industrial Automation.

b. Automatic Optical Inspection: To replace human browsing for better quality output to customer and better factory productivity.

c. Sale of automation machine and provision of automated assembly services to existing customer.

d. Sale of automation machine and provision of automated assembly services to existing customer and venture into new markets.

e. ODM: To collaborate with promising Startups and institutions to develop innovative products and venuture into new markets.

C. In terms of marketing:

a. Expand footprint into high potential developing countries within Asia/ASEAN.

b. Continue exploration of new manufacturing technologies such as 3D-Printing, Precision Machining and Silicon Moulding.

c. Seek opportunities for collaborative innovation both within and outside of the MedTech ecosystem.

d. Work with MedTech companies to jointly develop MedTech products.

D. In terms of quality assurance and environmental protection:

The company is ISO 9001 and ISO 14001 certified. We are also ISO 13485 certified to be able to design and manufacture medical components. Target to get Good Manufacturing Practice (GMP) and FDA certification for the plant to manufacture medical device. As our operations does not produce pollution, we are not bound by any government regulation on pollution control.

E. Operating scale:

Continue to search for new businesses and strategic alliances to increase our customer base. As and when there is additional demand from customer, we will expand our production capacity and increase our scale of operation. We are also constantly on a look out for potential business acquisitions that are aligned with our core competencies.

(3) Suzhou Amould

A. In terms of production: Promote modular process program control system, strengthen process management and shorten production time to stabilize product quality.

B. In terms of R&D: On the basis of existing technology, develop more mature technology, integrate machine and equipment production technology with modular design. When receiving new customer needs, only design for special or different parts can accelerate the delivery speed and reduce R&D costs.

C. In terms of marketing:

a. Consolidate and strengthen business contacts with existing good relationship customers. Improve customer satisfaction and expand the proportion of orders of existing customers and develop potential customers and products actively.

b. Understand the company's competitive advantages, find market entry points, seek quantitative product production plans in stable cooperative relationships, and share benefits with customers.

c. Predict customer demand, prepare beforehand and take the initiative to attack.

d. Understanding the needs of traditional manufacturing and medical industries, providing complete solutions to potential customers and expanding new businesses.

D. In terms of quality assurance and environmental protection:

Implementing ISO 9000 and conforming to RoHS standards to enhance corporate image and international competitiveness.

E. Operating scale:

a. In line with the development of the industrial boom, we should choose the right time to expand production capacity to increase the scale of operation..

b. In addition to the continuous research of major products, and the development of multi-directional integration and utilization of automated products.

5.2 Market, Production, and Sales Review

5.2.1 Market Analysis

1. Sales of main products (services)

Unit: NT$ thousands

Area \ Amount		2022		2023	
		Sales volume	Proportion	Sales volume	Proportion
Sales in domestic market		323,986	15%	227,228	11%
Export sales	Asia	1,709,044	75%	1,638,316	79%
	America	232,791	10%	54,572	3%
	Europe	9,196	0%	155,023	7%
	Subtotal	1,951,031	85%	1,847,911	89%
Total		2,275,017	100%	2,075,139	100%

2. Market Share

(1) Min Aik Precision

Our company insists on creating an integrated advantage in the development and manufacture of omnidirectional HDD components in the storage field, and expects to diversify the operations of the group through efforts in product diversification. At present, the only three hard disk drive manufacturers in the world are all customers of our company. In addition to laying a solid foundation in the supply chain of HDD components, the product line has been extended to other electronic components and has successfully become a trusted supplier and partner for international manufacturers.

In terms of the revenue in 2023, HDD components which account for 43% of the total annual revenue of our company are the prime products and are also supplied in large quantities to major hard drive organization assembly customers around the world (WD, Seagate, Min Aik & ShinEtsu). The global market share of the company’s principal product, the VCM Plate of a hard disk, is about 21.6%.

Global market share of the company's main product in 2021 and 2023

VCM plate

Unit: Million sets

Year	2021	2022	2023
Shipment of the company (SET)	66.0	32.5	26.6
Shipment of the hard disk drive all over the world	258.9	172	122.8
Market share of Min Aik	25.5%	19%	21.6%

Source: Storage Newsletter & The Company’s statistical evaluation

(2) MAPP

Medical consumables produced by MAPP are shipped to Europe, America, Japan, SEA, etc. Due to the wide variety and vast geographical distribution of medical consumable products, there is no industry statistics available to calculate the market share of a single product.

(3) Suzhou Amould

Suzhou Amould is a professional manufacturer of customized automation equipment. The manufacturing process of the industry is extremely complex and the equipment needs to fully meet the specific needs of customers to design and plan. Therefore, there is no certain product specifications, and there are many types of automation equipment. Each manufacturer of automation equipment has its own areas of specialization and development, and there is no perfect competitor, Thus, there is no complete and objective market share statistics available.

3. The future supply and demand situation and growth of the market

(1) Hard disk drive industry

A. Supply and demand situations of the market

In 2024, the data storage market is ecpected to continue to recover, contributing to the ongoing development of a technology industry focusing on AI technology, and the improvement of hardware specifications such as cloud or edge computing, as well as the continuous growth of the data storage market. Edge devices and smart phone applications are expected to improve, stimulating consumers' needs for new phones.

B. Future growth and development trend of the industry

In applications such as traditional PCs and laptops, SSDs continue to replace HDDs in the consumer market, and the trend of HDDs transforming into near-line storage markets is accelerating. From the perspective of medium and long-term industry trends, the demand for edge computing is also increasing and will play a critically important role in the cloud and terminal devices, mainly to avoid delays in message delivery. In the future, there will be a demand for edge computing in many markets, including financial services, manufacturing, health care, mobile communication and telecommunications carriers, and security control system service providers. Many innovative business models will emerge.

Artificial intelligence, the Internet of Things, and 5G will be the three major driving forces pushing the growth of data storage demand. First of all, with the rise of artificial intelligence, the information processed is very large, and more and more data will be stored, higher even than the collection of data. Secondly, as part of the Internet of Things, more and more sensors are ubiquitous in various systems. Thirdly, regarding 5G, it’s not only about the speed but also the capacity which can transmit a large amount of information. Therefore, major hard disk drive manufacturers continue to invest in the development of large-capacity hard disks to meet the market’s demand for information storage.

The annual shipment of HD drivers (see table below) .It is expected that the overall shipment of hard disks will be reduced to about 106 million sets in 2024.

Shipment of hard disk drives from 2020 to 2024

Unit: Million sets

Annual projection	2020 (Actual)	2021 (Actual)	2022 (Actual)	2023 (Actual)	2024 (Forecast)
Total	260	259	172	123	106

Source: The statistics and evaluation of Trendfocus and the Company

(2) Electronic Components

A. Supply and demand situation of the market

The President of the Semiconductor Industry Association (SIA) of the United States stated that the weakness of the industry in the first half of 2023 was a "sequela" of the pandemic. During the pandemic, electronic product manufacturers struggled to provide sufficient chip supplies, and demand reached unprecedented levels, resulting in many customers over-ordering. When the economy returned to normal and the purchasing speed of devices such as PCs in the market slowed, business operators realized they were in a situation of oversupply.

Europe is the only region to achieve growth in chip sales in 2023, with sales growth of 4%, while China and the Asia Pacific region saw the largest decline. China is the largest purchasing country for the semiconductor industry, but chip sales from the Chinese market decreased by 14% in 2023. The same in the American market declined by 5.2%.

NVIDIA is currently the core growth stimulate of the global semiconductor industry as the chip company with the highest market value in the world. NVIDIA has not been affected by the downturn in the market, mainly because it has aligned with the global trend of using generative AI. However, several large companies in the chip industry struggled in 2023, and witnessed a significant decline in revenue, mainly attributed to customers reducing orders and using massive accumulated inventory. Semiconductor giants such as Intel and Qualcomm have stated that the market is returning to normal purchasing patterns, and the most severe period of contraction has passed.

B. Growth and development trends of the industry in the future

The Semiconductor Industry Association of America (SIA) released a statement on February 5, 2024, indicating that global chip sales in 2023 decreased by 8.2% to $526.8 billion. However, the improvement in the market in the second half of 2023 partially slowed the overall decline rate. The SIA stated that looking at growth momentum, revenue in 2024 will increase by 13%, reaching nearly $600 billion. Global semiconductor sales were sluggish in early 2023, but rebounded strongly in the second half of the year, and this trend is expected to continue in 2024. As chips play an increasingly important role in countless products globally, the semiconductor market is embracing robust outlook long term.

(3) Medical consumable industry

A. Supply and Demand of Market

As the number of COVID-19 cases begins to stabilize in many countries, and governments begin to ease lockdown restrictions, elective procedures are resuming. When patients will become confident enough to undergo procedures will depend on numerous factors, including local infection rates and the complexity and necessity of the actual procedures. Thus, there will be some return to normal for medical device companies, but the recovery period is likely to be uneven and drawn out.

B. Future Growth and Development Trend of the Industry

The new normal in the wake of the pandemic as remote medical maintenance is in high demand as a large number of patients require monitoring and diagnostics that do not require a hospital or clinic visit. Traditionally focused on preventative care, diagnostics, and urgent care, the connected medical device market is increasingly crossing over into the general health and well-being category. This is especially the case with wearable devices used in the sports and fitness category, which may, for example, double as an apparatus for early detection, such as irregular heartbeat. This is important because an arrhythmia can be indicative of more serious problems developing.

Connected medical devices are increasingly becoming the norm with significant improvements in ICT as a whole, coupled with the evolution of microelectronics, display capabilities, and a fast-growing medical device market. In terms of medical device market adoption, there are a few factors that inhibit usage. One of the foremost is concerns over security/privacy at both the end-user as well as the corporate level. This is especially true with connected medical devices, which may be prone to malware and hacking. An increasingly interconnected market, coupled with advanced solutions to protect user privacy and device security, are all factors that we see paving the way for over 25% of developed countries to utilize connected device enabled telemedicine as the primary method of healthcare service delivery by 2030.

(4) Automation Industry

In recent years, due to the upgrade trend of 3C products, electric vehicle industry, medical industry and traditional industry, the demand for automation equipment has increased, and the industry upgrade is an inevitable trend in the future. At the same time, more traditional enterprises through the epidemic gradually see the reality that automated equipment is more stable than manual, coupled with the main production and manufacturing areas of labor costs rise year by year, so the future demand for automated special machinery and equipment, although the short term due to unstable demand and affect the customer's willingness to invest in equipment, but in the medium and long term the demand for automated equipment will certainly grow year by year.Supply and Demand of Market.

A. The demand for OEM products and quantities in the downstream of automation is relatively stable and persistent. The demand for 3C products such as mobile phones and computers has stabilized.

B. Future Growth and Development Trend of the Industry

a. Memory

In recent years, the sales volume of domestic intelligent hardware industry has shown explosive growth. With the continuous development of Internet of things, cloud computing, artificial intelligence and other technologies, differentiated intelligent products emerge in an endless stream, and the functions are constantly upgraded and iterated quickly. The memory market still has broad application prospects in the future.

b. LED

With the continuous development and subdivision of the downstream application of LED, the market penetration has gradually increased. In consideration of efficiency, quality and cost, more and more led enterprises are bound to adopt automation equipment.

c. 3C electronic products related fields

According to data from market surveyors, the global growth trend of smart phones has slowed down, and demand for other personal devices is no longer strong, but products for virtual reality experience are on the rise.

d. Traditional industries

According to media reports, in recent years, countries around the world have encouraged their domestic industries to introduce automation in order to improve per capita output value. Some countries have proposed preferential measures or tax deductions to accelerate the introduction of automation.

e. Medical Industry

With the development of the medical industry, medical products continue to upgrade, industry standards improve, the traditional mode of production can no longer meet the new standard requirements; at the same time, because of the domestic medical supplies collection price reduction, in order to reduce the production of non-saturated production and labor-intensive conditions, more companies began to consider the introduction of automated equipment to reduce production costs. In the future, the demand for automation in the medical industry will gradually increase.

4. Competitive Niche

(1) Min Aik Precision

A. Cost and capacity advantages

The company implements consistent operation and lays a strong design, development and production competitiveness by combining with production, manufacturing, R&D, marketing, management and other competitive advantages, including the mould design capability, simulated design of Computer Aided Engineering (CAE), process development capability, automation machine design, dust-free room production, good management technology and supply chain management in operation and management. The company focuses on the efficiency, technology and shortening of the process with the way of perpendicular integration and production, and further reduces the manufacturing and R&D costs to accordingly improve the market competition. In presence of introduction of the ERP material requirement system, the cost can be controlled more effectively. Therefore, the company is more competitive than any other competitors.

B. Complete quality assurance system and strict quality control

The company is committed to wholly improving the quality. Besides passing the certification of ISO 9001, ISO 14001, ISO 22301 IATF16949 and ISO 45001 Automatic quality management system certification, quality and environmental system and full implementation, the company adheres to the principle of "Innovation-centered, management-based and quality first" to achieve a high-quality level while producing the products with high added value and low pollution to maintain stable and sustainable operation. In this way, the company is well received by the customers, thereby consolidating the long-term partnership.

C. R&D capability of new product

The company adheres to the consistent integration to provide the most complete and rapid R&D services and the most real-time professional technology through the team technology; in this way, the requirement of new development is handled preferentially and properly. The company assists the customers to shorten the R&D time of the new products, thereby facilitating the launch of the new products to the market within the shortest time and making the customers enjoy the higher profits by. Recently, industry-university cooperation has also been introduced, and there has been constant emphasis on improving design and production technology.

D. Flexibility

The company masters the market trend and the customer needs at any time while actively and continuously analyzing and adjusting all details from design, production and even shipment and logistics of the product in order to grasp the market opportunity and make a response to the increasingly competitive market.

E. Diversified development

The products of the company are more diversified than any other competitors. Besides the VCM plate developed for the hard disk drive, the company also develops the stamping assembly of other hard disk drives, such as Disk Clamp, Balance Weight, Insert Plate, Bobbin, Stiffener, Pin and Protector in accordance with the customers' requirements, and actively expands the capacity and the overseas bases, in order to fight for making the other electronic assemblies, such as the heat spreader, the consumer electronic parts and the electronic parts for automobile become the focus of the company's development at this stage and achieve the remarkable growth.

F. Maintain the good and mutually beneficial partnership with the customers

Because the service life of the hard disk drive product is prolonged and the technical and professional requirements are improved, it is not easy for other manufacturers to enter except the existing leading manufacturers. The company has many years of professional experiences in manufacturing, and has established the stable and mutually beneficial partnership with the customers. Moreover, the company plays an indispensable role in the customer supply chain.

(2) MAPP

A. Superior Automated Production Capabilities

Automated production capabilities is one of the core competitive advantage of Min Aik Precision Group. Apart from its main business of assisting customers to improve their production efficiency through automation, it is also used to increase the production efficiency of the Group's various business units. Due to the rapid increase in labor cost in Singapore, the Group invests in automated inspection equipment for MAPP to reduce its production cost, improve output quality and efficiency.

B. Geographical proximity to international companies

With the aging population, increasing affluence and rise in chronic diseases, the Singapore Government has identified the healthcare sector as one of the key growth cluster. Singapore can therefore expect to see more commitment from the government in investing resources to help flourish this sector. Greater commercialization of products by locals and MNCs of health solutions will indirectly provide more business opportunities to MAPP.

As majority of European and American medical equipment manufacturers set up their Asia-Pacific headquarters in Singapore, MAPP will have better opportunity to have face-to-face discussions and visit these international medical companies to demonstrate MAPP's production and technical capabilities and sell its products to Europe and USA. Furthermore, MAPP may have the opportunity to work together with these key market players to expand into the developing countries.

C. Excellent mold making capabilities and clean room capacity

Medical products are generally low-mix high-volume in nature and must be produced in a highly clean condition. MAPP has one of the largest cleanroom capacity in Singapore. This is especially so with the recent completion of our 3-storey expansion.

The Group's long-established knowhow in precision mold-making allows it to support diverse requirements from customers.

D. MedTech Manufacturing expertise and Know-how:

MAPP has developed internal system and protocols that suits very well for various medical device and life science manufacturing needs. From Medical device specific raw materials selection to R&D and Mold fabrication, MAPP differentiates from market.

(3) Suzhou Amould

A. Complete Quality Assurance System and Strict Quality Control

Suzhou Amould is committed to improving its overall quality. Besides being certified by ISO 9001/TS16949/ISO 13485/UL and fully implemented, the company also has strict control over the improvement of production efficiency and design and R&D skills, so it has won the favor of large manufacturers and affirmed and consolidated the long-term partnership.

B. R & D capability

Suzhou Amould can provide customers with instant technical services, help customers shorten the time of new product development, so as to facilitate the launch of new products in the shortest time, and enjoy higher profits. Participate in customer R&D and design, grasp change trend of design and schedule, and improve design productivity.

C. Flexibility

In addition to keeping abreast of market trends and customer needs, Suzhou Amould has taken the initiative to analyze and adjust all the details of product design, production, shipment and even all the details in order to grasp market opportunities and cope with the increasingly competitive market. At the same time, it can adapt to the needs of customers, upgrade the previous generation of equipment to produce new products, and help customers reduce capital investment, thus attracting more customers.

5. Favorable and Disadvantage Factors for Development Prospects and Corresponding Strategies

(1) Min Aik Precision

Favorable Factors

A. Expectable industrial and market growths

With the rapid development of the information, the consumer electronic products, and the cloud digital demand, the company is committed to improving the technology, quality, cost and market of the assembly of the hard disk drive, and also gets involved in application of the mainstream consumer electronic assembly and thigh-end semiconductor heat sink assembly fields, to maintain the continuous growth of the customers and the market.

B. High entry barrier for the new competitor

Because the hard disk drive industry is featured with intensive technology, prolonged service life of the product, high innovation pressure and other characteristics, the hard disk market is more closed than other industries and has the high technology barrier. In order to ensure maximization of the speed and the efficiency, and accordingly gain the technological and market opportunities, the relationship between the upstream and downstream manufacturers of the hard disk drive industry is very close. Therefore, it is not easy for the competitors outside the industry to enter into the market.

C. Unique niche in management, production and quality

The company has the complete management system and excellent technical personnel which are conducive to the long-term operation and development of the technology, and has rich experiences in plant management and perpendicular integration advantages. Therefore, the company can accurately master from the upstream mould design, precision stamping, vibration grinding in the post process and electroplating to the operating environment and technology of the dust-free room.

In addition, in order to fulfill the commitment to the quality and the environment, the company has passed the certification of ISO 9001, ISO 14001, ISO 22301 TS16949 and ISO 45001, and actually implemented all quality control requirements in the actual operation. Therefore, the product quality of the company is fairly stable and well received by the major customers every year.

D. Master the market demand and marketing channel

In order to expand the overseas market and provide the customers with the real-time services, the company has set up the overseas storage locations in mainland China, Malaysia and Thailand, so as to master the market trend and the industrial information while timely scheduling and offering the services. In the era that the channel means the business opportunities, the good channel is the important niche for the company's development in the future.

E. Maintain long-term and good cooperation with the world-class plants

Most of the main customers of the company are world-class plants, with fairly strong finances and operations. Due to years of development in the hard disk drive market, the company has established the good and tacit cooperation with the customers in R&D and production of the products and has been well received by the customers in terms of quality and service. Therefore, the company can keep up with the market trend at any time in mastering the key technologies and improving the production efficiency.

F. Solid R&D and design capability

In order to implement the in-depth development of the R&D technology, the company adheres to the concept of training the professional talents to promote the high-tech and sophisticated technology and accordingly meet the industry requirements and challenges. The company recruits the elites of the industry and has been continuously ensuring the continuous improvement of the R&D technology through a series of R&D training plans, such as the internal technology inheritance of the company, internal/external education and training, and technical exchanges with the academic societies.

Disadvantage Factors

A. Lack of the professional talents of the hard disk product and inadequate domestic labor supply

Because Taiwan is lacking in the professional talents of the hard disk industry, the company should train the relevant talents every year and work on making the human resource planning, in order to handle the changes of the industry.

Corresponding Strategies

a. Since its establishment, the company has been committed to improving the automatic production and process to improve the unit output of the grass-roots human resources while further improving the degree of automation of the plant, and reducing the dependence on manpower by increasing the automatic machine and equipment.

b. The company strengthens the pre-service and on-the-job training of the employees to improve the personnel quality and productivity, and is committed to planning the human resources and strengthening the welfare of the employees, to effectively reduce the turnover rate of mold the employees.

B. The company has high degree of industrial concentration which accordingly increases the operating risk.

The operating income of the products related to the hard disk drive of the company was 21% of the operating income of the whole Group in 2023. If the industrial supply and demand change greatly or the imbalance occurs between the supply and the demand, the company may be trapped in operating pressure.

Corresponding Strategies

The company actively develops other non-hard disk electronic assemblies, such as the heat spreader, the consumer electronic parts and the electronic parts for automobile. In order to make the products of the company more diversified, multiple key technologies and products are being actively developed, including the heat spreader for the advanced IC packaging, the cell phones, the portable devices, the steel sheet, the aluminum sheet, the radiator for automobile and so on. Moreover, the company also makes the customers and products of the Group more diversified through implementing the strategic merger and acquisitions at home and abroad and setting up the overseas bases.

(2) MAPP

Favorable factors

A. The Singapore Government has actively developed the country to become Asia Pacific's biomedical hub.

B. New manufacturing investments in Singapore from Sanofi, Thermofisher and many other leading players.

C. Labour crunch and Industrial 4.0 movement increasing demand for automation solutions in Southeast Asia.

D. High capital investment cost with long validation and qualification processes have become barriers of entry for any potential entrants into the bio-medical manufacturing eco-system.

E. Increasing investment in MedTech Industries by private and government entities.

Unfavorable factors

A. Insufficient supply of labor has always been a hindrance factor for Singapore's economic development. The increase in basic wages and shortage in labour supply has result in the rising manufacturing costs.

Corresponding Strategies

Dedicated human resources planning, employee benefits, on-the-job training to improve employee quality and productivity are some of the staff retention measures. Automation/ Digitalisation of factory processes and increase in use of digital / automation tools will also help in reducing the dependence on human labour.

B. Increasing energy cost, oil price, shipping cost and lead time of raw materials due to in part to the pandemic and also to the current Russian ~ Ukraine war.

Corresponding Strategies

Establish digital supply chain infrastructure with raw material distributors, get customer forecast earlier and scheduled cargo planning to manage costs.

(3) Suzhou Amould

Favorable factors

A. Prosperity of Industry and Market Growth

With the rapid development of demand for consumer electronics products, automation replaces manual labor with automation machines to achieve the same cost reduction and improve product quality stability. There are various products and processes in various industries, and the functions of automation machines are different. It is expected that with the increasing competitiveness of automation technology, quality and cost, automation will be applied more widely and demand will continue to grow.

The increase of labor cost in mainland China by about 6% every year will inevitably lead to the rapid introduction of automation process to reduce the cost of human resources and also reduce manufacturing risk of chain-break due to uncontrollable factors(such as COVID-19)

B. Unique In terms of R&D in management, production and quality

In addition to the complete management system and excellent technical personnel, which is beneficial to the company's long-term operation and deep cultivation of technology, the other advantage is our company also has rich experience in factory management and vertical integration. Our company could grasp the process development, software integration, mechanical and fixture design accurately.

C. Solid R&D and design capability

In order to further develop R&D technology, the company not only collects the elites of the industry, but also continuously ensures the continuous improvement of R&D technology through a series of R&D training programs, such as internal technology inheritance, internal/external education and training, and technical exchanges with academic groups.

Unfavorable Factors

A. Lack of professional design and R&D talents in automation industry and insufficient supply of domestic talents.

Due to the shortage of relevant professionals, our company devotes itself to human resource planning in order to cope with the fluctuations of the industry while training relevant talents every year.

Coping strategies

Strengthen the pre-service and on-the-job training of colleagues, improve the quality and productivity of personnel, and devote to human resources planning and strengthen the welfare of colleagues, so as to reduce the turnover rate of personnel effectively.

Set up automation R & D center in Taiwan to undertake customer demand assessment projects simultaneously, improve efficiency and human coordination flexibility.

B. The homogeneity of the target market of domestic equipment manufacturers is too high. At the same time, we are facing the catch-up of the mainland manufacturers and the pressure of competition is too high.

Coping strategies

Enhance the overall competitiveness, speed up the delivery speed, rectify design ingenuity, enhance customization capabilities. And expand new customers through the understanding about other markets.

C. Labor cost in Chine are rising, and major 3C customers are considering relocating to Southeast Asia such as Vietnam and Thailand, increasing the pressure of competition in the future.

Coping strategies

We should make use of our status as a major supplier to enter the Southeast Asian market, do a good job of local market research, actively cooperate with local customers, and explore their potential demand, which is both a challenge and an opportunity for us.

5.2.2 Important Use and Manufacturing Processes of Main Products

1. Important Purposes of Main Products

(1) Min Aik Precision

A. VCM plate: the VCM plate is mainly taken as the drive motor of the magnetic head when assembled with the VCM with the permanent magnet and responsible for driving the radial movement of the magnetic head, in order to make the magnetic head change the track arbitrarily on the disk and accordingly read and write the data.

B. Disk clamp: the disk clamp is mainly used to fix the hard disk and the spindle motor so that the disk can be driven to rotate by the spindle motor.

C. Automatic stiffener: The major function is to reinforce the metal support as required by the electric circuit board and is made of a metal material for the local welding of parts or reinforcement to facilitate assembly

D. Heat spreader: The major function is to spread heat of high-end packages and semiconductor components. It equally diffuses several hot spots in the chip to the surface of the heat spreader to equally spread the heat source and achieve the heat dissipation effect.

(2) MAPP

A. Plastic medical components: Mainly non-invasive medical plastic components, such as needle tubes, infusion tubes, etc.

B. Plastic components for DNA diagnostic testing kits: Mainly used by hospital medical laboratories, biochemical laboratories, etc., to carry out medical testing for data analysis or various physiological reactions and pathological analysis.

C. Mold fixture: Used for production of plastic injection products.

D. Automation: Automated Optical Inspection, Automated product assembly and packaging.

E. Precision plastic products for semi-conductor and various other industries.

(3) Suzhou Amould

A. SMT RF Test integration equipment：The main function is to fully automate SMT RF test section, including integration: test equipment, transmission pipeline, communication system, Robot.

B. Memory card test equipment: the main function is to achieve the memory module loading and unloading related path and test memory module related functions.

C. Magnetic flux measuring machine：The main function is to measure whether the magnetic flux of the magnet assembled on the housing is within the range.

D. Multiple Types of Mylar Mounter：The main function is to identify Mylar of different sizes and mount it accurately on the specified parts.

E. Medical product assembly and testing equipment: the main function is to assemble and test all parts of medical disposable products to achieve the output of finished products.

2. Manufacturing Processes of Main Products

(1) Min Aik Precision

- Manufacturing process of the VCM plate

Precision stamping → Vibration grinding → Electroplating → Dimensional measurement → Appearance → Packing

- Manufacturing process of the disk clamp

Precision stamping → Double-sided grinding → Vibration grinding → Electroplating → Dimensional measurement → Appearance → Packing

- Manufacturing process of the stiffener

Precision stamping → Dimensional measurement → Surface treatment → Dimensional measurement → Appearance → Packing

- Manufacturing process of the heat spreader

Precision stamping → Degreasing → Surface modificati → Electroplating → Dimensional measurement → Appearance → Packing

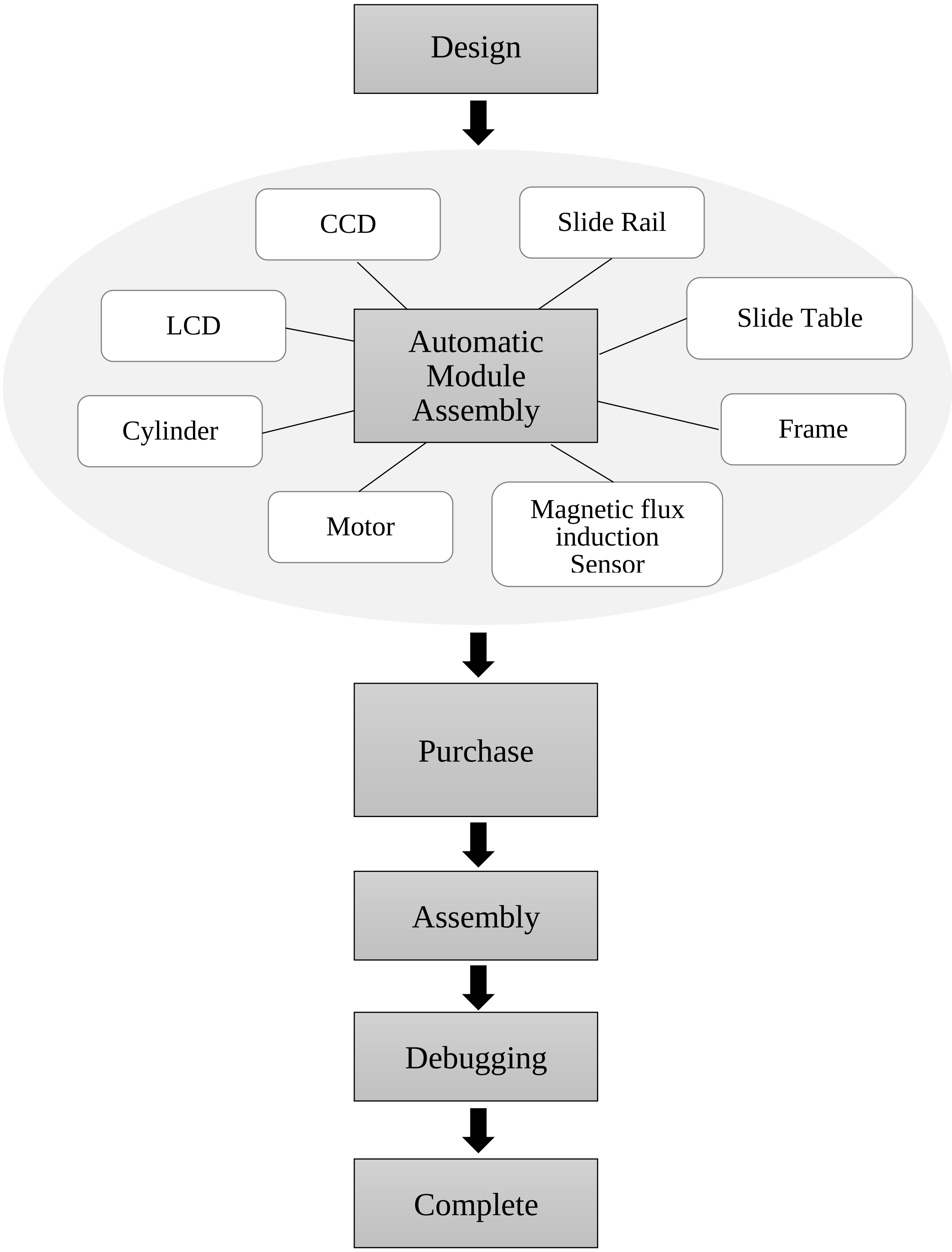
(2) MAPP

- Manufacturing process of the medical plastic product

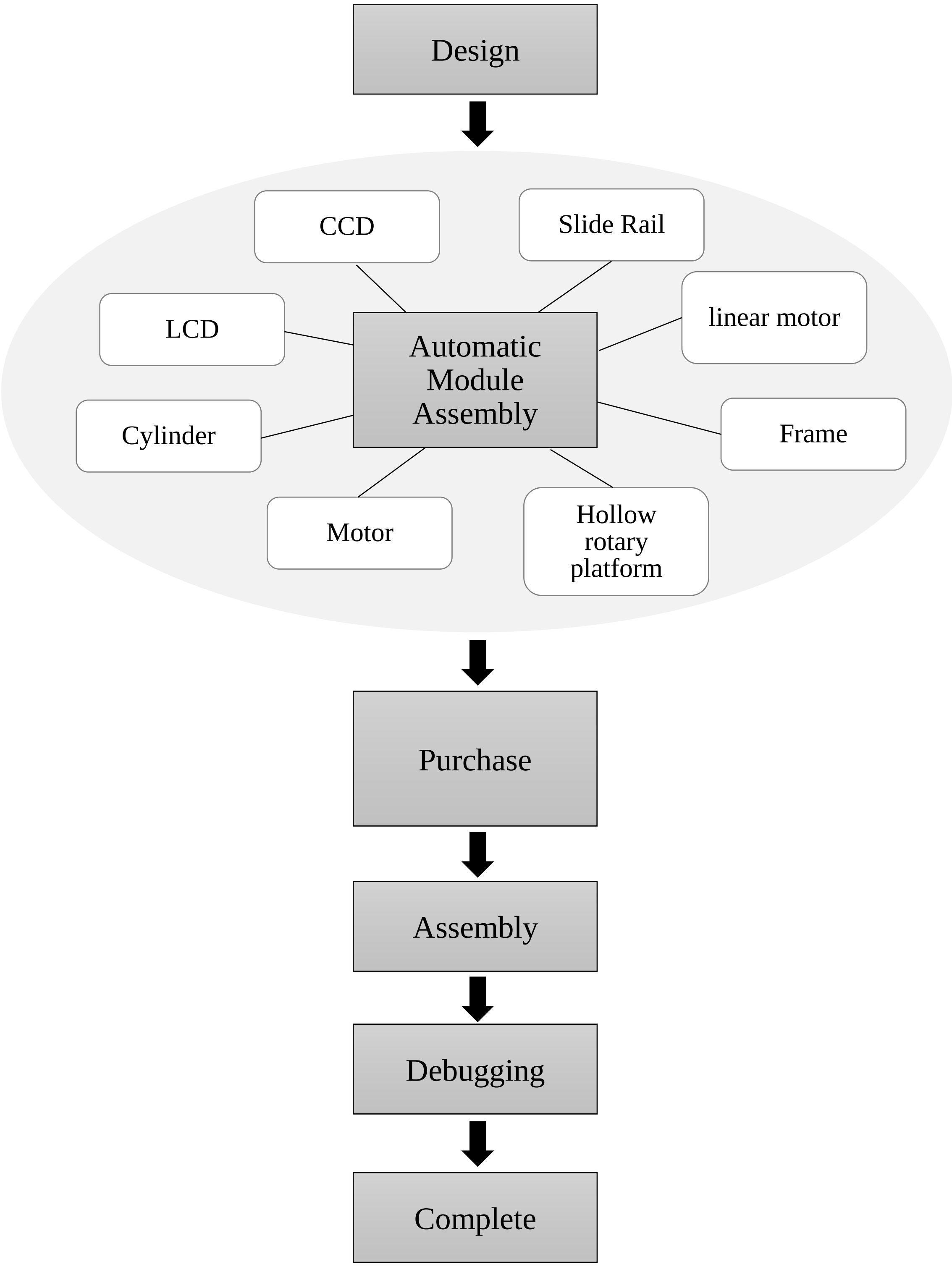
Confirmation of raw material specification → Mold fabrication → Functionality test and specification check → Appearance and other detections → Packaging for delivery

(3) Suzhou Amould

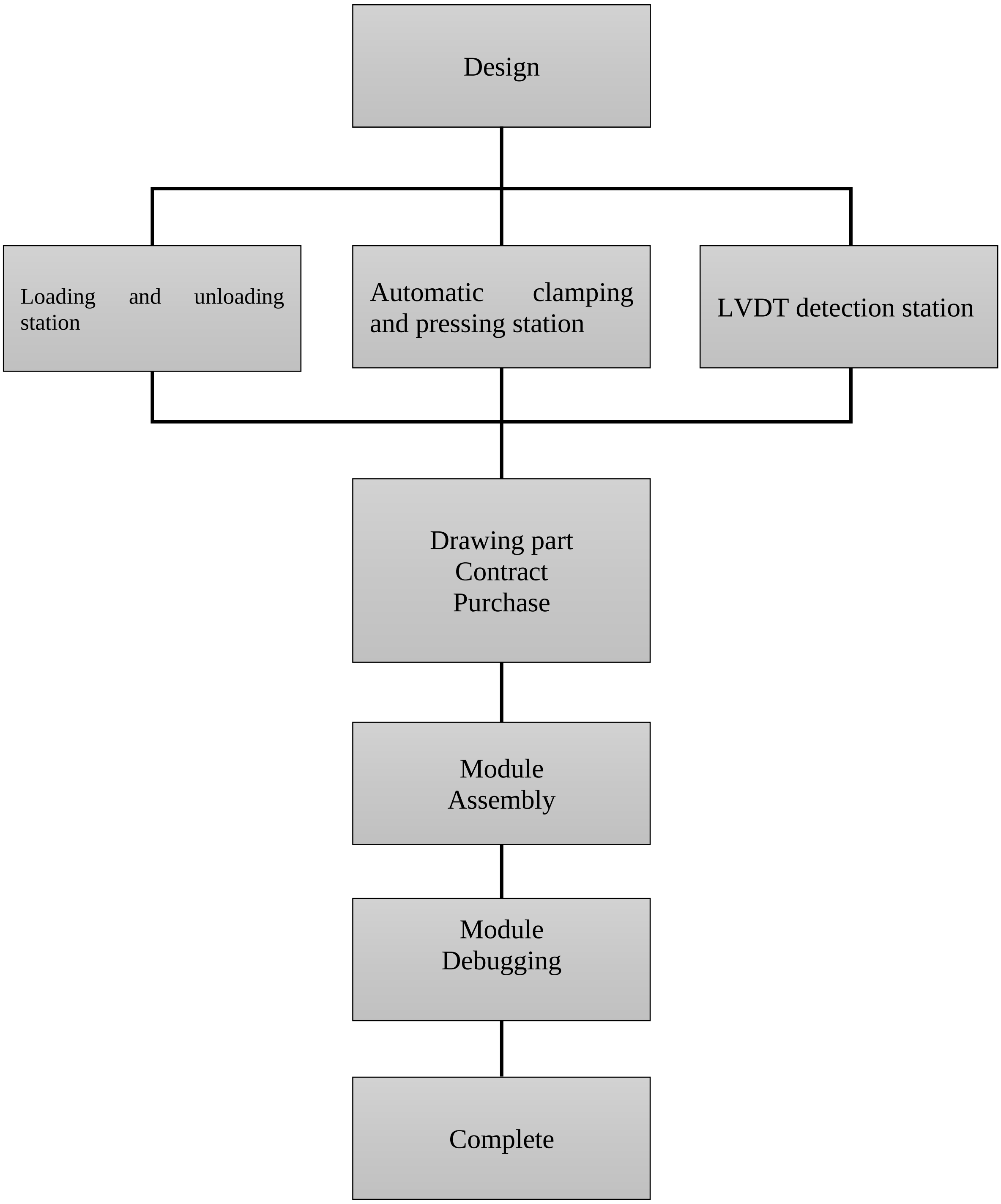
- Manufacturing process of Magnetic flux measuring machine



■ Manufacturing process of Multiple Types of Mylar Mounter



■ Medical product assembly test equipment manufacturing process



5.2.3 Quality of Supplied Main Raw Materials

(1) Min Aik Precision

Name of Main Raw Materials	Main source	Quality of Supply
Iron	Taiwan	Good
Electroplating solution	Taiwan	Good

(2) MAPP

Name of Main Raw Materials	Main source	Quality of Supply
Plastic resin	Singapore	Good

(3) Suzhou Amould

Name of Main Raw Materials	Main source	Quality of Supply
Machined part of the rack	China	Good
Electromechanical parts	China	Good

5.2.4 The name of the suppliers (clients) and the amount and proportion of the goods in which the 10% total amount of goods has been accounted for in either of the two most recent years, and the reasons for the increase or decrease.

1. Suppliers accounted for at least 10% of annual consolidated net procurement in recent two years

Unit: NT$ thousands

	2022				2023			
Item	Name	Amount	As % of total net procurement	Relation to the Company	Name	Amount	As % of total net procurement	Relation to the Company
1	AB Company	34,448	3.23	None	AB Company	78,763	11.31	None
2	Others	1,031,011	96.77	—	Others	617,682	88.69	—
	Total net procurement	1,065,459	100.00	—	Total net procurement	696,445	100.00	—

Reasons for increase or decrease:

(1) AB Company is the company's major suppliers of copper materials. Due to the difference in product sales mix in 2023, the net purchases amount and the proportion of purchases from AB company is increased compared to 2022.

2. Customers that accounted for at least 10% of annual consolidated net revenue in recent two years

Unit: NT$ thousands

	2022				2023			
Item	Name	Amount	As % of total net Revenue	Relation to the Company	Name	Amount	As % of total net Revenue	Relation to the Company
1	A Group	356,405	15.67%	None	A Group	346,183	16.68%	None
2	Min Aik Group	321,562	14.13%	A Group	J Company	344,590	16.61%	None
3	J Company	280,620	12.33%	None	Min Aik Group	249,283	12.01%	A Group
4	S Group	244,983	10.77%	None	—	—	—	—
5	Others	1,071,447	47.10%	—	Others	1,135,083	54.70%	—
	Total net Revenue	2,275,017	100.00%	—	Total net Revenue	2,075,139	100.00%	—

Reasons for increase or decrease:

(1) A Group: There was no significant change in sales amount in 2023, but decrease in overall net sales, the sales proportion increased compared to 2022.

(2) J Company: Due to the increase in customer orders, the sales amount and proportion in 2023 are both higher than in 2022.

(3) Min Aik Group: Due to the reduction in demand from end coustomers, the sales amount and proportion in 2023 are both lower than in 2022.

(4) S Group: Due to the reduction in demand from end coustomers, the sales amount and proportion in 2023 are both lower than in 2022.

5.2.5 Table of the production volume in recent two years

Unit: Thousands of PCS, NT$ thousands

Year / Production volume / Major products (or Department)	2022			2023		
	Capacity	Production	Value	Capacity	Production	Value
Hard Disk Drive stamping components	529,732 (Note)	79,933	494,951	533,400 (Note)	61,208	370,883
Electronic stamping components		132,896	529,874		132,207	415,543
Plastic injection parts	1,660,744	1,328,595	456,125	998,971	799,177	456,386
Automated machine	1.000	0.408	267,675	1.000	0.366	196,520
Total	2,190,477	1,541,424	1,748,625	1,532,372	992,592	1,439,332

Note: Due to the alternative production of Hard Disk Drive stamping components and Other electronic stamping components, combined capacity.

5.2.6 Table of the volume of units sold in recent two years

Unit: Thousands of PCS, NT$ thousands

Year / Sold volume / Major products (or Department)	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Hard Disk Drive stamping components	23,457	157,379	62,129	396,669	16,510	106,721	50,795	342,759
Electronic stamping components	6,324	151,715	108,585	481,403	6,020	112,540	137,577	461,112
Plastic injection parts	430	2,365	1,315,465	575,654	490	2,782	882,810	571,798
Automated machine	—	—	2	337,069	—	—	1	357,442
Other (Note)	—	12,526	—	160,237	—	5,185	—	114,800
Total	30,211	323,985	1,486,181	1,951,032	23,020	227,228	1,071,183	1,847,911

Note: Raw materials and consumables and moulds are not calculated due to different calculation units.

5.3 Employees: the number of the employees, average length of service, average age and educational background distribution ratio in the last two years and as of the date of publication of the annual report

Year		2022	2023	As of 2024/03/31
Number of employees		919	845	852
Average age		38	38	39
Average years of service (year)		7	7	7
Distribution of Educational Background	Ph.D.	0%	0%	0%
	Master	1%	1%	1%
	College	35%	36%	37%
	High school and below	64%	63%	62%

5.4 Information of Expenditure for Environmental Protection

Indicate the amount of the loss (including compensation) and penalty resulting from environmental pollution in the latest year and as of the publication date of the annual report, and explain the countermeasures (including improvement measures) to be taken in the future and possible expenditures (including the estimated amount of possible loss, penalty and compensation if improvement measures are not taken. If it cannot be evaluated reasonably, please explain why it cannot be reasonably estimated.): the company has not yet been suffered from the loss (including compensation) or punishment due to environmental pollution so far.

5.5 Labor-Employer Relation

5.5.1 State employee welfare measures, advanced study, training, retirement system, implementation of retirement system, agreements between the employer and the employees, and measures for protection of employees' rights and interests.

1. Welfare measures of the employees: the welfare measures of the company are standardized in accordance with the laws and regulations, and some of the welfare measures are better than the laws and regulations; we actively create a more friendly environment, in order to make all employees work in a better environment.
   (1) Insurance: besides the statutory labor and health insurance, the company buys all employees the accident insurance and hospitalization medical insurance.
   (2) Physical and mental health and safety assurance of the employees:
      A. In order to maintain the health of the employees, the employees can receive additional health check-up allowance after working two years, once every two years and each for NT$10,000 besides the health check-up stipulated by the law.
      B. The company cordially invites the external professional lecturers to give the health promotion lectures every season - to exchange and teach in allusion to the issues, such as the career, personal and family, chronic diseases, tobacco damage prevention, stress management and so on, in order to maintain the physical and mental health of the employees.

C. The Automatic External Defibrillator (AED) is arranged to protect the safety of the employees and accordingly promote the company as a safe enterprise.

D. Senior managers conduct weekly interviews with employees to provide face-to-face care about their lives and work.

(3) Rest, growth and learning:

A. In order to promote the communication between the employees and the children, the company holds the family day from time to time. In this way, the feeling between the employees and the family members and the centripetal force of the company are increased, and accordingly the goal of balancing the job and the life is achieved.

B. The company handles the tourism activities at home and abroad for the employees, or provides subsidies.

C. Welfare distributes meal vouchers from time to time for employees to have meals with their families.

(4) Facilities: the dormitory, the rest area, the dining room, the nursing rooms and so on

(5) Other welfares: cash gift for birthday, hospitalization leave, wedding and funeral leave, birth allowance, cash gift of three important festivals, dinner party, company's uniforms, etc.

2. Advanced studies of the employees: the company provides the employees with the in-service advanced study channel which includes teaching centers in various professional fields, extension education , etc., and also hires university professors to give lectures and guidance in the factory.

3. Training of the employees: the company also offers the training courses, such as the industrial trend information and spiritual growth so far besides the core, professional and management function training.

4. Retirement system and its implementation situation: the company stipulates the retirement measures in accordance with the relevant provisions of the Labor Standards Act and Labor Pension Act, and allocates the reserve for employee retirement:

(1) Besides the reserve for employee retirement to be allocated each month in accordance with the proportion 2.29% of the gross salary, the employee to whom the Labor Standards Act is applicable to allocate the pension can regularly review the allocation rate every year. The Labor Retirement Reserve Oversight Committee is established to regularly monitor the allocation of retirement reserve and is responsible for reviewing the retirement applications.

(2) The employees to whom the Labor Pension Act is applicable to allocate the pension can allocate 6% to their personal retirement accounts in accordance with the allocated salary scale every month, or allocate the pensions with a proportion of less than 6% to the their personal retirement accounts every month according to the allocated salary scale based on their own wishes. The remaining subsidiaries shall handle in accordance with the relevant local laws.

(3) The Defined Contribution Plan (DC plan) shall be implemented in the overseas subsidiaries in allusion to the pensions, and the provident fund, the pension, the medical and other social security benefits are paid monthly in accordance with the provisions of the local government.

(4) Retirement conditions shall be handled in accordance with local laws and regulations. The applicable regulations for employees in the ROC are as follows:

A. Those who joined the company after July 1, 2005 (inclusive) shall fully apply the Labor Pension Act.

B. Those who joined the company before July 1, 2005 (exclusive) may choose to continue to apply the pension provisions of the Labor Standards Act or the Labor Pension Act within five years from that date.

C. Employees who meet the retirement requirements of the Labor Standards Act may apply for retirement.

(5) Set up employee stock ownership trusts, in order to achieve long-term savings through continuous accumulation and ensure the stability of employees' retirement life. ◦

5. Agreements between the employer and the employees and various measures to protect the rights and interests of employees:

(1) The company formulates the ‘Measures for the Implementation of Labor-management Conference, ‘while holding the labor-management conference to discuss and consult various relevant issues of the employees. The relevant units are also be obligated to handle and complete the matters decided during the conference within a certain period of time.

(2) The company formulates ‘Internal Appeal Measures ‘to protect the legal rights and interests of the employees and assists to solve the unreasonable treatment received by the employees, in order to maintain a legal, reasonable and fair work environment.

(3) In order to provide the more diversified channels of communication, the company provides the options of communicating the opinions in the Employee Handbook and sets up the staff suggestion box. The company also sets up the contact mailbox on the entrance website while publicizing the communication channels during the assembly of all employees, so as to give full play to the labor-management coordination mechanism.

(4) The company also complies with the provisions on Gender Equality in Employment Act and formulates the measures to prevent and control the sexual harassment, appealing and disciplinary measures, to protect the rights and interests of the employees.

6. In order to strengthen and improve the occupational safety and health facilities and work environment while effectively reducing the occurrence rate of the occupational disasters and ensuring the occupational safety and health, the company formulated and implemented various management and implementation measures, and passed ISO14001 certification and OHSAS 18001 certification in March 2009, SA8000 certification in February 2020, RBA certification in July 2020, and ISO 45001 certification in February 2021.

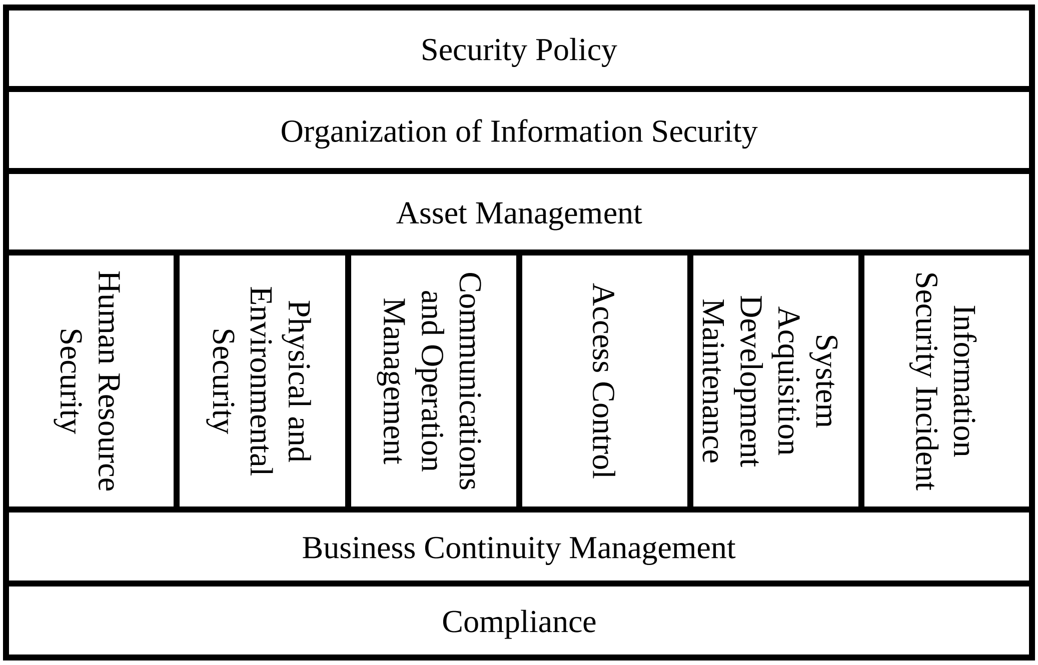
5.5.2 The losses as a result of labor disputes in recent years and as of the date of publication of the annual report were listed, and the estimated amount and countermeasures that occur at present and might occur in the future were disclosed. If they cannot be estimated, the fact that they cannot be estimated should be clarified.

The company and its subsidiaries always regard the employees as the most important asset of the company, equally pay attention to the working conditions and the welfare of the employees and are committed to creating a good work environment and providing an unblocked communication channel between the employer and the employees. Therefore, the company has not yet been suffered from the loss due to the labor disputes in recent years and as of the date of publication of the annual report. The company will continue to make efforts in this direction to maintain the harmonious relationship between the employer and the employees and accordingly protect the company from the loss due to the labor disputes which occur in the future.

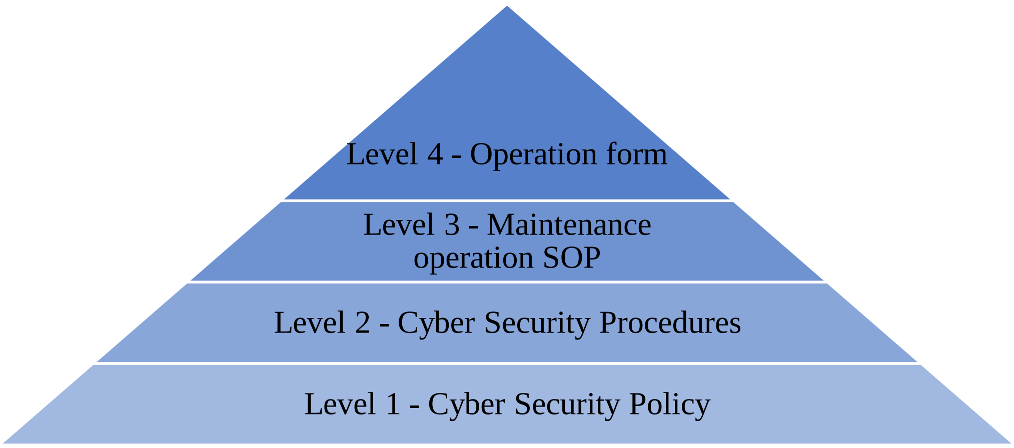
5.6 Cyber security management

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

1. Risk management framework:



2. Cyber security policies: In order to implement the system, the following four-level documents are therefore established:



3. Concrete management programs：

(1) Establish various management and comprehensive records of various information activities:

Mobile storage management, document operation management, authorized connection management, equipment usage management, asset record management.

(2) The company has not yet purchased capital security insurance. In order to implement risk management, before completing the insurance, the specific preventive measures are as follows:

A. Backup data encryption.
B. The data storage device actually builds a three-tier structure.
C. Three different places to store.

4. investments in resources for cyber security management：

(1) **In order to strengthen information security, the company continuously invests manpower and related resources to implement the following measures:**

Propaganda
- Newcomer training
- Cyber Security Concept Announcement

Training
- Employee cyber security training
- iPAS Course for cyber Security Officers
- Disaster recovery

Security
- ISP network protection
- Internet Firewall Protection
- Antivirus software protection

Risk management
- Email audit
- Cyber Security Authority
- File permission

Backup
- System Architecture Backup
- File backup
- Offsite backup of important files

(2) **The company has a total of 2 dedicated information security supervisors and personnel. In 2023, it has actually invested approximately NT$2.7 million in information security software, hardware, network services and maintenance contracts; it has held 50 information security meetings (once a week)); 5 information security concept announcements; 130 new employee promotions in total.**

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

5.7 Important contracts

(1) Min Aik Precision

Contractual nature	Concerned Party	Contract Date	Main contents	Restrictive clause
Loan contract	Cathay United Bank	2018.04.16~ 2027.04.16	Land and building guarantee loans	None
Loan contract	Hua Nan Bank	2024.01.22~ 2026.01.22	Medium and long-term loans	None
Loan contract	Hua Nan Bank	2024.03.23~ 2026.03.22	Medium and long-term loans	None

(2) MAPP

Contractual nature	Concerned Party	Contract Date	Main contents	Restrictive clause
Lease contract	JTC	1996.11.01~ 2052.10.31	Plant lease	None
Lease contract	JTC	1995.12.16~ 2052.12.15	Plant lease	None

(3) Suzhou Amould

Contractual nature	Concerned Party	Contract Date	Main contents	Restrictive clause
Lease contract	Suzhou Yifeng Automation Equipment Co., Ltd.	2022.07.15~ 2027.07.14	Plant lease	None

VI. Financial Information

6.1 The condensed Statement of Financial Position and Statement of Comprehensive Income for the past five years

(1) The condensed Statement of Financial Position and Statement of Comprehensive Income

The Consolidated Condensed Statement of Financial Position (IFRS)

Unit: NT$ thousands

Item \ Year		Financial information for the past five years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		1,578,814	1,818,796	1,811,294	1,919,725	1,774,367
Investments accounted for using equity method		68,521	37,016	29,323	11,650	0
Property, plant and equipment (Note 2)		1,074,668	1,113,511	1,117,731	1,172,246	1,133,022
Intangible assets		0	0	0	0	0
Other assets (Note 3)		230,537	161,626	118,747	176,933	156,907
Total assets		2,952,540	3,130,949	3,077,095	3,280,554	3,064,296
Current liabilities	Before distribution	703,333	894,294	998,692	908,941	944,746
	After distribution	730,283	936,644	1,052,592	1,024,441	1,021,746
Non-current liabilities		536,799	535,468	365,104	473,381	256,367
Total liabilities	Before distribution	1,240,132	1,429,762	1,363,796	1,382,322	1,201,113
	After distribution	1,267,082	1,472,112	1,417,696	1,497,822	1,278,113
Equity attributable to owners of parent		1,712,408	1,701,187	1,713,299	1,898,232	1,863,183
Capital stock		770,000	770,000	770,000	770,000	770,000
Capital surplus	Before distribution	704,385	685,135	654,335	642,785	642,785
	After distribution	685,135	654,335	642,785	642,785	642,785
Retained earnings	Before distribution	308,149	331,384	409,828	535,128	495,963
	After distribution	300,449	319,834	367,478	419,628	418,963
Other equity interest		(70,126)	(85,332)	(120,864)	(49,681)	(45,565)
Treasury stock		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	1,712,408	1,701,187	1,713,299	1,898,232	1,863,863
	After distribution	1,685,458	1,658,837	1,659,399	1,782,732	1,786,863

Note 1: The financial statements had been duly certified by CPAs.

Note 2: Company has not revaluation of assets as of December 31, 2023.

Note 3: Other assets including Non-current financial assets at amortized cost, right-of-use assets and other non-current assets.

Note 4: The above after distribution was decided via the Board of Directors.

The Consolidated Condensed Statement of Comprehensive Income (IFRS)

Unit: NT$ thousands

Item \ Year	Financial information for the past five years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	1,797,291	1,921,700	2,167,903	2,275,017	2,075,139
Gross profit from operations	398,249	435,427	459,964	485,222	382,598
Net operating Income	47,780	114,066	130,000	166,756	87,533
Non-operating income and expenses	(46,113)	(60,602)	(15,045)	55,362	30,386
Profit before income tax	1,667	53,464	114,955	222,118	117,919
Net Profit	14,160	29,987	89,217	161,828	83,065
Other comprehensive income (net of income tax)	(3,962)	(14,258)	(34,755)	77,005	(2,614)
Total comprehensive income	10,198	15,729	54,462	238,833	80,451
Net profit attributable to owners of parent	14,160	29,987	89,217	161,828	83,065
Total comprehensive income attributable to owners of parent	10,198	15,729	54,462	238,833	80,451
Earnings per share	0.18	0.39	1.16	2.10	1.08

Note 1: The financial statements had been duly certified by CPAs.

The Condensed Statement of Financial Position (IFRS)

Unit: NT$ thousands

Item \ Year		Financial information for the past five years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		699,062	720,231	844,792	824,055	800,574
Investments accounted for using equity method		850,850	956,989	902,845	1,049,020	931,615
Property, plant and equipment (Note 2)		890,111	943,795	949,148	979,759	949,512
Intangible assets		0	0	0	0	0
Other assets (Note 3)		140,337	87,772	55,689	53,261	42,573
Total assets		2,580,360	2,708,787	2,752,474	2,906,095	2,724,274
Current liabilities	Before distribution	417,187	546,849	746,260	651,926	712,313
	After distribution	444,137	589,199	800,160	767,426	789,313
Non-current liabilities		450,765	460,751	292,915	355,937	148,778
Total liabilities	Before distribution	867,952	1,007,600	1,039,175	1,007,863	861,091
	After distribution	894,902	1,049,950	1,093,075	1,123,363	938,091
Equity attributable to owners of parent		1,712,408	1,701,187	1,713,299	1,898,232	1,863,183
Capital stock		770,000	770,000	770,000	770,000	770,000
Capital surplus	Before distribution	704,385	685,135	654,335	642,785	642,785
	After distribution	685,135	654,335	642,785	642,785	642,785
Retained earnings	Before distribution	308,149	331,384	409,828	535,128	495,963
	After distribution	300,449	319,834	367,478	419,628	418,963
Other equity interest		(70,126)	(85,332)	(120,864)	(49,681)	(45,565)
Treasury stock		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	1,712,408	1,701,187	1,713,299	1,898,232	1,863,183
	After distribution	1,685,458	1,658,837	1,659,399	1,782,732	1,786,183

Note 1: The financial statements had been duly certified by CPAs.

Note 2: Company has not revaluation of assets as of December 31, 2023.

Note 3: Other assets including Non-current financial assets at amortized cost, right-of-use assets and other non-current assets.

Note 4: The above after distribution was decided via the Board of Directors.

The Condensed Statement of Comprehensive Income (IFRS)

Unit: NT$ thousands

Item \ Year	Financial analysis for the past five years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	903,555	957,882	1,144,759	1,203,566	1,045,974
Gross profit from operations	144,452	124,248	160,395	185,678	139,702
Net operating Income	(14,598)	(53,097)	3,822	17,439	3,857
Non-operating income and expenses	(11,794)	86,127	96,089	185,837	103,125
Profit before income tax	(26,392)	33,030	99,911	203,276	106,982
Net profit	14,160	29,987	89,217	161,828	83,065
Other comprehensive income (net of income tax)	(3,962)	(14,258)	(34,755)	77,005	(2,614)
Total comprehensive income	10,198	15,729	54,462	238,833	80,451
Earnings per share	0.18	0.39	1.16	2.10	1.08

Note 1: The financial statements had been duly certified by CPAs.

(2) Names of the CPAs and the audit opinion for the past five years

Year	Accounting Firm and name of the CPAs	Audit Opinion
2019	KPMG / Chen, Cheng-Chien & Huang, Yung-Hua	Unqualified Opinion
2020	KPMG / Chen, Cheng-Chien & Huang, Yung-Hua	Unqualified Opinion
2021	KPMG / Chen, Cheng-Chien & Huang, Yung-Hua	Unqualified Opinion
2022	KPMG /Yu, Sheng-Ho & Huang, Yung-Hua	Unqualified Opinion
2023	KPMG /Yu, Sheng-Ho & Cheng, An-Chih	Unqualified Opinion

6.2 Financial analysis for the past five years

(1) Financial analysis - Consolidated Financial Statements (IFRS)

Item	Year	Financial analysis for the past five years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure	Debt Ratio (%)	42.00	45.67	44.32	42.14	39.20
	Ratio of long-term capital to property, plant and equipment (%)	209.29	200.87	185.95	202.31	187.07
Solvency	Current ratio (%)	224.48	203.38	181.37	211.20	187.81
	Quick ratio (%)	178.26	160.66	131.11	134.04	139.25
	Interest Coverage Ratio	1.12	5.04	12.09	19.41	7.33
Operating ability	Accounts receivable turnover (times)	3.73	4.08	4.13	4.40	4.51
	Average collection days	97.85	89.46	88.37	82.95	80.93
	Inventory turnover (times)	5.13	4.73	4.15	3.38	3.31
	Accounts payable turnover (times)	6.43	6.23	5.98	7.57	9.19
	Average days in sales	71.15	77.16	87.95	107.98	110.27
	Property, plant and equipment turnover (times)	1.65	1.76	1.94	1.99	1.80
	Total assets turnover (times)	0.59	0.63	0.70	0.72	0.65
Profitability	Return on total assets (%)	0.92	1.42	3.13	5.37	3.03
	Return on stockholders' equity (%)	0.82	1.76	5.23	8.96	4.42
	Pre-tax income to paid-in capital (%)	0.22	6.94	14.93	28.85	15.31
	Profit ratio (%)	0.79	1.56	4.12	7.11	4.00
	Earnings per share (NT$)	0.18	0.39	1.16	2.10	1.08
Cash flow	Cash flow ratio (%)	28.34	1.77	14.45	(0.85)	60.27
	Cash flow adequacy ratio (%)	63.46	33.83	37.46	34.60	101.35
	Cash reinvestment ratio (%)	5.30	(Note 2)	3.08	(Note 2)	13.28
Leverage	Operating leverage	8.19	3.57	3.35	2.87	4.55
	Financial leverage	1.42	1.13	1.09	1.08	1.27

Analysis of financial ratio differences for the last two years: (Not required if the difference does not exceed 20%)

1. The decrease in the interest coverage ratio was due to decrease in the profit before income tax.
2. The increase in the accounts payable turnover times was due to decrease in the average of the accounts payable.
3. The decrease in the profitability ratio was due to decrease in profit before and net of income tax, resulted in the rate of return on total assets, the rate of return on shareholders ' equity, the ratio of pre-tax income to paid-in capital, the rate of profit ratio and the EPS are lower than the previous period.
4. The increase in cash flow ratio was due to increase in net cash inflows from operating activities, resulted in the rate of cash flow ratio, the rate of cash flow adequacy ratio and the cash reinvestment ratio are higher than the previous period.
5. The change in operating leverage was due to the decrease in operating income.

(2) Financial analysis - Financial Statements (IFRS)

Item	Year	Financial analysis for the past five years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure	Debt Ratio (%)	33.64	37.20	37.75	34.68	31.61
	Ratio of long-term capital to property, plant and equipment (%)	243.02	229.07	211.37	230.07	211.89
Solvency	Current ratio (%)	167.57	131.71	113.20	126.40	112.39
	Quick ratio (%)	134.62	109.76	79.08	66.46	75.90
	Interest Coverage Ratio	(1.84)	4.61	16.67	23.80	9.06
Operating ability	Accounts receivable turnover (times)	3.63	3.80	3.70	3.72	3.74
	Average collection days	100.55	96.05	98.64	98.11	97.59
	Inventory turnover (times)	6.46	7.94	5.71	3.84	3.35
	Accounts payable turnover (times)	6.33	6.81	5.97	7.15	9.59
	Average days in sales	56.50	45.96	63.92	95.05	108.95
	Property, plant and equipment turnover (times)	1.00	1.04	1.21	1.25	1.08
	Total assets turnover (times)	0.34	0.36	0.42	0.43	0.37
Profitability	Return on total assets (%)	0.34	1.45	3.48	5.97	3.32
	Return on stockholders' equity (%)	0.82	1.76	5.23	8.96	4.42
	Pre-tax income to paid-in capital (%)	(3.43)	4.29	12.98	26.40	13.89
	Profit ratio (%)	1.57	3.13	7.79	13.45	7.94
	Earnings per share (NT$)	0.18	0.39	1.16	2.10	1.08
Cash flow	Cash flow ratio (%)	14.88	(4.91)	(10.09)	(7.32)	30.66
	Cash flow adequacy ratio (%)	39.22	19.34	(5.91)	(4.26)	18.68
	Cash reinvestment ratio (%)	1.24	(Note 2)	(Note 2)	(Note 2)	3.59
Leverage	Operating leverage	(10.07)	(1.90)	42.07	10.15	42.68
	Financial leverage	0.61	0.85	(1.50)	2.05	(0.41)

Analysis of financial ratio differences for the last two years: (Not required if the difference does not exceed 20%) 1. The decrease in the interest coverage ratio was due to the decrease in profit before income tax. 2. The increase in the accounts payable turnover times was due to decrease in the average of the accounts payable. 3. The decrease in the profitability ratio was due to decrease in profit before and net of income tax, resulted in the rate of return on total assets, the rate of return on shareholders ' equity, the ratio of pre-tax income to paid-in capital, the rate of profit ratio and the EPS are lower than the previous period. 4. The increase in cash flow ratio was due to increase in net cash inflows from operating activities, resulted in the rate of cash flow ratio, the rate of cash flow adequacy ratio and the cash reinvestment ratio are higher than the previous period. 5. The change in operating leverage and financial leverage were due to the decrease in operating income.

Note 1: The financial statements from 2019 to 2023 had been duly certified by CPAs.

Note 2: Net cash flow from operating activities is negative after deducting cash dividends, so it is not calculated.

Note 3: Formulas for financial analysis ratio as the followings:

1. Financial structure
   (1) Debt Ratio = Total liabilities / Total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (Total equity + Non-current liabilities) / Net Property, Plant and Equipment.
2. Solvency
   (1) Current ratio = Current Assets / Current liabilities.
   (2) Quick ratio = (Current Assets - Inventory – Prepaid Expenses) / Current liabilities.
   (3) Interest Coverage Ratio = Net gains before income tax and interest expenses / Current interest expense.
3. Operating ability
   (1) Account receivables (including notes receivables from operating activities and accounts receivable) turnover = Net sales / Average receivables of each term (including notes receivables from operating activities and accounts receivable) balance.
   (2) Average collection days = 365 / Account receivables turnover.
   (3) Inventory turnover = COGS / Average inventory amount.
   (4) Account payables (including notes payable from operating activities and accounts payable) turnover = COGS / Average payables of each term (including notes payable from operating activities and accounts payable) balance.
   (5) Average days in sales = 365 / Inventory turnover.
   (6) Property, Plant and Equipment turnover = Net sales / Net average Property, Plant and Equipment.

(7) Total assets turnover = Net sales / Average total assets.

4. Profitability

(1) Return on assets = [Gain/Loss after tax + Interest expense x (1 - Tax rate)] / Average total asset.

(2) Return on equity = Gain/Loss after tax / Average total equity.

(3) Pre-tax income to capital = Income before tax / Paid-in capital.

(4) Net gains ratio = Gain/Loss after tax / Net sales.

(5) Earnings per share = (The gain/loss contributed to the parent company – Preferred stock dividend) / Weighted average shares outstanding.

5. Cash flow

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

(2) Cash flow adequacy ratio = Net cash flow from operating activities in the past five years / Five years sum of (Capital expenditures + Inventory addition + Cash dividends).

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Property, plant and equipment gross + Long term investment + Other non-current assets + Working capital).

6. Leverage

(1) Operating leverage = (Net operating revenue - Variable operating cost and expenses) / Operating gains.

(2) Financial leverage = Operating gains / (Operating gains - Interest expense).

6.3 Audit Committee's audit report on the financial report of the most recent year

Min Aik Precision Industrial Co., Ltd.

Audit report issued by Audit Committee for 2023

The individual financial report and consolidated financial report of 2023 of the company, which were prepared by its Board of Directors, have been certified by Yu, Sheng-Ho and Cheng, An-Chih, CPAs of KPMG. The aforementioned reports, the business report and the earnings distribution proposal are reviewed by the Committee and found true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to:

2024 Annual General Meeting of Min Aik Precision Industrial Co., Ltd.

Convener of Audit Committee: Sun, Chu-Wei

March 7, 2024

6.4 Financial statement for the most recent fiscal year, including an auditor's report prepared by a certified public accountant, and 2-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow chart, and any related footnotes or attached appendices: Please refer to Appendix 1

6.5 A parent company only financial statement for the most recent fiscal year, certified by a CPA, but not including the statements of major accounting items: Please refer to Appendix 2

6.6 The financial problems of the Company and its Affiliated Enterprise found as of the Annual Report issuance date and the impact of such problems upon the Company's financial standing: None

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2022		2023		Difference	
	Amount	%	Amount	%	Amount	%
Current assets	1,919,725	59%	1,774,367	58%	(145,358)	(8%)
Investments accounted for using equity method	11,650	0%	0	0%	(11,650)	(100%)
Property, plant and equipment	1,172,246	36%	1,133,022	37%	(39,224)	(3%)
Other assets	176,933	5%	156,907	5%	(20,026)	(11%)
Total assets	3,280,554	100%	3,064,296	100%	(216,258)	(7%)
Current liabilities	908,941	28%	944,746	31%	35,805	4%
Non-current liabilities	473,381	14%	256,367	8%	(217,014)	(46%)
Total liabilities	1,382,322	42%	1,201,113	39%	(181,209)	(13%)
Capital stock	770,000	23%	770,000	24%	0	0%
Capital surplus	642,785	20%	642,785	21%	0	0%
Retained earnings	535,128	16%	495,963	17%	(39,165)	(7%)
Other equity interest	(49,681)	(1%)	(45,565)	(1%)	4,116	8%
Total equity	1,898,232	58%	1,863,183	61%	(35,049)	(2%)

Analysis of changes in financial ratios over 20% and the difference amount over NT$ 10,000 thousand:

1. The investment accounted for using equity method decreased by NT$11,650 thousand, a decrease of 100%. This was mainly due to the recognition of investment loss from the invested company.
2. Non-current liabilities decreased by NT$217,014 thousand, a decrease of 46%. This was mainly due to the decrease in long-term borrowings and deferred income tax liability.

7.2 Analysis of Financial Performance

1. Analysis of changes in Financial Performance

Unit: NT$ thousands

Item \ Year	2022 Amount	2023 Amount	Difference	(%)
Operating revenue	2,275,017	2,075,139	(199,878)	(9%)
Operating costs	1,789,795	1,692,541	(97,254)	(5%)
Gross profit	485,222	382,598	(102,624)	(21%)
Operating expenses	318,466	295,065	(23,401)	(7%)
Operating Income	166,756	87,533	(79,223)	(48%)
Non-operating income and expenses	55,362	30,386	(24,976)	(45%)
Profit before income tax	222,118	117,919	(104,199)	(47%)
Minus: Income tax expense	60,290	34,854	(25,436)	(42%)
Net profit	161,828	83,065	(78,763)	(49%)
Other comprehensive income (net of income tax)	77,005	(2,614)	(79,619)	(103%)
Total comprehensive income	238,833	80,451	(158,382)	(66%)

Analysis of changes in financial ratios over 20% and the difference amount over NT$ 10,000 thousand:

1. Gross profit decreased by NT$ 102,624 thousand, down by 21%. This is mainly due to the decrease in operating income and increase in unit costs for the current period.
2. Operating income decreased by NT$ 79,223 thousand, down by 48%. This was mainly due to decrease in gross profit.
3. Non-operating income and expenses decreased by NT$ 24,976 thousand, down by 45%. This was mainly due to the impact of exchange rate fluctuations, resulting in a decrease in exchange gains compared to the previous year.
4. Income tax expense decreased by NT$ 25,436 thousand, down by 42%, mainly due to the decrease in pre-tax net profit for the current period.
5. Other comprehensive income for the period decreased by NT$ 79,619 thousand, down by 103%. The decrease was mainly due to the impact of exchange rate fluctuations, resulting in recognition of reduced exchange differences on translation of foreign financial statements.

2. Anticipated sales volume and grounds thereof, potential impact upon the Company in future financial conditions and the countermeasures:

   MAP and its subsidiaries continue to develop in various industries. Firstly, the precision metal stamping business is affected by the overall economy, war and inflation. The industry company adjustment the inventory in 2023, with inventory destocking as the main target of operations throughout the year. However, the mobile phones, PC/NB have been adjusted earlier and have returned to normally inventory level, and other fields are continue adjustments. The company will continue to implement the globalization, improve production capacity and product quality, achieve cost savings, expand product market share, and then achieve the goal of increasing profitability. For existing customers, we will also actively participate in the new product development stage to enhance customers' trust and dependence, and gain a head start and high market share.

Singapore’s MedTech Manufacturing eco system is the key factor to attract global key players to invest here. Many multinational MedTech companies have established their R&D presence in Singapore. Therefore, the company will integrate resources and strategies, look for new business opportunities from existing customers and new customers, and leverage the group's automation business capabilities to provide automation solutions to achieve synergy for the group. In addition, the current labor costs continue to rise and the industry is upgrading. In order to achieve stable and consistent output quality, we expect the demand for automation equipment will inevitably increase steadily.

Overall, considering the challenges and opportunities brought about by the overall economic, regional and industrial characteristics, our company will keep abreast of market trends and industry information, adjust its operation direction in a timely, and improve product quality and technological innovation to satisfy customer needs, it will continue to expand its business, and will also combine the group's business in various fields to leverage the synergy of the group and provide customers with diversified services to create higher industrial value.

7.3 Analysis of Cash Flow

1. Cash Flow Analysis for the Current Year

Unit: NT$ thousands

Item \ Year	2022	2023	Variance (%)
Operating activities	(7,702)	569,403	7,493%
Investing activities	(112,755)	(68,258)	(39%)
Financing activities	(37,604)	(272,181)	624%
Total	(158,061)	228,964	245%

Analysis of change in cash flow in the current year:

1. Operating activities: the increase in net cash inflow for this period was mainly due to the collection of accounts receivable and inventory reduction for this period.
2. Investing activities: the decrease in net cash outflow for this period was mainly due to the reduction in capital expenditures.
3. Financing activities: the increase in net cash outflow for this period was mainly due to the repayments of bank borrowings.
4. In summary: the net cash inflow for the 2023 increased by NT$ 387,025 thousand as compared to 2022.

2. Contingency plans for projected insufficient capital liquidity: N/A
3. Cash Flow Analysis for the Coming Year (2024)

(1) Cash Flow Analysis for the Coming Year:

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Cash Outflow	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
913,450	-	222,315	691,135	-	-

1. Operating activities: The cash outflow from operating activities is estimated at NT$ 7,865 thousand in 2024.
2. Investing activities: Expected to acquisition of machinery and equipment, estimated cash outflows at NT$ 52,025 thousand in 2024.
3. Financing activities: Repayments of bank borrowings and dividend distributions to shareholders by cash, estimated cash outflows at NT$ 162,425 thousand in 2024.
4. In summary, the total cash surplus in 2024 is approximately NT$ 691,135 thousand.

(2) Contingency plans for projected insufficient cash position: N/A

7.4 The impact of the significant capital expenditure of the latest year upon the financial conditions: N/A

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

1. Reinvestment policy for the most recent fiscal year: The Company's reinvestments are in compliance with the “Procedures for Acquisition and Disposal of Assets”, and shall be implemented after the evaluation of investment effectiveness and approved by the board of directors.
2. The main reasons for profits or losses: In 2023, the Company recognized investment loss of NT$ 11,395 thousand by using the equity method of accounting, which was mainly due to the operating loss on overseas reinvestment company (MATC). The Company (MATC) is now actively developing businesses, it is expected that this year's profits will be improved.
3. Investment Plans for the Coming Year: In order to meet the future needs of customers and products upgrade, the Company plans to add and upgrade machines and inspection equipment for the long-term development.

7.6 Analysis of Risk Management

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

(1) Interest rate

If the interest rate had increased or decreased by a quarter-point, the Company’s net income before tax would have increased or decreased by NT$ 520 thousand with all variable factors remaining constant. This is mainly due to the Company’s financial liabilities in variable-rate loans and deposits. The Company use bank loans for debt financing, with agreements on interest rate intervals to reduce the interest rate risks. Thus, the change in interest rate has no significant impact on the Company. The Company has also kept up with changes in interest rates and conduct necessary measures, thereby reducing the impact of interest rate fluctuations on profit and loss.

(2) Foreign exchange rate

The Company's business is mainly focused on exports, which is mainly based on US dollars, whereas purchases are mainly from domestic manufacturers. Total receivables denominated in US dollars is larger than the purchases denominated in US dollars, thus after calculating the balance amount, the foreign exchange rate fluctuations would still have certain impact on the Company's income.

A weakening or strengthening of 1% of the NTD against the foreign currency as of 31, December, 2023 would have decreased or increased the net profit before tax by NT$ 3,094 thousand.

Although the foreign exchange rate fluctuations have an impact on the Company's revenue and profit, the Company manages its foreign capital based on the Conservatism Principle, and commit to greater efforts to avoid adverse effects that may be caused by foreign exchange rate fluctuations. In addition to the natural hedges from foreign denominated receivables and payables, the Company's financial personnel would retain foreign currency holdings in response to the demand for foreign currencies, and adjust its foreign currency holdings accordingly, depending on the exchange rate trends, in order to reduce the impact of foreign exchange rate fluctuations. When providing a quote, the business department also considers price adjustment caused by foreign exchange rate fluctuations to ensure profitability, and make efforts on eliminating the impact of foreign exchange rate fluctuation on the Company's income.

(3) Inflation

Inflation has no significant impact on the Company, and the Company will also pay close attention to future inflation, and adjust its inventories and product price accordingly.

2. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

In order to manage financial risks, the Company has not engaged in high-risk or highly leveraged investments, and has established internal management and operational procedures in accordance with regulations such as the "Procedures for Acquisition and Disposal of Assets", "Procedures for the Loaning of Funds", and "Procedures for Endorsements and Guarantees".

Financial derivatives held or issued by the Company are for hedging foreign exchange rate risks of net assets or net liabilities, and the transactions are based on regulations of the "Procedures for Acquisition and Disposal of Assets". Up to date of publication of the annual report in 2023, the Company has not engaged in transactions of financial derivatives.

3. Future Research & Development Projects and Corresponding Budget

(1) Future Research & Development Projects

The Company has invested significant resources in the development of various new products for long. In the precision metal stamping division, we have made considerable investments in both hard disk and non-hard disk products to meet our customers' development needs. The company will adhere to the consistent resource integration, talent cultivation and R&D technology improvement, and using tooling application software and inspection equipment to provide more accurate and shorten the development time of new products, and actively and closely discuss with customers to develop related products to meet customer needs.

As for the medical plastic business products, the Company will continue to invest resources gradually. In addition to developing new products in collaboration with existing customers, the Company will also invest in other non-medical product businesses in the future to expand product diversity.

Regarding the automation equipment business products, since automation equipment itself is a highly customized business, the operating unit itself has considerable R&D and innovation capabilities to meet customer requirements. Moreover, with the recent rise in labor costs and the urgent need for automation by customers, the Company will continue to refine its technology. The company will upgrade and cultivate technical talents for customer needs. In addition to continuing to deepen its existing business, the company will actively deploy the automation business in various area to expand the application of the automated machines and expand company business.

(2) Expected Research Expenditure

The Company will continue on developing projects acquiring patents, investing R&D expenses accounting about 3% of total operating revenue in 2024, in order to boost its R&D

capability and market competitiveness.

4. Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

   The Company's various businesses are implemented in accordance with regulations of the competent authority, and pay attention to the changes major policies and regulation changes locally and internationally in order to assess its impact on the Company. Up to the date of publication of the annual report, major policies and regulation changes locally and internationally have no significant impact on The Company's financial and business activities.

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

   The Company attaches great importance to improvements in technology and carefully monitors market trends and assesses the impact they may have on the Company’s operations. Therefore, there are no significant impact on the company’s finances currently.

   In terms of cyber security, the Company has obtained ISO22301 Operational Continuous Management System Certification, and regularly conducts information system operational impact analysis and risk assessment every year, and implements improvement measures based on risk level assessment results, and continuously strengthens security protection to respond to information systems. Possible risks to avoid disruption of operations. In addition, the company also conducts employee education training and promotion to jointly strengthen the company’s information security. Up to now, the Company has no significant security risks.

   The company has acquired ISO-14064-1:2018 external verification and identified energy saving possibilities for implement corporate social responsibility.

   Facing changes in the market, the Company will use its existing core technology to not only increase its share of the hard disk products market, but also continue to invest in technology development and business expansion. Through vertical integration of the three main businesses, we will develop more diversified products and create opportunities.

6. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

   The Company always adheres to relevant laws and regulations on fulfilling its corporate social responsibility. Since 2009, has successively implemented ISO22301:2019, ISO9001:2015, ISO14001:2015, ISO45001:2018, IATF16949:2016, SA8000:2014 and ISO14064-1:2018. The Company has also implemented the Responsible Business Alliance (RBA) policy.

   There are no negative reports on the Company’s corporate image.

7. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: N/A

8. Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans:

   In order to obtain business opportunities and product upgrades, the Company will continue to evaluate the necessity of expand the plant, and planned to expand the production capacity and increase the production scale in order to obtain business opportunities. The source of funds for the factory expansion plant is by Company’s own funds, so the risks are still limited.

9. Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

   (1) Risks Relating to Excessive Concentration of Purchasing Sources

   The Company has a large number of suppliers of the same nature to supply its main raw materials, in order to achieve high raw material flexibility. The supplier also has flexible schedules for special specifications and spot markets to secure a stable source of steel supply.

The Company maintained a good relationship and business cooperation with all its suppliers, hence there are no risks associated with shortage or interruption of the source caused by consolidation of purchasing.

(2) Risks Relating to Excessive Customer Concentration

The Company's main products are precision metal stamping, plastic injection parts and automatic machines, which are mainly sold to famous international companies or assembly foundries. The Company has a diverse customer base that provides stability, and maintains stable strategic partnership with downstream clients and upstream suppliers to ensure stable operations.

10. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: N/A

11. Effects of, Risks Relating to and Response to the Changes in Management Rights: N/A

12. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the Company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: N/A

13. Other important risks, and mitigation measures being or to be taken: N/A

7.7 Other important matters: N/A

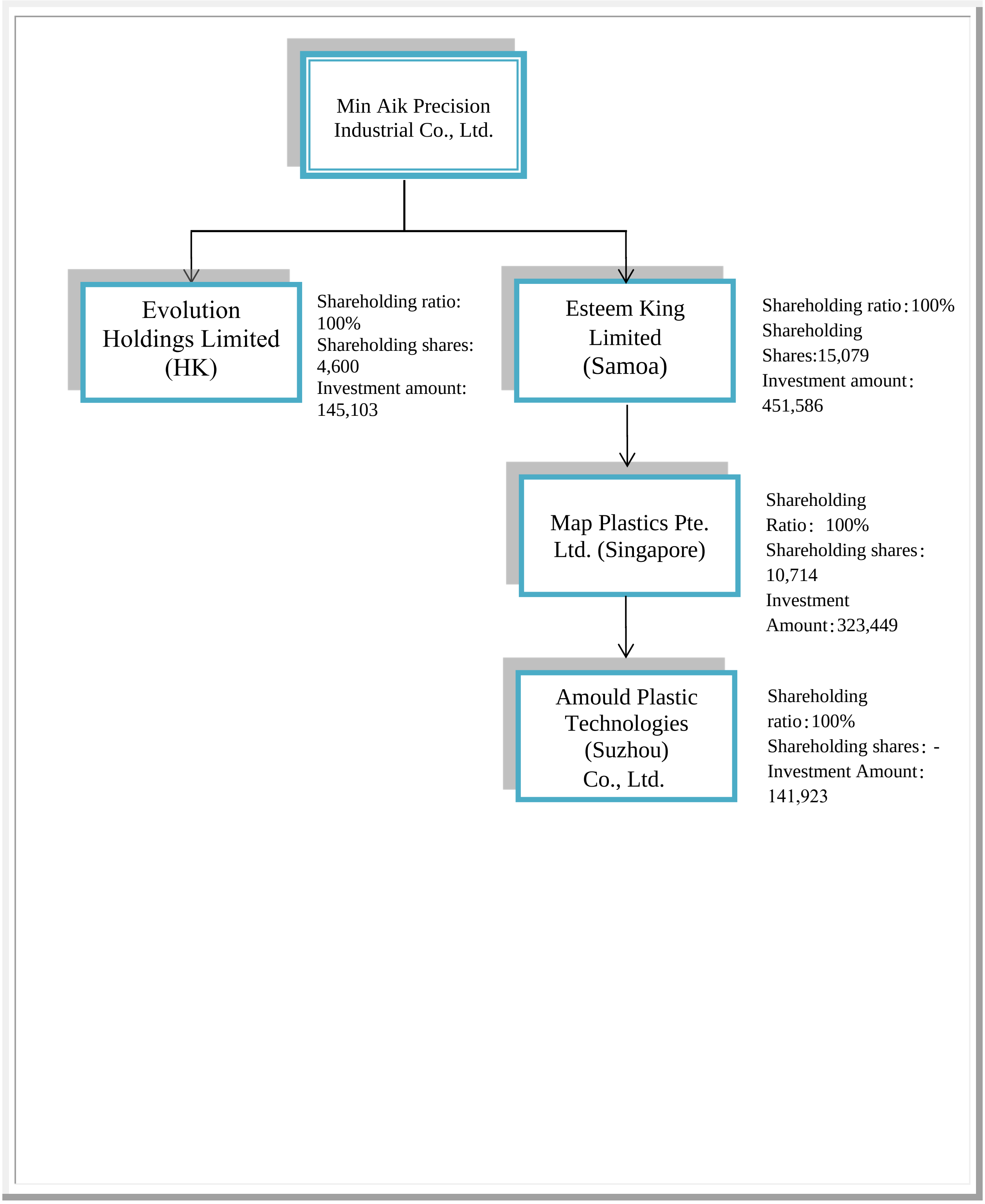
VIII. Specially Noted Matters

8.1 Relevant information of Affiliated Enterprise

1. Affiliates information

(1)Organization chart of Affiliated Enterprise

2023/12/31; Unit: In Thousands



(2)Basic information of affiliates

2023/12/31

Company Name	Established Date	Address	Paid-In Capital	Main Business or Production
Esteem King Limited (Samoa)	2011.06.28	Vistra Corporate Services Centre, Ground Floor Npf Building, Beach Road, Apia, Samoa.	USD 15,079,352	Holding company
Evolution Holdings Limited (HK)	2015.02.18	1501 Capital Centre,151 Gloucester Road, Wan Chai, Hong Kong	USD 4,600,000	Holding company
MAP Plastics Pte. Ltd. (Singapore)	2002.10.25	11/13 Loyang Lane, Singapore 508928	SGD 14,178,469	Manufacture and sale medical injection molding
Amould Plastic Technologies (Suzhou) Co., Ltd.	2002.06.26	Building 4, No.886, Yinzhong South Road, Wuzhong District, Suzhou City, Jiangsu Province, China 215124	USD 7,250,000	Design and manufacture automatic machines

(3)Business Scope of the Company and Its Affiliated Companies

2023/12/31

Industry	Affiliated Companies name	Affiliated with business operations of Affiliated companies
General investing	Esteem King Limited (Samoa) Evolution Holdings Limited (HK)	Holding company
Manufacturing	Map Plastics Pte. Ltd. (Singapore)	Manufacture and sale medical injection molding
Manufacturing	Amould Plastic Technologies (Suzhou) Co., Ltd.	Design and manufacture automatic machines

(4)Shareholders representing both holding companies and subordinates: None

(5)Directors, Supervisors and Presidents of Affiliated Companies

Unit: Thousand shares

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares	ratio (%)
Esteem King Limited (Samoa)	Director	Min Aik Precision Industrial Co., Ltd.	15,079	100%
Evolution Holdings Limited (HK)	Director Director	Fang, Kuang-Yi Hsieh, Hsiu-Lan	0 0	- -
Map Plastics Pte. Ltd. (Singapore)	Director Director Director	Chia, Kin-Heng Loy, Chit-See Fang, Kuang-Yi	0 0 0	- - -
Amould Plastic Technologies (Suzhou) Co., Ltd.	Chairman Director Director Supervisor President	Fang, Kuang-Yi Hsieh, Hsiu-Lan Li, Chung- Hsien Hsiao, Chia-Ling Fang, Kuang-Yi	0 0 0 0 0	- - - - -

(6)Affiliates' Operating Results

2023/12/31; Unit: NT$ Thousands

Company Name	Paid-in capital	Total Assets	Total Liabilities	Net Value	Operating Income	Operating Profit (Loss)	Net Income (Loss) (After tax)	EPS (Loss)/NT $ (After tax)
Esteem King Limited (Samoa)	451,586	1,272,892	351,427	921,465	-	(143)	97,254	6.44
Evolution Holdings Limited (HK)	145,103	10,149	0	10,149	-	(53)	54	0.01
Map Plastic Pte. Ltd. (Singapore)	323,449	1,267,952	351,427	916,525	625,136	73,989	94,280	8.80
Amould Plastic Technologies (Suzhou) Co., Ltd.	213,774	491,334	185,372	305,962	404,551	9,863	29,233	-

2. Consolidated financial statements of affiliate companies: Please refer to Appendix 1.
3. Report of affiliated enterprise: None.

8.2 Acts in privately placed securities in categories and names of negotiable securities in the most recent year as of the Annual Report issuance date: None.

8.3 The Company's share certificates being held or disposed of by subsidiaries in the most recent year as of the Annual Report issuance date: None.

8.4 Other necessary supplementary notes: None.

8.5 Occurrence of significant impact upon shareholders' equity or securities prices under Subparagraph 2, Paragraph 3, Article 36 of the Act in the most recent year as of the Annual Report issuance date: None.

【Appendix 1】

Stock Code:4545

MIN AIK PRECISION INDUSTRIAL CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: No.2, Guorui Rd., Guanyin Dist., Taoyuan City, Taiwan (R.O.C.)
Telephone: (03)438-9966

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.

Representation Letter

The entities that are required to be included in the combined financial statements of Min Aik Precision Industrial 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 Precision Industrial Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Min Aik Precision Industrial Co., Ltd.
Chairman:
Date: March 7, 2024.

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68F., TAIPEI 101 TOWER, No. 7, Sec. 5, 傳 真 Fax + 886 2 8101 6667
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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Min Aik Precision Industrial 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 at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2023 and 2022 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"), interpretation 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. The key audit matters that, in our professional judgement, should be communicated are as follow:

1. Revenue recognition

   Please refer to Note 4(n) "Revenue recognized" of the notes to the consolidated financial statements for the accounting policies on revenue recognition.

   Description of key audit matter:

   The Group' s automatic equipment would first need to be assembled, tested, and installed by clients; thereafter, revenue then is recognized. Therefore, the revenue recognition is considered to be one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures on revenue recognition included the testing of internal control system over automatic equipment revenue; inspecting the contracts entered into with the customers; sending confirmation requests to debtors selected from the sales customers. We also assessed the adequacy of the Group's disclosures of its revenue recognition policy and other related disclosures.

2. Inventory Valuation

   Please refer to Note 4(h) "Inventory" of the notes to consolidated financial statement for the accounting policies on inventory measurement.

   Description of key audit matter:

   The Group's inventory are measured at lower of cost and net realized value. The Group's products may be obsolescent or do not meet the market requirement due to new product release or market change. Besides, the automatic products are customized based on specific client's need. Thus, the cost of inventory may exceed its net realizable value. Moreover, the sales ability of products may affect the inventory valuation, which also need to be taken into serious consideration. Therefore, the inventory valuation is considered to be the key audit matters.

   How the matter was addressed in our audit:

   Our principal audit procedures included understanding the Group's policies of inventory valuation to assess the appropriateness of its inventory valuation; on a sampling basis, testing the Group's inventory aging report to verify its correctness; understanding and testing, on a sampling basis, the selling price that the management used, or reviewing the subsequent sales of the inventories to assess the appropriateness of the net realizable value.

Other Matter

Min Aik Precision Industrial Co., Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)
March 7, 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' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MIN AIK PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 913,450	30	683,529	21
1170	Notes and accounts receivable, net (notes 6(b) and (n))	297,308	10	458,296	14
1181	Accounts receivable from related parties (notes 6(b), (n) and 7)	96,235	3	69,070	2
1310	Inventories (note 6(c))	428,076	14	595,637	18
1479	Other current assets (notes 7 and 8)	39,298	1	113,193	4
		1,774,367	58	1,919,725	59
	Non-current assets:				
1551	Investments accounted for using equity method (note 6(d))	-	-	11,650	-
1600	Property, plant and equipment (notes 6(e), 7, 8 and 9)	1,133,022	37	1,172,246	36
1755	Right-of-use assets (note 6(f))	105,544	3	120,404	4
1995	Other non-current assets (notes 6(j) and (k))	51,363	2	56,529	1
		1,289,929	42	1,360,829	41
	Total assets	**$ 3,064,296**	**100**	**3,280,554**	**100**

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(g))	$ 230,000	8	310,000	10
2170	Accounts payable (include related parties) (note 7)	199,890	7	168,375	5
2201	Salary and wages payable	138,276	5	162,451	5
2230	Current income tax liabilities	69,451	2	25,251	1
2280	Current lease liabilities (note 6(i))	12,964	-	12,901	-
2300	Other current liabilities (note 7)	130,165	4	165,963	5
2322	Long-term borrowings, current portion (notes 6(h) and 8)	164,000	5	64,000	2
		944,746	31	908,941	28
	Non-Current liabilities:				
2541	Long-term borrowings (notes 6(h) and 8)	126,000	4	290,000	9
2570	Deferred tax liabilities (note 6(k))	42,807	1	83,416	2
2580	Non-current lease liabilities (note 6(i))	87,560	3	99,965	3
		256,367	8	473,381	14
	Total liabilities	1,201,113	39	1,382,322	42
	Equity attributable to owners of parent (note 6(l)):				
3110	Ordinary share	770,000	24	770,000	23
3200	Capital surplus	642,785	21	642,785	20
3310	Legal reserve	261,178	9	244,413	7
3320	Special reserve	49,681	2	119,953	4
3350	Unappropriated retained earnings	185,104	6	170,762	5
3410	Exchange differences on translation of foreign financial statements	(45,565)	(1)	(49,681)	(1)
	Total equity	1,863,183	61	1,898,232	58
	Total liabilities and equity	**$ 3,064,296**	**100**	**3,280,554**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MIN AIK PRECISION INDUSTRIAL 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 Common Share)

		2023		2022	
		Amount	**%**	**Amount**	**%**
4111	Operating revenue (notes 6(n) and 7)	$ 2,088,094	101	2,289,571	101
4170	Less: Sales returns and allowances	12,955	1	14,554	1
	Net operating revenue	2,075,139	100	2,275,017	100
5111	**Operating costs (notes 6(c), (i), (j), (o), 7 and 12)**	1,692,541	82	1,789,795	79
	Gross profit from operations	382,598	18	485,222	21
	Operating expenses (notes 6(b), (i), (j), (o), 7 and 12)**:**				
6100	Selling expenses	76,219	4	94,445	4
6200	Administrative expenses	172,166	8	178,361	8
6300	Research and development expenses	49,208	2	57,206	3
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	(2,528)	-	(11,546)	(1)
	Total operating expenses	295,065	14	318,466	14
	Net operating income	87,533	4	166,756	7
	Non-operating income and expenses (notes 6(d), (e), (i), (p) and 7)**:**				
7100	Interest income	14,688	1	4,155	-
7010	Other income	24,678	1	24,146	2
7020	Other gains and losses, net	21,052	1	57,778	3
7050	Finance costs	(18,637)	(1)	(12,064)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method	(11,395)	-	(18,653)	(1)
	Total non-operating income and expenses	30,386	2	55,362	3
7900	**Profit before income tax**	117,919	6	222,118	10
7950	Less: Income tax expenses (note 6(k))	34,854	2	60,290	3
	Net profit	83,065	4	161,828	7
8300	**Other comprehensive income (loss):**				
8310	**Item that may not be reclassified subsequently to profit or loss**				
8311	(Losses) gains on remeasurements of defined benefit plans (note 6(j))	(6,730)	-	5,822	-
8360	**Item that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	4,116	-	71,183	3
8300	**Other comprehensive income (loss), net of income tax**	(2,614)	-	77,005	3
	Total comprehensive income (loss)	**$ 80,451**	**4**	**238,833**	**10**
	Net profit, attributable to:				
	Owners of parent	**$ 83,065**	**4**	**161,828**	**7**
	Total comprehensive income (loss) attributable to:				
	Owners of parent	**$ 80,451**	**4**	**238,833**	**10**
9750	**Basic earnings per share (NT dollars)** (note 6(m))	**$**	**1.08**		**2.10**
9850	**Diluted earnings per share (NT dollars)** (note 6(m))	**$**	**1.07**		**2.09**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MIN AIK PRECISION INDUSTRIAL 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			Other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Total equity
Balance at January 1, 2022	$ 770,000	654,335	235,414	83,335	91,079	(120,864)	1,713,299	1,713,299
Profit	-	-	-	-	161,828	-	161,828	161,828
Other comprehensive income (loss)	-	-	-	-	5,822	71,183	77,005	77,005
Total comprehensive income (loss)	-	-	-	-	167,650	71,183	238,833	238,833
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	8,999	-	(8,999)	-	-	-
Special reserve appropriated	-	-	-	36,618	(36,618)	-	-	-
Cash dividends on ordinary share	-	-	-	-	(42,350)	-	(42,350)	(42,350)
Cash dividends from capital surplus	-	(11,550)	-	-	-	-	(11,550)	(11,550)
Balance at December 31, 2022	770,000	642,785	244,413	119,953	170,762	(49,681)	1,898,232	1,898,232
Profit	-	-	-	-	83,065	-	83,065	83,065
Other comprehensive income (loss)	-	-	-	-	(6,730)	4,116	(2,614)	(2,614)
Total comprehensive income (loss)	-	-	-	-	76,335	4,116	80,451	80,451
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	16,765	-	(16,765)	-	-	-
Reversal of special reserve	-	-	-	(70,272)	70,272	-	-	-
Cash dividends on ordinary share	-	-	-	-	(115,500)	-	(115,500)	(115,500)
Balance at December 31, 2023	**$ 770,000**	**642,785**	**261,178**	**49,681**	**185,104**	**(45,565)**	**1,863,183**	**1,863,183**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MIN AIK PRECISION INDUSTRIAL 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 before income tax	$ 117,919	222,118
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation and amortization expense	120,535	104,274
Expected credit gain	(2,528)	(11,546)
Interest expense	18,637	12,064
Interest income	(14,688)	(4,155)
Share of loss of associates and joint ventures accounted for using equity method	11,395	18,653
(Gain) loss on disposal of property, plant and equipment	(2,929)	23
Property, plant and equipment transferred to expenses	1,697	880
Impairment (gain) loss on non-financial assets	(157)	6,003
Others	(13)	(4,412)
Total adjustments to reconcile profit	131,949	121,784
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable (include related parties)	136,351	(8,821)
Inventories	158,455	(140,048)
Other current assets	73,368	(63,476)
Other operating assets	(2,393)	(667)
Total changes in operating assets	365,781	(213,012)
Changes in operating liabilities:		
Accounts payable (include related parties)	31,515	(135,961)
Other current liabilities	(42,471)	20,783
Total changes in operating liabilities	(10,956)	(115,178)
Total changes in operating assets and liabilities	354,825	(328,190)
Total adjustments	486,774	(206,406)
Cash inflow generated from operations	604,693	15,712
Interest received	15,121	3,675
Interest paid	(18,682)	(11,779)
Income taxes paid	(31,729)	(15,310)
Net cash flows from (used in) operating activities	569,403	(7,702)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(66,778)	(117,003)
Proceeds from disposal of property, plant and equipment	3,343	402
(Increase) decrease in refundable deposits	(4,823)	3,951
Increase in other non-current assets	-	(105)
Net cash flows used in investing activities	(68,258)	(112,755)
Cash flows from (used in) financing activities:		
Increase in short-term borrowing	730,000	472,740
Decrease in short-term borrowing	(810,000)	(378,100)
Repayments of long-term borrowing	(64,000)	(64,000)
Payment of lease liabilities	(12,681)	(14,344)
Cash dividends paid	(115,500)	(53,900)
Net cash flows used in financing activities	(272,181)	(37,604)
Effect of exchange rate changes on cash and cash equivalents	957	51,083
Net increase (decrease) in cash and cash equivalents	229,921	(106,978)
Cash and cash equivalents at beginning of period	683,529	790,507
Cash and cash equivalents at end of period	$ **913,450**	**683,529**

See accompanying notes to consolidated financial statements.

(1) Company history

Min Aik Precision Industrial Co., Ltd. (the "Company"). was incorporated on January 18, 2001, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company's shares were listed on the Taiwan Stock Exchange (TWSE) on January 6, 2016. The address of its registered office is No. 2, Guorui Rd., Guanyin Dist., Taoyuan City. The Group mainly engages in the processing and manufacturing of electroplating of aluminum and copper products, precision stamping components and electroless nickel plating.

The Company's subsidiaries mainly engage in the design, manufacture, sale, and after-sales service of medical injection, molding and automatic machines.

The consolidated financial statements comprise The Group and subsidiaries (together referred to as the "Group" and individually as "Group entities") and the right to the Group's associates.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 7, 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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"

(Continued)

(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 IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized as below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated 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 IFRSs, IASs, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC.

(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) The defined benefit assets are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(Continued)

(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 Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD 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 its 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 the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup 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.

(ii) List of subsidiaries in the consolidated financial statements

			Percentage of Ownership (%)	
Name of investor	**Name of subsidiary**	**Main Activities and Location**	**December 31, 2023**	**December 31, 2022**
The Company	Esteem King	Holding Company	100 %	100 %
The Company	Evolution	Holding Company	100 %	100 %
Esteem King	MAPP	Design, Manufacture and Sale of tooling and medical injection molding	100 %	100 %
MAPP	AMOULD PLASTIC TECHNOLOGIES (SUZHOU) CO., LTD (AMO)	Design, Manufacture and Sale of automatic machines	100 %	100 %

(Continued)

(d) Foreign currencies

(i) Foreign currency transactions

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 foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

(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.

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(Continued)

(iii) It 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 issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprise cash on hand and demand deposits. Cash equivalents is 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 and debt securities issued 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 and 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 (SPPI) on the principal amount outstanding.

(Continued)

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.

2) 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 receivable, guarantee deposit paid and other financial assets) and contract assets.

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

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

ECL 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). ECL are discounted at the effective interest rate of the financial asset.

(Continued)

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

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 120 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

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. 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.

3) 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.

(Continued)

(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.

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) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) 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)

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the 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.

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

(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 expenditure

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

(Continued)

(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 of property, plant and equipment for current and comparative periods are as follows:

1) Buildings: 20~56 years

2) Building facilities: 3~5 years

3) Machinery and equipment: 1~20 years

4) Office and other equipment：1~20 years

5) Leasehold improvement：1~10 years

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

(k) 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 contracts conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>As a lessee</u>

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.

(Continued)

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 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

— There is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

— There is any lease modification

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 that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

(l) Impairment of non-financial assets

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

For impairment testing, assets are grouped 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.

The recoverable amount for an individual asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated. An impairment loss recognized in prior periods for an asset is reversed if, and only if, there has been an improvement in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In this case, the carrying amount of the asset is increased to its recoverable amount by reversing an impairment loss.

(m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Site restoration

In accordance with the leases agreement , the Group's has the obligation to restore the leased facilities and the office. The provision is measured by the discounted present value of restoration cost at the termination of agreement, and related expense are recognized during contract period.

(Continued)

(n) Revenue recognized

(i) Revenue from contracts with customers policy

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.

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

The Group offers standard warranty with the automatic machines for months to one year to its clients. Therefore, the Group's obligation to provide a refund for faulty automatic machines under the standard warranty terms is recognized as a provision of warranty.

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.

(ii) Financing components

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

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension 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.

(Continued)

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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short term employee benefits

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

(p) Share based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Group and employees reach a consensus in the subscription price and number of shares.

(Continued)

(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 shall be 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 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. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes shall not be recognized for the following exceptions:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses), and does not give rise to equal taxable and deductible temporary differences;

(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 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 increases.

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

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.

(Continued)

(r) Earnings per Share

The Group discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares (e.g. employee bonuses not yet resolved by the shareholders.).

(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.

(t) Government grants

The Group recognizes an unconditional government in profit or loss as other income when the grant becomes receivable. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

For government grants related to depreciated assets, the Group recognized as the deduction of the assets if there is reasonable assurance that the grants will be received and the Group will comply with the conditions associated with the grant; and through the decrease in depreciation expenses, the grants are then recognized in profit or loss during the useful lives of the depreciated assets.

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

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

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

There is a critical judgment made in applying accounting policies that have significant effects on the amounts recognized in the consolidated financial statements is as follows:

Judgment regarding control of subsidiaries

The Group owns 20% shares of the related party MATC Technology(M) Sdn. Bhd., and the rest of 80% shares are owned by another single shareholder. Therefore, it is determined that the Group has no significant influence on MATC Technology(M) Sdn. Bhd.

(Continued)

The information on accounting assumptions and estimation uncertainties did not have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year on the Group.

The Group's accounting policies include measuring financial and nonfinancial assets and liabilities at fair value through profit or loss. The Group's financial division conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial division 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 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(q) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash, petty cash, check and demand deposits	$	497,326	400,224
Time deposits		416,124	283,305
Cash and cash equivalents	**$**	**913,450**	**683,529**

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

(b) Notes and accounts receivable (include related parties)

		December 31, 2023	December 31, 2022
Notes receivable from operating activities	$	188	30,016
Accounts receivable		304,296	438,014
Accounts receivable-related parties		96,235	69,070
Less: Loss allowance		(7,176)	(9,734)
	$	**393,543**	**527,366**

(Continued)

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts 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 for notes and accounts receivables was determined as follows:

	December 31, 2023		
Notes and Accounts Receivable -non-related parties	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 237,423	1%	2,405
Past due(days):			
0 to 60	32,185	1%	322
61 to 120	16,889	5%	844
121 to 180	17,978	20%	3,596
181 to 360	1	50%	1
over 360	8	100%	8
	$ 304,484		**7,176**

	December 31, 2023		
Accounts Receivable -related parties	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
Current	**$ 96,235**	0%	-

	December 31, 2022		
Notes and Accounts Receivable -non-related parties	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 383,252	1%	3,567
Past due(days):			
0 to 60	66,673	1%	667
61 to 120	463	5%	23
121 to 180	11,145	20%	2,229
181 to 360	6,497	50%	3,248
	$ 468,030		**9,734**

(Continued)

Accounts Receivable -related parties	December 31, 2022 Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 69,070	0%	-

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

	2023	2022
Balance on January 1, 2023 and 2022	$ 9,734	20,862
Impairment losses reversed	(2,528)	(11,546)
Foreign exchange (gains) losses	(30)	418
Balance on December 31, 2023 and 2022	$ 7,176	9,734

As of December 31, 2023 and 2022, the Group did not provide any notes and accounts receivable as collateral for its loans.

Please refer to note 6(q) for other credit risk.

(c) Inventory

	December 31, 2023	December 31, 2022
Raw materials and consumables	$ 97,885	83,425
Work in progress	78,596	105,651
Finished goods	251,595	406,561
	$ 428,076	595,637

The details of the cost of sales was as follows:

	2023	2022
Inventory that has been sold	$ 1,502,848	1,667,916
Abnormal amounts of production costs of inventories	108,187	56,781
Product warranty costs	65,086	39,885
Loss on scrap and inventory valuation	13,746	22,220
Inventory gain or losses and others	2,674	2,993
	$ 1,692,541	1,789,795

As of December 31, 2023 and 2022, the Group did not provide any inventories as collateral for its loans.

(d) Investments accounted for using equity method

The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

Name of Affiliates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2023	December 31, 2022
MATC Technology(M) Sdn. Bhd.	Production of hardware components	Malaysia	20.00 %	20.00 %

The following consolidated financial information of significant affiliates has been adjusted according to individually prepared IFRS financial statements of these affiliates:

	December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associates' equity	$ -	11,650

	2023	2022
Attributable to the Group:		
Loss from continuing operations	$ (11,395)	(18,653)
Other comprehensive income (loss)	(255)	980
Comprehensive income (loss)	$ (11,650)	(17,673)

As of December 31, 2023, the accumulated unrecognized investment loss amounted to $5,845 thousand.

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

(e) Property, plant and equipment

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

	Land	Buildings and construction	Machinery and equipment	Office and other facilities	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2023	$ 596,362	390,240	937,048	562,968	20,355	2,506,973
Additions	-	-	28,430	17,494	3,397	49,321
Disposal	-	-	(25,016)	(2,905)	-	(27,921)
Transfer	-	-	16,485	3,133	(21,315)	(1,697)
Effect of movements in exchange rate	-	3,738	3,862	1,748	20	9,368
Balance on December 31, 2023	$ 596,362	393,978	960,809	582,438	2,457	2,536,044

(Continued)

	Land	Buildings and construction	Machinery and equipment	Office and other facilities	Construction in progress and testing equipment	Total
Balance on January 1, 2022	$ 596,362	310,588	933,047	523,808	47,127	2,410,932
Additions	-	18,395	64,948	27,488	17,426	128,257
Disposal	-	-	(89,154)	(8,117)	-	(97,271)
Transfer	-	45,448	4,304	-	(50,632)	(880)
Effect of movements in exchange rates	-	15,809	23,903	19,789	6,434	65,935
Balance on December 31, 2022	**$ 596,362**	**390,240**	**937,048**	**562,968**	**20,355**	**2,506,973**
Depreciation and impairments loss:						
Balance on January 1, 2023	$ -	91,824	760,558	482,345	-	1,334,727
Depreciation	-	8,452	56,213	25,237	-	89,902
Disposal	-	-	(24,608)	(2,899)	-	(27,507)
Impairment gain	-	-	(157)	-	-	(157)
Effect of movements in exchange rates	-	1,261	3,258	1,538	-	6,057
Balance on December 31, 2023	**$ -**	**101,537**	**795,264**	**506,221**	**-**	**1,403,022**
Balance on January 1, 2022	$ -	78,217	770,387	444,597	-	1,293,201
Depreciation	-	6,426	51,926	27,526	-	85,878
Disposal	-	-	(88,768)	(8,078)	-	(96,846)
Impairment loss	-	-	6,003	-	-	6,003
Effect of movements in exchange rates	-	7,181	21,010	18,300	-	46,491
Balance on December 31, 2022	**$ -**	**91,824**	**760,558**	**482,345**	**-**	**1,334,727**
Carrying amounts:						
Balance on December 31, 2023	**$ 596,362**	**292,441**	**165,545**	**76,217**	**2,457**	**1,133,022**
Balance on December 31, 2022	**$ 596,362**	**298,416**	**176,490**	**80,623**	**20,355**	**1,172,246**
Balance on January 1, 2022	**$ 596,362**	**232,371**	**162,660**	**79,211**	**47,127**	**1,117,731**

The idle machinery and equipment of the Group resulted in the impairment (gains) losses of $(157) thousand and $6,003 thousand, recognized as non-operating income and expense in 2023 and 2022, respectively.

As of December 31, 2023 and 2022, for the Group pledged property, plant and equipment as collateral for long-term borrowings, please refer to Note 8.

(Continued)

(f) Right-of-use assets

The Group leases many assets including land, buildings and structures, and other equipment. Information about leases for which the Group as a lessee is presented below:

		Land	Buildings and structures	Office and other facilities	Total
Cost:					
Balance at January 1, 2023	$	69,744	62,902	2,105	134,751
Additions		351	-	-	351
Disposal		-	(489)	(308)	(797)
Exchange on movements exchange rates		1,255	(1,346)	29	(62)
Balance at December 31, 2023	**$**	**71,350**	**61,067**	**1,826**	**134,243**
Balance at January 1, 2022	$	57,055	27,532	1,936	86,523
Additions		5,892	62,451	-	68,343
Disposal		-	(27,587)	-	(27,587)
Exchange on movements exchange rates		6,797	506	169	7,472
Balance at December 31, 2022	**$**	**69,744**	**62,902**	**2,105**	**134,751**
Accumulated depreciation and impairment losses:					
Balance at January 1, 2023	$	7,532	5,595	1,220	14,347
Depreciation for the year		2,118	12,814	383	15,315
Disposal		-	(489)	(308)	(797)
Exchange on movements exchange rates		143	(325)	16	(166)
Balance at December 31, 2023	**$**	**9,793**	**17,595**	**1,311**	**28,699**
Balance at January 1, 2022	$	5,040	23,248	737	29,025
Depreciation		1,791	9,482	415	11,688
Disposal		-	(27,587)	-	(27,587)
Exchange on movements exchange rates		701	452	68	1,221
Balance at December 31, 2022	**$**	**7,532**	**5,595**	**1,220**	**14,347**
Carrying amount:					
Balance at December 31, 2023	**$**	**61,557**	**43,472**	**515**	**105,544**
Balance at December 31, 2022	**$**	**62,212**	**57,307**	**885**	**120,404**
Balance at January 1, 2022	**$**	**52,015**	**4,284**	**1,199**	**57,498**

(Continued)

(g) Short-term borrowings

The details were summarized as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 230,000	310,000
Unused short-term credit lines	$ 520,000	240,000
Range of interest rates	1.76%~1.77%	1.50%~1.93%

(h) Long-term borrowings

The details were as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 100,000	100,000
Secured bank loans	190,000	254,000
Less: current portion	(164,000)	(64,000)
Total	$ 126,000	290,000
Range of interest rates	1.82%~2.11%	1.53%~1.72%

For the collateral for long-term borrowings, please refer to note 8.

(i) Lease liabilities

The details were as follows:

	December 31, 2023	December 31, 2022
Current	$ 12,964	12,901
Non-current	$ 87,560	99,965

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest expenses on lease liabilities	$ 5,889	3,151
Expenses relating to short-term leases	$ 6,772	9,224

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

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

	2023	2022
Total cash outflow for leases	$ 25,342	26,719

(Continued)

(i) Real estate and buildings leases

The Group leases land and buildings for its offices and factories. The leases of offices typically run for a period of 2 to 5 years, and about 50 years for land. Some leases contain extension options exercisable up to the same period as original contracts before the end of the contract period.

(ii) Other leases

The Group leases office facilities with lease terms of 2 to 5 years. Some lease contracts stipulate that upon the expiration of the lease period, which can extend to the same period as original contracts.

The Group also leases staff dormitories, warehouses, and machine equipment with contract terms within one year. These leases are short-term items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(j) Employee benefit

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2023	**December 31, 2022**
Present value of the defined benefit obligations	$ (28,225)	(22,221)
Fair value of plan assets	56,162	54,495
Net defined benefit assets	**$ 27,937**	**32,274**

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 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 $56,162 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.

(Continued)

2) Movements in present value of the defined benefit obligations

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

	2023	2022
Defined benefit obligations at January 1	$ 22,221	26,028
Current service costs and interest costs	311	250
Remeasurements loss (gain):		
—Return on plan assets excluding interest income	6,923	(386)
—financial assumptions	210	(1,453)
Benefits paid	(1,440)	(2,218)
Defined benefit obligations at December 31	**$ 28,225**	**22,221**

3) Movements of defined benefit plan assets

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

	2023	2022
Fair value of plan assets at January 1	$ 54,495	51,813
Interest income	767	390
Remeasurements loss (gain):		
—Return on plan assets excluding interest income	403	3,983
Contributions paid by the employer	497	527
Benefits paid	-	(2,218)
Fair value of plan assets at December 31	**$ 56,162**	**54,495**

4) Expenses recognized in profit or loss

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

	2023	2022
Current service costs	$ -	55
Net interest of net assets for defined benefit obligations and plan assets	(456)	(195)
	$ (456)	**(140)**
Operating expense	**$ (456)**	**(140)**

(Continued)

5) Actuarial assumptions

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

	2023.12.31	**2022.12.31**
Discount rate	1.300 %	1.400 %
Future salary increase rate	2.875 %	2.875 %

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 $497 thousands.

The weighted average lifetime of the defined benefits plans is 7 years.

6) Sensitivity analysis

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

	Influences of defined benefit assets	
Original actuarial assumptions	**Increased 0.5%**	**Decreased 0.5%**
December 31, 2023		
Discount rate 1.300%	530	(552)
Future salary increasing rate 2.875%	(528)	512
December 31, 2022		
Discount rate 1.400%	561	(588)
Future salary increasing rate 2.875%	(563)	543

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation 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 is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $36,770 thousands and $40,481 thousands for the years ended December 31, 2023 and 2022, respectively.

(k) Income taxes

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

	2023	2022
Current tax	$ 76,022	22,883
Deferred tax	(41,168)	37,407
Income tax expense	**$ 34,854**	**60,290**

(ii) The amount of income tax recognized directly in equity or other comprehensive income for 2023 and 2022 were both 0.

(iii) Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows :

	2023	2022
Profit excluding income tax	$ 117,919	222,118
Income tax using the domestic tax rate	41,043	67,894
Change in provision in prior periods	10,205	(4,113)
Change in unrecognized temporary differences and others	(16,394)	(3,491)
	$ 34,854	**60,290**

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company's foreign subsidiaries have retained earnings, because of the demand of capital expenditures and working capital. The Group expects that some of these retained earnings will not be returned back to the Company in the foreseeable future under the consideration of Group's integral development and investment plan. Hence, the temporary differences are not recognized under deferred tax liabilities. As of December 31, 2023 and 2022, the unrecognized deferred tax liabilities each amounted to $26,090 thousand for both periods.

2) Unrecognized deferred tax assets

	December 31, 2023	December 31, 2022
Tax effect of deductible temporary differences	$ 12,264	14,159
The carry forward of unused tax losses	6,002	5,833
	$ 18,266	**19,992**

The Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of five to ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

(Continued)

As of December 31, 2023, the information of the Group's tax losses are as follows:

Company name	Year o loss	Unused tax loss	Expiry date
AMO	2019 (Approved)	$ 34,900	2029
AMO	2021 (Approved)	5,113	2031
		$ 40,013	

3) Recognized deferred tax assets and liabilities

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

	Unrealized exchange gain	Income from equity investments under the equity method	Fiscal and tax difference from Depreciation	Total
Deferred Tax Liabilities:				
Balance at January 1, 2023	$ 88	65,825	17,503	83,416
Recognized in profit or loss	(88)	(43,047)	2,526	(40,609)
Balance at December 31, 2023	**$ -**	**22,778**	**20,029**	**42,807**
Balance at January 1, 2022	$ -	38,832	16,675	55,507
Recognized in profit or loss	88	26,993	828	27,909
Balance at December 31, 2022	**$ 88**	**65,825**	**17,503**	**83,416**

	Unrealized exchange loss	Allowance to reduce inventory	Unused tax losses carry forwards	Others	Total
Deferred Tax Assets:					
Balance at January 1, 2023	$ -	(9,441)	-	(4,098)	(13,539)
Recognized in profit or loss	(1,630)	818	-	253	(559)
Balance at December 31, 2023	**$ (1,630)**	**(8,623)**	**-**	**(3,845)**	**(14,098)**
Balance at January 1, 2022	(335)	(4,443)	(12,067)	(6,192)	(23,037)
Recognized in profit or loss	335	(4,998)	12,067	2,094	9,498
Balance at December 31, 2022	**$ -**	**(9,441)**	**-**	**(4,098)**	**(13,539)**

(v) Examination and Approval

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

(Continued)

(l) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares both were amounted to $1,000,000 thousand with par value of $10 per share. As of that date, ordinary shares both were issued amounted to $770,000 thousand.

(i) Capital surplus

The balances of capital surplus were as follows:

		December 31, 2023	December 31, 2022
Issued share premium	$	592,499	592,499
Adjustment of re-segmentation		42,439	42,439
Employee share options		7,847	7,847
	$	**642,785**	**642,785**

According to the R.O.C. 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 capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

The general meeting of shareholders that held on May 27, 2022 , decided to distribute capital surplus resulting from share premium as cash dividend amonted to $11,550 thousand with $0.15 per share.

(ii) Retained earnings

The Company's Articles of Incorporation requires that after-tax earnings shall first be offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid, the Company may, under its Articles of Incorporation or as required by the government, appropriate or reverse for special reserve. The remaining balance of the earnings, if any, may be appropriated according to a resolution of a shareholder's meeting.

In consideration of the shareholder's long-term benefit and stable operation, the Company adopts a stable dividends policy. Therefore, cash dividends should not be less than 30% of aggregate dividends

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 capital may be distributed.

(Continued)

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as 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 special earnings reserve (and does not qualify 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.

3) Earnings distribution

Earnings distribution for 2022 and 2021 were decided via the general meeting of shareholders held on June 21, 2023 and May 27, 2022. The relevant dividend distributions to shareholders were as follows.

	2022		2021	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 1.50	115,500	0.55	42,350

Earnings distributions for 2022 and 2021 that decided by the general meeting of shareholders were not different from the resolution of board meeting. Related information would be available at the Market Observation Post System website.

(m) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at December 31, 2023 and 2022, were based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

	2023	2022
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	$ 83,065	161,828
Weighted-average number of ordinary shares (thousand shares)	77,000	77,000
Basic earnings per share (dollar)	$ 1.08	2.10

(Continued)

(ii) Diluted earnings per share

The calculation of diluted earnings per share as of December 31, 2023 and 2022 were based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares, calculated as follows.

		2023	2022
Diluted earnings per share:			
Profit attributable to ordinary shareholders of the Company	$	**83,065**	**161,828**
Weighted-average number of ordinary shares (diluted) (thousand shares)		**77,382**	**77,589**
Basic earnings per share	$	**1.07**	**2.09**

Weighted-average number of ordinary shares (diluted) (thousand shares):

	2023	2022
Weighted-average number of ordinary shares (basic) (thousand shares)	77,000	77,000
Effect of dilutive potential ordinary shares:		
Effect of employee share bonus	382	589
Weighted average number of ordinary shares (diluted) (thousand and shares)	**77,382**	**77,589**

(n) Revenue from contracts with customers

(i) Details of revenue

		2023	2022
Primary geographical markets			
Singapore	$	567,530	561,095
Malaysia		518,504	489,746
China		380,517	411,625
Taiwan		227,228	323,986
Ireland		145,218	202,852
Thailand		137,243	181,065
Others		98,899	104,648
	$	**2,075,139**	**2,275,017**

(Continued)

		2023	2022
Major products			
Electronic stamping components	$	573,652	633,118
Plastic injection		574,580	578,019
Hard disk drive stamping components		449,480	554,048
Automatic machines		357,442	337,069
Others		119,985	172,763
	$	**2,075,139**	**2,275,017**

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable	$	400,719	537,100	527,861
Less: allowance for impairment		(7,176)	(9,734)	(20,862)
Total	**$**	**393,543**	**527,366**	**506,999**

For details on accounts receivable and allowance for impairment, please refer to note 6(b).

(o) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute between 3%~9% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $8,321 thousand and $15,810 thousand, respectively, and directors' remuneration amounting to $3,566 thousand and $6,776 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or lost in the following year.

The amounts mentioned above were identical to those of the actual distributions for 2023 and 2022. The related information can be accessed from the Market Observation Post System website.

(Continued)

(p) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

		2023	2022
Rent income	$	4,288	4,419
Other income		20,390	19,727
	$	**24,678**	**24,146**

(ii) Other gains and losses

The details of other gains and losses were as follows:

		2023	2022
Foreign exchange gains, net	$	18,450	65,146
Gains (losses) on disposals of property, plant and equipment, net		2,929	(23)
Gains (losses) on non-financial assets impairment		157	(6,003)
Others		(484)	(1,342)
	$	**21,052**	**57,778**

(q) Financial instruments

(i) 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.

1) Credit risk exposure

As at reporting date, the carrying amount of financial assets represents the maximum amount exposed to credit risk. For the year end in 2023 and 2022, the maximum amount was $1,315,616 thousand and $1,218,821 thousand, respectively. Implicit credit risk of the Group is inherent in its cash and accounts receivable. The cash is deposited in different financial institutions. The Company manages the credit risk exposure with each of these financial institutions and believes that cash do not have a significant credit risk concentration.

(Continued)

2) Concentration of credit risk

The concentration of credit risk is mainly affected by creditors' rating and the client's industry. As of December 31, 2023 and 2022, 53% and 50%, respectively, of the Group's accounts receivable were concentrated on top five sales clients.

3) For the details of the accounts receivable aging and loss allowance, please refer to note 6 (b).

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

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

	Carrying amount	Contractual cash flows	Less than 1 years	1-2 years	2-5 years	Over 5 years
December 31, 2023						
Non derivative financial liabilities						
Bank loans	$ 520,000	527,419	398,460	66,156	62,803	-
Accounts payable (including related parties)	199,890	199,890	199,890	-	-	-
Lease liabilities	100,524	164,339	18,347	18,280	26,469	101,243
Other financial liabilities	245,967	245,967	245,967	-	-	-
	$ 1,066,381	**1,137,615**	**862,664**	**84,436**	**89,272**	**101,243**
December 31, 2022						
Non derivative financial liabilities						
Bank loans	$ 664,000	675,959	380,467	167,083	128,409	-
Accounts payable (including related parties)	168,375	168,375	168,375	-	-	-
Lease liabilities	112,866	181,286	18,774	18,552	40,844	103,116
Other financial liabilities	291,255	291,255	291,255	-	-	-
	$ 1,236,496	**1,316,875**	**858,871**	**185,635**	**169,253**	**103,116**

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

(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.

(Continued)

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	$ 10,746	30.71	329,961	20,257	30.71	622,086
Financial liabilities						
Monetary items						
USD	671	30.71	20,594	740	30.71	22,712

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables, bank loans and trade payables that are denominated in foreign currency. A weakening or strengthening of 1% of the NTD against the Foreign currency as of 31 December, 2023 and 2022 would have decreased or increased the net profit before tax by $3,094 thousand and $5,994 thousand, respectively. The analysis is performed on the same basis for 2022.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $18,450 thousand and $65,146 thousand, respectively.

4) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases a quarter-point when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

(Continued)

If the interest rate had increased or decreased by a quarter-point, the Group's net income before tax would have increased or decreased by $520 thousands and $117 thousands for the year ended 2023 and 2022 with all other variable factors remaining constant. This is mainly due to the Group's financial liabilities in variable-rate loans and deposits.

The Group's fixed-interest-rate financial assets and liabilities are measured at amortized cost. The changes in market rate do not affect the Group's profit or loss on the reporting date. Therefore, the Group does not disclose the sensitivity analysis of the changes in fair value.

(iv) Fair value of financial instruments

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, disclosure of fair value information is not required:

	December 31, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 913,450				
Notes and accounts receivable	297,308				
Accounts receivable – related party	96,235				
Other financial assets	8,623				
Subtotal	**$ 1,315,616**				
Financial liabilities measured at amortized cost					
Long term and short term borrowings	$ 520,000				
Accounts payable (including related parties)	199,890				
Lease liabilities	100,524				
Other financial liabilities	245,967				
Subtotal	**$ 1,066,381**				

(Continued)

	December 31, 2022				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 683,529				
Notes and accounts receivable	458,296				
Accounts receivable – related party	69,070				
Other financial assets	7,926				
Subtotal	**$ 1,218,821**				
Financial liabilities measured at amortized cost					
Long term and short term borrowings	$ 664,000				
Accounts payable (including related parties)	168,375				
Lease liabilities	112,866				
Other financial liabilities	291,255				
Subtotal	**$ 1,236,496**				

1) Valuation techniques for financial instruments measured at 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. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

The Group’ s valuation techniques and assumptions used for financial instruments measured at fair value are as follows:

- Measurements of fair value of financial instruments with an active market, such as corporate stock, beneficiary certificate etc., its fair value depends on the market quotation.

(Continued)

- Measurements of fair value of financial instruments without an active market 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.

2) There was no transfer between each fair value levels in 2023 and 2022.

(r) 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 Audit Committee 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 Audit Committee 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 Audit Committee.

(ii) The Group have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to note 6(q).

(s) Capital management

The Group's capital management policy is to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases and debt service requirements associated with its existing operations over the next 12 months, wherein it also take the debt ratio into consideration to maintain investors, creditors and market confidence, as well as to sustain the future development of the business. The Group's capital management strategy was consistent with that of the prior year, in which the debt ratios of 39% and 42% were taken into account as of December 31, 2023 and 2022, respectively.

(t) Investing and financing activities not affecting 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, were as follows:

(i) Obtain right-of assets by lease, please refer to notes 6(f).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Foreign exchange movement	December 31, 2023
Long-term borrowings	$ 354,000	(64,000)	-	290,000
Short-term borrowings	310,000	(80,000)	-	230,000
Lease liabilities	112,866	(12,681)	339	100,524
Total liabilities from financing activities	**$ 776,866**	**(156,681)**	**339**	**620,524**

	January 1, 2022	Cash flows	Foreign exchange movement	December 31, 2022
Long-term borrowings	$ 418,000	(64,000)	-	354,000
Short-term borrowings	215,360	94,640	-	310,000
Lease liabilities	56,707	(14,344)	70,503	112,866
Total liabilities from financing activities	**$ 690,067**	**16,296**	**70,503**	**776,866**

(7) Related-party transactions

(a) Names and relationship with related parties

Name of related party	Relationship with the Group
Min Aik Technology Co., Ltd (MAT)	The entity with significant influence over the Group
Min Aik Technology (M) Sdn. Bhd. (MAM)	Other related party (MAT's subsidiary)
MATC Technology (M) Sdn. Bhd. (MATC)	〃
Min Aik Technology (SuZhou) Co., Ltd. (MAY)	〃
key management personnel	The Group's major management personnel

(Continued)

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales and uncollected receivables by the Group to related parties were as follows:

	Sales		Receivables from related parties	
	2023	2022	December 31, 2023	December 31, 2022
The entity with significant influence over the Group:				
MAT	$ 111,027	169,406	44,539	60,303
Other related parties:				
MAM	137,943	152,098	51,682	8,731
Others	313	58	14	36
	$ 249,283	**321,562**	**96,235**	**69,070**

The payment terms of the Group's sales to related parties is O/A 90~120 day and which term may be changed depend on the Group's operation. The payment terms to non-related parties was normally about two to four months. The selling price to related parties is referred to the market price and negotiated by both parties.

(ii) Purchases

The amounts of significant purchase and payables by the Group from related parties were as follows:

	Purchases		Payables to related parties	
	2023	2022	December 31, 2023	December 31, 2022
The entity with significant influence over the Group	$ 12	-	12	-
Other related parties:				
MAY	27,206	45,886	5,857	4,943
	$ 27,218	**45,886**	**5,869**	**4,943**

1) The payment term of purchases from related parties was O/A 30~120 days, and which term may be changed depend on the Group' s operation. The purchase price from related parties is referred to the market price and negotiated by both parties

2) As of December 31, 2023 and 2022, the prepayment for material to other related parties were USD$95 thousand and USD$141 thousand, respectively.

(Continued)

(iii) Accepting service and other accounts payable to related parties

	Transaction amount		Other accounts payable – related parties	
	2023	2022	December 31, 2023	December 31, 2022
The entity with significant influence over the Group	$ 7,271	5,991	1,284	1,651
Other related parties	354	1,743	13	-
	$ 7,625	**7,734**	**1,297**	**1,651**

(iv) Rendering of services and other accounts receivable from related parties

	Transaction amount		Other accounts receivable – related parties	
	2023	2022	December 31, 2023	December 31, 2022
The entity with significant influence over the Group	$ 819	35	805	37
Other related parties	1,245	1,262	537	897
	$ 2,064	**1,297**	**1,342**	**934**

(v) Purchases of property, plant and equipment and other accounts payable to related parties

	Transaction amount		Other accounts receivable – related parties	
	2023	2022	December 31, 2023	December 31, 2022
Other related parties	**$ -**	**205**	**-**	**-**

(c) Key management personnel compensation

	2023	2022
Short-term employee benefits	$ 19,997	23,018
Post-employment benefits	219	203
	$ 20,216	**23,221**

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Land and buildings	Long-term borrowings	$ 665,893	668,068
Restricted cash in banks	Guarantee for post release duty payment	1,000	1,000
		$ 666,893	**669,068**

(Continued)

(9) Singificant contingent liabilities and unrecognized Commitments:

(a) The Group's unrecognized contractual commitments are as follows:

	December 31, 2023	December 31, 2022
Purchase commitment	$ 74,266	92,936
Acquisition of property, plant and equipment	$ 516	21,467

(b) The guarantee notes issued by the Group for obtaining the bank loan amount and the guarantees provided to the bank for the financing demand are as follows:

	December 31, 2023	December 31, 2022
Issued guarantee notes	$ 1,115,000	937,840
Endorsements and guarantees	$ 73,978	74,937

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

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

By function / By item	For the year ended December 31					
	2023			2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	426,431	150,515	576,946	466,090	170,634	636,724
Labor and health insurance	32,990	11,210	44,200	36,592	12,461	49,053
Pension	23,934	12,380	36,314	26,450	13,891	40,341
Others	39,152	9,310	48,462	37,881	8,898	46,779
Depreciation	88,772	16,445	105,217	77,022	20,544	97,566
Amortization	15,318	-	15,318	6,708	-	6,708

(Continued)

(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 for the year ended December 31, 2023:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	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	Loss allowance	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing (Note 1)
													Item	Value		
1	Esteem King	The Company	Other accounts receivable-related parties	Yes	178,338	168,878	-	3%	To meet the short-term needs on cash flow	-	Operating capital	-	None	-	460,733	460,733

Note 1: For foreign company in which the Company, directly or indirectly, owned 100% of their shares, the individual and total amount available for financing purposes shall not exceed 50% of the Company's net worth, which was audited or reviewed by Certified Public Accountant.

Note 2: Related transaction have been eliminated during the preparation of the consolidated financial statements.

Note 3: The amounts are approved by the board of directors.

Note 4: The highest balance of financing to other parties during the period was foreign currencies which were translated to New Taiwan Dollars by the highest exchange rate for current year. The ending balance and actual usage amount during the period was foreign currencies which were translated to New Taiwan Dollars by the exchange rate at the reporting date.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	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 (Note 2)	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	Esteem King	(2)	1,863,183	32,425	30,705	-	-	1.65 %	1,863,183	Yes	No	No
0	The Company	Amould (Suzhou)	(2)	1,863,183	44,482	43,273	-	-	2.32 %	1,863,183	Yes	No	Yes

Note 1: Relationship with guarantor:

1. Ordinary business relationship.
2. The Company directly or indirectly owned more than 50% of the subsidiary shares.
3. The counter-party directly or indirectly owned more than 50% of the Company's shares.
4. The Company directly or indirectly owned 90% or more than 90% of subsidiaries' shares.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7.The companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: The amount of the guarantee provided by the Company to any individual entity shall not exceed 10% of the Company's net worth. The subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company shall not exceed the Company's net worth.

Note 3: The total amount of endorsements/guarantees may not exceed the Company's net worth.

Note 4: If highest balance of financing to other parties during the period was foreign currencies which were translated to New Taiwan Dollars by the highest exchange rate for current year. If ending balance and actual usage amount during the period were foreign currencies which were translated to New Taiwan Dollars by the exchange rate at the reporting date.

(Continued)

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None

(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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
The Company	Min Aik Technology (M) Sdn. Bhd. (MAM)	The entity with Significant influence over the Group	(Sale)	137,943	(13%)	Note 1	-	-	51,682	19%	
The Company	Min Aik Technology Co., Ltd. (MAT)	〃	(Sale)	111,027	(11%)	Note 2	-	-	44,539	17%	

Note 1: Payment term is 105 days; any further adjustment on the term will have to be agreed by both parties.

Note 2: Payment term is 90~120 days; any further adjustment on the term will have to be agreed by both parties.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions (only disclose transactions with amounts exceeding NT$10,000 thousands): None

(b) Information on investees:

The following is the information on investees for the years 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

			Main	Original investment amount		Balance as of December 31, 2023			Net income	Share of profits	Highest	Highest	
Name of investor	Name of investee	Location	businesses and products	December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value	(loss) of investee	/losses of investee	Percentage of ownership	Percentage of ownership	Note
The Company	Esteem King	Samoa	Investment holding	451,586	451,586	15,079	100.00 %	921,466	97,254	97,254	15,079	100.00 %	Note 1
The Company	Evolution	Hong Kong	Investment holding	145,103	145,103	4,600	100.00 %	10,149	54	54	4,600	100.00 %	Note 1
Esteem King	MATC	Malaysia	Manufacture and selling hard disk components	127,726	127,726	4,427	20.00 %	-	(86,200)	(11,395)	4,427	20.00 %	
Esteem King	MAPP	Singapore	Manufacture and sale medical injection molding	323,449	323,449	10,714	100.00 %	916,525	94,280	94,280	10,714	100.00 %	Note 1

Note 1: The aforementioned investments have been eliminated from the consolidated financial statements.

(Continued)

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period	Highest balance during the year	
					Outflow	Inflow							Shares/ Units (thousands)	percentage of ownership
Amould (Suzhou)	Design and manufacture automatic machines	213,774	Note1	141,923	-	-	141,923	29,233	100%	29,233	305,962	35,780	-	100%

(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
141,923	210,772	1,117,910

Note 1: The Group invests subsidiaries which is via MAPP.

Note 2: Financial statements, which base on the audited and attested by R.O.C. parent Company's CPA.

Note 3: The transactions were eliminated in the preparation of consolidated financial statements.

(iii) Significant transactions with the investees in Mainland China:

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"

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Min Aik Technology CO., LTD	29,787,000	38.68 %
BEACON INVESTMENT LIMITED (MALAYSIA)	24,611,763	31.96 %

(Continued)

(14) Segment information:

(a) General information

For the purpose of resource allocation and performance measurement, the Group classified operating segment based on its business types, and supervised and managed the divisions' performance by the Group's decision-maker. The Group has three reportable segments: the Company, MAPP and AMO. The Company engages mainly in the development, design and manufacture of precise components. MAPP engages mainly in the development and manufacture of medical plastic injection and molding. AMO engages mainly in development, manufacture and selling of automatic machines. Since the divisions offer different products and use different sales strategy, the Group managed them separately. Please refer to Note 6(n) for geographic information of operating segment.

The Group measures segment's profit or loss based on their operating income and use them as the basis for performance evaluation. The accounting policies of operating segments are identical to Note 4 "summary of significant accounting policies".

The Group's operating segment information and reconciliation are as follows:

	2023					
	The Company	**MAPP**	**Amould (Suzhou)**	**Other segment**	**Reconciliation and elimination**	**Total**
Revenue						
Revenue from external customers	$ 1,045,974	625,136	404,029	-	-	2,075,139
Intersegment revenues	-	-	522	-	(522)	-
Total revenue	**$ 1,045,974**	**625,136**	**404,551**	**-**	**(522)**	**2,075,139**
Reportable segment profit or loss	**$ 3,857**	**73,989**	**9,863**	**(196)**	**20**	**87,533**

	2022					
	The Company	**MAPP**	**Amould (Suzhou)**	**Other segment**	**Reconciliation and elimination**	**Total**
Revenue						
Revenue from external customers	$ 1,203,566	650,071	421,380	-	-	2,275,017
Intersegment revenues	-	-	8,781	-	(8,781)	-
Total revenue	**$ 1,203,566**	**650,071**	**430,161**	**-**	**(8,781)**	**2,275,017**
Reportable segment profit or loss	**$ 17,439**	**102,363**	**47,152**	**(211)**	**13**	**166,756**

(Continued)

(b) Corporate information

(i) Product information: Please refer to note 6(n).

(ii) Geographic information: Please refer to note 6(n).

(iii) Major customers

For the years ended 2023 and 2022, the amounts of Sales to clients representing 10% of net operating revenue were as follows:

	2023	
Customer	**Amount**	**%**
A Group	$ 346,183	17
J Company	344,590	17
Min Aik Technology Co., Ltd. Group	249,283	12
	$ 940,056	**46**

	2022	
Customer	**Amount**	**%**
A Group	$ 356,405	16
Min Aik Technology Co., Ltd. Group	321,562	14
J Company	280,620	12
S Group	244,983	11
	$ 1,203,570	**53**

【Appendix 2】

Stock Code:4545

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Parent Company Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address:	No.2, Guorui Rd., Guanyin Dist., Taoyuan City, Taiwan (R.O.C.)
Telephone:	(03)438-9966

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

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Independent Auditors' Report

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

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the year ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the 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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our professional judgement, should be communicated are as follow:

Investments accounted for using equity method

Please refer to Notes 4(h) "Investment in subsidiaries" of the notes to financial statement for the accounting policies on investment in associates.

Description of key audit matter:

The subsidiaries that accounted for using equity method, revenue recognition and inventory valuation are material to the parent company only financial statements. The abovementioned valuation may have significant impact to the Company's operating results. Therefore, the revenue recognition and inventory valuation are considered to be the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures on revenue recognition included the testing of internal control system over automatic equipment revenue; inspecting the contracts entered into with the customers; sending confirmation requests to debtors selected from the sales customers. We also assessed the adequacy of the Group's disclosures of its revenue recognition policy and other related disclosures.

Our principal audit procedures of inventory valuation included understanding the subsidiaries’ s policies of inventory valuation to assess the appropriateness of its inventory valuation; testing, on a sampling basis, the subsidiary’s inventory aging report to verify its correctness; understanding and testing, on a sampling basis, the selling price that the management used, or reviewing the subsequent sales of the inventories to assess the appropriateness of the net realizable value.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the 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 is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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 7, 2024

Notes to Readers

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

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

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

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 266,546	10	131,728	5
1170	Accounts receivable, net (notes 6(b) and (n))	169,372	6	225,106	8
1181	Accounts receivable from related parties (notes 6(b), (n) and 7)	96,235	3	69,070	2
1310	Inventories (note 6(c))	245,688	9	295,818	10
1479	Other current assets (notes 7 and 8)	22,733	1	102,333	3
		800,574	29	824,055	28
	Non-current assets:				
1551	Investments accounted for using equity method (note 6(d))	931,615	34	1,049,020	36
1600	Property, plant and equipment (notes 6(e), 7 and 8)	949,512	35	979,759	34
1755	Right-of-use assets (note 6(f))	23	-	82	-
1995	Other non-current assets (notes 6(j) and (k))	42,550	2	53,179	2
		1,923,700	71	2,082,040	72
	Total assets	**$ 2,724,274**	**100**	**2,906,095**	**100**

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(g))	$ 230,000	8	310,000	11
2170	Accounts payable (including related pareies) (note 7)	102,095	4	86,932	3
2201	Salaries and wages payable	81,980	3	94,755	3
2280	Current lease liabilities (note 6(i))	24	-	59	-
2230	Current tax liabilities	52,766	2	2,565	-
2300	Other current liabilities (note 7)	81,448	3	93,615	4
2322	Long-term borrowings, current portion (notes 6(h) and 8)	164,000	6	64,000	2
		712,313	26	651,926	23
	Non-Current liabilities:				
2541	Long-term borrowings (notes 6(h) and 8)	126,000	5	290,000	10
2570	Deferred tax liabilities (note 6(k))	22,778	1	65,913	2
2580	Non-current lease liabilities (note 6(i))	-	-	24	-
		148,778	6	355,937	12
	Total liabilities	861,091	32	1,007,863	35
	Equity attributable to owners of parent (note 6(l)):				
3110	Ordinary share	770,000	28	770,000	27
3200	Capital surplus	642,785	24	642,785	22
3310	Legal reserve	261,178	9	244,413	8
3320	Special reserve	49,681	2	119,953	4
3350	Unappropriated retained earnings	185,104	7	170,762	6
3410	Exchange differences on translation of foreign financial statements	(45,565)	(2)	(49,681)	(2)
	Total equity	1,863,183	68	1,898,232	65
	Total liabilities and equity	**$ 2,724,274**	**100**	**2,906,095**	**100**

See accompanying notes to parent company only financial statements.

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

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4111	**Operating revenue (notes 6(n) and 7)**	$ 1,056,436	101	1,215,935	101
4170	Less: Sales returns and allowances	10,462	1	12,369	1
	Net operating revenue	1,045,974	100	1,203,566	100
5111	Operating costs (notes 6(c), (i), (j), (o), 7 and 12):	906,272	87	1,017,888	85
	Gross profit from operations	139,702	13	185,678	15
	Operating expenses (notes 6(b), (i), (j), (o), 7 and 12):				
6100	Selling expenses	25,732	2	38,673	3
6200	Administrative expenses	96,619	9	108,025	9
6300	Research and development expenses	14,049	1	21,204	2
6450	Impairment loss determined in accordance with IFRS 9	(555)	-	337	-
	Total operating expenses	135,845	12	168,239	14
	Net operating losses income	3,857	1	17,439	1
	Non-operating income and expenses (notes 6(d), (e), (i), (p) and 7):				
7100	Interest income	1,810	-	408	-
7010	Other income	12,378	1	13,504	1
7020	Other gains and losses, net	4,900	-	45,954	4
7050	Finance costs	(13,271)	(1)	(8,915)	(1)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net	97,308	9	134,886	11
		103,125	9	185,837	15
7900	**Profit before tax income**	106,982	10	203,276	16
7950	Less: Income tax expenses (note 6(k))	23,917	2	41,448	3
	Net profit	83,065	8	161,828	13
8300	**Other comprehensive income (loss):**				
8310	**Item that may not be reclassified subsequently to profit or loss**				
8311	(Losses) gains on remeasurements of defined benefit plans (note 6(j))	(6,730)	-	5,822	1
8360	**Item that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	4,116	-	71,183	6
8300	**Other comprehensive income (loss), net of income tax**	(2,614)	-	77,005	7
	Total comprehensive income (loss)	**$ 80,451**	**8**	**238,833**	**20**
9750	**Basic earnings per share (NT dollars) (note 6(m))**	**$**	**1.08**		**2.10**
9850	**Diluted earnings per share (NT dollars) (note 6(m))**	**$**	**1.07**		**2.09**

See accompanying notes to parent company only financial statements.

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

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance on January 1, 2022	$ 770,000	654,335	235,414	83,335	91,079	(120,864)	1,713,299
Profit	-	-	-	-	161,828	-	161,828
Other comprehensive income (loss)	-	-	-	-	5,822	71,183	77,005
Total comprehensive income (loss)	-	-	-	-	167,650	71,183	238,833
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	8,999	-	(8,999)	-	-
Special reserve appropriated	-	-	-	36,618	(36,618)	-	-
Cash dividends on ordinary share	-	-	-	-	(42,350)	-	(42,350)
Cash dividends from capital surplus	-	(11,550)	-	-	-	-	(11,550)
Balance on December 31, 2022	770,000	642,785	244,413	119,953	170,762	(49,681)	1,898,232
Profit	-	-	-	-	83,065	-	83,065
Other comprehensive income (loss)	-	-	-	-	(6,730)	4,116	(2,614)
Total comprehensive income (loss)	-	-	-	-	76,335	4,116	80,451
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	16,765	-	(16,765)	-	-
Reversal of special reserve	-	-	-	(70,272)	70,272	-	-
Cash dividends on ordinary share	-	-	-	-	(115,500)	-	(115,500)
Balance on December 31, 2023	**$ 770,000**	**642,785**	**261,178**	**49,681**	**185,104**	**(45,565)**	**1,863,183**

See accompanying notes to parent company only financial statements.

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

MIN AIK PRECISION INDUSTRIAL CO., LTD.

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 before income tax	$ 106,982	203,276
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation and amortization expense	77,268	64,328
Expected credit (gain) loss	(555)	337
Interest expense	13,271	8,915
Interest income	(1,810)	(408)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(97,308)	(134,886)
(Gain) loss on disposal or retirement of property, plant and equipment	(2,697)	386
Property, plant and equipment transferred to expenses	-	880
Impairment (gain) loss on non-financial assets	(157)	6,003
Total adjustments to reconcile profit (loss)	(11,988)	(54,445)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	29,124	57,851
Inventories	41,023	(70,278)
Other current assets	79,553	(71,419)
Other operating assets	(2,393)	(667)
Total changes in operating assets	147,307	(84,513)
Changes in operating liabilities:		
Accounts payable	15,163	(111,038)
Other current liabilities	(10,208)	9,380
Total changes in operating liabilities	4,955	(101,658)
Total changes in operating assets and liabilities	152,262	(186,171)
Total adjustments	140,274	(240,616)
Cash inflow from (used in) operations	247,256	(37,340)
Interest received	1,763	408
Interest paid	(13,316)	(8,630)
Income taxes paid	(17,318)	(2,187)
Net cash flows from (used in) operating activities	218,385	(47,749)
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of investments accounted for using equity method	-	59,894
Cash dividends from investment accounted for using equity method	218,829	-
Acquisition of property, plant and equipment	(46,581)	(85,496)
Proceeds from disposal of property, plant and equipment	3,104	-
Decrease in refundable deposits	640	1,546
Increase in other non-current assets	-	(105)
Net cash flows from (used in) investing activities	175,992	(24,161)
Cash flows from (used in) financing activities:		
Increase in short-term borrowing	730,000	472,740
Decrease in short-term borrowing	(810,000)	(378,100)
Repayments of long-term borrowing	(64,000)	(64,000)
Payment of lease liabilities	(59)	(114)
Cash dividends paid	(115,500)	(53,900)
Net cash flows used in financing activities	(259,559)	(23,374)
Net increase (decrease) in cash and cash equivalents	134,818	(95,284)
Cash and cash equivalents at beginning of period	131,728	227,012
Cash and cash equivalents at end of period	$ **266,546**	**131,728**

See accompanying notes to parent company only financial statements.

(1) Company history

Min Aik Precision Industrial Co., Ltd. (the "Company") was incorporated on January 18, 2001, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company's shares were listed on the Taiwan Stock Exchange (TWSE) on January 6, 2016. The address of its registered office is No. 2, Guorui Rd., Guanyin Dist., Taoyuan City. The Company mainly engages in the processing and manufacturing of electroplating of aluminum and copper products, precision stamping components and electroless nickel plating.

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

These parent company only financial statements were authorized for issuance by the Board of Directors on March 7, 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 Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Company has initially adopted the new amendment, which do not have a significant impact on its 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 Company 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 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"

(Continued)

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

The Company 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 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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

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

(a) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the parent company only 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) The defined benefit assets are measured at the fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of the company is determined based on the primary economic environment in which the entity operates. The parent company only 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.

(Continued)

(c) Foreign currencies

(i) Foreign currency transactions

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

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated into New Taiwan Dollars 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 Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) 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.

(Continued)

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) It 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 issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash, and cash in bank. 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.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (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 and FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

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 (SPPI) 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.

2) Impairment of financial assets

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

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

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

(Continued)

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

ECL 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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 120 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

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

3) Derecognition of financial assets

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

The Company enters 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.

(Continued)

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company 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.

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) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) 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 Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the 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.

(h) Investment in subsidiaries

When preparing the parent company only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, the net income, other comprehensive income and equity in the parent company only financial statements are the same as those attributable to the owners of parent in the consolidated financial statements.

Changes in parent's ownership interest in a subsidiary that do not result in the loss of control are recognized under equity.

(i) 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 expenditure

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

(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.

(Continued)

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

1) Buildings: 50 years

2) Building facilities: 3~5 years

3) Machinery and equipment: 2~20 years

4) Office and other equipment：2~20 years

5) Leasehold improvement：2~9 years

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

(j) 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 contracts conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company 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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

— 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.

(Continued)

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 Company'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
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modification

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

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

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

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

(k) Impairment of non-financial assets

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

For impairment testing, assets are grouped 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.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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.

(Continued)

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated. An impairment loss recognized in prior periods for an asset is reversed if, and only if, there has been an improvement in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In this case, the carrying amount of the asset is increased to its recoverable amount by reversing an impairment loss.

(l) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(m) Revenue recognized

(i) Revenue from contracts with customers

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

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

(ii) Financing components

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

(Continued)

(n) 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 Company'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 Company, 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 Company 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short term employee benefits

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

(Continued)

(o) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Company and employees reach a consensus in the subscription price and number of shares.

(p) 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 shall be 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. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes shall not be recognized for the following exceptions:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses), and does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

(Continued)

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

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

(i) the Company 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.

(q) Earnings per share

The Company discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares (e.g. employee bonuses not yet resolved by the shareholders.).

(r) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent company only financial statements.

(s) Government grants

The Company recognizes an unconditional government in profit or loss as other income when the grant becomes receivable. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

For government grants related to depreciated assets, the Company recognized as the deduction of the assets if there is reasonable assurance that the grants will be received and the Company will comply with the conditions associated with the grant; and through the decrease in depreciation expenses, the grants are then recognized in profit or loss during the useful lives of the depreciated assets.

(Continued)

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

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

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

There is a critical judgment made in applying accounting policies that have significant effects on the amounts recognized in the consolidated financial statements is as follows:

Judgment regarding control of subsidiaries

The Company owns 20% shares of the related party MATC Technology(M) Sdn. Bhd., and the rest of 80% shares are owned by another single shareholder. Therefore, it is determined that the Group has no significant influence on MATC Technology(M) Sdn. Bhd.

The information on accounting assumptions and estimation uncertainties did not have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year on the Company.

The Company's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company's financial division conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial division 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 Company 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:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 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(q) for assumptions used in measuring fair value.

(Continued)

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash, petty cash, check and demand deposits	$ 256,413	131,728
Time deposits	10,133	-
Cash and cash equivalents	**$ 266,546**	**131,728**

Please refer to note 6(q) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Accounts receivable (include related parties)

	December 31, 2023	December 31, 2022
Accounts receivable	$ 171,108	227,397
Accounts receivable from related parties	96,235	69,070
Less: Loss allowance	(1,736)	(2,291)
	$ 265,607	**294,176**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts 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 for accounts receivables was determined as follows:

	December 31, 2023		
Accounts receivable -non-related parties	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 154,630	1%	1,568
Past due (days):			
0 to 60	16,398	1%	164
61 to 120	80	5%	4
	$ 171,108		**1,736**

	December 31, 2023		
Accounts receivable -related parties	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
Current	**$ 96,235**	0%	-

(Continued)

Accounts receivable -non-related parties	December 31, 2022 Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 196,327	1%	1,980
Past due (days):			
0 to 60	31,070	1%	311
	$ 227,397		**2,291**

Accounts receivable -related parties	December 31, 2022 Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	**$ 69,070**	**0%**	**-**

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

	2023	2022
Balance on January 1, 2023 and 2022	$ 2,291	1,954
Impairment losses (reversed) recognized	(555)	337
Balance on December 31, 2023 and 2022	**$ 1,736**	**2,291**

As of December 31, 2023 and 2022, the Company did not provide any accounts receivable as collateral for its loans.

Please refer to note 6(q) for other credit risk.

(c) Inventories

	December 31, 2023	December 31, 2022
Raw materials and consumables	$ 62,391	46,647
Work in progress	38,461	43,200
Finished goods	144,836	205,971
	$ 245,688	**295,818**

The detail of the cost of sales were as follows:

		2023	2022
Inventory that has been sold	$	791,021	929,243
Abnormal amounts of production cost of inventories		99,464	56,781
Loss on scrap and inventory valuation		13,311	28,947
Inventory gain or losses and others		2,476	2,917
	$	**906,272**	**1,017,888**

As of December 31, 2023 and 2022, the Company did not provide any inventories as collateral for its loans.

(d) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2023	December 31, 2022
Esteem King Limited (Esteem King)	$	921,466	1,038,922
Evolution Holdings Limited (Evolution)		10,149	10,098
	$	**931,615**	**1,049,020**

		2023	2022
Attributable to the Company:			
Profit from continuing operations	$	97,308	134,886
Other comprehensive income (loss)		4,116	71,183
Comprehensive income (loss)	**$**	**101,424**	**206,069**

The Company recognized investment income based on subsidiaries' financial statements with same fiscal period that was audited by the Certified Public Accountant.

As of December 31, 2023 and 2022, the Company did not provide any investments accounted for using the equity method as collateral for its loans.

(Continued)

(e) Property, plant and equipment

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

	Land	Buildings and construction	Machinery and equipment	Office and other equipment	Construction in progress and equipment for acceptance	Total
Cost or deemed cost:						
Balance on January 1, 2023	$ 596,362	181,639	685,947	316,580	18,353	1,798,881
Additions	-	-	17,640	11,975	2,279	31,894
Disposal	-	-	(23,409)	(895)	-	(24,304)
Transfer	-	-	16,158	1,595	(17,753)	-
Balance on December 31, 2023	**$ 596,362**	**181,639**	**696,336**	**329,255**	**2,879**	**1,806,471**
Balance on January 1, 2022	$ 596,362	181,339	712,140	298,951	4,464	1,793,256
Additions	-	300	56,607	21,108	17,373	95,388
Disposal	-	-	(85,404)	(3,479)	-	(88,883)
Transfer	-	-	2,604	-	(3,484)	(880)
Balance on December 31, 2022	**$ 596,362**	**181,639**	**685,947**	**316,580**	**18,353**	**1,798,881**
Depreciation and impairments loss:						
Balance on January 1, 2023	$ -	22,509	541,942	254,671	-	819,122
Depreciation	-	3,607	40,683	17,601	-	61,891
Disposal	-	-	(23,002)	(895)	-	(23,897)
Impairment gain	-	-	(157)	-	-	(157)
Balance on December 31, 2023	**$ -**	**26,116**	**559,466**	**271,377**	**-**	**856,959**
Balance on January 1, 2022	$ -	18,756	583,318	242,034	-	844,108
Depreciation	-	3,753	37,639	16,116	-	57,508
Disposal	-	-	(85,018)	(3,479)	-	(88,497)
Impairment loss	-	-	6,003	-	-	6,003
Balance on December 31, 2022	**$ -**	**22,509**	**541,942**	**254,671**	**-**	**819,122**
Carrying amounts:						
Balance on December 31, 2023	**$ 596,362**	**155,523**	**136,870**	**57,878**	**2,879**	**949,512**
Balance on December 31, 2022	**$ 596,362**	**159,130**	**144,005**	**61,909**	**18,353**	**979,759**
Balance on January 1, 2022	**$ 596,362**	**162,583**	**128,822**	**56,917**	**4,464**	**949,148**

The idle machinery and equipment of the Company resulted in the impairment (gains) losses of $(157) thousand and $6,003 thousand, recognized as non-operating income and expense in 2023 and 2022, respectively.

As of December 31, 2023 and 2022, for the Company pledged property, plant and equipment as collateral for long-term borrowings, please refer to note 8.

(Continued)

(f) Right-of-use assets

The Company leases office and other equipment. Information about leases for which the Company as a lessee is presented below:

	Office and other equipment
Cost:	
Balance of January 1, 2023	$ 505
Additions	-
Disposal	(308)
Balance on December 31, 2023	**$ 197**
Balance of January 1, 2022	$ 505
Additions	-
Balance on December 31, 2022	**$ 505**
Depreciation and impairment losses:	
Balance of January 1, 2023	$ 423
Depreciation	59
Disposal	(308)
Balance on December 31, 2023	**$ 174**
Balance of January 1, 2022	$ 311
Depreciation	112
Balance on December 31, 2022	**$ 423**
Carrying amount:	
Balance on December 31, 2023	**$ 23**
Balance on December 31, 2022	**$ 82**
Balance on January 1, 2022	**$ 194**

(g) Short-term borrowings

The details were as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	**$ 230,000**	**310,000**
Unused short-term credit lines	**$ 520,000**	**240,000**
Range of interest rates	**1.76%~1.77%**	**1.50%~1.93%**

(Continued)

(h) Long-term borrowings

The details were as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 100,000	100,000
Secured bank loans	190,000	254,000
Less: current portion	(164,000)	(64,000)
Total	**$ 126,000**	**290,000**
Range of interest rates	**1.82%~2.11%**	**1.53%~1.72%**

For the collateral for long-term borrowings, please refer to note 8.

(i) Lease Liabilities

The details were as follows:

	December 31, 2023	December 31, 2022
Current	**$ 24**	**59**
Non-current	**$ -**	**24**

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	**$ 1**	**2**
Expenses relating to short-term leases	**$ 1,099**	**1,177**

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

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

	2023	2022
Total cash outflow for leases	**$ 1,159**	**1,293**

The Company leases offices equipment, with lease terms of 5 years. Some leases contain extension options exercisable up to the same period as original contract before the end of the contract period.

The Company also leases staff dormitories and machine equipment with contract terms within one year. These leases are short-term items.The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

(j) Employee benefit

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ (28,225)	(22,221)
Fair value of plan assets	56,162	54,495
Net defined benefit assets	$ **27,937**	**32,274**

The Company 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 based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company 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 Company's Bank of Taiwan labor pension reserve account balance amounted to $56,162 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 present value of the defined benefit obligations

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

	2023	2022
Defined benefit obligations at January 1	$ 22,221	26,028
Current service costs and interest cost	311	250
Remeasurements loss (gain):		
－Return on plan assets excluding interest income	6,923	(386)
－financial assumptions	210	(1,453)
Benefits paid	(1,440)	(2,218)
Defined benefit obligations at December 31	$ **28,225**	**22,221**

(Continued)

3) Movements of defined benefit plan assets

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

		2023	2022
Fair value of plan assets at January 1	$	54,495	51,813
Interest income		767	390
Remeasurements loss (gain):			
—Return on plan assets excluding interest income		403	3,983
Contributions paid by the employer		497	527
Benefits paid		-	(2,218)
Fair value of plan assets at December 31	**$**	**56,162**	**54,495**

4) Expenses recognized in profit or loss

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

		2023	2022
Current service costs	$	-	55
Net interest of net assets for defined benefit obligations and plan assets		(456)	(195)
	$	**(456)**	**(140)**
Operating expense	**$**	**(456)**	**(140)**

5) Actuarial assumptions

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

	December 31, 2023	December 31, 2022
Discount rate	1.300 %	1.400 %
Future salary increase rate	2.875 %	2.875 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $497 thousand.

The weighted average lifetime of the defined benefits plans is 7 years.

(Continued)

6) Sensitivity analysis

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

Original actuarial assumptions	Influences of defined benefit plan assets	
	Increased 0.5%	Decreased 0.5%
December 31, 2023		
Discount rate 1.300%	530	(552)
Future salary increasing rate 2.875%	(528)	512
December 31, 2022		
Discount rate 1.400%	561	(588)
Future salary increasing rate 2.875%	(563)	543

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation 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 is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to $11,047 thousands and $12,906 thousands for the years ended December 31, 2023 and 2022, respectively.

(k) Income taxes

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

	2023	2022
Current tax	$ 67,612	4,869
Deferred tax	(43,695)	36,579
Income tax expense	**$ 23,917**	**41,448**

(ii) The amount of income tax recognized directly in equity or other comprehensive income for 2023 and 2022 were both 0.

(Continued)

(iii) Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	2023	2022
Profit before income tax	$ 106,982	203,276
Income tax using the Company's domestic tax rate	21,396	40,655
Change in provision in prior periods	5,198	793
Change in unrecognized temporary differences and others	(2,677)	-
	$ 23,917	**41,448**

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company's foreign subsidiaries have retained earnings, because of the demand of capital expenditures and working capital. The Company expects that some of these retained earnings will not be returned back to the Company in the foreseeable future under the consideration of Company's integral development and investment plan. Hence, the temporary differences are not recognized under deferred tax liabilities. As of December 31, 2023 and 2022, the unrecognized deferred tax liabilities each amounted to $26,090 thousand for both periods.

2) Recognized deferred tax assets and liabilities

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

	Unrealized exchange gain	Gain on foreign investments under the equity method	Total
Deferred Tax Liabilities:			
Balance at January 1, 2023	$ 88	65,825	65,913
Recognized in profit or loss	(88)	(43,047)	(43,135)
Balance at December 31, 2023	**$ -**	**22,778**	**22,778**
Balance at January 1, 2022	$ -	38,832	38,832
Recognized in profit or loss	88	26,993	27,081
Balance at December 31, 2022	**$ 88**	**65,825**	**65,913**

(Continued)

	Unrealized exchange loss	Allowance to reduce inventory to market	Unused tax losses carry forwards	Others	Total
Deferred Tax Assets:					
Balance at January 1, 2023	$ -	(9,441)	-	(4,098)	(13,539)
Recognized in profit or loss	(1,630)	818	-	252	(560)
Balance at December 31, 2023	**$ (1,630)**	**(8,623)**	**-**	**(3,846)**	**(14,099)**
Balance at January 1, 2022	$ (335)	(4,443)	(12,067)	(6,192)	(23,037)
Recognized in profit or loss	335	(4,998)	12,067	2,094	9,498
Balance at December 31, 2022	**$ -**	**(9,441)**	**-**	**(4,098)**	**(13,539)**

(v) Examination and Approval

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

(l) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares both were amounted to $1,000,000 thousand with par value of $10 per share. As of that date, ordinary shares both were issued amounted to $770,000 thousand.

(i) Capital surplus

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

	December 31, 2023	December 31, 2022
Issued share premium	$ 592,499	592,499
Adjustment of re-segmentation	42,439	42,439
Employee share options	7,847	7,847
	$ 642,785	**642,785**

According to the R.O.C. 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 capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

The general meeting of shareholders that held on May 27, 2022 , decided to distribute capital surplus resulting from share premium as cash dividends amounted to $11,550 thousand with $0.15 per share.

(Continued)

(ii) Retained earnings

The Company's Articles of Incorporation requires that after-tax earnings shall first be offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid, the Company may, under its Articles of Incorporation or as required by the government, appropriate or reverse for special reserve. The remaining balance of the earnings, if any, may be appropriated according to a resolution of a shareholder's meeting.

In consideration of the shareholder's long-term benefit and stable operation, the Company adopts a stable dividends policy. Therefore, cash dividends should not be less than 30% of the aggregate dividends.

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 capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as 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 special earnings reserve (and does not qualify 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.

3) Earnings distribution

Earnings distribution for 2022 and 2021 were decided via the general meeting of shareholders held on June 21, 2023 and May 27, 2022. The relevant dividend distributions to shareholders were as follows.

	2022		2021	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 1.50	**115,500**	0.55	**42,350**

Earnings distributions for 2022 and 2021 that decided by the general meeting of shareholders were not different from the resolution of board meeting. Related information would be available at the Market Observation Post System website.

(m) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at December 31, 2023 and 2022 were based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

	2023	2022
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	$ **83,065**	**161,828**
Weighted-average number of ordinary shares (thousand shares)	**77,000**	**77,000**
Basic earnings per share (dollar)	$ **1.08**	**2.10**

(ii) Diluted earnings per share

The calculation of diluted earnings per share as of December 31, 2023 and 2022 were based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	2023	2022
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ **83,065**	**161,828**
Weighted-average number of ordinary shares (diluted) (thousand shares)	**77,382**	**77,589**
Diluted earnings per share (dollar)	$ **1.07**	**2.09**

Weighted-average number of ordinary shares (diluted) (thousand shares):

	2023	2022
Weighted-average number of ordinary shares (basic) (thousand shares)	77,000	77,000
Effect of dilutive potential ordinary shares:		
Effect of employee share bonus	382	589
Weighted average number of ordinary shares (diluted) (thousand shares)	**77,382**	**77,589**

(Continued)

(n) Revenue from contracts with customers

(i) Details of revenue

		2023	2022
Primary geographical markets			
Malaysia	$	497,367	462,672
Taiwan		223,979	321,620
Thailand		137,243	181,065
China		128,620	197,946
Others		58,765	40,263
	$	**1,045,974**	**1,203,566**

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	$	267,343	296,467	354,318
Less: allowance for impairment		(1,736)	(2,291)	(1,954)
Total	$	**265,607**	**294,176**	**352,364**

For details on accounts receivable and allowance for impairment, please refer to note 6(b).

(o) Employee compensation and directors' remuneration

In accordance with the Articles of Incorporation the Company should contribute 3%~9% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $8,321 thousand and $15,810 thousand, respectively, and directors' remuneration amounting to $3,566 thousand and $6,776 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or lost in the following year.

The amounts mentioned above were identical to those of the actual distributions for 2023 and 2022. The related information can be accessed from the Market Observation Post System website.

(Continued)

(p) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	2023	2022
Rent income	$ 2,994	3,375
Other income	9,384	10,129
	$ 12,378	**13,504**

(ii) Other gains and losses

The details of other gains and losses were as follows:

	2023	2022
Foreign exchange gains, net	$ 2,046	53,223
Gains (Losses) on non-financial assets impairment	157	(6,003)
Gains (Losses) on disposals of property, plant and equipment, net	2,697	(386)
Others	-	(880)
	$ 4,900	**45,954**

(q) Financial instruments

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which is derived primarily from the Company’ s accounts receivable.

1) Credit risk exposure

The maximum exposure to credit risk is mainly from carrying amount of financial assets. As of December 31, 2023 and 2022, the maximum amounts that exposed to credit risk were $540,668 thousand and $433,254 thousand, respectively. Since the Company’s bank deposits are deposited in many different finance institutions with good credit rating. Therefore, there is no significant credit risk.

2) Concentration of credit risk

The concentration of credit risk is mainly affected by creditors’ rating and the client’s industry. As of December 31, 2023 and 2022, both 97% of the Company’ s accounts receivable were concentrated on top five sales clients.

3) Please refer to note 6(b) for the details of the accounts receivable aging and loss allowance.

(Continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

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

	Carrying amount	Contractual cash flows	within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Bank loans	$ 520,000	527,419	398,460	66,156	62,803	-
Accounts payable(including related parties)	102,095	102,095	102,095	-	-	-
Lease liabilities	24	24	24	-	-	-
Other financial liabilities	151,209	151,209	151,209	-	-	-
	$ 773,328	**780,747**	**651,788**	**66,156**	**62,803**	**-**
December 31, 2022						
Non-derivative financial liabilities						
Bank loans	$ 664,000	675,959	380,467	167,083	128,409	-
Accounts payable	86,932	86,932	86,932	-	-	-
Lease liabilities	83	84	60	24	-	-
Other financial liabilities	179,085	179,085	179,085	-	-	-
	$ 930,100	**942,060**	**646,544**	**167,107**	**128,409**	**-**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(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 Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Exposure to foreign currency risk

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

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 8,382	30.71	257,360	9,918	30.71	304,571
Financial liabilities						
Monetary items						
USD	172	30.71	5,276	154	30.71	4,716

(Continued)

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, bank loans and accounts payable that are denominated in foreign currency. A weakening or strengthening of 1% of the NTD against the abovementioned foreign currency as of 31 December, 2023 and 2022 would have decreased or increased the net profit before tax by $2,521 thousand and $2,999 thousand, respectively. This analysis is performed on the same basis for 2022.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $2,046 thousand and $53,223 thousand, respectively.

4) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases a quarter-point when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by a quarter-point, the Company's profit before income tax would have decreased or increased by $82 thousand and $554 thousand for the year ended 2023 and 2022 with all other variable factors remaining constant. This is mainly due to the changes in the Company's variable-interest-rate loans and deposits.

The Company's fixed-interest-rate financial liabilities are measured at amortized cost. The changes in market rate do not affect the Company's profit or loss on the reporting date. Therefore, the Company does not disclose the sensitivity analysis of the changes in fair value.

(Continued)

(iv) Fair value of financial instruments

The carrying amounts and fair value of the Company' s financial assets and liabilities, including the information on fair value hierarchy are 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 disclosure of fair value information is not required:

	December 31, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 266,546				
Accounts receivable	169,372				
Accounts receivable – related party	96,235				
Other financial assets	8,515				
Subtotal	**$ 540,668**				
Financial liabilities measured at amortized cost					
Long term and short term borrowing	$ 520,000				
Accounts payable (including related parties)	102,095				
Lease liabilities	24				
Other financial liabilities	151,209				
Subtotal	**$ 773,328**				

	December 31, 2022				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 131,728				
Accounts receivable	225,106				
Accounts receivable – related party	69,070				
Other financial assets	7,350				
Subtotal	**$ 433,254**				

(Continued)

	December 31, 2022				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at amortized cost					
Long term and short term borrowing	$ 664,000				
Accounts Payable	86,932				
Lease liabilities	83				
Other financial liabilities	179,085				
Subtotal	**$ 930,100**				

1) Valuation techniques for financial instruments measured at fair value

The fair value of financial instruments traded in an active market is based on the quoted market price. The quotation announced by the stock exchange center or exchange center, might be regarded as the fair value of the listed equity securities which is traded in an active market.

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities, and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

The Company's valuation techniques and assumptions used for financial instruments measured at fair value are as follows:

- Measurements of fair value of financial instruments with an active market, such as listed company stock, beneficiary certificate etc., its fair value depends on the market quotation.
- Measurements of fair value of financial instruments without an active market 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.

2) There were no transfers between each fair value levels in 2023 and 2022.

(Continued)

(r) Financial risk management

(i) Structure of risk management

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, 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 Company’s activities. The Company, 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 Company Audit Committee oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee 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 Audit Committee.

(ii) The Company have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company’s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes 6(q) in the accompanying consolidated financial statements.

(s) Capital management

The Company’s capital management policy is to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases and debt service requirements associated with its existing operations over the next 12 months, wherein it also take the debt ratio into consideration to maintain investors, creditors and market confidence, as well as to sustain the future development of the business. The Company’s capital management strategy was consistent with that of the prior year, in which the debt ratios of 32% and 35% were taken into account as of December 31, 2023 and 2022, respectively.

(t) Investing and financing activities not affecting current cash flow

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

(i) Adoption lease for right-of-use assets, please refer to note 6(f).

(Continued)

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Other	December 31, 2023
Long-term borrowings	$ 354,000	(64,000)	-	290,000
Short-term borrowings	310,000	(80,000)	-	230,000
Lease liabilities	83	(59)	-	24
Total liabilities from financing activity	**$ 664,083**	**(144,059)**	**-**	**520,024**

	January 1, 2022	Cash flows	Other	December 31, 2022
Long-term borrowings	$ 418,000	(64,000)	-	354,000
Short-term borrowings	215,360	94,640	-	310,000
Lease liabilities	197	(114)	-	83
Total liabilities from financing activity	**$ 633,557**	**30,526**	**-**	**664,083**

(7) Related-party transactions:

(a) Names and relationship with related parties

Name of related party	Relationship with the Company
Min Aik Technology Co., Ltd. (MAT)	The entity with significant influence over the Company
Min Aik Technology (M) Sdn. Bhd. (MAM)	Other related party (MAT's subsidiary)
MATC Technology (M) Sdn. Bhd. (MATC)	〃
Min Aik Technology (Suzhou) Co., Ltd. (MAY)	〃
Evolution Holdings Limited. (Evolution)	Subsidiaries or indirect-holding subsidiaries
Esteem King Limited. (Esteem King)	〃
MAP Plastics Pte. Ltd. (MAPP)	〃
Amould Plastic Technologies (Suzhou) Co., Ltd. (AMO)	〃
Key management personnel	The Company’s major management personnel

(b) Parent company and ultimate controlling company

The Company is the subsidiaries’ parent company and the ultimate controlling party.

(Continued)

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales and uncollected receivables by the Company to related parties were as follows:

	Sales		Receivables from related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
The entity with significant influence over the Company:				
MAT	111,027	169,406	44,539	60,303
Other related parties:				
MAM	137,943	152,098	51,682	8,731
Others	15	58	14	36
	$ **248,985**	**321,562**	**96,235**	**69,070**

The payment terms of the sales to related parties and non-related parties are O/A 90~120 day and normally about two to four months, respectively. The selling price to related parties is referred to the market price and negotiated by both parties.

(ii) Purchases

The amounts of significant purchase and payables by the Company from related parties were as follows:

	Purchases		Payables to related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
The entity with significant influence over the Company	$ **12**	**-**	**12**	**-**

(iii) Accepting services from and other accounts payable to related parties

	Transaction amount		Other accounts payable to related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
Subsidiaries	$ 194	186	-	-
The entity with significant influence over the Company	7,271	5,991	1,284	1,651
Other related parties	354	1,684	13	-
	$ **7,819**	**7,861**	**1,297**	**1,651**

(Continued)

(iv) Rendering services to and other accounts receivable from related parties

	Transaction amount		Other accounts receivable from related parties	
	2023	2022	December 31, 2023	December 31, 2022
The entity with significant influence over the Company	819	35	805	37
Other related parties	1,245	1,262	537	897
	$ 2,064	1,297	1,342	934

(v) Purchase of property, plant and equipment and other accounts payable to related parties.

	Transaction amount		Other accounts payable to related parties	
	2023	2022	December 31, 2023	December 31, 2022
Subsidiaries	$ -	8,288	-	679

The Company purchased machines from subsidiaries for its operating demand. As of December 31, 2023, the outstanding balance incurred from the contract was $775 thousand, recognized as prepayments for equipment. There was no such transaction in 2022.

(vi) Guarantee

As of December 31, 2023 and 2022, the Company's guarantees for subsidiaries' bank loans were $73,978 thousand and $74,937 thousand, respectively, without any actual drawdown for both periods.

(vii) Loans to related parties

As of December 31, 2023, the subsidiary provided capital loan of USD $550 thousand to the Company, with the related interest expenses of $466 thousand, recognized as financial costs, from the actual amount that had been used and repaid during the period.

(d) Key management personnel compensation

Key management personnel compensation were as follows:

	2023	2022
Short-term employee benefits	$ 19,997	23,018
Post-employment benefits	219	203
	$ 20,216	23,221

(Continued)

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object		December 31, 2023	December 31, 2022
Land and buildings	Long-term borrowings	$	665,893	668,068
Restricted bank deposits	Guarantee for post release duty payment		1,000	1,000
		$	**666,893**	**669,068**

(9) Significant contingent liabilities and unrecognized commitments

(a) The Company's unrecognized contractual commitments were as follows:

		December 31, 2023	December 31, 2022
Purchase commitment	$	**74,266**	**92,936**
Acquisition of property, plant and equipment	$	**516**	**8,974**

(b) The guarantee notes issued by the Company for the line of credit and for the financing were as follows:

		December 31, 2023	December 31, 2022
Issued guarantee notes	$	**1,115,000**	**937,840**

(c) Please refer to note 7 for the Company provided an endorsements and guarantees for subsidiaries' bank loan.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(Continued)

(12) Other:

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

By function / By item	2023 Cost of Sale	2023 Operating Expense	2023 Total	2022 Cost of Sale	2022 Operating Expense	2022 Total
Employee benefits						
Salary	241,771	61,158	302,929	281,930	75,015	356,945
Labor and health insurance	26,958	4,859	31,817	30,542	5,431	35,973
Pension	8,752	1,839	10,591	10,299	2,467	12,766
Remuneration of directors	-	10,776	10,776	-	13,251	13,251
Others	6,245	3,745	9,990	10,340	4,724	15,064
Depreciation	56,285	5,665	61,950	50,929	6,691	57,620
Amortization	15,318	-	15,318	6,708	-	6,708

For the year ended 2023 and 2022, additional information about the number of employees and employee benefits are as follows:

	2023	2022
Average number of employees	478	538
Number of directors, not in concurrent employment	7	7
Average employee benefits	$ 754	792
Average salaries	$ 643	672
Average salaries adjustments	(4.32)%	3.54 %

The remuneration to the Company's employees and managers is mainly based on individual performance in addition to consideration to the human resources market, the salaries for those in similar industries, and the Company's salary and welfare policies. Directors' remuneration is mainly based on the value of individual's participation and contributions in the Company's operations.

Furthermore, the Company has established a remuneration committee to determine and regularly review the Company's directors and managers' annual and long term performance goals and remuneration policies, systems, standards and structures, as well as regularly evaluate the Company's directors and managers' performances. The salary and remuneration are set to ensure that the Company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.

All matters concerning the remuneration to directors and managers must be reported to the remuneration committee first, and then submitted to the board of directors for resolution before implementation.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 3)	Actual usage amount during the period	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 (Note 1)	Maximum limit of fund financing (Note 1)
													Item	Value		
1	Esteem King	The Comapny	Other accountsreceivable-relatedparties	Yes	178,338	168,878	-	3%	Short-term financing	-	To meet the short-term needs on cash flow	-	None	-	460,733	460,733

Note 1: For foreign company in which the Company, directly or indirectly, owned 100% of their shares, the individual and total amount available for financing purposes shall not exceed 50% of the Company's net worth, which was audited or reviewed by Certified Public Accountant.

Note 2: The amounts are approved by the board of directors.

Note 3: The highest balance of financing to other parties during the period was foreign currencies which were translated to New Taiwan Dollars by the highest exchange rate for current year. The ending balance and actual usage amount during the period was foreign currencies which were translated to New Taiwan Dollars by the exchange rate at the reporting date.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

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 (Note 2)	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	Esteem King	(2)	1,863,183	32,425	30,705	-	-	1.65 %	1,863,183	Yes	No	No
0	The Company	Amould (Suzhou)	(2)	1,863,183	44,482	43,273	-	-	2.32 %	1,863,183	Yes	No	Yes

Note 1: Relationship with guarantor:
1. Ordinary business relationship.
2. The Company directly or indirectly owned more than 50% of the subsidiary shares.
3. The counter-party directly or indirectly owned more than 50% of the Company's shares.
4. The Company directly or indirectly owned 90% or more than 90% of subsidiaries' shares.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: The amount of the guarantee provided by the Company to any individual entity shall not exceed 10% of the Company's net worth. The subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company shall not exceed the Company's net worth.

Note 3: The total amount of endorsements/guarantees may not exceed the Company's net worth.

Note 4: If highest balance of financing to other parties during the period was foreign currencies which were translated to New Taiwan Dollars by the highest exchange rate for current year. If ending balance and actual usage amount during the period were foreign currencies which were translated to New Taiwan Dollars by the exchange rate at the reporting date.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None

(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

(Continued)

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

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	Min Aik Technology (M) Sdn. Bhd. (MAM)	The entity with significant influence over the Group	(Sale)	137,943	(13%)	Note 1	-	-	51,682	19%	
The Company	Min Aik Technology Co., Ltd. (MAT)	〃	(Sale)	111,027	(11%)	Note 2	-	-	44,539	17%	

Note 1：The payment is O/A 105 days, any further adjustment on the term will have to be agreed by both parties.
Note 2：The payment is O/A 90~120 days, any further adjustment on the term will have to be agreed by both parties.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(b) Information on investees:

The following is the information on investees for the year 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of the investee	Investment income (losses)	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value	Carrying value		
The Company	Esteem King	Samoa	Investment holding	451,586	451,586	15,079	100.00 %	921,466	97,254	97,254	
The Company	Evolution	Hong Kong	Investment holding	145,103	145,103	4,600	100.00 %	10,149	54	54	
Esteem King	MATC	Malaysia	Manufacture and selling hard disk components	127,726	127,726	4,427	20.00 %	-	(86,200)	(11,395)	
Esteem King	MAPP	Singapore	Manufacture and selling medical injection and molding	323,449	323,449	10,714	100.00 %	916,525	94,280	94,280	

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings as of December 31, 2023
					Outflow	Inflow						
Amould (Suzhou)	Design and manufacture automatic machines	213,774	Note1	141,923	-	-	141,923	29,233	100%	29,233	305,962	35,780

(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
141,923	210,772	1,117,910

Note 1: The Company invests subsidiaries which is via MAPP.
Note 2: The Company recognized investment income (losses) by subsidiaries' financial statements which was audited by the Certified Public Accountant who audited the Company's financial statements.

(iii) Significant transactions with the subsidiary in Mainland China

The significant inter-company transactions with the subsidiary in Mainland China are disclosed in " Information on significant transactions".

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Min Aik Technology CO., LTD.	29,787,000	38.68 %
BEACON INVESTMENT LIMITED(MALAYSIA)	24,611,763	31.96 %

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2023.

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Foreign amount	Exchange rate	Amount
Cash on hand and petty cash			$ 170
Cash in banks:			
Check deposits			172
Demand deposits			225,853
Time Deposits:			
USD	$ 330 thousand	30.71	10,133
Foreign currency deposits:			
USD	$ 982 thousand	30.71	30,160
SGD	$ 2 thousand	23.29	58
			$ 266,546

Statement of accounts receivable

December 31, 2023

Customer Name	Description	Amount
Accounts receivable from non-related parties		
Corporation AM	Operating revenues	$ 44,528
Corporation TA(P)	〃	37,711
Corporation KS	〃	36,150
Corporation SE(T)	〃	27,158
Corporation SE	〃	11,737
Others (less than 5% for each customer)	〃	13,824
Subtotal		171,108
Less: Loss allowance		(1,736)
Total		**$ 169,372**

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net realizable value
Finished goods	$ 177,329	198,548
Work in process	45,330	48,606
Raw materials	65,866	63,266
Subtotal	288,525	**310,420**
Less: Allowance for inventory valuation and obsolescence	(42,837)	
Net inventory	**$ 245,688**	

Statement of other current assets

December 31, 2023

Item	Description	Amount
Income tax refund receivable	Refundable business tax	$ 2,489
Prepaid expenses	Prepaid insurance and natural gas fee	3,374
Prepayment for purchases	Prepaid manufacturer's payment	7,738
Other receivables-other	Receivables from sales of scrap	6,127
Other receivables-related parties	Receivable service fee from related parties	1,342
Others (less than 5% for each customer)		1,663
Total		**$ 22,733**

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of changes in property, plant and equipment

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(e) to this parent company only financial statement for details.

Statement of changes in right-of-use assets

For the year ended December 31, 2023

Please refer to note 6(f) to this parent company only financial statement for details.

Statement of other non-current assets

December 31, 2023

Item		Amount
Prepaid pension cost	$	27,937
Deferred tax assets		14,099
Others (less than 5% for each item)		514
	$	**42,550**

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Other adjustments		Ending balance			Market value or net asset value	Guarantee or pledged
Investee Name	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	% of Ownership	Amount		
Valued with equity method:													
Esteem King Limited	15,079	$ 1,038,922	-	-	-	-	-	(117,456)(note 1)	15,079	100.00 %	921,466	921,466	None
Evolution Holdings Limited	4,600	10,098	-	-	-	-	-	51 (note 2)	4,600	100.00 %	10,149	10,149	None
		$ 1,049,020		-		-		(117,405)			931,615	931,615	

Note 1: Including gain on investments accounted for using equity method amounting to $97,254 thousand, distribute cash dividend amounting to ($218,829) thousand and exchange difference on translation of foreign financial statements amounting to $4,119 thousand.

Note 2: Including gain on investments accounted for using equity method amounting to $54 thousand and exchange difference on translation of foreign financial statements amounting to $(3) thousand.

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of short-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Ending balance	Contract period	Range of interest rate	Loan commitment	Guarantee or pledged
Yuanta Bank	Unsecured bank loans	$ 150,000	Within one year	1.77%	150,000	None
Cathay United Bank	〃	80,000	〃	1.76%	200,000	〃
		$ 230,000				

Statement of accounts payable

December 31, 2023

Item	Description	Amount
Company SYC	Generated from operation	$ 18,496
Company YYH	〃	17,308
Company SC	〃	11,762
Company YSG	〃	8,113
Company SY	〃	7,258
Others (less than 5% for each item)	〃	39,158
Total		$ 102,095

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of long-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Creditor	Loan commitment	Amount: Within one year	Amount: More than one year	Contract period	Interest rate	Guarantee or pledged
Cathay United Bank	$ 190,000	$ 64,000	$ 126,000	107.4.16~116.4.16	2.11%	Land and buildings
Hua Nan Commercial Bank	100,000	100,000	-	111.1.22~113.3.22	1.82%	None
	$ 290,000	**$ 164,000**	**126,000**			

Statement of other current liabilities

December 31, 2023

Item	Description	Amount
Other accrued expenses	Payables to service, fuel and daily expenditures	$ 24,438
Employment payables	Social security expenses and pension cost	11,645
Mould payables	Material for mould and processing expenses	11,249
Temporary receipts	Temporary payment from subsidiary	10,113
Equipment payables	Acquisition of equipment	4,803
Supplies payables	Supplies cost for production	4,316
Export payables	Export fee for sales	4,250
Others (less than 5% for each item)		10,634
Total		**$ 81,448**

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of operating revenue

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity	Amount
Electronic stamping components	143,597 thousand PCS	$ 573,652
Hard disk drive VCM Plate	53,215 thousand PCS	362,316
Hard disk drive stamping components	14,090 thousand PCS	87,164
Others	2 thousand PCS	22,842
Total		**$ 1,045,974**

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of operating costs

For the year ended December 31, 2023

(In thousands of New Taiwan Dollars)

Item	Amount
Merchandising:	
Merchandise, beginning of year	$ -
Add: Purchases	12
Less: Transferred	-
Cost of goods sold	12
Manufacturing:	
Raw materials used:	
Raw materials, beginning of year	52,011
Add: Purchases (excluding sales of scrap $43,189 thousand)	331,693
Less: Raw materials, end of year	65,866
Transferred	8,297
Subtotal	309,541
Direct labor	171,556
Manufacturing expenses	256,893
Manufacturing cost	737,990
Add: Work in process, beginning of year	49,370
Less: Work in process, end of year	45,330
Transferred	3,569
Cost of finished goods	738,461
Add: Finished goods, beginning of year	236,380
Purchases-molding	14,960
Less: Finished goods, end of year	177,329
Transferred	22,672
Cost of goods sold	789,800
Add: Unallocated fixed overheads due to idle capacity	99,464
Cost of raw materials and work in process sold	1,209
Loss on inventory impairment and obsolescence	13,311
Gain on physical inventory and other operating cost	2,476
Operating costs	**$ 906,272**

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of operating expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Selling expenses	Administrative expenses	Research and development expenses
Salary expenses	$ 6,976	63,917	11,484
Export expenses	15,977	-	9
Service expenses	-	6,821	-
Depreciation expenses	-	5,309	356
Others (less than 5% for each item)	2,779	20,572	2,200
Total	**$ 25,732**	**96,619**	**14,049**

Min Aik Precision Industrial Co., Ltd.

Chairman: Chia, Kin-Heng