Stock Code: 3312

GMI Technology Inc.

2023

Annual Report

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GMI Technology Inc.	Compiled
May 29, 2024	Printed

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V. Exchange Houses where Overseas Securities are Listed：none.

VI. Company Website: http://www.gmitec.com

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I. Letter to Shareholders

1. Business Report of 2023

(1) Results of Operations

For FY2023, the parent company only revenue of the Company totaled NTD 15,303,570 thousand and net income before tax was NTD 401,886 thousand, representing decreases of 20.76% and 31.86%, respectively, compared to revenue of NTD 19,312,581 thousand and net income before tax of NTD 589,791 thousand for FY2022. For FY2023, consolidated revenue was NTD15,276,756 thousand and consolidated net income before tax was NTD 392,308 thousand, decreasing by 21.04% and 33.45%, respectively compared to the consolidated revenue of NTD 19,346,503 thousand and consolidated net income before tax of NTD 589,469 thousand for FY2022. Based on the weighted-average outstanding shares in 2023, the net income after tax per share was NTD 1.98.

2023 was full of challenges. Due to high interest rates, inflation, and China's post-pandemic economic performance failing short of expectations, the overall economy and demand faced serious downward risks. This led to weakened global demand for consumer products, exacerbated by high market inventory levels and frozen customer demand. As a result, manufacturing activities in various countries slowed down. Additionally, the expansion of the U.S.-China chip ban, ongoing conflicts such as the Russia-Ukraine war and the Israel-Kazakhstan situation have contributed to geopolitical tensions trending towards group confrontation globally. Consequently, this instability had a profound impact on the global economic development and the demand for electronic components in the consumer electronics market. Despite this, we have continued to work closely with component suppliers and product manufacturers without interruption. While addressing the rapid market changes and the slowdown in customer demand, we closely monitor the dynamics of the supply chain. We have devised corresponding action strategies and execution plans to respond to market reversals and effectively manage potential risks.

In 2023, the Company continued to carry out the depth and breadth of operational management actions:

1. Strengthening market expansions: In addition to focusing on solidifying existing markets, we continuously strengthened our reach into new markets, products, and applications, expanding our potential opportunities in all directions. This expansion strategy aimed to increase the Company's market presence and revenue on a broader scale.
2. Strengthen supplier relationships: We continuously enhanced close collaboration with suppliers, aiming to deepen and broaden our product lines to meet the diverse needs of the market and customers.
3. Improve efficiency and quality: We constantly strengthened internal management and control, aiming to improve the efficiency and quality of procurement and shipments, and thereby enhance customer satisfaction and market competitiveness, while improving and leveraging the overall operational efficiency.

Looking forward to 2024, the Company is poised for continued stable growth in the relevant wireless communication field and with China's network operators. Particularly, in emerging technology areas such as VDSL, XPON, electric vehicles, and IoT, we have seen consistent success in recent years. Furthermore, by fostering collaboration and support from component suppliers and product manufacturers, we are committed to providing customers with multi-dimensional solutions for AI products in various application fields like smart healthcare, retail, entertainment, and manufacturing. This strategic approach positions the Company at the forefront of the industry, enabling us to seize opportunities in the next generation of the development and achieve our goal of sustainable business growth.

Unit: NT$ ‘000

Profit and loss items	FY2023	FY2022	Growth rate (%)
Net Operating Revenue	15,276,756	19,346,503	(21.04)%
Operating Costs	14,411,104	18,295,415	(21.23)%
Gross Profit	865,652	1,051,088	(17.64)%
Operating Expenses	456,807	483,643	(5.55)%
Operating Income	408,845	567,445	(27.95)%
Non-operating Income and Expenses	(16,537)	22,024	(175.09)%
Net Income before Tax	392,308	589,469	(33.45)%

(2) Budgetary Performance

The Company does not disclose its financial forecasts, therefore this is not applicable.

(3) Analysis of Revenue, Expenses and Profitability

	Item	FY2023	FY2022
Financial Structure	Debt Ratio (%)	59.89	67.91
	Ratio of Long-Term Capital to Property, Plant and Equipment (%)	877.81	867.58
Debt Service Coverage Ratio (DSCR)	Current Ratio (%)	157.06	141.43
	Quick Ratio (%)	130.28	98.38
Profitability	Return on Assets (%)	4.96	6.47
	Return on Equity (%)	11.65	19.93
	Net Profit Margin (%)	2.05	2.35
	Earnings Per Share (NT$)	1.98	3.08

(4) Research and Development

The Company is an electronics components distributor & applications solutions provider. In view of the fact that the basis of sustainable management is to keenly grasp market trends, meet the needs of customers and possess key application technologies, the Company not only has technical support functions (FAE) to provide customers with various product application consultation and development technology support services. At the same time, the Company also has R&D personnel to engage in product development for market applications and provide customers with special functions or commissioned module designs to help customers realize their product development and Time-To-Market commitments. As the Company provide customers with professional technology and total product solutions, we can help customers shorten the time to market and save R&D costs, enhance service quality, and strengthen the partnership with customers and suppliers. In response to the rapidly evolving technology and product cycle of electronics and ICT technology, the Company is actively developing in the following directions:

1. Information Technology (IT) industry application:

   Wireless LAN, SOHO Gateway, Multi-Media LCD Monitor, PoE Switch, 10GPoN, Network Storage, etc.

2. Consumer Electronic industry application:

   Notebook, Portable Multi-media Player, etc., Bluetooth Headset (TWS), Bluetooth Speaker, Tablet (MID), Wireless Audio and Video Player (WiDi), IoT, IOI, Dashcam, Universal PD Transformer, etc.

3. Networking and Telecommunication industry application:

Gigabit switch, ADSL, Automotive Ethernet, etc.

2. The Company's Major Business Plans for 2024:

(1)Business Direction

In the 2024 market landscape where the electronic components sector is almost overwhelmed by high inventory levels and uncertain demand, the Company's management team will pay close attention to several supply and demand issues:

1. Continue to reduce inventory level: High inventory level means higher capital occupation and cost. Currently, most channel vendors have high inventory levels. We will mitigate this by reducing purchase volumes or periodically conducting inventory clearance to lower the inventory level.
2. Ensure the transparency of supply chain: Understanding our supply chain can help us to predict the demand and determine the inventory level of our customers more accurately. Therefore, we ensure smooth communication with suppliers and customers, and collect and share supply chain information in a timely manner.
3. Strengthen risk management: Establish a risk management plan to deal with market fluctuations and uncertainties. For example: We will establish alternative supplier channels, formulate contingency plans, shorten the supply chain, and implement related strategies to strengthen the Company’s management of uncertain risks.
4. Ensure quality and delivery time: In the current competitive market, providing customers with high quality products and on-time delivery is an important approach to gain a competitive advantage. Strive to ensure product quality and strengthen the management and control of delivery progress to improve customer satisfaction.
5. Improve the flexibility of stocking and shipping: In order to quickly respond to changes in the market and customer needs, we closely cooperate with customers' production and supply chain plans. Flexible methods can be adopted to enhance the flexibility of stocking and shipping and improve the response speed of the supply chain.

In addition, we continue to optimize and manage the Company's operations and governance in the following directions:

1. Overall supply chain stability: In response to geopolitical influences in 2024, along with changes in international trade relations, the Company will closely monitor the supply chain of raw materials and components upstream, midstream, and downstream to ensure stable supply. Additionally, we will be able to respond quickly and make decisions promptly in case of any issues.
2. Product quality control: As an electronic parts and components agent and distributor, we must ensure that the products we represent meet the quality requirements of our customers and establish an effective quality control management mechanism with our suppliers.
3. Customer relationship maintenance: By actively establishing good cooperative relationships with customers, we aim to gain a deeper understanding of their needs and requirements. We provide professional technical support and after-sales service to continuously enhance customer satisfaction.
4. Technological innovation: The electronic semiconductor IC industry continues to develop. The Company closely follows the pace of technological innovation, continues to introduce new products, and provides total solutions to meet the needs of various application markets.

5. Sustainable development: In addition to complying with environmental protection laws and regulations and taking effective measures to protect the environment, the Company is also striving towards the goal and direction of sustainable development. This not only meets the requirements of social responsibility, but also plays a critical role in promoting overall social well-being more beneficial to the environment.
6. Talent cultivation: As a going concern, the Company needs to pay more attention to the cultivation and development of talents, and establish a perfect talent motivation mechanism to attract and retain talents.
7. Inventory management: As a professional electronic IC semiconductor distributor, inventory management is one of the important indicators of financial management. The Company uses a variety of efficient management system tools to accurately track inventory levels and ensure timely restocking while avoiding excessive purchases to reduce inventory costs. For example : We integrate and analyze inventory levels, purchases, and sales records, and use Oracle system management for accurate inventory management.
8. Sales forecasting: We accurately forecast and calibrate the market demand from time to time in order to make appropriate purchase decisions. In addition to analyzing market trends, competition, customer demands, and other factors, utilizing precise financial management systems can assist us in sales forecasting. This enables better control over procurement and inventory management.
9. Expense management: We actively monitor various expenses such as transportation, storage, labor, etc. The Oracle system can help us track these expenses to ensure the Company’s financial stability.

In short, under the circumstance of high inventory and uncertain demand, it is even more necessary to reduce costs, improve quality, and ensure delivery, increase agility, and strengthen risk management to maintain the Company's stable operations.

(2)Operating Markets and Business Objectives

The Company's management team has summarized the following new application markets and expected targets in the electronics market in 2024:

1. Operating in the communications equipment bidding market for telecommunications carriers in Mainland China:

The telecommunications industry in Mainland China is seeing a period of rapid development to accelerate the pace of 5G commercialization, and the construction of 5G networks will require a large number of communication equipment bids to support its development. Driven by policy support and market demand, the communication equipment bids market for telecoms operators in Mainland China is expected to continue to grow in 2024. Intense competition: The telecommunications equipment tender market is highly competitive, with major telecoms operators competing to capture a larger share of the market. 5G network infrastructure development drive: With the advancement of 5G commercialization, telecom operators will need a large number of communication equipment bids to support network construction, and market demand will continue to grow. Acceleration of domestic substitution in China: With the advancement of domestic substitution, the market share of domestically produced communication equipment tenders in China will continue to increase. Business target:The Company's market share in the Mainland China communications equipment market increased steadily in 2024, with a growth of 10% compared to the previous year.

2. EV applications market:

The wide variety of electronic components used in electric vehicles requires the establishment of a good supply chain specification to ensure adequate inventory and timely delivery. The electronic components used in electric vehicles require high quality and reliability. Therefore, the Company focuses on delivering high-quality products to gain customer trust and foster long-term partnerships. Currently, the Company is also establishing a specialized technical team to provide timely technical support and solutions. Furthermore, we closely monitor market dynamics and proactively develop new products and technologies. We aim to establish partnerships with other electronic component suppliers to provide comprehensive services, meeting the diverse needs of our customers. The EV market is a market with great potential for development. Electronic components distributors should establish a good supply chain, focus on high quality products, provide professional technical support, develop new products and technologies, and establish collaborative relationships to achieve sustainable growth in this market.

Business target : The Company will increase the number of new projects and new customers in the EV market by 10% in 2024.

3. NB/PC/Server related computer peripheral application market:

AI has a wide range of applications in various fields, especially in PCs, NBs and servers, which can help improve performance, save energy and enhance security; therefore, more products and services will be developed for AI applications, and as the cost of cloud computing decreases, and security and performance continue to improve, more and more enterprises and consumers will adopt cloud computing. This will drive the development of related industries such as servers and make data centers increasingly important. 5G networks will continue to develop and be rolled out in more countries and regions, which will enable related industries such as NBs to process large amounts of data more quickly and connect various devices more efficiently. Sustainability will be an important trend as the world becomes increasingly concerned about climate change and environmental protection, which will affect the growth of related industries such as PCs, NBs and servers and promote the greening and energy saving of products and technologies.

Business target: Increase the number of new projects and new customers in the NBs/PCs/servers related computer peripheral application market by 10% in 2024.

4. Wireless and broadband communication application market:

According to reports by market research institutions, the global wireless broadband market is expected to grow at a compound annual growth rate of 24.47%, reaching USD 42.97 billion in 2023 and USD 199.74 billion in 2030. In the wireless communication market, mobile communication accounts for one of the largest application areas, and with the popularity of 5G technology, the mobile communication market will further develop and bring more opportunities for various emerging applications. In addition, wireless communication networks are widely used in IoT applications, smart homes, and smart cities, and more and more wireless devices will enter the market as IoT devices and smart devices become popular.

Business target: The Company will increase new projects in WiFi 6/VDSL/XPON by 20% in 2024.

5. Develop overseas application markets:

In the past, we have focused on the development of the Greater China market. In 2024 , we will also allocate some human resources to operate in the overseas market. With the competitive dynamics between China and the United States, major electronics contract manufacturers are intensifying their efforts to penetrate electronic markets outside of China. For example, India, Vietnam, and others are significant global electronic markets, making operating electronic product businesses in these markets very promising.

Business target: The Company aims to add new customers outside the Greater China market by 10 to 20 effective customers.

6. Invest in smart medical algorithm and AI computing development related fields:

As digital technology continues to promote the development of health care in various fields, artificial intelligence (AI) programs (especially AI algorithms for machine learning) have become an important part of more and more medical equipment. One of the greatest advantages of machine learning is that it can generate large amounts of data every day during the service provision period and automatically analyze and make judgments based on the data. In the past decade, the U.S. FDA has reviewed and authorized more and more medical devices with artificial intelligence functions to be legally sold in the United States. In 2023, we have cooperated with the team of Yang Ming Chiao Tung University on the research project of audio-related artificial intelligence algorithm. These results have given us more confidence to increase investment in this field.

Business target: The Company aims to increase the gross profit margin of the Company's operation of high-end artificial intelligence computing power in 2024 by 5%.

3. Future Development Strategy

In the future, the Company will continue to develop new markets, new applications, and customers for our existing product lines, both domestically and internationally, we will also seek strategic alliances with industry peers to strengthen the Total Solution offered by the Company. In addition, we will continue the successful experience of each product line and actively develop the markets in Taiwan, Hong Kong and especially China. With the addition of new distributorships and aggressive development of the Asian market, we expect to see growth in sales and profits this year. In light of the above development strategies, we expect to generate higher profits in return for the support of our shareholders.

4. Influence of the External Competitive, Regulatory and General Operating Environment

The global semiconductor market is expected to continue to thrive. In the future, the Company will continue to integrate the human resources of its group, strengthen knowledge management and knowledge sharing, build up intellectual capital, and replace the legacy information system to enhance the competitive advantage, and pursue the direction of management and profitability at the same time, with the hope of achieving excellent performance in the professional semiconductor channel market.

On behalf of all of everyone at GMI, we would like to express our sincere gratitude to our shareholders for your steadfast support. We look forward to your continued guidance and advice in the future. GMI will continue to maintain its excellent management philosophy and achieve fruitful business results to share with our shareholders. Finally, I wish all our cherished shareholders

Good health and all the best

GMI Technology Inc.
Chia-Wen Yeh, Chairman of the Board

II. Company Introduction

1. Date of Establishment

Date of Establishment: October 6, 1995

2. Company History

1995
- GMI Technology Inc. was established with a paid-in capital of NT$10 million and its main business scope was the sale of electronic components.

1996
- Distributed and sold electronic components of Taiwan Memory Technology, Inc.
- Capital increased by NT$10 million, amounting to NT$20 million in paid-in capital.

1997
- Distributed and sold electronic components of Realtek Semiconductor Corporation
- Capital increased by NT$10 million, amounting to NT$30 million in paid-in capital.
- Established R&D unit (engineering department) to provide design-in services to customers.

2000
- Capital increased by NT$20 million, amounting to NT$50 million in paid-in capital.

2001
- Distributed and sold electronic parts and components of Ours Technology Inc.
- Office moved to on Ruiguang Road, Neihu District, Taipei City.

2002
- Received the "Outstanding Distributor" award from TSMC for four consecutive years.
- Distributed and sold electronic parts and components of Toshiba Corporation.
- Distributed and sold electronic parts and components of Sigmatel.
- Distributed and sold electronic parts and components of Etron Technology, Inc.
- Introduced TIPTOP ERP system.
- Capital increased by NT$160 million in cash, amounting to NT$210 million in paid-in capital.
- Established Hong Kong branch.

2003
- Capital increase of NT$100 million in cash; capital increase of NT$30.65 million in surplus earnings and employee bonuses; amounting to paid-in capital of NT$340.65 million.
- Distributed and sold BenQ products.
- Issued the first employee stock options certificate in 2003.
- Reinvested in G.M.I Technology (BVI) Co.,Ltd.

- Filed a supplemental public offering,coming into effect.
- Invested in Dexin Venture Capital Co.,Ltd.
- Represented and sold Toshiba HDD (hard disk drive) products.
- Invested in Hong Kong Yongda Electronic Technology Co.,Ltd. through G.M.I Technology (BVI) Co.,Ltd.
- Invested in G.M.I International Trading (Shanghai) Co.,Ltd. through Hong Kong Yongda Electronic Technology Co.,Ltd.

2004
- Distributed and sold RitDisplay OLED components.
- Registered as an OTC stock on May 28th.
- Established a prospective Audit Committee.
- Capital increased by NT$41.36 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT$386.21 million.

2005
- Distributed and sold Intersil analog electronic components.
- Distributed and sold Toshiba NAND flash memory products in Hong Kong and China.
- Introduced Freescale, Sigma Design, Techwell, AUO, TOPPOLY, MATRIX, Jeilin and other key supply partners.
- Capital increased by NT$50.83 million in cash and NT$46.03 million in surplus earnings and employee bonuses, amounting to a paid-in capital of NT$487.80 million.
- Listed on the Taipei Exchange on November 7.

2006
- Capital increased by NT$49.22 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT$538.07 million.
- Became a distributor of electronic components for Actions Semiconductor Co., Ltd.

2007
- Became a distributor of Hitachi HDD products.
- Capital increased by NT$30.48 million from surplus and employee bonuses, and capital increased to NT$570.08 million.
- Acquired the distributorship of Solomon Systech Limited.

2008
- Announced a partnership with Toshiba Electronics Asia Ltd.
- Capital increased by NT$50.02 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT$621.58 million.
- Issued common stock by private placement, capital increased to NT$721,580,000.

2009
- Initiated cooperation with JMicron Technology Corp.
- Established New Market Development Division to focus on new and emerging markets.
- Received the "Best Partner" award from Toshiba Electronics Asia Ltd.
- Received "Best Supplier Capability" award from ESM China.

- Distributed and sold Syndiant's fiber optic panel products for mini projectors.

2010
- Distributed and sold Toshiba products.
- Selected as the best distributor in Greater China in the annual readers' survey of ESM China Magazine.
- Awarded as one of the top 100 technology companies in Taiwan in 2010 by Business NEXT Magazine.
- Issued new shares with NT$150 million in cash, amounting to NT$870 million in share capital after the capital increase.
- Became a supplier of components to large OEMs through VMI (Vendor Managed Inventory).
- Listed on the Taiwan Stock Exchange on December 29.

2011
- Launched distribution partnership with CC&C Technologies Inc.
- On December 30, the shares of private placement common stock issued in 2008 were listed on the Taiwan Stock Exchange.

2012
- Direct investment in Shenzhen through Yongda Electronics and established Shenzhen Hongda Futong Electronics Co., Ltd.
- Invested in GW Electronics Company Limited through an overseas subsidiary, G.M.I. Technology (BVI) Co., Ltd.

2013
- GW Electronics (Shanghai) Limited (GW Electronics (Shanghai) Co., Ltd.) was established through an indirect investment by G.M.I. Technology (BVI) Co., Ltd.

- Indirectly reinvested in GW Electronics (Shenzhen) Limited through an overseas company, G.M.I. Technology (BVI) Co.
- Reinvested in Xbright Technology Co., Ltd.
- Capital increased by NT$34.86 million from earnings surplus, amounting to NT$906.44 million after capital increase.

2014
- Capital increased by NT$45.32 million from earnings surplus, amounting to NT$951.76 million after capital increase.
- Reinvested in Global Mobile Internet Co.,Ltd.

2015
- Capital increased by NT$133.24 million from earnings surplus,
- amounting to NT$1,085 million after capital increase.

GW Electronics Company Limited terminated distribution rights for Flash and Discrete products for Toshiba Electronics Asia Ltd. and Toshiba Electronics (China) Ltd.

2016
- Issued new shares with NT$200 million in cash, amounting to NT$1.285 billion in share capital after the capital increase.
- Terminated distribution rights of hard disk drives (HDDs) for Toshiba Electronic Components Taiwan Corporation.

2017
- Reinvested in G.M.I. Startup Incubator Management (Shanghai) Co.,Ltd.
- Became the distributor of Chengdu Tsuhan Optical Components.

2018
- Reduced capital by NT$294.98 million to cover losses, resulting in a capital stock of NT$990 million.
- Issued new shares with NT$100 million in cash, amounting to NT$1.09 billion in share capital after the capital increase.
- Capital increased by NT$13.08 million from surplus earnings, amounting to a paid-in capital of NT$1.1031 billion.

2019
- Became a distributor of MEMS MIC components for Guangzhou Intelichip Electronics Co.,Ltd.
- Capital increased by NT$77.22 million from surplus earnings, amounting to a paid-in capital of NT$1.18 billion.

2020
- Purchased land and buildings in Wende section of Neihu District for office and warehouse use by Taipei Head Office.
- Capital increased by NT$70.82 million from surplus earnings, amounting to a paid-in capital of NT$1.25 billion.

2021
- Capital increased by NT$12.511 million from surplus earnings, amounting to a paid-in capital of NT$1.376 billion.

2022
- Taipei Head Office moved and changed the Company changed its business address to "2F, No. 57, Xingzhong Road, Neihu District, Taipei City".

2022
- Cash capital increase by NTD 250 million through issuance of new

2023
- shares, resulting in an increase of capital to NTD 1,626.25 million.

Reinvested in Rehear Audiology Co., Ltd.

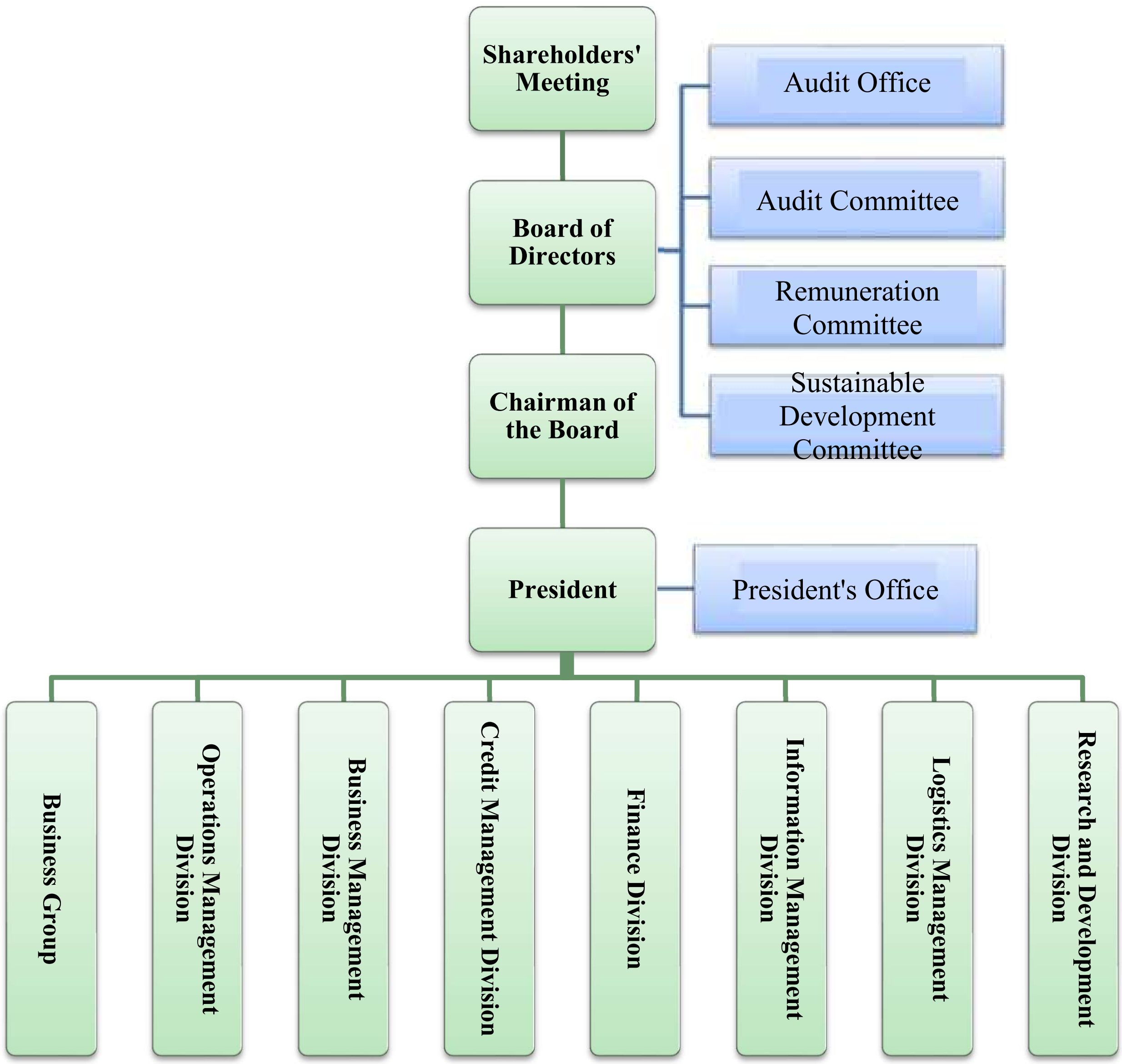
2024 • The Company's 1st Meeting resolved to purchase GPU servers.

2024 • The Company's Board of Directors resolved to issue the first domestic unsecured convertible corporate bonds.

III. Corporate Governance Report

1. Organization System

1. Organizational Structure (as of April 30, 2024)



2. Scope of business of major departments

Department Name	Responsibilities
Business Group	1. Specialized in information technology, consumer electronics, network communications and Internet of Things promotion sales and services. 2. Assist in obtaining the latest product information and technical support from the original manufacturer. 3. Provide customers with total solutions. 4. Market development of new products and promotion of related customers. 5. Responsible for product line planning and management. 6. Sales and pricing strategy development and implementation. 7. Customer development and market information collection and analysis, marketing business promotion. 8. New market development planning and management. 9. Key customer development planning and implementation. 10. Import and export affairs.
Operations Management Division	1. Personnel recruitment, human resources analysis, education and training, performance assessment, HR policy and welfare, as well as execution of related matters. 2. Responsible for the Company's fixed assets and business supplies procurement management, office environment maintenance. 3. Corporate image promotion.
Business Management Division	1. Responsible for import and export goods management and warehouse management. 2. Responsible for assisting business units procurement order (PO) and shipment order (SO) and other related administrative operations and contact window between manufacturers and customers.
Credit Management Division	1. Develop company risk management policy and implement comprehensive risk assessment and system implementation. 2. To assist in the management of operational risks, and to communicate, report and make recommendations to various departments regarding risk management. 3. Responsible for the credit risk review and credit granting of the Company's customers. 4. Responsible for compliance and management of corporate laws and regulations, and strengthening the implementation of corporate law compliance system. 5. Responsible for corporate law professional advice, business contract management and litigation handling.
Finance Division	1. Responsible for fund raising plan, capital allocation and management, evaluation of long and short term securities investment and investment transfer, shareholders' meetings and stock affairs. 2. Responsible for accounting, budgeting, tax planning, management analysis information and board meeting related matters.
Information Management Division	1. Responsible for formulating information management strategies, planning information management systems, and continuously optimizing and integrating information platforms. 2. Coordinate the planning, design, operation and maintenance management of the Company's overall information system. 3. Information security management.
Logistics Management Division	1. Responsible for the management and supervision of logistics files. 2. Responsible for immediate update and maintenance of warehousing system information. 3. Responsible for the planning and management of goods transfer and transportation methods.

	4. Responsible for inventory, incoming, outgoing, acceptance and quality management of goods. 5. Responsible for handling abnormal problems such as loss, damage, and error of goods. 6. Responsible for checking incoming and outgoing shipments with international couriers and freight forwarders, and assisting in tracking the delivery of goods. 7. Assist in the preparation of relevant import and export documents and finance department charge documents.

Department Name	Responsibilities
Research and Development Division	1. Responsible for the establishment of technical support system, supervision of technical support staff and professional skills training. 2. Confirm technical support, provide technical service to customers and improve customer satisfaction. 3. Responsible for handling technical emergencies and crises. 4. Handling of customer complaints and abnormal conditions and provide customer solutions. 5. Provide customers with product information and promotion as reference for product design and assist customers with product engineering projects. 6. Responsible for the market development planning and management of new brands, as well as information about competitive products in the market. 7. Assist the company in evaluating supplier management and agency matters. 8. Management and regular calibration of measurement instruments. 9. Retaining all kinds of inspection data. 10. Customer property management.

2. Information on the Company's directors, supervisors, president, vice president(s), assistant vice presidents, and the supervisors of all the Company's divisions and branch units

1. Profile of Directors

April 28, 2024

Title	Nationality or place of incorporation	Name	Gender and Age	Date elected (appointed)	Term of Office	Date of initial election	Shares held at the time of election		Current shareholdings		Shares held by spouse and minor children		Shares held in the name of others		Major Experience (Education)	Concurrent position(s) in the Company and other companies	Other officers, directors, or supervisors who are spouses or relatives within two degrees of kinship.			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Corporate Shareholder	TW	Dejie Investment Co., Ltd.		2022/06	3 years	2019/06	37,619,698	27.33%	52,782,278	32.46%	0	0	0	0	Not applicable	Not applicable	None	None	None	None

Chairman and Chief Executive Officer	TW	Corporate Representative of Dejie Investment Co., Ltd.: Yeh, Chia-Wen	Male 61-70	2022/06	3 years	1995/09	0	0	0	0	77,181	0.05%	0	0	Graduated from the Department of Mineral and Petroleum Engineering, National Cheng Kung University 12th EMBA Class, National Chengchi University MBA, Tulane University	Chairman of Cotek Pharmaceutical Industry Co., Ltd. Chairman of Shiteh Organic Pharmaceutical Co., Ltd. Chairman of Hi-Jet Incorporation Chairman, Detao Venture Capital Co., Ltd. Director, GW Electronics Company Limited Chairman of Global Mobile Internet Co., Ltd. Chairman of Biofity Pharmaceuticals Inc. Chairman of Dejie Investment Co., Ltd. Chairman of Heng Hsuan Co., Ltd. Chairman of Unitech Electronics Co., Ltd. Director of Zhuyuan Enterprises Co., Ltd. Director of SmartBee Intelligence Company Ltd. Chairman of Rehear Audiology Co., Ltd. Director (representative of corporate entity) of UAV, UEV, UJH, UCV, UAH, UEH, and UIH Chairman of UTC Director of UTA and UTI	Chairman of the	Corporate Representative: Yeh, Po-Chun Dejie Investment Co., Ltd.	Father Female	(Note 1)
Director	TW	Corporate Representative of Dejie Investment Co., Ltd.: Ivan Liu	Male 61-70	2022/06	3 years	2017/06	0	0	202,077	0.12%	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Executive Vice President, GMI Technology Inc.	President of GMI Technology Inc. General Manager of Rehear Audiology Co., Ltd.	None	None	None	None

Director	TW	Corporate Representative of Dejie Investment Co., Ltd.: Yeh, Po-Chun	Female 31-40	2022/06	3 years	2019/06	0	0	77,181	0.05%	0	0	0	0	Logistics and Telecommunications Group, Department of Transportation and Communication Management Science, National Cheng Kung University M.S. in Civil Engineering, Columbia University Project Coordinator, Shanghai Headquarters, Strategic Management Department, C.H. Robinson (NASDAQ:CHRW) Accounting Specialist, Unitech Computer Co.,Ltd. Associate Manager, Research Department, KGI Investment Consulting	Chief of Staff, GMI Technology Inc. Special Assistant to the Chairman of the Board, GMI Technology Inc. Head of Compensation Department, GMI Technology Inc. Director, Unitech Computer Co.,Ltd. Director, Unitech Electronics Co.,Ltd.	Chairman of the Board	Corporate Representative: Chia-Wen Yeh Dejie Investment Co., Ltd.	Father Female	None
Director	TW	Corporate Representative of Dejie Investment Co., Ltd.: Wang, Kuo-Chang	Male 51-60	2022/06	3 years	2005/06	0	0	0	0	0	0	0	0	M.S., Graduate School of Management Sciences, Tamkang University Manager, Industrial Bank of Taiwan	Director, Unitech Electronics Co.,Ltd.	None	None	None	None
Director	TW	Corporate Representative of Dejie Investment Co., Ltd.: Che-Sheng Shen (Note 2)	Male 51-60	2023/06	2 years	2023/06	0	0	0	0	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Project Manager of Dialogue Technology Corp. Assistant Vice President, Dehong Management	Vice President Vice President of the Investment Unit, De-Jet Investment Co., Ltd.	None	None	None	None

Independent Director	TW	Jan, Sen	Male 51-60	2022/06	3 years	2011/06	0	0	0	0	0	0	0	0	Department of Electrical Engineering, Tsinghua University MBA Program, National Chengchi University Marketing Manager, Philips Semiconductor Head of Business Department, HEC Group Head of Product Marketing, FSP Group Director, Zhaohan Technology Co., Ltd. Supervisor, JuAn Long-Age Co.,Ltd.	Chairman, Ikano International Co.,Ltd. Brand Instructor, Smile Brand Development Center Adjunct Lecturer, National Chiao Tung University Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.	None	None	None	None

Independent Director	TW	Lin, Ming-Chieh (Note 4)	Male 71-80	2022/06	3 years	2017/06	117,390	0.09%	133,383	0.08%	0	0	0	0	PhD, National Chengchi University Director, Taiwan Electric Power Co.,Ltd. Secretary General, Chinese Management Association Supervisor, Taipei Exchange Professor, Department of Business Administration, National Central University Director, Joint Credit Information Center Member of the Remuneration Committee of NEWMAX Co.,Ltd. Independent Director of KINIK Company Member of the Remuneration Committee of KINIK Company. Supervisor of Unitech Electronics Co.,Ltd.	Independent Director of C Sun Industrial Co.,Ltd. Member of the Remuneration Committee of C Sun Industrial Co.,Ltd. Member of the Audit Committee of C Sun Industrial Co.,Ltd. Member of the Sustainable Development Committee of C SUN MFG Ltd. Independent Director, Chicony Electronics Co., Ltd. Member of the Audit Committee of Chicony Electronics Co., Ltd. Member of Remuneration Committee of Chicony Electronics Co., Ltd. Member of the Sustainable Development Committee of Chicony Electronics Co., Ltd. Member of the Audit Committee of GMI Technology Inc. Member of the Remuneration Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc. Independent Director, Unitech Computer Co.,Ltd. Member of the Remuneration Committee of Unitech Computer Co.,Ltd. Member of the Audit Committee of Unitech Computer Co.,Ltd.	None	None	None	None

Independent Director	TW	Ko, Yen Hui	Male 61-70	2022/06	3 years	2022/06	0	0	0	0	0	0	0	0	Department of Accounting, Soochow University Graduate School of Accounting, Soochow University Department of Business Administration, National Chengchi University Lecturer, Department of Accounting, Soochow University Assistant Professor, Institute of Finance, National Chiao Tung University Lecturer, Professional Training Center, Ministry of Economic Affairs Director/Vice President/President of Mainland China, TEKOM Technology Co.,Ltd. Independent Director, Level Biotechnology Inc.	Special Assistant to the Chairman of the Board of Directors of Clinico Inc. Member of the Board of Directors of Chanitex Education Foundation Director of CC&C Technologies, Inc. Independent Director of Sanlien Technology Co., Ltd. Member of Remuneration Committee of Sanlien Technology Corp. Member of Audit Committee of Sanlien Technology Corp. Independent Director, Level Biotechnology Inc. Member of Remuneration Committee of LEVEL BIOTECHNOLOGY INC. Member of Audit Committee of LEVEL BIOTECHNOLOGY INC. Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.	None	None	None	None

Independent Director	TW	Wei-Chang Li (Note 3)	Male 51-60	2023/06	2 years	2023/06	0	0	0	0	0	0	0	0	Master of Geology, National Taiwan University Assistant Manager of Gloridia Corporation General Manager of Diamond Business Unit of KINIK Company	General Manager of Diamond Business Unit of KINIK Company Director of KINIK Company Member of the Audit Committee of GMI Technology Inc. Member of the Remuneration Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.	None	None	None	None

Note 1: If the chairman of the board of directors and the president or equivalent (top-ranking manager) are the same person, spouses or relatives of one another, the Company shall provide information on the reasons, reasonableness, necessity, and measures (such as increasing the number of independent directors and having a majority of directors who are not also employees or managers):

The Chairman of the Board of Directors also serves as the Chief Executive Officer in order to enhance operational efficiency and decision making. However, in order to strengthen the independence of the Board of Directors, the Company has been actively training suitable candidates internally. In addition, the Chairman of the Board of Directors has been closely communicating with the Directors on a regular basis.

The Company also plans to increase the number of independent directors in the future to enhance the functions of the Board of Directors and strengthen the supervisory function.

Currently, the Company has undertaken the following specific measures:

1. Each year, we arrange for each director to attend professional director courses offered by outside organizations such as the Securities and Futures Commission to enhance the effectiveness of the Board of Directors' operations.
2. Independent directors are allowed to fully discuss and make recommendations to the Board of Directors in each functional committee to implement corporate governance.

Note 2: Newly appointed as a director of the Company in June 2023.
Note 3: Newly appointed as an independent director of the Company in June 2023.
Note 4: Resigned as an independent director of the Company on April 12, 2024.

2. Major shareholders of corporate shareholders:

As of April 28, 2024

Name of corporate shareholders (Note 1)	Major shareholders of corporate shareholders (Note 2)
De-Jet Investment Co., Ltd.	Hi-Jet Incorporation (88.14%), Ming-Han Yeh (5.93%), and Po-Chun Yeh (5.93%)

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be filled in.

Note 2: The names of the major shareholders (the top ten shareholders in terms of shareholding ratio) and their shareholding ratios should be filled in. If the major shareholder is a corporation, the following table 2 should be completed.

3. The major shareholders of corporate shareholders are as follows:

As of April 28, 2024

Name of legal entity (Note 1)	Major shareholders (Note 2)
Hi-Jet Incorporation	Dejia Investments Co., Ltd. (73.09%), Ming-Han Yeh (12.45%), Po-Chun Yeh (14.44%), Chia-Wen Yeh (0.02%)

Note 1: If the major shareholder in Table 1 above is a juridical person, the name of the juridical person should be filled in.

Note 2: The names of the major shareholders (the top ten shareholders in terms of shareholding ratio) and their shareholding ratios should be filled in.

4. Disclosure of information on directors' professional qualifications and independence of independent directors

Conditions / Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Concurrently serves as an independent director in how many other publicly listed companies:
Corporate Representative of Dejie Investment Co., Ltd.: Chia-Wen Yeh	Graduated from Tulane University with a Master's degree in Business Administration, he is currently the Chairman and CEO of the Company and the Chairman of various companies including Unitech Electronics Co.,Ltd. Chia-Wen possesses at least five years of working experience in business, finance and the Company's scope of business, with expertise in professional leadership, marketing, operations management and strategic planning. None of the circumstances as described in Article 30 of the Company Act has occurred.	Not applicable	None
Corporate Representative of Dejie Investment Co., Ltd.: Yen-Hui Liu	Graduated from the Institute of Communications Engineering, National Chiao Tung University with a master's degree, and is currently the General Manager of the Company and General Manager of Rehear Audiology Co., Ltd. Has more than five years of work experience in business and company operations, with capabilities in management, leadership, decision-making, and industry knowledge. None of the circumstances as described in Article 30 of the Company Act has occurred.		None
Corporate Representative of Dejie Investment Co., Ltd.: Po-Chun Yeh	Graduated from Columbia University with a master's degree in civil engineering management. Currently serving as the Chief of Staff and Head of the Remuneration Department within the Company, as well as a director at Unitech Computer Co., Ltd., and Unitech Electronics Co., Ltd. None of the circumstances as described in Article 30 of the Company Act has occurred.		None
Corporate Representative of Dejie Investment Co., Ltd.: Kuo-Chang Wang	Graduated from Tamkang University with a master's degree in management science. Currently serving as a director of Unitech Electronics Co., Ltd. Has more than five years of experience in business, finance, and corporate operations, possesses abilities in corporate management, financial planning, and investment analysis. None of the circumstances as described in Article 30 of the Company Act has occurred.		None

<table>
<tr><td>Corporate Representative of Dejie Investment Co., Ltd.: Che-Sheng Shen</td><td>Graduated from the Institute of Communications Engineering of National Chiao Tung University with a master's degree. Currently serving as a Vice President at De-Jet Investment Co., Ltd., with more than five years of experience in business and corporate operations, possesses abilities in management, leadership decision-making, and industry knowledge.
None of the circumstances as described in Article 30 of the Company Act has occurred.</td><td></td><td></td></tr>
<tr><td>Jan, Sen</td><td>Jan graduated from National Chengchi University with a Master's degree in Business Administration, and is the convener of the Audit Committee and a member of the Remuneration Committee of the Company. Jan is Chairman of Ikano International Co.,Ltd. and has more than five years of experience in business, finance and related work experience required by the Company, with the ability to perform business management, decision-making and market strategies.
None of the circumstances as described in Article 30 of the Company Act has occurred.</td><td rowspan="2">Complies with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The key points are summarized as follows:
1. Does the person, their spouse, or a relative within 2nd degree of kinship serve as a director, supervisor, or employee of the Company or its affiliated companies: No
2. Number and percentage of shares held by themselves, spouses, relatives within the second degree of kinship (or in the name of others): Within the prescribed range. Please refer to the "Director Information Table" of the annual report (page 12 to 13)
3. Serving as a director, supervisor, or employee of a company specifically related to the Company: No
4. Amount of remuneration for providing the Company or its affiliates with business, legal, finance, and accounting services in the last two years: 0</td><td>None</td></tr>
<tr><td>Lin, Ming-Chieh (Note 3)</td><td>Graduated with a Ph.D. from the Institute of Business Administration of National Chengchi University, currently serving as the convener of the Remuneration Committee, a member of the Audit Committee, and a member of the Sustainable Development Committee within the Company. Also serving as an independent director, a member of the Remuneration Committee, a member of the Audit Committee, and a member of the Sustainable Development Committee of C Sun Industrial Co., Ltd., and Chicony Electronics Co., Ltd. Possessing qualifications as a professor in relevant fields from public and private universities and colleges for more than five years, along with over fives years of experience in business, finance, and corporate affairs. Equipped with expertise in corporate management, financial planning, and accounting, as well.
None of the circumstances as described in Article 30 of the Company Act has occurred.</td><td>3</td></tr>
</table>

Ko, Yen Hui	Ko graduated from the EMBA Program of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, and is Special Assistant to the Chairman of Clinico Inc., Director of Chanitex Education Foundation, independent director of Sanlien Technology Corp., independent director, Level Biotechnology Inc., and director ofCC&C Technologies, Inc. Ko has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.		2
Wei-Chang Li	Graduated with a Master of Geology from National Taiwan University, currently serving as a member of the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee within the Company. Also serving as the General Manager of Diamond Business Unit of KINIK Company, possessing more than five years of expertise in corporate management, financial planning, and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.		None

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors shall be described, and if they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they have not been subject to the provisions of Article 30 of the Company Act.

Note 2: The independent director shall state the circumstances of independence, including but not limited to whether he or she, his or her spouse or second degree relatives are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by him or her, his or her spouse or second degree relatives (or using the names of others); and whether he or she is a director of a company with which the Company has an specific relationship (refer to Article 3, Paragraph 1 Sections 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Please also provide information on the amount of remuneration received for business, legal, financial and accounting services provided by the Company or its affiliates in the last two years.

Note 3: Resigned as an independent director of the Company on April 12, 2024.

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

In accordance with Article 20 of the Company's "Code of Corporate Governance Practices", the composition of the Board of Directors should consider diversity and formulate appropriate diversity policies with respect to its operation, business model and development needs, including but not limited to the following two major criteria:

1. Basic requirements and values: gender, age, nationality, etc.
2. Professional knowledge and skills

Board members should generally possess the necessary knowledge, skills and education to perform their duties. In order to achieve ideal goals of corporate governance, the Board of Directors as a whole should possess the following capabilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. International market perspective.
7. Leadership skills.
8. Ability to make decisions.

Current state of diversity policies:

I. Basic Conditions and Values

Name	Title	Gender	Age Distribution					Term of office of independent directors		
			31 to 40	41 to 50	51 to 60	61 to 70	71 to 80	Less than 3 years	3 to 9 years	9 years or more
Corporate Representative of Dejie Investment Co., Ltd.: Yeh, Chia-Wen	Chairman of the Board	Male				✓				
Corporate Representative of Dejie Investment Co., Ltd.: Ivan Liu	Director	Male				✓				
Corporate Representative of Dejie Investment Co., Ltd.: Yeh, Po-Chun	Director	Female	✓							
Corporate Representative of Dejie Investment Co., Ltd.: Wang, Kuo-Chang	Director	Male			✓					
Corporate Representative of Dejie Investment Co., Ltd.: Che-Sheng Shen	Director	Male			✓					
Jan, Sen	Independent Director	Male			✓					✓
Lin, Ming-Chieh (Note 1)	Independent Director	Male					✓		✓	
Ko, Yen Hui	Independent Director	Male				✓		✓		
Wei-Chang Li	Independent Director	Male			✓			✓		

Note 1: Resigned as an independent director of the Company on April 12, 2024.

II. Professional Background, Expertise and Skills

Name	Title	Professional Background			Professional Knowledge and Skills							
		Accounting	Industry	Finance	Business judgment	Accounting and finance	Management Administration	Crisis Management.	Knowledge of Industry	International market perspective	Leadership skills	Decision-making ability
Corporate Representative of Dejie Investment Co., Ltd.: Chia-Wen Yeh	Chairman of the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Representative of Dejie Investment Co., Ltd.: Yen-Hui Liu	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Corporate Representative of Dejie Investment Co., Ltd.: Po-Chun Yeh	Director		✓		✓		✓	✓	✓	✓	✓	✓
Corporate Representative of Dejie Investment Co., Ltd.: Kuo-Chang Wang	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Corporate Representative of Dejie Investment Co., Ltd.: Che-Sheng Shen	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Jan, Sen	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Lin, Ming-Chieh (Note 1)	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ko, Yen Hui	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Wei-Chang Li	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓

Note 1: Resigned as an independent director of the Company on April 12, 2024.

(2) Independence of the Board of Directors

The Company's current Board of Directors consists of nine directors, including four independent directors, one female director and three directors with employee status (accounting for 44%, 11% and 33% of all directors, respectively). Among the members of the Board of Directors, the chairman of the Board, Chia-Wen Yeh, and the director, Po-Chun Yeh, are father and daughter. The other seven directors are not related to each other as spouses or relatives within the second degree of kinship, and therefore comply with the requirements of paragraph 3 of Article 26-3 of the Securities and Exchange Act.

6. Information on the Company's Directors, Supervisors, President, Vice President(s), Assistant Vice Presidents, and the Supervisors of All the Company's Divisions and Branch Units

April 28, 2024

Title	Nationality	Name	Gender and	Date of election (term)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	TW	Ivan Liu	Male	2017/07	202,077	0.12%	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Executive Vice President, GMI Technology Inc.	General Manager of Rehear Audiology Co., Ltd.	Assistant Vice President	Liu, Po-Heng	Siblings	None
Finance Division Vice President	TW	Jason Lin	Male	2008/02	1,000	0	0	0	0	0	EMBA, National Chengchi University Finance Manager, Lite-on Semiconductor Corporation	Director, GW Electronics Company Limited Independent Director, Unitech Computer Co.,Ltd. Member of the Remuneration Committee of Unitech Computer Co.,Ltd. Member of the Audit Committee of Unitech Computer Co.,Ltd.	None	None	None	None
Senior Assistant Vice President	TW	Li, Yun-Hsiang (Note 1)	Male	2003/04	830	0	21,298	0.01%	0	0	Taoyuan Agricultural & Industrial Senior High School Mainland China Sales Manager, Segos Electronics(Hong Kong)Limited	None	None	None	None	None
Senior Assistant Vice President	TW	Ko, Deng-Chia	Male	2008/04	0	0	0	0	0	0	Lunghwa Junior College of Technology Sales Manager, Li Wei Enterprise Co.,Ltd.	None	None	None	None	None
Senior Assistant Vice President	TW	Lin, Mei-Hui	Female	2015/01	23,400	0.01%	981	0	0	0	Department of Economics, Feng Chia University Administrative Manager, Synnex Technology International	None	None	None	None	None
Senior Assistant Vice President	TW	Chen, Ching-Hsien	Male	2016/07	13	0	0	0	0	0	EMBA, National Chengchi University Senior Manager, Finance Department, JOinsoon Electronics Mfg. Co.,Ltd.	None	None	None	None	None

Title	Nationality	Name	Gender and	Date of election (term)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Senior Assistant Vice President	TW	Yu, Ming-Che	Male	2021/02	0	0	0	0	0	0	Lien Ho College of Technology and Commerce	None	None	None	None	None
Assistant Vice President	TW	Cho, Wan-Yu	Female	2019/03	0	0	0	0	0	0	Department of Journalism, Shih Hsin University Sales Director, Evershine Technology Corporation	None	None	None	None	None
Assistant Vice President	TW	Liu, Po-Heng	Male	2019/06	0	0	0	0	0	0	Department of Business Administration, Tamkang University CIO, Huaxin Technology (Jiangxi) Co.,Ltd. Director, Materials, Rayson Technology (Shenzhen) Co.,Ltd. Vice President, GMI (Hong Kong) Co.,Ltd.,GW Electronics (Shenzhen) Limited, GW Electronics (Shanghai) Limited Senior Manager, Kingpak Technology Manager, Zero One Technology Assistant Manager, Kingmax Technology Consultant, Data Systems Consulting Co., Ltd.	None	President	Ivan Liu	Siblings	None
Assistant Vice President	TW	Lai, Chih-Hsuan (Note 2)	Male	2021/02	0	0	0	0	0	0	Tungnan Institute of Technology BD Section Head, Myson Century Inc.	Shandong Wanshunhe Energy Co.,Ltd.	None	None	None	None
Assistant Vice President	TW	Lin, Hui-Chong	Male	2021/03	1,000	0	0	0	0	0	Department of Economics, Feng Chia University CFO of Wolves Valley Entertainment Co.,Ltd.	None	None	None	None	None
Assistant Vice President	TW	Chien-Hung Lee (Note 3)	Male	2023/03	0	0	0	0	0	0	Department of Electrical Engineering, National Taipei University of Technology Field Applications Engineer, Chingis Technology Corporation Engineering Manager, Future Electronics Inc. Field Applications Engineer, ASEC International Corporation	None	None	None	None	None

Title	Nationality	Name	Gender and	Date of election (term)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Assistant Vice President	TW	Bo-Jen Liao (Note 4)	Male	2023/03	369	0	0	0	0	0	Lunghwa Junior College of Technology	None	None	None	None	None
Assistant Vice President	TW	Sheng-Hung Wu (Note 5)	Male	2023/08	0	0	0	0	0	0	Tamkang University	None	None	None	None	None
Assistant Vice President	TW	Yu-Lun Lin (Note 5)	Male	2023/08	0	0	0	0	0	0	Department of Electronics, Kuang Wu Industry Junior College	None	None	None	None	None
Assistant Vice President	TW	Chung-Chiu Hsieh (Note 6)	Male	2024/05	0	0	0	0	0	0	Executive Master of Accountancy, National Taipei University Assistant Manager of China Motor Corporation	None	None	None	None	None

Note 1: Resigned on March 31, 2024.
Note 2: Resigned on February 28, 2023.
Note 3: Resigned on September 30, 2023.
Note 4: Newly appointed in March 2023.
Note 5: Newly appointed in August 2023.
Note 6: Newly appointed in May 2024.

3. Remuneration of Directors, General Manager, and Deputy General Manager

(1) Directors' remuneration (including independent directors) (disclosure of individual names and remuneration methods)

As of December 31, 2023
Unit: NT$ ‘000

Title		Name	Remuneration to Directors								A, B, C and D, as well as the total amount and the proportion to the net profit after tax		Related remuneration for part-time employees								A, B, C, D, E, F and G, as well as the total amount and the proportion to the net profit after tax		Remuneration received from a reinvested business other than the Company’s subsidiary or from the parent company
			Remuneration		Retirement Pension (B)		Directors’ remuneration (C)		Operating expenses (D)				Salaries, bonuses and special allowances (E)		Retirement Pension (F)		Employee’s compensation (G)						
			The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
																	Cash amount	Stock amount	Cash amount	Stock amount			
Director	Corporate Director	Dejie Investment Co., Ltd.	-	-	-	-	5,330	5,330	-	-	5,330/1.65	5,330/ 1.70	-	-	-	-	-	-	-	-	5,330/ 1.65	5,330/ 1.70	None
	Chairman of the Board	Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	-	-	-	-	-	-	20	20	20/ 0.01	20/ 0.01	10,227	10,227	-	-	-	-	-	-	10,247/ 3.18	10,247/ 3.28	None
	Director	Dejie Investment Co., Ltd. Representative: Ivan Liu	-	-	-	-	-	-	20	20	20/ 0.01	20/ 0.01	7,681	7,681	108	108	450	-	450	-	8,259/ 2.56	8,259/ 2.64	None
	Director	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	-	-	-	-	-	-	11	11	11/-	11/-	1,032	1,032	88	88	-	-	-	-	1,131/ 0.35	1,131/ 0.36	None
	Director	Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang	-	-	-	-	-	-	20	20	20/ 0.01	20/ 0.01	-	-	-	-	-	-	-	-	20/ 0.01	20/ 0.01	None
	Director	Dejie Investment Co., Ltd. Representative: Che-Sheng Shen (Note 1)	-	-	-	-	-	-	10	10	10/-	10/-	-	-	-	-	-	-	-	-	10/-	10/-	None

Independent Director	Independent Director	Jan, Sen	-	-	-	-	820	820	32	32	852/ 0.26	852/ 0.26	-	-	-	-	-	-	-	-	852/ 0.26	852/ 0.27	None
	Independent Director	Lin, Ming-Chieh (Note 2)	-	-	-	-	820	820	32	32	852/ 0.26	852/ 0.26	-	-	-	-	-	-	-	-	852/ 0.26	852/ 0.27	None
	Independent Director	Ko, Yen Hui	-	-	-	-	820	820	35	35	855/ 0.27	855/ 0.27	-	-	-	-	-	-	-	-	855/ 0.27	855/ 0.27	None
	Independent Director	Wei-Chang Li (Note 1)	-	-	-	-	410	410	10	10	420/ 0.13	420/ 0.13	-	-	-	-	-	-	-	-	420/ 0.13	420/ 0.13	None

1. Please describe the policy, system, criteria and structure for the remuneration of independent directors, and the relevance to the amount of compensation paid based on the responsibilities, risks and time commitment:

2. Except as disclosed in the above table, the remuneration received by the directors of the Company for services rendered in the most recent fiscal year (such as acting as consultants to non-employees of the parent company/all companies in the financial statements/invested business, etc.):

Note 1: Newly elected on June 19, 2023.
Note 2: Resigned as an independent director of the Company on April 12, 2024.

(2) Remuneration of the President and Vice President

December 31, 2023

Unit: NT$ ‘000

Title	Name	Salary (A)		Retirement Pension (B)		Bonuses and special allowances (C)		Employee compensationamount(D)				A, B, C and D and their proportion to net income after tax (%)		Remuneration received from a reinvested business other than the Company’s subsidiary or from the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Yeh, Chia-Wen	5,925	5,925	0	0	4,302	4,302	0	0	0	0	10,227/ 3.17	10,227/ 3.27	None
President	Ivan Liu	3,808	3,808	108	108	3,873	3,873	450	0	450	0	8,239/ 2.56	8,239/ 2.63	None
Vice President	Jason Lin	2,443	2,443	90	90	638	638	0	0	0	0	3,171/ 0.98	3,171/ 1.01	None

(3) Remuneration of the top five highest-paid executives of listed companies

December 31, 2023

Unit: NT$ '000

Title	Name	Salary (A)		Retirement Pension (B)		Bonuses and special allowances (C)		Employee compensation amount(D)				A, B, C and D and their proportion to net income after tax (%)		Remuneration received from a reinvested business other than the Company's subsidiary or from the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Yeh, Chia-Wen	5,925	5,925	0	0	4,302	4,302	0	0	0	0	10,227/ 3.17	10,227/ 3.27	None
President	Ivan Liu	3,808	3,808	108	108	3,873	3,873	450	0	450	0	8,239/ 2.56	8,239/ 2.63	None
Vice President	Jason Lin	2,443	2,443	90	90	638	638	0	0	0	0	3,171/ 0.98	3,171/ 1.01	None
Senior Assistant Vice President	Li, Yun-Hsiang	1,885	1,885	108	108	579	579	0	0	0	0	2,572/ 0.80	2,572/ 0.82	None
Senior Assistant Vice President	Ko, Deng-Chia	1,739	1,739	106	106	571	571	0	0	0	0	2,416/ 0.75	2,416/ 0.77	None

(4) Name of the manager who distributes employee remuneration and the situation of the distribution:

December 31, 2023

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Stock amount</th><th>Cash amount</th><th>Total</th><th>Total to net income after tax (%)</th></tr>
<tr><td rowspan="14">Managerial Officers</td><td>President</td><td>Ivan Liu</td><td rowspan="14"></td><td rowspan="14">450</td><td rowspan="14">450</td><td rowspan="14">0.14%</td></tr>
<tr><td>Vice President</td><td>Jason Lin</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Li, Yun-Hsiang (Note 1)</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Lin, Mei-Hui</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Ko, Deng-Chia</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Chen, Ching-Hsien</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Yu, Ming-Che</td></tr>
<tr><td>Assistant Vice President</td><td>Cho, Wan-Yu</td></tr>
<tr><td>Assistant Vice President</td><td>Liu, Po-Heng</td></tr>
<tr><td>Assistant Vice President</td><td>Chih-Hsuan Lai (Note 2)</td></tr>
<tr><td>Assistant Vice President</td><td>Lin, Hui-Chong</td></tr>
<tr><td>Assistant Vice President</td><td>Bo-Jen Liao (Note 3)</td></tr>
<tr><td>Assistant Vice President</td><td>Sheng-Hung Wu (Note 4)</td></tr>
<tr><td>Assistant Vice President</td><td>Yu-Lun Lin (Note 4)</td></tr>
</table>

Note 1: Resigned on March 31, 2024.
Note 2: Resigned on February 28, 2023.
Note 3: Appointed on March 1, 2023.
Note 4: Appointed on August 1, 2023

(5) Analysis of the total remuneration paid to Directors, General Manager, and Deputy General Manager of the Company and all consolidated subsidiaries in the past two years as a percentage to the parent company only or individual financial report’s net income after tax. This analysis should include an explanation of the remuneration policy, standards, and composition, the procedure for setting remuneration, and the correlation with operational performance and future risks.

Title	2022 Total compensation paid to the Company's directors, general manager and vice president as a percentage of net income after tax for the Company and all companies in the consolidated financial statements.	2023 Total compensation paid to the Company's directors, general manager and vice president as a percentage of net income after tax for the Company and all companies in the consolidated financial statements.
Director	8.06%	9.60%
President and Vice President(s)		

The remuneration policy for directors is set forth in the Company's Articles of Incorporation and approved by the shareholders' meeting, while the remuneration for the General Manager and Deputy General Manager is based on performance and the Company's salary system.

4. State of the Company's implementation of corporate governance:

(1) State of operations of the Board of Directors

The 11th Term Board of Directors of the Company was re-elected at the shareholders' meeting on June 23, 2022. The Board of Directors is responsible for setting and monitoring the Company's long-, medium- and short-term operational goals and improving operational performance, providing strategic guidance to the management team and supervising the Company's compliance with various laws and regulations to ensure the rights and interests of shareholders and stakeholders.

The Board of Directors met 4 times in 2023 (A) and the attendance of directors were as follows:

Title	Name	Actual number of attendance (B)	Number of Attendance by proxy	Actual attendance rate (%) [B/A]	Remark
Chairman of the Board	Dejie Investment Co., Ltd. Representative: Chia-Wen Yeh	4	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Ivan Liu	4	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	4	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang	4	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Che-Sheng Shen	2	0	100%	Newly appointed on June 19, 2023. 2 board meetings were held during the new term, among which he attended both times.
Independent Director	Jan, Sen	4	0	100%	
Independent Director	Lin, Ming-Chieh	4	0	100%	
Independent Director	Ko, Yen Hui	4	0	100%	
Independent Director	Wei-Chang Li	2	0	100%	Newly appointed on June 19, 2023. 2 board meetings were held during the new term, among which he attended both times.
Attendance status of independent directors at each board meeting in 2023 ◎: Attended in person; ☆: Attended by proxy; *: Did not attend					

FY2023	March 28	May 9	August 8	Nov 09
Jan, Sen	◎	◎	◎	◎
Lin, Ming-Chieh	◎	◎	◎	◎
Ko, Yen Hui	◎	◎	◎	◎
Wei-Chang Li			◎	◎

Other matters to be recorded:

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

Date of the Meeting	Contents of the motion	Opinions of independent directors and the Company's handling of the opinions of independent directors
11th Term 5th Meeting on March 28, 2023	1. Approved the Company's 2023 Business Plan 2. Approved the Company's closing financial statements for 2022. 3. Approved the investment project of "Rehear Biotechnology and Medical Devices Co.,Ltd." 4. Approved the sale of the "Hearing Compensation App Platform Practice and Sound-electronic Properties Verification Research Project". 5. Approved the proposal for the distribution of FY2022 earnings. 6. Approved the distribution of directors' and employees' remuneration for FY2022. 7. Approved the appointment of Yushan Commercial Bank as the lead bank and managing bank to organize a joint credit facility with a total amount of US$ 40 million. 8. Approved the plan of greenhouse inventory and verification schedule. 9. Approved the payment of year-end bonus to the Company's managerial officers for FY2022. 10. Approved annual salary adjustments for managers for 2023. 11. Approved the disposal of the Company's investments in Shandong Wanshunhe Energy Co., Ltd. through a third party. 12. Approved the proposal "Method for Evaluating the Independence and Suitability of Certified Public Accountants". 13. Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for 2023. 14. Approved the proposal "Internal Control System - Research and Development Cycle". 15. Approved the election of one additional director and one independent director. 16. Approved the additional nomination of candidates for election as directors (including independent directors). 17. Approved the acceptance of proposals from shareholders holding	None

	more than 1% of the Company's shares. 18. Approved the acceptance of nominations for directors candidates from shareholders holding more than 1% of the Company shares. 19. Approved the motion to release directors from non-compete agreements and restrictions. 20. Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for 2022. 21. Approved the proposed date, time, venue, and agenda of the 2023 Annual General Shareholders' Meeting.	
11th Term 6th Meeting on May 9, 2023	1. Approved the consolidated financial statements for Q1 of 2023. 2. Approval of the Procedures for Distribution of Remuneration to directors.	None
11th Term 7th Meeting 2023/8/8	1. Approved the report on the adjustment and reversal of the sales discount policy of LINKCOM MANUFACTURING (Hefei) Co., Ltd., in Q2. 2. Approved the Company's consolidated financial statements for Q2 of 2023. 3. Approved the ex-dividend date and related matters for 2023. 4. Approved the motion to release Managers of the Company from non-compete agreements and restrictions.	None
11th Term The 8th meeting 2023/11/9	1. Approved the consolidated financial statements for Q3 of 2023. 2. Approved the "Audit Plan" for 2024.	None

(2) Other matters resolved by the Board of Directors with the objection or reservation of the independent directors and recorded or stated in writing: None

(3) Whether the Company has established an information security risk management framework, formulated an information security policy and specific management plans, and disclosed them on the Company's website or in the annual report: The information security risk management policy is disclosed on the Company's official website and on Page 129 of the Annual Report.

2. The recusal of a director from a motion with potential conflict of interest shall be described with the name of the director, the content of the motion, the reasons for the recusal, and participation in voting:

(1) The 5th meeting of the 11th Board of Directors on March 28, 2023

Motion 3: The Company's investment proposal in Rehear Audiology Co., Ltd.

Resolution: As Chairman Chia-Wen Yeh also serves as chairman of Rehear Audiology Co., Ltd., therefore recused himself from discussion and voting due to conflict of interest. The remaining attending directors approved the proposal as presented.

(2) The 5th meeting of the 11th Board of Directors on March 28, 2023

Motion 4: The Company is selling the “Hearing Compensation App Platform Practice and Sound-electronic Properties Verification Research Project”.

Resolution: As Chairman Chia-Wen Yeh also serves as chairman of Rehear Audiology Co., Ltd., therefore recused himself from discussion and voting due to conflict of interest. The remaining attending directors approved the proposal as presented.

3. Listed companies should disclose information on the periodicity and duration, scope, manner and content of the evaluation of the self- (or peer) evaluation by the board of directors:

Nature	Cycle of evaluation	Period of evaluation	Scope of evaluation	Evaluation method	Content of evaluation
Board of Directors	Once a year	2023.01.01 - 2023.12.31	Board of Directors and individual directors	Internal self-assessment by the Board and self-assessment by the Board members	The performance of the Company's Board of Directors is evaluated in the following five major aspects: 1. Participation in the operation of the Company 2. Improvement of the quality of board decisions 3. Composition and structure of the board of directors 4. Selection and continuing education of directors 5. Internal Control The self-evaluation of the board members includes the following six major aspects: 1. Mastery of the Company's objectives and tasks 2. Directors' awareness of their responsibilities 3. Participation in Company operations 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal control
Audit Committee	Once a year	2023.01.01 - 2023.12.31	Audit Committee	Internal self-evaluation of Remuneration Committee	The internal self-evaluation of the Audit Committee includes the following five major aspects: 1. Participation in the operation of the Company 2. Awareness of the Audit Committee's responsibilities 3. Improving the quality of the Audit Committee's decision making 4. Composition and selection of audit committee members 5. Internal Control

Remuneration Committee	Once a year	2023.01.01 - 2023.12.31	Remuneration Committee	Internal self-evaluation of Remuneration Committee	The internal self-evaluation of the Remuneration Committee and the performance evaluation of the members include the following five major aspects: 1. Participation in the operation of the Company 2. Awareness of the responsibilities of the functional committee 3. Improving the quality of functional committee decisions 4. Composition and selection of functional committee members 5. Internal Control

IV. Assessment of the current and most recent year's goals for strengthening the Board of Directors' functions (e.g., establishing an Audit Committee, enhancing information transparency, etc.) and the status of their implementation: The Company completed the performance evaluation of the Board of Directors and functional committees (Audit Committee and Remuneration Committee) for 2023 in 2024, and reported the performance evaluation results to the Audit Committee, Remuneration Committee and Board of Directors, respectively, in order to implement corporate governance and strengthen the effectiveness of the Board of Directors' operations.

(2) Operations of the Audit Committee:

1. The Audit Committee of the Company is composed entirely of independent directors. The 2nd term consists of 4 members, with Jan Sen serving as convener and chairman. The Audit Committee aims to further establish a good corporate governance system, improve the audit supervision function and strengthen the management function.
2. The main responsibilities of the Audit Committee are to supervise the following matters mainly for the purpose:

(1) Fair presentation of the Company's financial statements.

(2) The selection (dismissal) and independence and performance of the certified public accountants.

(3) The effective implementation of the Company's internal control system.

(4) The Company's compliance with relevant laws and regulations.

(5) The control of the Company's existing or potential risks.

The Audit Committee met 4 times in 2023 (A), and attendance records are as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Independent Director	Jan, Sen	4	0	100%	
Independent Director	Lin, Ming-Chieh	4	0	100%	
Independent Director	Ko, Yen Hui	4	0	100%	
Independent Director	Wei-Chang Li	2	0	100%	Newly appointed on June 19, 2023. 2 Audit Committee meetings were held during the new term, among which he attended both times.

Other matters to be recorded:
1. If the Audit Committee operates under any of the following circumstances, it shall state the date and period of the Board of Directors' meeting, the content of the motion, the results of the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinions.

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

Date of the Audit Committee	Contents of the Motion and Corresponding Resolution
2nd Term 3rd Meeting 2023/3/28	Motion: ◎ Approved the Company's 2022 annual financial statements. ◎ Approved the investment proposal of "Rehear Audiology Co., Ltd." ◎ Approved the selling of the "Hearing Compensation App Platform Practice and Sound-electronic Properties Verification Research Project". ◎ Approved the proposal for the earnings distribution of 2022. ◎ Approved the appointment of Yushan Commercial Bank as the leading and managing bank to organize a joint credit facility with a total amount of USD 40 million. ◎ Approved the disposal of the Company's investments in Shandong Wanshunhe Energy Co., Ltd. through a third party. ◎ Approved the proposal "Method for Evaluating the Independence and Suitability of Certified Public Accountants". ◎ Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for 2023. ◎ Approved the proposal "Internal Control System - Research and Development Cycle". ◎ Approved the election of one additional director and one independent director. ◎ Approved the motion to release directors from non-compete agreements and restrictions. ◎ Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for 2022.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
2nd Term 4th Meeting 2023/5/9	Motion: ◎ Approved the consolidated financial statements for Q1 of 2023.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
2nd Term 5th Meeting 2023/8/8	Motion: ◎ Approved the report on the adjustment and reversal of the sales discount policy of LINKCOM MANUFACTURING (Hefei) Co., Ltd., in Q2. ◎ Approved the Company's consolidated financial statements for Q2 of 2023.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.

2nd Term 6th Meeting 2023/11/9	Motion: ◎ Approved the consolidated financial statements for Q3 of 2023. ◎ Approved the "Audit Plan" for 2024.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.

(2) Other than the foregoing, resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

II. The recusal of a director from a motion with potential conflict of interest shall be described with the name of the director, the content of the motion, the reasons for the recusal, and participation in voting: None.

III. Communication between the independent directors and the internal auditors and the attesting CPAs (including the material issues, methods and results of communication regarding the Company's financial and business conditions):

(1) Communication with internal auditors:

Date	Communication items	Opinions of Independent Director	Handling of the opinions of independent directors
2023.11.09 Internal audit project report meeting	1. Explanation of deficiencies in audits in the last three years. 2. The key points and results of the audit from January to October 2023. 3. Explanation of Audit Focus Plan for 2024.	1. After discussion and communication, the independent directors have no opinion. 2. After discussion and communication, the independent directors have no opinion. 3. Independent Director Yen-Hui Ko: Judging that the risk factor of the subsidiary is relatively high, he agrees to strengthen the audit on the subsidiary GMI Shanghai Branch and Hong Kong Branch to reduce the occurrence of internal control violation and human negligence.	1. Adjust the audit plan according to the suggestions. 2. Strengthen the audit of overseas subsidiaries.

(2) Communication with the CPA:

Date	Communication items	Communication results	Remark
2023.11.09 Discussion between independent directors and CPAs	1. Independence. 2. Responsibilities of reviewers for reviewing the interim financial report. 3. Types of audit conclusions issued. 4. Scope of review. 5. Review findings. 6. Updates on important accounting standards or interpretations, securities regulations, and tax laws.	No opinions at this meeting.	No ordinary directors and management personnel were present.

(3) Operation of the Company's Sustainable Development Committee:

1. The Company's Sustainable Development Committee is a functional committee under the Board of Directors, and is comprised of three members. On 2022/11/08, the Board of Directors resolved to appoint three independent directors (Yen-Hui Ko, Jan Sen, and Ming-Chieh Lin) to form the first Sustainable Development Committee, with independent director Yen-Hui Ko serving as the convener and chairman.

Title	Name	Expertise
Independent Director (Convener)	Ko, Yen Hui	Corporate governance, financial accounting
Independent Director	Jan, Sen	Industry knowledge, business management
Independent Director	Lin, Ming-Chieh	Business management, financial accounting

2. The Company's Sustainable Development Committee is responsible for the following:

(1) Propose a mission or vision for sustainable development and formulate policies, systems or related management guidelines for sustainable development.

(2) Incorporate sustainable development into the Company's operational activities and development direction, and approve specific promotion plans for sustainable development.

(3) Ensure that information related to sustainable development is disclosed in a timely and accurate manner.

(4) Other matters resolved by the Board of Directors and handled by the Committee.

The term of office for the current term of the Sustainable Development Committee is from November 8, 2022 to June 22, 2025. As of 2023, two meetings have been held. The attendance of members is as follows:

Title	Name	The 2nd meeting of the 1st Term (2023/11/09)	Number of Attendance by proxy	Attendance rate (%)
Independent Director	Ko, Yen Hui	1	0	100%
Independent Director	Jan, Sen	1	0	100%
Independent Director	Lin, Ming-Chieh	1	0	100%

Other matters to be recorded: The Sustainable Development Committee held the second meeting on November 9, 2023. During the meeting, it was reported to the Sustainable Development Committee that the Company plans to compile the first edition of the sustainability report by September 2024 to comply with regulatory requirements.

(4) The state of the Company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
I. Has the Company established and disclosed the Code of Corporate Governance Practices in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Code of Corporate Governance Practices was approved by the Board of Directors on March 26, 2020, and is available on the Market Observation Post System and the Company's website http://www.gmitec.com for download.	There is no material difference.
2. Shareholding structure and shareholders' rights (1) Has the Company established internal procedures to handle shareholders' proposals, questions, disputes and litigation matters, and implemented them in accordance with the procedures?	V V		In addition, the Company has set up a spokesperson, a proxy spokesperson and a stockholder affairs unit to handle shareholders' proposals and share-related matters through its agent. In addition, a stakeholder zone and a shareholder contact window have been set up on the Company's website for shareholders/investors to make suggestions or ask questions. The Company has a shareholder's register provided by the stock affairs agent and has dedicated staff to compile a list of past shareholders, to keep track of major	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
(2) Does the Company have a list of the major shareholders and ultimate controllers of the major shareholders who actually control the company?	V		shareholders and their ultimate controllers, and to monitor changes in shareholdings.	There is no material difference.
(3) Has the Company established and implemented a risk control and firewall mechanism with its affiliates?	V		The Company has established the "Regulations Governing the Supervision of Subsidiaries" and the "Regulations Governing the Intercompany Financial Operations of Affiliated Companies" in its internal control system in accordance with the law, and has clearly delineated the authority and responsibility for the management of each company's personnel and property.	There is no material difference.
(4) Has the Company established internal regulations to prohibit insiders from trading marketable securities using undisclosed information in the market?			The Company has established regulations such as "Regulations on the Prevention of Insider Trading" and "Procedures for Handling Material Internal Information", and the relevant personnel are not allowed to use the non-public information they know to engage in insider trading or disclose it to others in order to prevent others from using the non-public information to engage in insider trading. In addition, on August 9, 2022, the Board of Directors approved an amendment to the "Regulations Governing the Prevention of Insider Trading" to prohibit directors from trading in the Company's shares during the closed book period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.	There is no material difference.

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>3. Composition and Responsibilities of the Board of Directors
(1) Has the Board of Directors formulated diversity policies, specific management objectives and implemented them?</td><td>V</td><td></td><td>The diversity policy and implementation of the Board of Directors are as follows.
1. The Company has formulated a policy on diversity of board structure in the "Code of Corporate Governance Practices", which includes the following two major aspects:
(1) Basic criteria and values: gender, age, nationality and culture, etc.
(2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

2. The Board of Directors as a whole should possess the following competencies.
(1) Operational judgment capability.
(2) Accounting and financial analysis capability.
(3) Management capability.
(4) Crisis management capability.
(5) Knowledge of Industry.
(6) International market perspective.
(7) Leadership capability.
(8) Decision-making capability.

3. The Company’s Board of Directors were fully re-elected at the General Shareholders’ Meeting on June 23, 2022. The Company's current Board of</td><td>There is no material difference.</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
</table>

Directors consists of nine directors, including four independent directors, one female director and three directors with employee status (accounting for 44%, 11% and 33% of all directors, respectively).

The specific management objectives of the Board's composition diversity policy and their achievement are as follows:

Diversity management objectives	Status of
Four Independent Director	Achieved
1 female Director	Achieved
Sufficient and diversified professional knowledge,	Achieved

4. Implementation status of the policy on the diversification of Board of Directors are as follows:

(1) Basic Conditions and Values:

<table>
<tr><th rowspan="2">Name</th><th rowspan="2">Title</th><th rowspan="2">Nationality</th><th rowspan="2">Gender and</th><th rowspan="2">Concurrently an employee of the Company</th><th colspan="5">Age Distribution</th><th colspan="3">Term of office of independent directors</th></tr>
<tr><th>31 to 40</th><th>41 to 50</th><th>51 to 60</th><th>61 to 70</th><th>71 to 80</th><th>Less than 3 years</th><th>3 to 9 years</th><th>9 years or more</th></tr>
</table>

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	

Corporate Representative of Dejie Investment Co., Ltd.: Chia-Wen Yeh	Chairman of the Board	Taiwan (R.O.C.)	Male	✓				✓				
Corporate Representative of Dejie Investment Co., Ltd.: Yen-Hui Liu	Director	Taiwan (R.O.C.)	Male	✓				✓				
Corporate Representative of Dejie Investment Co., Ltd.: Po-Chun Yeh	Director	Taiwan (R.O.C.)	Female	✓	✓							
Corporate Representative of Dejie Investment Co.,	Director	Taiwan (R.O.C.)	Male				✓					

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	

Ltd.: Kuo-Chang Wang												
Corporate Representative of Dejie Investment Co., Ltd.: Che-Sheng Shen	Director	Taiwan (R.O.C.)	Male				✓					
Jan, Sen	Independent Director	Taiwan (R.O.C.)	Male				✓					✓
Lin, Ming-Chieh (Note 1)	Independent Director	Taiwan (R.O.C.)	Male						✓		✓	
Ko, Yen Hui	Independent Director	Taiwan (R.O.C.)	Male					✓		✓		
Wei-Chang Li	Independent Director	Taiwan (R.O.C.)	Male				✓			✓		

Note 1: Resigned as an independent director of the Company on April 12, 2024.

(2) Professional Background, Expertise and Skills

Name	Title	Professional Background	Professional Knowledge and Skills

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	

		Accounting	Industry	Finance	Business judgment	Accounting and finance	Management Administration	Crisis Management.	Knowledge of Industry	International market perspective	Leadership skills	Decision-making ability
Corporate Representative of Dejie Investment Co., Ltd.: Chia-Wen Yeh	Chairman of the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Representative of Dejie Investment Co., Ltd.: Yen-Hui Liu	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Corporate Representative of Dejie Investment Co., Ltd.: Po-Chun Yeh	Director		✓		✓		✓	✓	✓	✓	✓	✓
Corporate Representative of Dejie Investment Co., Ltd.: Kuo-Chang Wang	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Corporate Representative of Dejie Investment Co., Ltd.: Che-Sheng Shen	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Jan, Sen</td><td>Independent Director</td><td></td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Lin, Ming-Chieh (Note 1)</td><td>Independent Director</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Ko, Yen Hui</td><td>Independent Director</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Wei-Chang Li</td><td>Independent Director</td><td></td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
</table>
Note 1: Resigned as an independent director of the Company on April 12, 2024.</td><td></td></tr>
<tr><td>(2) Has the Company voluntarily established various functional committees other than the Compensation and Audit Committee in accordance with the law?</td><td>V</td><td></td><td>The Company has established a Sustainable Development Committee subordinate to the Remuneration Committee in accordance with the law. This decision was made by the Board of Directors on November 8, 2022. The Sustainable Development Committee is composed of three independent directors, with Yen-Hui Ko serving as the convener and chairman.</td><td>There is no material difference.</td></tr>
<tr><td>(3) Has the Company established a method for evaluating the performance of the Board of Directors and the method of</td><td>V</td><td></td><td>The Company has established the “Performance Evaluation Method for the Board of Directors and Functional Committees”, which may encompass the overall performance evaluation of the Board of Directors, individual directors, and functional committees. The Company has duly completed the performance</td><td>There is no material difference.</td></tr>
</table>

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
evaluation, and conducts performance evaluation annually and regularly, and reports the results of performance evaluation to the Board of Directors and uses them as a reference for individual directors' salary compensation and nomination for reappointment? (4) Does the Company regularly evaluate the independence of the attesting CPAs?	V		evaluation of the Board of Directors, the Audit Committee and the Remuneration Committee for the period from January 1 to December 31, 2023, and will use the results as a reference for the future selection or nomination of directors and the remuneration of individual directors. The Board of Directors amended the Method in November 2022. According to the Method, the Board of Directors appoints external professional independent institutions or external expertise to evaluate the performance of the Board of Directors at least once every three years, in order to exert the self-motivation of the Board of Directors and improve the functioning of the Board of Directors. . In 2022, the Company commissioned the Taiwan Corporate Governance Association to conduct an evaluation of the performance of the Board of Directors from November 1, 2021 to October 31, 2022. The said association and its executive experts had no business dealings with the Company. The results of the evaluation were issued on December 28, 2022, and the Company reported the results to the Board of Directors on May 9, 2023 and sought improvements. The Company's Audit Committee periodically evaluates the independence and suitability of the attesting CPAs to which they belong. In addition to requesting the CPAs to provide a "Statement of Independence" and "Audit Quality Indicators (AQIs)", the Company's Audit Committee also evaluates them based on the standards of auditor independence and 13 AQIs. After confirming that the CPAs	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
			have no financial interest or business relationship with the Company other than the fees for financial and tax audit cases, and that the CPAs' family members do not violate the independence requirements, and referring to the AQI indicators, we confirmed that the accountants and the firm are better than the industry average in terms of professional support and engagement quality control review (EQCR), and we have also adopted a digital audit platform and developed audit analysis tools and software to improve audit quality. The results of the latest annual evaluation have been discussed and approved by the Audit Committee on March 12, 2024, and were presented to the Board of Directors on the same day for approval of the evaluation of the independence and appropriateness of the CPAs.	

Item	Evaluation indicators	Yes	No
1.	As of the latest audit, no CPAs have been changed in 7 years.	V	
2	No significant property interests with the principal.	V	
3	Avoid any inappropriate relationship with the commissioning party.	V	
4	CPAs should ensure the integrity, impartiality and independence of their associates.	V	
5	No audit can be conduced on organizations where the CPA had previously been employed within the past two years.	V	
6	The name of the attesting CPA shall not be used by others.	V	
7	The attesting CPA does not own shares of the Company or its affiliated companies.	V	
8	The attesting CPA does not have any monetary borrowing with the Company's affiliates.	V	
9	The attesting CPA has no joint investment or benefit-sharing relationship with	V	

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>4. Does the Company have a suitable and appropriate number of qualified corporate governance personnel and designate a corporate governance manager to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting Board of Director meetings and shareholders' meetings in accordance with the law, and preparing minutes of Board of Director meetings and shareholders'</td><td>V</td><td></td><td>
<table>
<tr><td></td><td>the Company or its affiliates.</td><td></td><td></td></tr>
<tr><td>10</td><td>The attesting CPA is not engaged in regular work and does not receive a fixed salary from the Company or its affiliates.</td><td>V</td><td></td></tr>
<tr><td>11</td><td>The attesting CPA is not involved in the management function or decision-making function of the Company or its affiliates.</td><td>V</td><td></td></tr>
<tr><td>12</td><td>The attesting CPA does not engage in any other business that may compromise his or her independence.</td><td>V</td><td></td></tr>
<tr><td>13</td><td>The attesting CPA is not related to the Company's management by marriage, blood, or within the second degree of kinship.</td><td>V</td><td></td></tr>
<tr><td>14</td><td>The attesting CPA does not receive any commission in connection with the business.</td><td>V</td><td></td></tr>
<tr><td>15</td><td>Up to now, no disciplinary action has been taken or the principle of independence has been compromised.</td><td>V</td><td></td></tr>
</table>
In order to implement corporate governance, safeguard shareholders' rights and interests, and strengthen the functions of the Board of Directors, the Board of Directors resolved on August 9, 2022 to appoint Mr. Jason Lin, Vice President of Finance, as the Chief Corporate Governance Officer. Mr. Jason Lin is also concurrently the spokesperson of the Company and has more than 10 years of experience in the management of finance, stock affairs or business affairs of listed companies.
The terms of reference of the Chief Corporate Governance Officer are as follows:
1. Conduct meetings of the board of directors and shareholders' meetings in accordance with the law.
2. Prepare minutes of board meetings and shareholders' meetings.
</td><td>There is no material difference.</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>meetings, etc.)?</td><td></td><td></td><td>3. Assist directors and independent directors in their appointment and continuing education.
4. Provide information necessary for directors and the functional committees to carry out their business.
5. Assist directors and functional committees in complying with laws and regulations.</td><td></td></tr>
<tr><td></td><td></td><td></td><td>6. Report to the Board of Directors on whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination, election, and term of office.
7. Handle matters regarding the changes of directors.
8. Other matters in accordance with the Company's articles of incorporation or contracts.

The training situation for corporate governance managers in 2023 are as follows, totaling 15 hours:
<table>
<tr><th>Date of study</th><th>Organizer</th><th>Course Name</th><th>Study hours</th></tr>
<tr><td>2023.10.06</td><td>Taiwan Corporate Governance Association</td><td>The Breakout of Artificial Intelligence: The Technological Development and Application Business</td><td>3 hours</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>2023.10.26
2023.10.27</td><td>Accounting Research and Development Foundation</td><td>Continuing Education Course for Issuer Securities Firm Securities Exchange Accounting Manager.</td><td>12 hours</td></tr></table></td><td></td></tr>
<tr><td>5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and set up a stakeholder area on the Company's website, and appropriately respond to important CSR issues of concern to stakeholders?</td><td>V</td><td></td><td>The Company has set up a stakeholder area on its website and provided contact information to respond appropriately to the issues of concern to stakeholders, and the communication channel is smooth.
In 2023, communication status with stakeholders were as follows:
1.The "News Center" made a total of 32 activities, including monthly operational updates, press conference information, financial report releases, important decisions made at Board of Directors/General Shareholders Meetings, and online news coverage.
2.The "Market Observation Post System" announced significant information such as dividend distributions, press conference announcements, financial report releases, and important decisions made at the Board of Directors/General Shareholders meetings a total of 19 times.</td><td>There is no material difference.</td></tr>
<tr><td>6. Has the Company appointed a professional stock transfer agent ?</td><td>V</td><td></td><td>The Company has appointed the Registrar Agency Department of Capital Securities Corporation to handle stock affairs of shareholders.</td><td>There is no material difference.</td></tr>
</table>

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
7. Information Disclosure				
(1) Has the company set up a website to disclose financial operations and corporate governance information?	V		The Company has set up a website (www.gmitec.com) to disclose financial business and corporate governance information and update it from time to time for investors' reference.	There is no material difference.
(2) Has the Company adopted other means of information disclosure (e.g., setting up an English website, designating a person responsible for the collection and disclosure of corporate information, implementing a spokesperson system, and placing the proceedings of corporate meetings on the Company's website)?	V		The Company has set up a trilingual website in traditional Chinese, simplified Chinese and English, and provides a dedicated email address for related businesses. The Company has also established a "Procedures for Handling Material Internal Information" and has established a good mechanism for handling and disclosing material internal information, and has implemented a spokesperson system. In addition to announcing monthly consolidated revenue, the Company holds regular corporate meetings and discloses them on the Company's website to enhance the transparency of the Company's information.	There is no material difference.
(3) Does the Company announce and report its annual financial statements within two months after the end of the fiscal year. Additionally, it promptly announces and reports		V	The Company announces and reports its annual financial report, first, second and third quarter financial reports, and monthly operations by the prescribed deadline.	The implementation will depend on the actual operation of the

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
quarterly reports for the first 3 quarters along with operational updates for each month within the specified deadlines?				Company.

Evaluation Items	Operation			Differences from the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies*, and the reasons thereof
	Yes	No	Summary Description	
8. Is there any other important	V		1. Employee rights and benefits: The Company safeguards the legal rights and benefits of employees in accordance with the Labor Standards Law.	There is no

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>information that can help understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training, implementation status of risk management policies and risk measurement standards, implementation status of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?</td><td></td><td></td><td>2. Employee care: In addition to the regulations of the law, the Company has established good welfare measures, employee education and training, and a retirement system to establish a good relationship of mutual trust and dependence with employees.
3. Investor relations: The Company regularly announces various financial information.
4. Supplier relationships: The Company maintains good supply and demand relationships with its suppliers.
5. Stakeholders' rights: Stakeholders are encouraged to provide opinions and communicate with the Company in accordance to laws and regulations, and to make reference to the appropriate items in the future development of the Company's work.
6. Directors and Supervisors' Continuing Education Status:
The Company's directors are required by law to pursue continuing education as listed below, and to report the circumstances of their continuing education on the Market Observation Post System.
<table>
<tr><th>Title</th><th>Name</th><th>Date of study</th><th>Organizer</th><th>Course Name</th><th>Study hours</th></tr>
<tr><td>Corporate Director Representative</td><td>Yeh, Chia-Wen</td><td>2023/07/04</td><td>Taiwan Stock Exchange Corporation</td><td>2023 Cathay Sustainable Finance and Climate Change Summit</td><td>6</td></tr>
<tr><td rowspan="2">Corporate Director Representative</td><td rowspan="2">Ivan Liu</td><td>2023/10/27</td><td>Taiwan Corporate Governance Association</td><td>Family Charter and Family Office</td><td>3</td></tr>
<tr><td>2023/10/20</td><td>Taiwan Corporate Governance Association</td><td>The Distance Between Us and Climate Change</td><td>3</td></tr>
<tr><td></td><td></td><td>2023/10/27</td><td>Taiwan Corporate Governance Association</td><td>Building Sustainability and Resilience with Dynamic Thinking</td><td>3</td></tr>
</table></td><td>material difference.</td></tr>
</table>

Evaluation Items	Operation: Yes	Operation: No	Operation: Summary Description						Differences from the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies*, and the reasons thereof
			Corporate Director Representative	Yeh, Po-Chun	2023/10/27	Taiwan Corporate Governance Association	Enterprise Risk Management and Investment Financing Tools	3	
					2023/09/20	Securities and Futures Institute	Analysis of Common Illegal Cases of Securities and Exchange Act	3	
			Corporate Director Representative	Wang, Kuo-Chang	2023/11/15	Taiwan Corporate Governance Association	Information Security Governance in Practice: Analysis of Key Management Topics	3	
					2023/10/06	Taiwan Corporate Governance Association	The Breakout of Artificial Intelligence: The Technological Development and Application Business Opportunities of ChatGPT	3	
			Corporate Director Representative	Che-Sheng Shen	2023/12/22	Taiwan Corporate Governance Association	Interconnected Carbon: Carbon Fees, Carbon Taxes, Carbon Rights and Carbon Trading	3	
					2023/12/05	Taiwan Corporate Governance Association	2024 Global Economic Outlook and Industry Trends	3	
					2023/07/12	Securities and Futures Institute	Practical Sharing of Corporate M&A - Focusing on Hostile M&A	3	
					2023/07/07	Securities and Futures Institute	Emerging Fintech Crimes and Money Laundering Prevention from the Company's Perspective	3	
			Independent Director	Jan, Sen	2023/11/22	Securities and Futures Institute	Sustainable Supply Chain and Circular Economy	3	
					2023/11/02	Securities and Futures Institute	The Technological Development and Application Business Opportunities of ChatGPT	3	
			Independent Director	Lin, Ming-Chieh	2023/11/03	Taiwan Corporate Governance Association	New Version of Corporate Governance Blueprint and ESG (I)	3	
					2023/11/03	Taiwan Corporate Governance Association	New Version of Corporate Governance Blueprint and ESG (II)	3	
					2023/10/06	Taiwan Corporate Governance Association	The Breakout of Artificial Intelligence: The Technological Development and Application Business Opportunities of ChatGPT	3	
			Independent Director	Ko, Yen Hui	2023/10/05	Taiwan Institute of Directors	Core Reengineering	3	
					2023/08/23	Taiwan Institute of Directors	Model Transformation	3	
			Independent Director	Wei-Chang Li	2023/10/25	Securities and Futures Institute	ABCs of Sustainable Corporate Transformation From ESG to SDGs	3	
					2023/09/20	Securities and Futures Institute	Analysis of Common Illegal Cases of Securities and Exchange Act	3	

Evaluation Items	Operation			Differences from the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies*, and the reasons thereof
	Yes	No	Summary Description	
			7. Implementation status of risk management policies and risk measurement standards: In order to properly manage the risks and opportunities related to customer satisfaction and continuous operation of the Company, and to promote sound operations and sustainable development, a risk management policy was established and approved by the Board of Directors on August 9, 2022. This policy identifies various risk factors that the Company may face during operations and defines them for effective management. These risks include "human resource risk", "operational risk", "market risk", "information security risk", "financial risk", "compliance risk", and "climate risk". The dimensions considered in risk assessment include economic (including corporate governance), environmental, social, and others. The Company has established a risk analysis team, responsible for the implementation of matters such as monitoring, measurement and evaluation of the Company's risks, and regularly reports to the Board of Directors every year. On November 9, 2023, the Company reported the status of risk management operations to the Board of Directors. 8. Implementation status of customer policies: The Company has established customer credit limit control rules and maintains good relationships with customers to generate company profits and control risks.	

Evaluation Items	Operation			Differences from the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies*, and the reasons thereof
	Yes	No	Summary Description	
			9. Purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for its directors and key managerial officers and reported the insurance coverage on the Market Observation Post System.	

IX. Please provide information on the results of the corporate governance assessment released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the latest fiscal year, and propose priority areas for strengthening and corresponding measures for those areas where improvements have not yet been made.

Improvements made:

1. All interim financial reports are approved by the Audit Committee and presented to the Board of Directors for discussion and resolution.
2. The Company's Board of Directors regularly evaluates the independence and suitability of CPAs with reference to the Audit Quality Indicators (AQIs), and discloses the evaluation procedures in detail in the annual report.
3. Upload the English version of meeting notices, meeting handbooks and supplementary information, annual reports and financial reports.
4. Material information is uploaded in English.
5. The Company shall disclose the interim financial reports in the English version within two months after the deadline for the Chinese version.

Priorities for enhancement:

1. Risk management is overseen by the Audit Committee or functional committee at the board level.
2. A unit that promotes ethical corporate management.
3. Compilation of the Sustainability Report.

The Company has room for improvement in corporate governance, and will continue to promote corporate governance in the future by focusing on the improvement of the unscored indicators.

(5) If the Company has a remuneration committee or nomination committee in place, the composition and operation status of such committee shall be disclosed:

1. Composition of the Remuneration Committee:

On December 7, 2011, the Board of Directors approved the establishment of the Remuneration Committee. On June 23, 2022, the Company re-elected and appointed Independent Director Ming-Chieh Lin, Independent Director Jan, Sen and Independent Director Yen-Hui Ko as members of the 5th Term Remuneration Committee and elected Ming-Chieh Lin as the convener.

Information on the members of the Remuneration Committee

Conditions / Capacity / Name		Professional Qualifications and Experience	Independence	Concurrently a member of Remuneration Committee of other listed companies, and the number of companies served
Independent Director	Jan, Sen	Jan graduated from National Chengchi University with a Master's degree in Business Administration, and is the convener of the Audit Committee and a member of the Remuneration Committee of the Company. Jan is Chairman of Ikano International Co.,Ltd. and has more than five years of experience in business, finance and related work experience required by the Company, with the ability to perform business management, decision-making and market strategies. None of the circumstances as described in Article 30 of the Company Act has occurred.	(1) Not an employee of the Company or its affiliated companies. (2) Not a director or supervisor of the Company or its affiliates. (3) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (4) Not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3). (5) A director, supervisor or employee of a corporate shareholder who does not directly	0

Independent Director	Lin, Ming-Chieh	Graduated with a Ph.D. from the Institute of Business Administration of National Chengchi University, currently serving as the convener of the Remuneration Committee, a member of the Audit Committee, and a member of the Sustainable Development Committee within the Company. Also serving as an independent director, a member of the Remuneration Committee, a member of the Audit Committee, and a member of the Sustainable Development Committee of C Sun Industrial Co., Ltd., and Chicony Electronics Co., Ltd. Possessing qualifications as a professor in relevant fields from public and private universities and colleges for more than five years, along with over fives years of experience in business, finance, and corporate affairs. Equipped with expertise in corporate management, financial planning, and accounting, as well. None of the circumstances as described in Article 30 of the Company Act has occurred.	hold more than 5% of the total number of the Company's outstanding shares, or who is among the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (6) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (7) Whereby the chairperson, president, 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: not 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	2

Independent Director	Ko, Yen Hui	Ko graduated from the EMBA Program of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, and is Special Assistant to the Chairman of Clinico Inc., Director of Chanitex Education Foundation, independent director of Sanlien Technology Corp., independent director, Level Biotechnology Inc., and director ofCC&C Technologies, Inc. Ko has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.	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. (10) No spouse or relative within two degrees of kinship with other directors. (11) Not elected by or on behalf of the government or a corporate entity as provided in Article 27 of the Company Act.	2

2. Duties of the Remuneration Committee:

The Committee shall faithfully perform the following duties and responsibilities upholding stewardship principles, and submit its recommendations to the Board of Directors for deliberation:

(1) To establish and regularly review the policies, systems, standards and structures for performance evaluation and compensation of directors and managers.

(2) To regularly evaluate and set the remuneration of directors and managers.

The Committee shall perform the foregoing duties and responsibilities in accordance with the following principles.

(1) The performance evaluation and remuneration of directors and managerial officers shall be based on the usual industry standard and shall take into consideration the relationship with personal performance, the Company's operating performance and the remuneration of directors and managers.

(2) Directors and managers shall not be induced to engage in conduct that exceeds the Company's risk tolerance in pursuit of financial compensation.

(3) The percentage of bonuses paid to directors and senior executives for short-term performance and the timing of payment of some variable compensation should be determined by taking into account the characteristics of the industry and the nature of the Company's business.

The remuneration referred to in the preceding two items includes cash compensation, stock options, stock dividends, retirement benefits or severance pay, allowances and other substantial incentives.

3. Information on the operation of the Remuneration Committee:

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

(2) The term of office of the current members: June 23, 2022 to June 22, 2025. As of the most recent year (2023), the Remuneration Committee met three times (A), and the qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Convenor	Lin, Ming-Chieh	3	0	100%	
Committee Member	Jan, Sen	3	0	100%	
Committee Member	Ko, Yen Hui	3	0	100%	

Other matters to be recorded:

I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date and period of the Board of Directors' meeting, the content of the resolution, the result of the Board of Directors' resolution and the Company's handling of the recommendations of the Remuneration Committee (if the compensation approved by the Board of Directors is superior to the recommendations of the Remuneration Committee, it shall state the difference and the reasons for the difference): None.

II. If the members of the Remuneration Committee have dissenting opinions or reservations, and if there are records or written statements, the date and period of the Remuneration Committee, the content of the resolution, the opinions of all members, and the treatment of the opinions of the members should be stated: None.

<table>
<tr><th>Remuneration Committee Date</th><th>Contents of the Motion and Corresponding Resolution</th></tr>
<tr><td rowspan="4">5th Term
2nd Meeting
2023/1/12</td><td>Motion: ◎ Year-end bonus for managers in 2022.
◎ The manager's annual salary adjustment for 2023.</td></tr>
<tr><td>Remuneration Committee's opinion: No objection or reservation.
The Company's handling of the Remuneration Committee's opinion: Not applicable.
Resolution: All members present agreed to approve the resolution as proposed.</td></tr>
<tr><td>Motion: ◎ Report on the results of the self-evaluation questionnaire for the Remuneration Committee in FY2022.</td></tr>
<tr><td>Remuneration Committee's opinion: No objection or reservation.
The Company's handling of the Remuneration Committee's opinion: Not applicable.
Resolution: The average score of the Company's overall Remuneration Committee performance self-evaluation is 98.48% (full score 100%), the positive evaluation result demonstrated that the</td></tr>
</table>

		Company has strengthened the functions and effectiveness of the Remuneration Committee. All members present agreed to approve the resolution as presented.
	5th Term 3rd Meeting 2023/3/20	Motion: ◎ The distribution of directors', supervisors' remuneration and managers' remuneration in 2022.
		Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
	5th Term 4th Meeting 2023/5/5	Motion: ◎ "Procedure for the Distribution of Remuneration to Directors".
		Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
	5th Term 5th Meeting 2024/1/18	Motion: ◎ Year-end bonus for managers in 2023. ◎ The manager's annual salary adjustment for 2024.
		Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
		Motion: ◎ Report on the results of the self-evaluation questionnaire for the Remuneration Committee in 2023.
		Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: The average score of the Company's overall Remuneration Committee performance self-evaluation is 99.39% (full score 100%), the positive evaluation result demonstrated that the Company has strengthened the functions and effectiveness of the Remuneration Committee. All members present agreed to approve the resolution as presented.

(6) 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:

Promotion Items	Status of Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
1. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?	V		1. Governance framework for the promotion of sustainable development: On November 8, 2022, the Company's Board of Directors passed a resolution to establish the "Sustainable Development Committee", and reported to the Board of Directors. 2. The composition and operation of the members of the promotion unit, and the implementation status of the year: (1) The Sustainable Development Committee is composed of three independent directors (Jan Sen, Ming-Chieh Lin, Yen-Hui Ko) for the first term. Independent director Yen-Hui Ko serves as the convener and chairman of the first term of the first term of the said committee. (2) Responsibilities of the Sustainable Development Committee:	There is no material difference.

Promotion Items	Status of Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
			a. Propose a mission or vision for sustainable development and formulate policies, systems or related management guidelines for sustainability. b. Incorporate sustainable development into the Company's operational activities and development direction, and approve specific promotion plans for sustainability. c. Ensure that information related to sustainable development is disclosed in a timely and accurate manner. d. Other matters resolved by the Board of Directors and handled by the Committee. (3) Implementation status of 2023: Reported to the Sustainable Development Committee and the Board of Directors on November 9, 2023.	
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality, and has it formulated relevant risk management policies or strategies?	V		The Company has established a risk management policy, which was approved by the Board of Directors on August 9, 2022. This policy identifies various risk factors that the Company may face during operations and defines them for effective management. These risks include “human resource risk”, “operational risk”, “market risk”, “information	There is no material difference.

Promotion Items	Status of Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
			security risk", "financial risk", "compliance risk", and "climate risk". The dimensions considered in risk assessment include economic (including corporate governance), environmental, social, and others.	
3. Environmental issues (1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		Our office lighting are completely replaced with LED energy-saving lamps in order to contribute to environmental protection.	There is no material difference.
(2) Is the company committed to improving energy use efficiency and using recycled materials with low environmental impact?	V		The Company is committed to promoting the effective use of resources and implementing measures for waste separation, recycling and reduction to realize the environmental awareness of a green earth.	There is no material difference.
(3) Does the Company assess the potential risks and opportunities of climate change on the enterprise now and in the future, and take relevant measures in response?	V		The Company continues to promote paperless forms to reduce paper consumption, controls the temperature of air conditioners to save power during the summer, and actively replaces old and high-energy-consuming equipment to achieve energy saving and carbon reduction goals.	There is no material difference.
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption		V	The Company has not yet compiled statistics on GHG emissions, water consumption and total weight of waste for	The preparation of such reports will

Promotion Items	Status of Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
and total weight of waste in the past two years, and formulated policies on greenhouse gas reduction, water consumption reduction or other waste management?			the past two years. However, the Company shall develop relevant plans to collect, compile and calculate data, examine direct or indirect GHG emissions from its own operations, identify hot spots of emissions through the results of the inventory, further analyze and explore the segments with potential for emissions reduction, and then promote relevant reduction actions accordingly.	depend on the Company's operation and scale.
IV. Social Issues (1) Has the Company established relevant management policies and procedures in accordance with relevant laws and regulations and international human rights treaties?	V		The Company's employment policies are in accordance with relevant labor laws and regulations to protect the legal rights of each employee. In order to effectively implement the employment policy and comply with labor laws and regulations, we have established employee work rules and other related management practices to ensure that the work rights of each employee are protected.	There is no material difference.
(2) Has the Company established and implemented reasonable employee welfare measures (including salary, leave and other benefits) and appropriately reflected operational	V		The Company follows the Labor Standards Act and relevant laws and regulations to set up various salary and benefit measures for its employees, and provides market competitive benefits to motivate employees.	There is no material difference.

Promotion Items	Status of Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
performance or results in employee compensation?				
(3) Does the Company provide a safe and healthy working environment for employees and implement safety and health education for employees on a regular basis?	V		To improve the safety and health of employees in the workplace, the following measures are taken: 1、Conducting regular employee health checks. 2. Implementing a smoke-free working environment so that employees can work comfortably and healthy. Organizing fire drills, earthquake drills, and other emergency exercises from time to time to ensure that employees can respond according to emergency response plans, minimizing the impact on them. 3. Provide employees with clean, safe and secure drinking water, and regularly commission an EPA-approved organization to test the water quality of drinking water for total bacterial colony count and E. coli count in the quantities required by law, and regularly maintain and disinfect the water supply equipment. 4. In case of emergencies caused by natural disasters or human negligence, fire and earthquake drills are held	There is no material difference.

Promotion Items	Status of Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
			from time to time to enable employees to follow emergency response plans and minimize the impact on employees. 5. Employee outdoor activities are held from time to time, and the Welfare Committee budgets employee incentive trips, so that employees can take proper care of their health and develop healthy exercise habits in their free time. 6. No employee accident occurred in 2023. 7. There were no fire incidents and no casualties in 2023. The routine fire prevention drills include conducting fire safety training for employees every six months and annual inspections and maintenance of fire equipment. Additionally, inspections and reporting to the fire department are conducted in collaboration with the designated inspection authority for record-keeping purposes.	
(4) Has the Company established an effective career development training program for employees?	V		In order to enhance the technical and managerial skills required for employees to perform various duties, and to	There is no material difference.

Promotion Items	Status of Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
			stimulate their potential, the Company closely coordinates corporate growth and employee talent development programs to improve work efficiency, and the supervisors of each unit arrange training programs related to the duties of their employees.	
(5) Does the Company follow relevant laws and regulations and international standards, and establish policies and complaint procedures to protect the rights of consumers or customers with regard to issues such as customer health and safety, customer privacy, marketing and labeling of products and services?	V		The Company values the opinions of our customers. In addition to individual visits, the Company also provides a product contact window and email address on the Company's website, as well as a stakeholder area to provide a channel for customer inquiries, complaints and suggestions.	There is no material difference.
(6) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health or labor human rights, and how is it implemented?		V	The Company has not established relevant policies and regulations.	The preparation of such reports will depend on the Company's operation and scale.
V. Has the Company made reference to international standards or guidelines for the preparation of		V	The Company has not yet prepared an ESG Report.	The preparation of such reports will

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Status of Implementation</th><th rowspan="2">Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>sustainability reports, such as ESG reports, to disclose non-financial information about the Company? Has the Company obtained any assurance or guarantee from a third-party verifier for the aforementioned reports?</td><td></td><td></td><td></td><td>depend on the Company's operation and scale.</td></tr>
<tr><td colspan="5">VI. If the Company has its own "Code of Practice for Sustainable Development" in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the differences between actual operation and the Principles: No such matter.</td></tr>
<tr><td colspan="5">Other important information to help understand the implementation of sustainable development.
I. On March 30, 2022, the Company obtained the ISO9001 International Quality Management System certification.
II. Social Charity
1. In order to give back to the society, the Company participated in the "Long-term Campus Mental Health Program" of National Chengchi University in April 2023, and donated NT$1 million to help hire additional full-time psychologists to conduct psychological rehabilitation for traumatized students.
2. In order to give back to the society and take care of the disadvantaged, the Company purchases mooncakes from charitable organizations for the mentally disabled to help the mentally disabled expand and continue their lifelong care and employment support, as well as to promote social stability.</td></tr>
</table>

(7) The state of the Company's performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
I. Establishment of policies and programs for ethical management (1) Has the Company established an ethical management policy approved by the Board of Directors, and has the policy and practices of honest management been clearly stated in the Articles of Incorporation and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the ethical management policy?	V		The Company has established the "Code of Conduct for Ethical Management", which was approved by the Board of Directors and reported in the shareholders' meeting. The Code is also posted on the Company's internal/external website and the Market Observation Post System for members of the Board of Directors and the management to implement and supervise the implementation of the Code based on the concept of integrity in order to create a sustainable business environment.	There is no material difference.
(2) Has the Company established a mechanism to assess the risk of unethical conduct, regularly analyzed and evaluated the business activities within the scope of business that have a higher risk of unethical conduct, and formulated a plan to prevent unethical conduct based on the	V		The Company has established a "Code of Ethics for Employees", which prohibits unethical conduct such as bribery, accepting bribes, offering or accepting improper benefits, engaging in unfair competition, leaking trade secrets, and harming the rights of stakeholders, etc. Preventive measures and education have been taken to implement the principle of ethical management.	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
plan, which at least covers the preventive measures for the conducts mentioned in Article 7(2) of the "*Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies*"?			The Company has established the "Code of Conduct for Employees", which specifies the penalties for non-compliance, and has reinforced the guidance for new employees and implemented them in its operations.	There is no material difference.
(3) Does the Company specify the operating procedures, guidelines for conduct, disciplinary and reporting systems for non-compliance in the unethical conduct prevention plan, and implement them, and regularly review and revise the previously disclosed plan?	V			
II. Implementation of Ethical Management (1) Does the company evaluate the integrity records of its counterparties and specify the integrity terms in the contracts it signs with them?	V		The Company evaluates the integrity records of its business partners before conducting business transactions with them. Business activities are conducted in accordance with the terms of the contract with the counterparty, and the terms of the business contract specify the ethical conduct of the business.	There is no material difference.
(2) Has the Company established a dedicated unit under the Board of Directors to		V		

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policies and plans to prevent unethical conduct and monitor their implementation?			The Company does not have a dedicated unit to promote the ethical corporate management, but each unit is responsible for its own implementation, and the Audit Office, which is directly under the Board of Directors, is responsible for supervising and auditing whether there is any violation of ethical management within the Company.	The preparation of such reports will depend on the Company's operation and scale.
(3) Has the Company established a policy for the prevention of conflict of interest, provided appropriate presentation channels, and implemented them?	V		The Company has established the "Code of Conduct for Ethical Management", which provides policies to prevent conflict of interest and requires each unit to implement them.	There is no material difference.
(4) Has the company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit prepared an audit plan based on the assessment results of the risk of unethical conduct and checked the compliance of the unethical conduct prevention plan, or has the company appointed a CPA to perform the audit?	V		The Company has established an accounting system and internal control system in accordance with relevant laws and regulations. The internal audit unit performs all audits in accordance with the audit plan, and will arrange for additional audits when special circumstances arise. The Company has established a "Code of Conduct for Ethical Management" which is disclosed on the Company's internal and external	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
(5) Does the Company regularly conduct internal and external education and training on integrity management?	V		website, as well as the MOPS, and hold regular education and training activities.	There is no material difference.
III. Operation of the Company's whistleblower system (1) Has the Company established a specific whistleblowing and reward system, established a convenient whistleblowing channel, and assigned appropriate personnel to receive whistleblowing reports?		V	The Company has established the "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company", which defines the reporting process and reporting channels, but has not yet established the related reward system.	The procedures will be determined according to the company's operating conditions and size.
(2) Has the Company established standard operating procedures for the investigation of whistleblowing cases, follow-up tracking measures to be undertaken after the completion of the investigation and the relevant confidentiality mechanism?	V		The Company maintains the confidentiality of all complaints, and the procedures and mechanisms for reporting illegal, unethical and unethical conduct by internal and external personnel are specified in the "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company".	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
(3) Does the Company take measures to protect the whistleblower from improper reprisals?	V		The Company will maintain confidentiality and will not subject the whistleblower to improper or unfair treatment as a result of reporting unethical conduct.	There is no material difference.
IV. Enhancement of information disclosure Does the Company disclose the contents and effectiveness of its Code of Conduct on Ethical Management on its website and MOPS?	V		The Company has disclosed the Code of Conduct for Ethical Management on the Company's official website and the MOPS.	There is no material difference.

V. If the Company has its own code of ethical management in accordance with the "*Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies*", please describe the differences between its operation and the *Principles*.

The Company has established the "Code of Conduct for Ethical Management" to establish and develop a corporate culture of integrity management, and there is no difference between the actual operation and the *Principles*.

VI. Other important information for understanding the Company's ethical management operations: (e.g., the Company reviews and amends its Code of Conduct for Ethical Management)

The Company will keep an eye on the development of domestic and international regulations related to honest management and encourage directors, managers and employees to make suggestions for improvement.

The Company's "Code of Conduct for Ethical Management" has been revised in the 2019 Annual General Meeting of Shareholders in response to the amendment of the law to enhance the effectiveness of the Company's ethical management.

(8) If the Company has established a Code of Corporate Governance and related regulations, it should disclose the method of inquiry:

The Company has established the "Articles of Incorporation," "Rules of Procedure of the Shareholders' Meeting," "Regulations for Board of Directors' Meetings," "Procedures for Election of Directors," "Regulations for Performance Evaluation of the Board of Directors and Functional Committees," "Organizational Rules of the Audit Committee," "Organizational Rules of the Remuneration Committee," "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company," "Procedures for Handling the Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others", "Procedures for Endorsement and Guarantees", "Procedures for Prevention of Insider Trading", "Procedures for Handling Material Internal Information", "Code of Corporate Governance Practices", "Code of Ethical Management", and "Code of Ethics for Employees", "Procedures for Risk Management", "Procedures for Cybersecurity Management", "Practical Principles for Enterprise Sustainability", and "Sustainable Development Committee Charter" which can be found on the Company's website (URL: http://www.gmitec.com) or the Market Observation Post System.http://www.gmitec.com/

(9) Other important information that may be disclosed to enhance understanding of corporate governance operations should also be disclosed: Market Observation Post System http://mops.twse.com.tw.

Continuing education for the Company's directors and supervisors in 2023:

Title	Name	Date of study		Organizer	Course Name	Study hours	Total hours of study for the year
		Start	End				
Corporate Representative Director	Yeh, Chia-Wen	2023/07/04	2023/07/04	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit	6	66
Corporate Representative Director	Yeh, Po-Chun	2023/10/27	2023/10/27	Taiwan Corporate Governance Association	Building Sustainability and Resilience with Dynamic Thinking	3	
		2023/10/27	2023/10/27	Taiwan Corporate Governance Association	Enterprise Risk Management and Investment Financing Tools	3	
		2023/09/20	2023/09/20	Securities and Futures Institute	Analysis of Common Illegal Cases of Securities and Exchange Act	3	
Corporate Representative Director	Ivan Liu	2023/10/27	2023/10/27	Taiwan Corporate Governance Association	Family Charter and Family Office	3	
		2023/10/20	2023/10/20	Taiwan Corporate Governance Association	The Distance Between Us and Climate Change	3	
Corporate Representative Director	Wang, Kuo-Chang	2023/11/15	2023/11/15	Taiwan Corporate Governance Association	Information Security Governance in Practice: Analysis of Key Management Topics	3	
		2023/10/06	2023/10/06	Taiwan Corporate Governance Association	The Breakout of Artificial Intelligence: The Technological Development and Application Business Opportunities of ChatGPT	3	
Corporate Representative Director	Che-Sheng Shen	2023/12/22	2023/12/22	Taiwan Corporate Governance Association	Interconnected Carbon: Carbon Fees, Carbon Taxes, Carbon Rights and Carbon Trading	3	
		2023/12/05	2023/12/05	Taiwan Corporate Governance Association	2024 Global Economic Outlook and Industry Trends	3	
		2023/07/12	2023/07/12	Securities and Futures Institute	Practical Sharing of Corporate M&A - Focusing on Hostile M&A	3	
		2023/07/07	2023/07/07	Securities and Futures Institute	Emerging Fintech Crimes and Money Laundering Prevention from the Company's Perspective	3	
Independent Director	Jan, Sen	2023/11/22	2023/11/22	Securities and Futures Institute	Sustainable Supply Chain and Circular Economy	3	
		2023/11/02	2023/11/02	Securities and Futures Institute	The Technological Development and Application Business Opportunities of ChatGPT	3	
Independent Director	Lin, Ming-Chieh	2023/11/03	2023/11/03	Taiwan Corporate Governance Association	New Version of Corporate Governance Blueprint and ESG (I)	3	
		2023/11/03	2023/11/03	Taiwan Corporate Governance Association	New Version of Corporate Governance Blueprint and ESG (II)	3	
		2023/10/06	2023/10/06	Taiwan Corporate Governance Association	The Breakout of Artificial Intelligence: The Technological Development and Application Business Opportunities of ChatGPT	3	
Independent Director	Ko, Yen Hui	2023/10/05	2023/10/05	Taiwan Institute of Directors	Core Reengineering	3	
		2023/08/23	2023/08/23	Taiwan Institute of Directors	Model Transformation	3	
Independent Director	Wei-Chang Li	2023/10/25	2023/10/25	Securities and Futures Institute	ABCs of Sustainable Corporate Transformation From ESG to SDGs	3	
		2023/09/20	2023/09/20	Securities and Futures Institute	Analysis of Common Illegal Cases of Securities and Exchange Act	3	

(10) Implementation of the Internal Control System

1. Statement of Internal Control System

GMI Technology Inc.
Statement of Internal Control System

Date: March 12, 2024

Based on the results of our self-evaluation, the Company hereby declares that its internal control system for 2023 is as follows:

1. The Company recognizes that the establishment, implementation and maintenance of the internal control system is the responsibility of the Company's Board of Directors and management, and hereby declares that the Company has established such a system. The purpose of the system is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and safety of assets), reliability of reporting, timeliness, transparency and compliance with relevant regulations and compliance with relevant laws and regulations.
2. No matter how well designed, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives; moreover, the effectiveness of the internal control system may change due to changes in circumstances and conditions. However, the Company's internal control system has a self-monitoring mechanism, and once deficiencies are identified, the Company will take corrective action.
3. The Company determines the effectiveness of the design and implementation of the internal control system in accordance with the criteria for determining the effectiveness of the internal control system set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (the "Guidelines"). The judgment items of the internal control system adopted in the Guidelines are divided into five components based on the management control process: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision. Each component includes a number of items. Please refer to the "Guidelines" for the aforementioned items.
4. The Company has adopted the above internal control system judgment items to examine the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the aforementioned evaluation, the Company believes that the design and implementation of the Company's internal control system (including supervision and management of subsidiaries) as of December 31, 2023, including the understanding of the extent to which operational effectiveness and efficiency objectives have been achieved, and the reporting of such internal control system is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective and can reasonably ensure The design and implementation of the internal control system in compliance with the relevant regulations and relevant laws and regulations are effective and can reasonably ensure the achievement of the above objectives.
6. This statement will be the main content of the Company's annual report and public statement, and shall be made public. If any of the aforementioned contents are disclosed in a false or

concealed manner, the Company will be subject to legal liability under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

7. This Statement was approved by the Board of Directors at its meeting held on March 12, 2024, and of the nine directors present, none held an dissenting opinion, with all directors agreeing to the contents of this statement.

GMI Technology Inc.

Chairman: Yeh, Chia-Wen (Signature)

Director: Ivan Liu (Signature)

2. If a CPA is engaged to review internal control, the accountant's review report should be disclosed: Not applicable.

(11) For the most recent fiscal year and as of the date of printing of the annual report, whether the Company and its internal officers have been subject to penalties in accordance with the law, or the Company has imposed penalties on its internal officers for violating the provisions of the internal control system, and the results of such penalties may have a material effect on shareholders' equity or the price of securities, the contents of the penalties, major deficiencies and improvements should be stated: None.

(12) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

<table>
<tr><th>Shareholders' Meeting</th><th>Date</th><th>Material resolutions and status of implementation</th></tr>
<tr><td>Shareholders' Meeting</td><td>June 19, 2023</td><td>1. Recognition of the 2022 financial statements.
Implementation: The motion was approved by vote.
The results of the voting were as follows:
<table>
<tr><th>Number of voting rights present</th><th>For</th><th>Against</th><th>Invalid</th><th>Abstention/No vote</th></tr>
<tr><td>98,221,828</td><td>96,454,601</td><td>10,168</td><td>0</td><td>1,757,059</td></tr>
</table>
2. Approved the appropriation of earnings for 2022.
Implementation status:
In 2022, the Company recorded net profit after tax amounting to NT$453,946,758.After taking into account the remeasurement of the defined benefit plan and the legal reserve and special reserve, the remaining amount of NT$295,955,859 will not be distributed and will be distributed in accordance with the Articles of Incorporation. The proposal was passed as proposed.</td></tr>
</table>

The results of the voting were as follows:

Number of voting rights present	For	Against	Invalid	Abstention/No vote
98,221,828	96,503,578	10,171	0	1,708,079

(1) Cash dividends were distributed in the amount of NT$2 per share.
(2) Ex-dividend date: 2023/8/30
(3) Cash dividend distribution date: 2023/9/20

3. Election of one additional director and one independent director in the Company.
Implementation status:
Che-Sheng Shen was additionally elected as a director , and Wei-Chang Li was elected as an independent director. The new directors and independent directors shall assume office upon being elected at the annual general meeting, and the term of office shall be from June 19, 2023 to June 22, 2025.
The results of the election are as follows:

Capacity	Account name/Name	Number of votes elected
Director	Dejie Investment Co., Ltd. Representative: Che-Sheng Shen	97,719,850 votes
Independent Director	Wei-Chang Li	94,812,000 votes

4. Discussion of the removal of restrictions on the competitive behavior of the Company's directors.
Implementation: The motion was approved by vote.
The results of the voting were as follows:

Number of voting rights present	For	Against	Invalid	Abstention/No vote
98,355,211	96,407,023	80,875	0	1,867,313

Note: The above number of voting rights includes the number of voting rights exercised by electronic voting

Board of Directors	Date	Important Resolutions
Board of Directors	5th meeting of the 11th Term March 28, 2023	1. Approved the Company's 2023 Business Plan 2. Approved the Company's closing financial statements for 2022. 3. Approved the investment project of "Rehear Biotechnology and Medical Devices Co.,Ltd." 4. Approved the sale of the "Hearing Compensation App Platform Practice and Sound-electronic Properties Verification Research Project". 5. Approved the proposal for the distribution of FY2022

		earnings. 6. Approved the distribution of directors' and employees' remuneration for FY2022. 7. Approved the appointment of Yushan Commercial Bank as the lead bank and managing bank to organize a joint credit facility with a total amount of US$ 40 million. 8. Approved the plan of greenhouse inventory and verification schedule. 9. Approved the payment of year-end bonus to the Company's managerial officers for FY2022. 10. Approved annual salary adjustments for managerial officers for FY2023. 11. Approved the disposal of the Company’s investments in Shandong Wanshunhe Energy Co.,Ltd. through a third party. 12. Approved the proposal "Method for Evaluating the Independence and Suitability of Certified Public Accountants". 13. Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for FY2023. 14. Approved the proposal "Internal Control System - Research and Development Cycle". 15. Approved the election of one additional director and one independent director. 16. Approved the additional nomination of candidates for election as directors (including independent directors). 17. Approved the acceptance of proposals from shareholders holding more than 1% of the Company’s shares. 18. Approved the acceptance of nominations for Board directors by more shareholders holding more than 1% of the Company’s shares. 19. Approved the motion to release directors from non-compete agreements and restrictions. 20. Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for FY2022. 21. Approved the proposed date, venue, and agenda of the 2023 Annual General Shareholders’ Meeting.
Board of Directors	6th meeting of the 11th Term May 9, 2023	1. Approved the consolidated financial statements for Q1 of 2023. 2. Approval of the Procedures for Distribution of Remuneration to directors.
Board of Directors	7th meeting of the 11th Term August 8, 2023	1. Approved the report on the adjustment and reversal of the sales discount policy of LINKCOM MANUFACTURING (Hefei) Co., Ltd., in Q2. 2. Approved the Company's consolidated financial statements for Q2 of 2023. 3. Approved the ex-dividend date and related matters for 2023. 4. Approved the motion to release Managers of the Company from non-compete agreements and restrictions.

Board of Directors	8th meeting of the 11th Term November 9, 2023	1. Approved the consolidated financial statements for Q3 of 2023. 2. Approved the "Audit Plan" for 2024.
Board of Directors	9th meeting of the 11th Term February 23, 2024	1. Approved the purchase of GPU servers. 2. Approved to build GPU server.
Board of Directors	10th meeting of the 11th Term March 12, 2024	1. Approved the 2024 business plan. 2. Approved the 2023 financial statements. 3. Approved the 2023 distribution of remuneration to directors and employees. 4. Approved the appointment of members of the Company's Remuneration Committee. 5. Approved the appointment of the Company's Sustainable Development Committee members. 6. Approved amendments to certain provisions of the "Regulations Governing the Conduct of Board Meetings". 7. Approved the payment of year-end bonus to the Company's managerial officers for 2023. 8. Approved annual salary adjustments for managers for 2024. 9. Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for 2024. 10. Approved the acceptance of proposals from shareholders holding more than 1% of the Company’s shares. 11. Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for 2023. 12. Approved the purchase of GPU servers. 13. Approved to build GPU server. 14. Approved the proposed date, time, venue, and agenda of the 2024 Annual General Shareholders’ Meeting.
Board of Directors	11th meeting of the 11th Term April 26, 2024	1. Approved the issuance of the 1st unsecured convertible bonds. 2. Approved the motion for by-election of one independent director. 3. Approved the nomination for the by-election of one independent director candidate. 4. Approved the acceptance of nominations for directors candidates from shareholders holding more than 1% of the Company shares. 5. Approved the motion to release directors from non-compete agreements and restrictions. 6. Approved the motion for convening the 2024 regular shareholders' meeting.
Board of Directors	12th meeting of the 11th Term May 9, 2024	1. Approved the consolidated financial statements for Q1 of 2024. 2. Approved the proposal for the distribution of 2023 earnings.

(13) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(14) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, president, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: None.

5. Information on the professional fees of CPAs:

(1) CPA fees information

Unit: NT$ ‘000

Name of Accounting Firm	Name of CPA	Period of audit	Audit fees	Non-audit fees	Total	Remark
KPMG Taiwan	Jason Lin	2023/01/01-2023/12/31	3,010	430	3,440	Note
	Winston Yu					

Note: The non-audit services were NTD 230 thousand for the English parent company only and consolidated financial statements in 2022 and NTD 200 thousand for the 2023 sustainability report.

(2) If the audit fee paid in the year of change of accounting firm is less than the audit fee in the year before the change, the amount of the audit fee before and after the change and the reasons for the change should be disclosed: None.

(3) If the audit fee is reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed: None.

6. Change of attesting CPAs: None.

7. Where the Company's chairman, president, 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: None.

8. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) Changes in shareholdings of directors, managers and major shareholders:

Unit: Shares

Title	Name	FY2023		2024 up to April 28, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Corporate Representative Director	Chia-Wen Yeh (De-Jet Investment Co., Ltd.)	-	-	-	-
Corporate Representative Director (President)	Ivan Liu (De-Jet Investment Co., Ltd.)	-	-	(5,000)	-
Corporate Representative Director	Po-Chun Yeh (De-Jet Investment Co., Ltd.)	-	-	-	-
Corporate Representative Director	Wang, Kuo-Chang (De-Jet Investment Co., Ltd.)	-	-	-	-
Corporate Representative Director	Che-Sheng Shen (De-Jet Investment Co., Ltd.)	-	-	-	-
Independent Director	Sen Jan	-	-	-	-
Independent Director	Ming-Chieh Lin (Note 1)	-	-	-	-
Independent Director	Yen Hui Ko	-	-	-	-
Independent Director	Wei-Chang Li	-	-	-	-
Finance, Vice President	Jason Lin	(280,000)	-	(8,609)	-
Senior Assistant Vice President	Yun-Hsiang Li (Note 2)	-	-	(484,000)	-
Senior Assistant Vice President	Mei-Hui Lin	-	-	(10,000)	-
Senior Assistant Vice President	Ching-Hsien Chen	-	-	-	-
Senior Assistant Vice President	Deng-Chia Ko	-	-	-	-
Senior Assistant Vice President	Ming-Che Yu	-	-	-	-
Assistant Vice President	Wan-Yu Cho	-	-	-	-
Assistant Vice President	Po-Heng Liu	-	-	-	-

Title	Name	FY2023		2024 up to April 28, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Assistant Vice President	Chih-Hsuan Lai (Note 3)	-	-	-	-
Assistant Vice President	Hui-Chong Lin	(99,000)	-	-	-
Assistant Vice President	Chien-Hung Lee (Note 4)	(5,000)	-	-	-
Assistant Vice President	Bo-Jen Liao (Note 5)	-	-	-	-
Assistant Vice President	Sheng-Hung Wu (Note 6)	-	-	-	-
Assistant Vice President	Yu-Lun Lin (Note 6)	-	-	-	-
Major Shareholder	De-Jet Investment Co., Ltd.	-	17,657,278	-	(3,880,338)

Note 1: Resigned as an independent director of the Company on April 12, 2024.
Note 2: Resigned on March 31, 2024.
Note 3: Resigned on February 28, 2023
Note 4: Resigned on September 30, 2023.
Note 5: Newly appointed in March 2023
Note 6: Newly elected in August 2023

(2) Information on related parties for the transfer of shares or pledge of shares: None.

9. Relationship information on shareholding proportions of the top 10 shareholders, their relationships with each other as related parties, or relationships within second-degree kinship or spouses:

Information on the relationship between the ten largest shareholders of the Company

Date: April 28, 2024

Name (Note 1)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		The names and relationships of the ten largest shareholders who are related to each other under SFAS No. 6 (Related Party Disclosures) or who are related to each other as spouses or second degree relatives. (Note 3)		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
De-Jet Investment Co., Ltd.	52,782,278	32.46%	0	0%	0	0%	Chia-Wen Yeh	The Chairman of the company is also the Chairman of GMI Technology Inc.	
Dejie Investment Co., Ltd.	13,474,303	8.29%	0	0%	0	0%	Ming-Han Yeh	The Chairman of the company is the son of the Chairman of	
Dejie Investment Co., Ltd.	5,361,263	3.30%	0	0%	0	0%	None	None	

HSBC (Taiwan) Commercial Bank Co., Ltd. in custody for POINT72 Associates Investment Account	2,400,000	1.48%	0	0%	0	0%	None	None	
Bing-Hsin Tsai	2,370,000	1.46%	0	0%	0	0%	None	None	
Lin, He-Yue	2,058,000	1.27%	0	0%	0	0%	None	None	
Citi Bank was entrusted with the custody of the Berkeley Capital SBL/PB Investment Account	1,276,267	0.79%	0	0%	0	0%	None	None	
HSBC (Taiwan) Commercial Bank Co., Ltd. in custody for investment account of Merrill Lynch International	1,233,370	0.76%	0	0%	0	0%	None	None	
JPMorgan Chase Bank N.A. Taipei Branch in custody for JPMorgan Securities Investment Account	909,518	0.56%	0	0%	0	0%	None	None	
Wu, Wen-Shan	890,000	0.55%	0	0%	0	0%	None	None	

Note 1: All of the top ten shareholders should be listed, and the names of corporate shareholders and their representatives should be listed separately.
Note 2: Calculation of shareholdings refers to the percentage of shareholding in the name of oneself, one's spouse, one's minor children, or in the name of others, respectively.
Note 3: The shareholders listed in the preceding paragraph include both juristic persons and natural persons, and the relationships between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

10. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company, and the consolidated shareholding ratio:

December 31, 2023

Unit: '000 Shares

Reinvested Business Entities	The Company		Investment by directors, managers who directly or indirectly control the business		Consolidated Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
GMI Technology (BVI) Co., Ltd	18,277	100.00%	-	-	18,277	100.00%
Global Mobile Internet Co.,Ltd.	1,548	34.21%	-	-	1,548	34.21%
HARKEN INVESTMENTS LIMITED	13,169	100.00%	-	-	13,169	100.00%
Vector Electronic Company Limited	34,149	100.00%	-	-	34,149	100.00%
G.M.I International Trading (Shanghai) Co.,Ltd.	Note 1	100.00%	-	-	Note 1	100.00%
Shenzhen Hongda Futong Electronics Co.,Ltd.	Note 1	100.00%	-	-	Note 1	100.00%
GW Electronics Company Limited	102,000	51.00%	-	-	102,000	51.00%
Unitech Electronics Co.,Ltd.	9,559	12.73%	-	-	9,559	12.73%
Rehear Audiology Co., Ltd.	5,800	29.00%	1,126	5.63%	6,926	34.63%

Note 1: Not applicable, non joint stock company, and no shares issued.

IV. Raising of Funds

1. Capital and share capital of the Company

(1) Source of share capital

April 28, 2024
Unit: Shares, NT$

Year and Month	Issue Price	Authorized share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of property other than cash to offset stock acquisition payments	Others
1995.10	10	2,500,000	25,000,000	1,000,000	10,000,000	Establishment of share capital Capital increase in cash 10,000,000	None	Note 1
1996.11	10	2,500,000	25,000,000	2,000,000	20,0000000	Capital increase in cash 10,000,000	None	Note 2
1997.09	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash 10,000,000	None	Note 3
1998.06	10	7,000,000	70,000,000	5,000,000	50,000,000	Capital increase in cash 20,000,000	None	Note 4
1998.12	10	1,500,000	15,000,000	1,500,000	15,000,000	Capital reduction 35,000,000	None	Note 5
1999.08	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash 15,000,000	None	Note 6
2000.07	10	10,000,000	100,000,000	5,000,000	50,000,000	Capital increase in cash 20,000,000	None	Note 7
2002.04	10	21,000,000	210,000,000	21,000,000	210,000,000	capital increase in cash amounting to NT$ 160,000,000	None	Note 8
2003.06	12	60,000,000	600,000,000	34,065,000	340,650,000	capital increase in cash amounting to NT$ 100,000,000 capital increase transferred from surplus earnings amounting to NT$ 29,400,000 Employee bonus transferred to capital increase amounting to NT$1,250,000	None	Note 9
2003.11	10	60,000,000	600,000,000	34,098,250	340,982,500	Employee Stock Options 332,500	None	Note 10
2004.04	10	60,000,000	600,000,000	34,250,750	342,507,500	Employee Stock Options NT$1,525,000	None	Note 11
2004.09	10	60,000,000	600,000,000	38,620,750	386,207,500	Capital increase transferred from surplus earnings amounting to NT$41,100,000 Employee bonus transferred to capital increase amounting to NT$2,600,000	None	Note 12
2004.10	10	60,000,000	600,000,000	38,646,340	386,463,400	Employee Stock Options 255,900	None	Note 13
2005.04	10	60,000,000	600,000,000	38,921,590	389,215,900	Employee Stock Options 2,752,500	None	Note 14
2005.08	10	60,000,000	600,000,000	43,524,533	435,245,330	Capital increase transferred from surplus earnings amounting to NT$35,029,430	None	Note 15

						Employee bonus transferred to capital increase amounting to NT$11,000,000		
2005.10	10	60,000,000	600,000,000	43,696,533	436,965,330	Employee Stock Options NT$1,720,000	None	Note 16
2005.11	16	60,000,000	600,000,000	48,779,533	487,795,330	Capital increase in cash amounting to NT$ 50,830,000	None	Note 17
2006.04	10	60,000,000	600,000,000	48,884,783	488,847,830	Employee Stock Options NT$1,052,500	None	Note 18
2006.08	10	150,000,000	1,500,000,000	53,806,718	538,067,180	Capital increase transferred from surplus earnings amounting to NT$34,219,350 Employee bonus transferred to capital increase amounting to NT$15,000,000	None	Note 19
2006.10	10	150,000,000	1,500,000,000	53,863,218	538,632,180	Employee Stock Options NT$565,000	None	Note 20
2007.04	10	150,000,000	1,500,000,000	53,959,968	539,599,680	Employee Stock Options NT$967,500	None	Note 21
2007.08	10	150,000,000	1,500,000,000	57,007,967	570,079,670	Capital increase transferred from surplus earnings amounting to NT$26,979,990 Employee bonus transferred to capital increase amounting to NT$3,500,000	None	Note 22
2007.10	10	150,000,000	1,500,000,000	57,082,717	570,827,170	Employee Stock Options NT$747,500	None	Note 23
2008.04	10	150,000,000	1,500,000,000	57,155,217	571,552,170	Employee Stock Options NT$725,000	None	Note 24
2008.09	10	150,000,000	1,500,000,000	62,157,635	621,576,350	Capital increase transferred from surplus earnings amounting to NT$45,724,180 Employee bonus transferred to capital increase amounting to NT$4,300,000	None	Note 25
2008.11	5.36	150,000,000	1,500,000,000	72,157,635	721,576,350	Private Placement 100,000,000	None	Note 26
2010.09	22	150,000,000	1,500,000,000	87,157,635	871,576,350	Capital increase in cash amounting to NT$150,000,000	None	Note 27
2013.09	10	150,000,000	1,500,000,000	90,643,941	906,439,410	Capital increase transferred from surplus earnings amounting to NT$34,863,060	None	Note 28
2014.10	10	150,000,000	1,500,000,000	95,176,139	951,761,390	Capital increase transferred from surplus earnings amounting to NT$45,321,980	None	Note 29
2015.09	10	150,000,000	1,500,000,000	108,500,799	1,085,007,990	Capital increase transferred from surplus earnings amounting to NT$133,246,600	None	Note 30
2016.05	6	150,000,000	1,500,000,000	128,500,799	1,285,007,990	Capital increase in cash amounting to NT$200,000,000	None	Note 31

2018.03	7	150,000,000	1,500,000,000	109,002,365	1,090,023,650	Capital reduction to cover losses NT$294,984,340 Capital increase in cash 100,000,000	None	Note 32
2018.11	10	150,000,000	1,500,000,000	110,310,394	1,103,103,940	Capital increase transferred from surplus earnings amounting to NT$13,080,290	None	Note 33
2019.9	10	200,000,000	2,000,000,000	118,032,122	1,180,321,220	Capital increase transferred from surplus earnings amounting to NT$77,217,280	None	Note 34
2020.9	10	200,000,000	2,000,000,000	125,114,050	1,251,140,500	Capital increase transferred from surplus earnings amounting to NT$70,819,280	None	Note 35
2021.9	10	200,000,000	2,000,000,000	137,625,455	1,376,254,550	Capital increase transferred from surplus earnings amounting to NT$125,114,050	None	Note 36
2022.8	10	200,000,000	2,000,000,000	162,625,455	1,626,254,550	Capital increase in cash 250,000,000	None	Note 37

Note 1: October 6, 1995 Jian-Yi No. 01020108.
Note 2: November 20, 1996 Jian-Yi-Zi No. 85360314.
Note 3: September 13, 1997 Jian-Yi-Zi No. 86331123.
Note 4: June 10, 1998 Jian-Yi-Zi No. 87296832
Note 5: December 17, 1998, Jian-Yi-Zi No. 87357242.
Note 6: August 23, 1999, Jian 88 Zi No. 668450.
Note 7: July 7, 2000, Jing-Zi-No. 89456457.
Note 8: April 29, 2002, Jing-Shou-Shang-Zi No. 09101142830.
Note 9: July 22, 2003, Fu-Jian-Shang-Zi No. 09212843110.
Note 10: Nov. 24, 2003 Fu-Jian-Shang-Zi No. 09222872710.
Note 11: April 14, 2004, Fu-Jian-Shang-Zi No. 09308425600.
Note 12: September 15, 2004 Fu-Jian-Shang-Zi No. 09319633220.
Note 13: October 21, 2004, Fu-Jian-Shang-Zi No. 09321168010.
Note 14: April 22, 2005, Fu-Jian-Shang-Zi No. 09408044800.
Note 15: August 31, 2005, Fu-Jian-Shang-Zi No. 09417385410.
Note 16: October 20, 2005, Fu-Jian-Shang-Zi No. 09423433400.
Note 17: November 23, 2005, Fu-Jian-Shang-Zi No. 09424714900.
Note 18: April 20, 2006, Fu-Jian-Shang-Zi No. 09575614010.
Note 19: August 28, 2006, Jing-Shou-Shang-Zi 09501191550.
Note 20: October 18, 2006, Jing-Shou-Shang-Zi No. 09501234010.
Note 21: April 14, 2005 Jing-Shou-Shang-Zi No. 09601077170.
Note 22: August 30, 2007 Jing-Shou-Shang-Zi No.09601212940.
Note 23: October 18, 2007 Jing-Shou-Shang-Zi No.09601250240.
Note 24: April 17, 2008 Jing-Shou-Shang-Zi No.09701091940.
Note 25: September 8, 2008 Jing-Shou-Shang-Zi No.09701230320.
Note 26: November 12, 2008 Jing-Shou-Shang-Zi No.09701290140.
Note 27: September 13, 2010 Jing-Shou-Shang-Zi No.09901206530.
Note 28: September 23, 2013 Jing-Shou-Shang-Zi No.10201192590.
Note 29: September 23, 2014 Jing-Shou-Shang-Zi No.1031218920.
Note 30: September 17, 2015 Jing-Shou-Shang-Zi No.10401195590.
Note 31: May 19, 2016 Jing-Shou-Shang-Zi No.10501102960.
Note 32: May 16, 2018 Jing-Shou-Shang-Zi No.10701026700.
Note 33: November 15, 2018 Jing-Shou-Shang-Zi No.10701142500.
Note 34: September 11, 2019 Jing-Shou-Shang-Zi No.10801124150.
Note 35: September 7, 2020 Jing-Shou-Shang-Zi No.10901171010.
Note 36: September 11, 2021 Jing-Shou-Shang-Zi No.11001162620.
Note 37: August 30, 2022 Jing-Shou-Shang-Zi No.11101162940.

April 28, 2024; unit: shares

Shareholding Type	Authorized Share Capital				Remark
	Shares outstanding		Unissued shares	Total	
	Listed	Unlisted			
Registered Common Stock	162,625,455	-	37,374,545	200,000,000	None

Information about the issuer's approved offering of securities under the omnibus reporting system: Not applicable

(2) Shareholder structure:

April 28, 2024; unit: shares

Shareholder Structure	Government Agencies	Financial Institutions	Other Corporate Entities	Foreign institutions and foreigners	Individuals	Total
Number of persons	0	0	207	72	39,562	39,841
Shares held	0	0	73,348,702	9,800,022	79,476,731	162,625,455
Shareholdings %	0%	0%	45.10%	6.03%	48.87%	100.00%

(3) Shareholding diversification.

1. Ordinary shares: par value NT$10

April 28, 2024; unit: shares

Shareholdings by class	Number of shareholders	Shares held	Shareholding ratio (%)
1-999	25,799	791,794	0.49%
1,000-5,000	11,458	22,228,821	13.67%
5,001-10,000	1,377	10,825,906	6.66%
10,001-15,000	395	5,046,543	3.10%
15,001-20,000	240	4,419,594	2.72%
20,001-30,000	224	5,695,940	3.50%
30,001-40,000	89	3,225,198	1.98%
40,001-50,000	77	3,599,181	2.21%
50,001-100,000	100	7,223,604	4.44%
100,001-200,000	41	5,991,352	3.68%
200,001-400,000	24	6,661,506	4.10%
400,001-600,000	4	2,012,017	1.24%
600,001-800,000	2	1,266,000	0.78%
800,001-1,000,000	3	2,682,518	1.65%
1,000,001 or more	8	80,955,481	49.78%
Total	39,841	162,625,455	100.00%

2. Preferred shares: The Company has not issued any preferred shares.

(4) List of Major Shareholders

April 28, 2024; unit: shares

Name of major shareholders	Shares held	Shareholding ratio (%)
De-Jet Investment Co., Ltd.	52,782,278	32.46%
Dejie Investment Co., Ltd.	13,474,303	8.29%
Dejie Investment Co., Ltd.	5,361,263	3.30%
HSBC (Taiwan) Commercial Bank Co., Ltd. in custody for POINT72 Associates Investment Account	2,400,000	1.48%

Bing-Hsin Tsai	2,370,000	1.46%
Lin, He-Yue	2,058,000	1.27%
Citi Bank was entrusted with the custody of the Berkeley Capital SBL/PB Investment Account	1,276,267	0.79%
HSBC (Taiwan) Commercial Bank Co., Ltd. in custody for investment account of Merrill Lynch International	1,233,370	0.76%
JPMorgan Chase Bank N.A. Taipei Branch in custody for JPMorgan Securities Investment Account	909,518	0.56%
Wu, Wen-Shan	890,000	0.55%

(5) Stock price, net worth, earnings, dividends and related information per share for the last two fiscal years

Item \ Year			2022	2023	April 30, 2024 (Note 7)
Stock Price per Share	Highest		28.60	23.95	54.00
	Lowest		15.80	17.15	21.75
	Average		21.19	20.54	35.49
NAV per share	Before Distribution		18.04	16.29	17.39
	After Distribution		15.83	(Note 1)	
Earnings per share	Weighted average number of shares (shares)		147,419,976	162,625,455	162,625,455
	Earnings per share(Note 2)	Before retroactive adjustment	3.08	1.98	0.58
		After retroactive adjustment	3.08	(Note 1)	
Dividend per share	Cash dividends		2	(Note 1)	
	Non-remunerated allotment of shares	-	-		
		-	-		
	Accumulated unpaid dividends(Note 3)		-		
Investment return analysis	PE ratio(Note 4)		6.88	10.37	
	Ratio of dividend/price to dividend ratio (Note 5)		10.60	(Note 1)	-
	Dividend yield rate (Note 6)		9.44	(Note 1)	-

Note 1: Dividends per share for 2023 have not yet been resolved by the annual general meeting.

Note 2: If there is a retroactive adjustment due to the gratis stock allotment, the earnings per share before and after the adjustment should be shown.

Note 3: If the conditions of issuance of equity securities stipulate that the unpaid dividends for the current year may be accumulated and paid in the year of surplus earnings, the unpaid dividends as of the current year should be disclosed separately.
Note 4: PE ratio = average closing price per share/earnings per share for the year.
Note 5: Ratio of dividend/price to dividend ratio = average closing price per share / cash dividends per share for the year.
Note 6: Dividend yield rate = Cash dividend per share / Average closing price per share for the year.
Note 7: The net value per share and earnings per share should be presented as of the latest quarterly period audited by the CPAs as of the printing date of the annual report; the rest of the columns should be presented as of the current year as of the printing date of the annual report.

(6) Dividend policy and implementation status:

1. Dividend policy as stated in the Company's Articles of Incorporation.

The dividend policy set forth in the Company's Articles of Incorporation is as follows (approved at the Annual General Meeting on June 21, 2016): According to the Company's Articles of Incorporation, if there is any surplus in the annual accounts, 10% shall be set aside as legal reserve after paying taxes and covering accumulated losses in accordance with the law, but the legal reserve may not be set aside if it has reached the Company's paid-in capital, and the rest shall be set aside or reversed to special reserve in accordance with the law. If there is any unappropriated earnings, the Board of Directors shall prepare a proposal for the appropriation of the earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the current year's distributable earnings and paying cash dividends on at least 10% of the current year's dividends. If the dividends are not sufficient, the Company may distribute stock dividends in full.

2. Proposed Dividend Distribution for 2023

In 2023, the Company recorded net profit after tax amounting to NT$322,384,746. After taking into account the remeasurement of the defined benefit plan and the legal reserve, the remaining amount of NT$391,453,333 will not be distributed and will be appropriated in accordance with the Articles of Incorporation. On May 9, 2024, the Board of Directors resolved to distribute shareholders' cash dividends of NTD 195,150,546 based on the number of 162,625,455 shares outstanding, or NTD 1.2 per share, to the nearest NTD. The total of all other receivables is recognized in the Company's other income. However, if the number of outstanding shares of the Company changes due to the buyback or transfer of the Company's treasury shares, or the creditors of the convertible corporate bonds before the ex-dividend date, the Board is proposed to adjust the dividend payout ratio and determine an ex-dividend value, base date, payment date and other related matters; to be ratified in the 2024 annual general meeting.

2023 Earnings Distribution Table

	Unit: NT$
Undistributed earnings at the beginning of the period	$295,955,859
Add: Net income after tax for the period	322,384,746
Add: Defined benefit plan remeasurement	557,498
Less: Provision for legal reserve	(32,294,224)
Available-for-distribution earnings	586,603,879
Distribution items:	
Less: Dividend - cash dividend (NTD 1.2)	(195,150,546)
Undistributed earnings at the end of the period	$391,453,333

3. Significant changes in expected dividend policy: None

(7) The effect of the proposed share placement without consideration on the operating results and earnings per share of the Company.

Unit: NT$'000 (except Earnings Per Share, which is in NT$)

<table>
<tr><td colspan="3">Year
Item</td><td>2024 (estimated)</td></tr>
<tr><td colspan="3">Paid-in capital at the beginning of period</td><td>1,626,254</td></tr>
<tr><td rowspan="3">Dividend distribution for the year</td><td colspan="2">Cash dividends per share</td><td>1.2</td></tr>
<tr><td colspan="2">Number of allotted shares per share</td><td>-Number of shares per share</td></tr>
<tr><td colspan="2">Number of shares per share from capital reserve</td><td>-Number of shares per share</td></tr>
<tr><td rowspan="7">Changes in operating results</td><td colspan="2">Operating Income</td><td rowspan="13">Not applicable</td></tr>
<tr><td colspan="2">Increase (decrease) in operating income over the same period last year</td></tr>
<tr><td colspan="2">Net income after tax</td></tr>
<tr><td colspan="2">Increase (decrease) in net income after tax compared to the same period last year</td></tr>
<tr><td colspan="2">Earnings per share</td></tr>
<tr><td colspan="2">Increase (decrease) in earnings per share from the same period last year</td></tr>
<tr><td colspan="2">Average return on investment (inverse of average annual cost/benefit ratio)</td></tr>
<tr><td rowspan="6">Proposed mandatory earnings per share and cost/benefit ratio</td><td rowspan="2">If all of the capital surplus is transferred to cash dividends</td><td>Proposed earnings per share</td></tr>
<tr><td>Proposed average annual rate of return on investment</td></tr>
<tr><td rowspan="2">If capital surplus is not transferred to capital</td><td>Proposed earnings per share</td></tr>
<tr><td>Proposed average annual rate of return on investment</td></tr>
<tr><td rowspan="2">If capital surplus is not provided and capitalization of earnings is converted to cash dividends</td><td>Proposed earnings per share</td></tr>
<tr><td>Proposed average annual rate of return on investment</td></tr>
</table>

Note: The Company has not announced the financial forecast for 2024, therefore, there is no need to disclose the projected information for 2024.

(8) Compensation to employees and directors.

(1) The percentage or scope of remuneration to employees and directors as stated in the Company's Articles of Incorporation:

Article 21, Chapter 5 of the Company's Articles of Incorporation.

The Company shall set aside not less than 0.1% of the Company's annual profit. The Board of Directors shall resolve to distribute the remuneration to employees in the form of stock or cash to employees who meet certain criteria; the Company may set aside not more than 2% of the above-mentioned profits as remuneration to directors.

The distribution of remuneration to employees and directors should be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the Company shall reserve the amount to cover losses in advance, and the remuneration to employees and directors shall be provided in proportion to the aforementioned amount.

2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares for employee remuneration distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

The Company does not issue stock-based compensation to employees.

3. Information on the proposed employee bonus distribution approved by the Board of Directors: The calculation of directors' and employees' remuneration for 2023 was based on the Company's pre-tax net income of NTD 410,536 thousand (excluding directors' and employees' remuneration) multiplied by the distribution percentage stipulated in the Company's Articles of Incorporation.The distribution was approved by all directors and independent directors present as follows:

	Distribution amount (NT$)
Cash compensation to employees	450,000
Employee stock bonus	0
The Board of Directors, supervisors, directors and supervisors resolved to allocate not more than 2% of the remuneration to the directors in advance.	8,200,000

4. The actual distribution (including number of shares distributed, the amount and the price of the shares) after the remuneration to employees and directors (including independent directors) in the previous year, and the differences between them and the remuneration of employees and directors (including independent directors) should be stated, the reasons for the differences and the handling of the situation:

(1) The actual distribution of bonuses to employees and remuneration to directors (including independent directors) for 2022 is as follows:

Remuneration in cash to employees: NTD 650,000.

Employee stock bonus: NT$0.

Remuneration to directors (including independent directors): NTD 11,000,000.

(2) If there is any difference between the above amount and the amount recognized as bonus to employees and remuneration to directors (including independent directors), please state the amount of difference, the reason for the difference and the handling of the difference: No difference.

(9) Buyback of the Company's shares: None.

2. Status of the Company's Corporate Bonds: None.

3. Status of the Company's Preferred Shares: None.

4. Status of the Company's Overseas Depositary Receipts: None.

5. Status of the Company's Employee Stock Options: None.

(1) For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: None.

(2) Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual report:

The Company has no manager who has acquired employee stock options and top ten employees who have acquired stock options.

6. New Restricted Employee Shares: None.

7. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

8. Implementation of the Company's Capital Allocation Plans: None.

V. Operations Overview

1. Business Description

(1) Business Scope

1. The principal business scope the Company is engaged in:

A. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.

B. I301010 Software Design Services

C. CC01050 Data Storage Media Units Manufacturing

D. CC01060 Wired Communication Equipment and Apparatus Manufacturing

E. CC01070 Telecommunication Equipment and Apparatus Manufacturing

F. CC01080 Electronics Components Manufacturing

G. F118010 Wholesale of Computer Software

H. F119010 Wholesale of Electronic Materials

I. F113050 Wholesale of Computers and Clerical Machinery Equipment

J. F113070 Wholesale of Telecommunication Apparatus

K. IZ99990 Other Industrial and Commercial Services

L. F401010 International Trade

M. I501010 Product Design

N. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Sales ratio of major products (2023)

Unit: NT$ '000

Business Scope	Net Operating Revenue	Operating weight(%)
Digital Communication Application Solutions and Components	13,142,128	86.03
Storage Application Solutions and Components	1,928,053	12.62
Analog Electronic Components	206,575	1.35
Total	15,276,756	100

Source: Audited financial reports for 2023

3. Current products (services) of the Company

(1) Digital communication application solutions and components.

Application solutions: Wireless LAN card, S-HUB, Router, ADSL broadband network, AP, WDMA, VoIP, LCD monitor, Desktop PC, Notebook, card reader, Tablet PC, Bluetooth headset, IoT transmission module, fiber optic module, etc. Components: Wireless network IC, LAN IC, LCD driver IC, USB Disk control IC, Audio decoding IC, USB interface application IC, Card Reader control IC, ARM CPU, WiFi-PA, Bluetooth IC.

(2) Storage device application solutions and components.

Application solutions: LCD TV, Set-top Box, digital multimedia player (DMP), various memory cards (MMC, CF, SD...), solid state hard disk, etc. Components: SRAM, SDRAM, DDR Memory, SPI Flash, SSD and various memory card control ICs.

(3) Analog electronic components:

Application: Power Adapter, ADSL broadband network, SOHO Gateway. Components: MosFET transistor, Ethernet PHY chip, voltage regulator, overcurrent protection device, and power control device.

4. New products (services) to be developed:

The rise of emerging trends will lead the direction of the development of the electronics industry. In the information technology field, the enhancement of existing products and research and development are key directions of development; in addition, the consumer electronics market is also driving the goal of capturing the market with multimedia and consumer-grade products. With the underlying trend of portable electronic products becoming more and more multifunctional, the design and search for higher capacity and lower power consumption storage technologies to meet the needs of users to store and share multimedia information has become the primary challenge for the future. Therefore, we consider ourselves as a 'solution provider' and plan our development direction as follows:

(1) Computer and Peripheral (Information Technology) Application Solutions.

SOHO Gateway, Wireless LAN, LCD Monitor, Memory Card, SSD, Network Storage, Card Reader, Notebook Charger, PoE Switch, 10GPoN, etc. etc.

(2) Consumer Electronic application solutions:

LCD Monitor, DMP, Bluetooth Headset, Bluetooth Speaker, Tablet (MID), WiDi, IoT, IoI, dashcam recorder, Universal PD Transformer.

(2) Industry Overview

1. The main application areas and solutions are all competitive and profitable products. The various development trends of the Company's main application products are described as follows:

(1) TWS: True Wireless Bluetooth Headset

TWS headset mainly transmits signals through Bluetooth technology. However, due to the small size and battery capacity of TWS headphones, and the need to meet users' demands for connection stability, battery life and sound quality, Bluetooth connection technology with faster transmission speed, more stable connection capability and lower power consumption is one of the core technologies for the development of TWS headphones. The TWS headphones industry is constantly evolving, and as technology advances, so too does related technologies. For example, the introduction of the Bluetooth 5.2 standard allows for faster transmission speeds, lower latency and more stable connectivity to TWS headset technology. In addition, improved voice recognition technology and optimized battery technology have also enabled TWS headset products to have better voice recognition and longer battery life. The continuous improvement of these technologies will further promote the development of TWS headset industry and bring better product experience to consumers. This includes products such as open-ring headphones, in-ear headphones, etc. In order to meet the different needs of consumers, OTC hearing aids are also offered in the market catering to the hearing impaired. Unlike traditional hearing aids, OTC hearing aids are more affordable and have a more stylish, compact design that can effectively improve the quality of life for people with hearing loss. OTC hearing aid products have also continued to evolve through innovation, and more intelligent hearing aids have been developed, with noise reduction, voice recognition, intelligent control and other functions, making OTC hearing aid products gain traction in the market. In terms of TWS headphones, in order to meet consumers' requirements for a better listening experience, many brands continue to develop more intelligent and more human-centered products. For example, some brands have launched headphones with active noise cancelling functions, which can minimize surrounding noise during use, allowing users to focus more on music or voice calls. In addition, there are also many intelligent applications in the TWS headphone market, such as headphone charging box with wireless charging function and headphones supporting voice assistant, which provide consumers with a more convenient and compelling user experience. Overall, both the TWS headset market and OTC hearing aid market are facing continuous changes and development. With the rapid advancement of technology, the functions and performance of these products will be upgraded continuously, and more new products will enter the market to promote the development of the whole industry.

(2) Internet (IoT)

The Internet is currently the hottest topic in the market, and various suppliers are fully engaged in this field, offering there is a wide range of technologies. What the Internet market needs is not only the provision of hardware, but also the integration of software

Development and platform integration to cope with the business opportunities brought about by the rise of the Internet of Things (IoT). These opportunities include:

1. Hardware: IoT devices and related communication devices, various sensor ICs, communication ICs, microcontrollers and micro-mechanical structures.
2. System composition and architecture: System solutions companies are mostly required to provide solutions to assist in platform architecture and maintenance.
3. Software development: Each IoT device requires a corresponding application to enable data exchange.

IoT application scenarios range from wearable devices to offices, factories, transportation facilities, public facilities, and various devices in all corners of the city, covering all kinds of activities in human society from near to far, with unlimited future potential.

(3) Wireless Local Area Network (WLAN)

For WLAN, the world's leading technologies have integrated Wi-Fi, Bluetooth and FM radio technologies into a single chip, and the applications have been extended to mobile phones, tablet PCs and automobiles. GMI International has a strong foundation in WLAN technology, primarily for personal computers and notebooks. WLAN is constantly being used in new applications and fields. With WLAN, any wiring device in a building can provide network access to computers equipped with

WLAN interface cards, maximizing the efficiency of computer resources. We are gradually developing our access devices and wireless routers into integrated gateways, increasing the added value of our products, and gradually incorporating broadband and network security functions into our products, as well as developing our sales to service providers and small and medium-sized enterprises. Furthermore, in line with the development trends of suppliers, products featuring Wi-Fi 6 have been launched in the market. Wi-Fi CERTIFIED 6™ is based on the IEEE 802.11ax standard certification program and supports the capacity, efficiency, coverage and performance required by users in today's most demanding Wi-Fi environments. The Wi-Fi CERTIFIED 6 network focuses on providing high-quality connectivity in stadiums and other public venues with hundreds or thousands of interconnected devices, as well as in enterprise-class networks running time-sensitive, high-bandwidth applications, ensuring that every connected device achieves optimal performance. In addition, the integration of consumer electronics applications will provide potential future growth drivers for network vendors.

(4) Automotive Ethernet

The increase in the number of electronic control units (ECU) and sensors in the vehicle to promote fundamental changes in the embedded automotive network systems. In order to support car safety and entertainment system on the bandwidth needs of cars, Ethernet networks will be able to achieve very high speed data transmission in cars. Currently, in-vehicle data networks can reach speeds of up to 10 Gbps. High bandwidth and fast signal processing are essential for autonomous driving. As vehicles become more automated, the number of in-vehicle electronic control units continues to increase, and the rise of data-intensive applications such as Advanced Assisted Driving Systems (ADAS), high-definition cameras and LiDAR technology increases the demand for data transfer rates and overall bandwidth. Data in the traditional network domain will be connected to the same electronic control unit based on its location in the vehicle, significantly reducing cables, further reducing weight and cost, and improving fuel efficiency. Ethernet technology will be the key to the transformation of in-vehicle networks. In addition to supporting high-speed data transmission, Ethernet technology follows the Open Systems Interconnection (OSI) communication model. Ethernet is a stable, long-established and widely known technology that has been widely used in data communication and industrial automation. Compared to other in-vehicle network protocols, Automotive Ethernet has a well-defined development roadmap that provides additional speed levels, unlike CAN and LIN protocols that have reached a stage where applications have exceeded their capabilities and there is no clear upgrade path to resolve known issues. It is expected that Ethernet will become the foundation for automotive data transfer in the future, providing a common protocol stack and reducing gateway requirements as well as hardware costs and associated software overhead. Its scalability will meet the need for higher speed and ultra-low latency capabilities. Each Ethernet switch in the regional architecture can transfer data from different domain activities to the local switch, and then the Ethernet backbone aggregates the data to improve the efficiency of available resources.

(5)USB Type-C

USB Type-C has gained much attention in PC and consumer electronics (PC peripherals) industry. Combining a number of important features (power supply, easy connectivity, and high transfer bandwidth) in one package to meet user needs, USB Type-C is expected to become one of the most versatile interfaces, but it can also create many confusing transmission problems. For example: Alt Mode, Accessory Mode, Structured Vendor Defined Messaging (VDM), and Unstructured VDM, etc., users and engineers need a lot of communication to solve these problems.

2. Competitive Landscape

In terms of the main industry sectors in which the Company currently operates, Realtek, AUO and Winbond are mainly used in the information technology (IT) industry, while AUO, Realtek and Winbond are used in the consumer electronic industry and Realtek and Winbond products are mainly used in the network communication industry (telecommunication). With a sound customer structure and a complete product line, GMI has been playing the role of an application solution provider from the beginning, entering industries and applications where the market is about to take off and striving to provide more high value-added services as a total solutions provider. Therefore, despite the intensifying competition from our competitors, we are able to quickly gain the trust of our suppliers and customers and generate higher profits through our ability to integrate industry trends, market applications, product development, technical support, material supply and marketing channels. The names of the Company's major competitors, business items and major products represented are listed below.

Company Name	Business Scope	Sales ratio	Main Products	Agent Brand
GMI International	Semiconductor components distribution, sales and system development services	100%	Digital communication application solutions and components, memory components, computer peripheral application solutions and components, digital home appliance application solutions and components, storage device application solutions and components, analog electronic components, etc.	Realtek, Actions Technology, AUO, Winbond, etc.

Company Name	Business Scope	Sales ratio	Main Products	Agent Brand
WPG Holdings	Distributor and sales of semiconductor parts and components	100%	Application-specific Standard Parts (ASSP), CPU/MPU, Memory, Logic, Linear, Discrete, etc.	ALI, AOS, CREE, Infineon, Intel, MediaTek, Micron, MPS, Novatek, NXP, OmniVision, Realtek, OmniVision, Realtek, Samsung Electronics, Samsung SDI, SEMCO, ST Micro, SEMTECH, Spreadtrum, Toshiba, Vishay, Winbond, etc.
TW Microelectronics	Distributor and sales of semiconductor parts and components	100%	Logic (LOGIC) ICs, mixed-signal ICs, linear ICs, application-specific ICs, decentralized (DISCRETE) components, storage ICs, image sensor IC sets, high-speed interface components, programmable ICs, microprocessors and memory, etc.	Ambarella, Broadcom, ESMT, EXAR, Intersil, Linear, LG, Magnachip, Marvell, Maxim, Micron, Nanya, NXP, ON, Realtek, ST Microelectronics, and IDT
Zenitron Corporation	Distributor and sales of semiconductor parts and components	100%	Memory cards, ICs/ICs, transistors, power field effect transistors, diodes, light emitting diodes, power modules, wafers and resistors, capacitors, camera modules, microcontrollers, acceleration sensors, etc.	SANDISK, ROHM, Infineon, Vishay, Cypress, Fuji Electric, Real Thinking, Realtek, Global Mixed-Mode Technology, E-Lan, InvenSense, Parade, RFID Power, TDK, TAIYO YUDEN, Vishay, NICHICON, etc.

(3) Overview of the Company's Technologies and its Research and Development Work

1. Research and development expenses for the most recent fiscal year

Unit: NT$ ‘000

Item	2023	Q1 2024
R&D Expenses	35,439	10,749

2. Successful development of technologies or products

(1) Under the active operation and planning of the "Technical Support Department", the technologies or products successfully developed in recent years are listed as follows:

Year	Supplier	Product	Application
2023	Realtek	Data communication	Data switch
	Realtek	Wireless solution	PC/NB peripheral
	Realtek	Multi Media process	DMP,DHC,LCD Monitor
	Realtek	IOT solution	IOT Application
	Realtek	USB controller	PC/NB peripheral
	Realtek	Audio codec	Desktop、Notebook、Tablet、IPC
	Realtek	TWS	Consumer electronics

Year	Supplier	Product	Application
	Winbond	Flash memory	PC/NB mother board 、 peripheral 、 Automative
	Winbond	DDR memory	PC Peripheral
	APEC	MosFET	PC CPU core power
	AUO	LCD Panel	Industrial Application
2022	Realtek	Data communication	Data switch
	Realtek	Wireless solution	PC/NB peripheral
	Realtek	Multi Media process	DMP,DHC,LCD Monitor
	Realtek	IOT solution	IOT Application
	Realtek	USB controller	PC/NB peripheral
	Realtek	Audio codec	Desktop、Notebook、Tablet、IPC
	Realtek	TWS	Consumer electronics
	Winbond	Flash memory	PC/NB mother board and peripheral
	Winbond	DDR memory	PC Peripheral
	APEC	MosFET	PC CPU core power
	AUO	LCD Panel	Industrial Application

(2) The results of self-development or design commissioned by customers

Year	Product Name	Application
2023	Bluetooth Headset TWS + ANC Function	Consumer Electronics
	LCD monitor	Home/commercial displays
	HMI control Interface	Industrial Display Interface
	NoteBook docking station	IT
	IoT module	IoT Applications
	PD AC to DC Adapter	Consumer Electronics
	PoE Ethernet Switch	IT
	10G PON	Network Communications
2022	Bluetooth Headset TWS + ANC Function	Consumer Electronics
	LCD monitor	Home/commercial displays
	HMI control Interface	Industrial Display Interface
	NoteBook docking station	IT
	IoT module	IoT Applications
	PD AC to DC Adapter	Consumer Electronics
	PoE Ethernet Switch	IT
	10G PON	Network Communications

(4) Long-term and Short-term Business Development Plans

1.Short-term development plan

(1) Strengthen product application development capability

The electronic parts distribution industry has changed from traditional product information delivery to a total solutions provider service, and the ability to provide customers with a complete product line and correct application solutions is an indispensable requirement for the distribution industry nowadays. In view of this, we will continue to strengthen the capacity of our product development team and train new technical support engineers for product application, and distribute them in our offices in Taiwan, Hong Kong and China to provide customers with more professional and correct product application solutions. In order to effectively provide Total Solution technical support services to our customers, we not only have our own professional team of experts, but also seek external strategic alliances to achieve the goal of assisting our customers to bring their products to market in a timely manner.

(2) Provide complete supply of master parts for application products

In today's market environment, a single product line is no longer able to provide customers with maximum procurement benefits. Therefore, we are able to provide customers with total solutions for major product lines to achieve procurement benefits and convenience in applications. For example, for portable media players (PMPs), we not only provide complete application technology, but also supply the main components of the package, such as USB interface components and SDRAM memory.

(3) Strengthen the Company's operation and operation management system

In order to meet the customer's order taking and design pattern in Taiwan and procurement and production pattern in China, the Company continues to strengthen the information management and flexible use in China, Hong Kong, and Taiwan through the investment business, and improve the logistics management to reduce the risk of inventory stagnation and increase the cost efficiency.

2. Long-term development plan

(1) Complete the marketing service network in the Asia-Pacific region

Nowadays, the Asia-Pacific region has become a global center for the development and production of information products, and international marketing is a necessary condition for the success of semiconductor channel operators. We have set up 12 service offices in Taiwan, Hong Kong and China, such as Shenzhen, Shanghai and Beijing. With years of experience in the China market, we will expand to Japan, Korea and Singapore in the future to expand our product lines and expand our customer base.

(2) Develop products with high added value and in line with market trends

Profit is the only way for a company to survive, and creating high profit and increasing added value are the guiding principles of our company's management. Therefore, we will continue to keenly leverage our insights to identify the mainstream application products of future trends, develop application solutions, and gain an advantageous position before the mainstream market is formed. For example, "digital lifestyle" is a way to gain profit and sustainable management by being aware of the inevitable trend before it is formed, so that we can start to lay out our plans, acquire product distribution rights, strengthen development technology, and build marketing channels before the market trend. We aim to be the best provider of information technology, consumer electronics, communication products and other high-tech "product application solutions" in the Asia Pacific and Greater China regions.

(3) Staff Training and Financial Planning

The three essential elements of a channel business are manpower, products and capital. We have been planning a complete system of personnel training and organizational cooperation for a long time, and we understand the personal career planning of our employees and make the most effective arrangement to achieve the best utilization of talents, so that we can achieve a win-win situation for both the company and the employees. At the same time, we will continue to strengthen our financial operation capability to build up the company's operational quality and to grow continuously under a sound financial structure.

2. Market as Well as the Production and Marketing Situation

(1) Market Analysis

1. Sales of major products in recent years

Unit: NT$ ‘000

Year / Region	FY2022		FY2023	
	Sales Volume	%	Sales Volume	%
Taiwan	872,854	4.51	515,272	3.37
Hong Kong and China	18,366,698	94.94	14,584,153	95.47
Others	106,951	0.55	177,331	1.16
Net revenue	19,346,503	100.00	15,276,756	100

2. Market share

The ratio of the sales of semiconductor components to the sales of electronic components in Taiwan for the last three years is as follows:

Unit: NT$ 100m

Item / Year	Sales value of semiconductor components by GMI International	Sales value of electronic components industry	Market Share (%)
2021	189	15,096	1.25%
2022	193	15,524	1.24%
2023	153	13,460	1.14%

Source: IEK Consulting (ITRI), Electronic Components Industry Value.

3. Future market supply and demand and growth

The Company is mainly a distributor of electronic component products produced by domestic and foreign electronic component manufacturers.The growth of the electronic components industry is directly influenced by the downstream demand for information, communication and consumer electronics products.

ITRI's market outlook for the electronic components industry in 2024 is as follows:

I. Application of intelligent manufacturing technology:

As AI and IoT technologies continue to mature, the Industrial Technology Research Institute predicts that the electronic component industry will usher in the full popularity of smart manufacturing in 2024. Enterprises should actively promote the R&D of intelligent manufacturing technology and strengthen the competitiveness of Taiwan's electronic components industry in the international market through intelligent manufacturing processes. This can improve production efficiency and reduce costs while meeting the individual needs of customers.

II. The promotion of 5G technology:

With the popularity of 5G technology, ITRI expects that the electronic components industry will further integrate 5G technology and promote the rapid development of IoT applications in 2024. 5G technology will provide electronic component manufacturers with a higher-speed and more stable communication foundation. At the same time, this will inspire various innovative applications, such as smart cities and smart manufacturing, to further expand market demand.

III. Prioritizing the development of environmental technology:

In response to global climate change and environmental issues, enterprises should attach importance to the development of environmental protection in the electronic components industry. In 2024, we will witness the application of more environmentally friendly materials and energy-saving technologies to reduce the impact of the manufacturing process on the environment. At the same time, the government actively assists enterprises to carry out green manufacturing and promotes the electronic components industry to move towards a more sustainable development direction.

IV. Strengthening of the semiconductor industry:

Semiconductors are the core of the electronic components industry. The ITRI pointed out that in 2024, Taiwanese enterprises should continue to strengthen the R&D of semi-conductor technology, in order to improve the manufacturing efficiency and reduce the cost. At the same time, the application of semiconductors in AI, Internet of Things and other fields will become an important trend in the future. Technological innovation will be used to support the international competitiveness of Taiwan's semiconductor industry.

In addition, IDC announced the following five major trends in Taiwan's ICT market in 2024:

I. The next wave of development of generative AI technology: full industrialization

The application field of Generative AI technology application field is moving from the consumer market to the enterprise market. The application fields that Asian companies focus on are product design, software development, customer interaction, marketing and public relations, and supply chain management. It is worth noting that the AI cloud platform will enter a new wave of competition, and the ability of platform tools to support fine-tuning and RAG will directly affect enterprises' willingness to adopt them. Driven by technologies such as generative AI, IDC estimates that the scale of Taiwan's AI platform market will grow from US$66.9 million in 2023 to US$83.9 million in 2024, with an annual growth rate of 25.4%.

II. AI moving towards personal devices

AI has developed rapidly in recent years, and it is expected that it will gradually open up the personal device market in 2024. Personalized applications of wearables are expanding from home to office. Decentralized decision making enables connected devices and systems to make real-time judgments and responses based on ground-based information, minimizing the need for cloud connections. In addition, with the end of service support for Windows 10 in 2025 and the demonstration of GenAI applications, the development of AI PC is gradually showing its prototype. It is expected that this growth momentum will be fermented in the commercial market first. IDC expects that by the end of 2026, 80% of newly purchased personal computers for commercial purposes will be equipped with AI chips designed for running large language model (LLM) applications on the ground, driving productivity, reducing latency, securing data, and lowering costs while increasing productivity.

III. Application of generative AI in information security maintenance and operation to achieve autonomous network security

Enterprises continue to seek smarter and automated information security solutions. The rise of generative AI in 2023 will further promote the automation of information security and move towards the stage of cybersecurity autonomy that spans across control domains and technologies. IDC predicts that by 2026, 30% of large enterprises worldwide will improve the efficiency of remediation, management, and response to information security incidents through investment in autonomous security operations. Taiwanese enterprises will also invest in information security products and to cope with the challenges posed by the shortage of information security manpower.

IV. With the advent of the FinOps era, the focus of enterprises' migration to the cloud has shifted to a value-oriented approach

Enterprise users are more cautious about technology expenditure and application. IDC expects FinOps cloud maintenance and operation cost control to become an important tool for enterprise operations. Enterprises will establish a system of accountability and transparency in cloud usage through the collaboration of various departments. The ultimate goal is not only to optimize the cost of cloud, but also more importantly, to choose the right cloud tools for migrating to the cloud to maximize return on investment (ROI) and change the behavior and culture of migrating to the cloud. IDC expects that enterprises' attitudes and habits towards cloud consumption and use will gradually change in the future. Cloud managed service (MSP) and SAS management software service providers that provide consulting services and assist in the introduction of the FinOps system will be the most influential enterprises in the FinOps ecosystem that affects enterprise utilization.

V. Trust mechanism for carbon management in the next generation supply chain

Carbon tariffs are being introduced in various countries and the disclosure of carbon emission data has changed from voluntary to mandatory, testing the deployment of carbon management in the supply chain. An IDC survey shows that nearly 60% of global enterprises are in the mid-term transformation stage in terms of sustainability, and are faced with complex upstream and downstream relationships and the definition and management of diverse data sources.

Based on this, carbon emission management will evolve from single product and technology innovation to cross-platform/process integration innovation, and the establishment of a data-driven digital business platform will become the key technology for enterprises to grasp carbon emission information. Its deployment will become more diversified, with phased introduction in different industries and different scales of enterprises. IDC estimates that 40% of G2000 companies will use comprehensive ecosystem sustainability data to make operational decisions by 2027, in order to reduce carbon footprints by 30%.

Source: 2024 Industrial Technology Research Institute/IDC International Data and Information

4. Favorable and unfavorable factors and countermeasures for competitive niche and development prospect:

(1) The Company has the following competitive niches

A. Professional and comprehensive management team

Our company was founded by industry experts in the consumer electronics industry, and the core management team has more than 15 years of experience in the industry, which gives us the advantage of familiarity with the industry and marketing planning experience, as well as a keen insights to customer needs and market trends. In particular, our management team in the China market has over 10 years of experience in the mainland market, giving us an absolute competitive advantage in the information industry where China is the main battleground in Asia today and in the future.

B. Superior technical capabilities

The Company understands that having the necessary conditions of a traditional distributor is not enough to make a name for itself in such a competitive industry, but we need to have excellent product development capabilities to help our customers launch their products correctly and quickly, and to help them solve their problems in the shortest possible time when they encounter bottlenecks in the product development process. In the process of cooperating with the original manufacturers, we keep accumulating knowledge, mastering new knowledge of products and discovering new markets, and providing the best product combinations to our customers immediately, so that the upstream original manufacturers and downstream customers can work more closely together, and achieve a "Total Solutions Provider" oriented to technology marketing.

C. Complete product integration

Therefore, obtaining and maintaining a complete and diverse product portfolio is the key to obtaining orders from customers and achieving stable and growing product sales. Through the technical support of our application engineers, we provide total solutions to our customers, gaining their absolute trust and enhancing our company's competitive advantage in the industry.

D. Comprehensive marketing channels

For a professional solutions provider, keen market insights, a professional management team, superior product development capabilities, and a complete product line are indispensable, but without a diversified and comprehensive marketing channel, the above resources and capabilities cannot be maximized. The Company has deployed several service bases (e.g. Beijing, Shanghai, Shenzhen, etc.) in China, the most important location in the IT industry, with Hong Kong as the key node, to provide customers with immediate delivery services through professional logistics personnel, and professional accounting personnel to help customers do the most effective capital management and cost reduction. At the same time, the MIS system has been set up to enable all GMI staff to obtain all industry news and customer information in the shortest possible time, so as to provide customers with immediate and optimal services and to fully recognize GMI as an indispensable partner.

(2) Favorable factors:

A. Stable distribution rights and comprehensive product portfolio

Our main suppliers include Realtek, AU Optronics, and Winbond, all of which are household names in the industry with strong competitiveness in the market, and we have received excellent feedback from our suppliers for our newly acquired distribution lines. For suppliers who have been cooperating with us for many years, we have a strong agency and distributorship relationship, so overall our agency line is stable. In addition, our product portfolio is designed to meet the convenience of one-time purchase and to reduce the cost of procurement for our customers. Therefore, our products are used in a wide range of applications, including information, communication and consumer electronics industries, to meet the diverse product choices of our customers and to establish long-term partnerships.

B. Professional design and application service capability

We have many seasoned product managers who are well aware of the market trends, and our "Technical Support Department" has professional R&D and design application engineers to provide customers with product market and trend analysis, collaborative research and development of new product design-in software and hardware integration capabilities (Total Solutions) and the most competitive component combinations, which are well recognized and appreciated by our customers.

C. Market Growth Potential

ITRI: Taiwan's electronic parts and components industry experienced a significant recession in 2023. Although there are still doubts about the overall global economy in 2024, PC and mobile phones have already taken the lead in showing signs of recovery, and the Windows operating system for PCs is about to change. With the support of the AI PC market, it is expected that the electronic parts and components industry in Taiwan will become the driving force for the growth of the output value of electronic components in 2024. As for smartphones, although it is difficult to return to the past 1.6 billion shipments, changes in the industrial structure such as brand market share and the value of the components included are all favorable for the development of Taiwan's electronic components industry in 2024. Overall, Taiwan's electronic parts and components industries are expected to return to the growth level in 2024. The total output value of the six major electronic parts and components is expected to reach NTD 2.35 trillion, with a growth of 7.1% from 2023.

ITRI also pointed out that with the subsidence of the Covid-19 pandemic, the number of exhibitors and visitors of CES 2024 has returned to the pre-pandemic situation. Driven by high-speed computing and generative AI, it is expected that the growth of servers, automotive electronic products and industrial electronic products will be driven. There will be a compound annual growth momentum of about 7% between 2023 and 2027. However, due to multiple uncertainties such as inflationary pressure, the war between Russo-Ukrainian and the continuation of the pandemic, the growth of the global consumer electronics market has generally slowed down. In terms of the core energy of consumer electronics, the Company actively cooperates with start-ups, and innovates technology and services through the platform strategy to bring more innovation momentum to the Company.

According to IDC's survey on the economic outlook of global enterprises,a recovery in 2024 better than 2023 is anticipated by most enterprises, while enterprises in Asia Pacific are more optimistic than those in the other two regions. According to the survey, 67% of enterprises are expected to increase IT spending, while only 9% reduce it. Among them, PC, mobile phones, and wearable devices are all showing positive growth, with cloud service being the best among them. From the perspective of product line, the higher growth rate is in the software field, including data, AI, hybrid cloud and other applications. The IT hardware showed a negative growth this year, and is expected to improve next year, and the post-pandemic replacement wave will be the main support. In addition, IDC conducted a market survey of enterprise CIOs in November. As high as 85% said they would not cut the information security budget. Therefore, the information security industry will grow optimistically from this year to next year.

It is worth noting that AI applications will increase the most spending next year. According to IDC, generative AI promotes all AI applications, from the past in the data center to endpoints and devices. AI that is everywhere in our lives will become an important turning point in the development of the technology industry. In the future, enterprises will pay more attention to AI technology investment and AI-driven products and services. Finance, service, and manufacturing are all among the industries that mainly invest in AI applications.

Source: 2024 Industrial Technology Research Institute/IDC International Data and Information

(3) Unfavorable factors and response measures

A. The booming development of suppliers and channel operators has led to fierce competition in the market

The success or failure of a distributor depends on the quality of the product and the competition among the industry. In recent years, the booming development of semiconductor design companies and distributors has led to high homogeneity and substitution of different brands and multiple distributors for the same brands, resulting in price competition and compressed profit margins.

Response measures:

a. Since its establishment, the Company has positioned itself as a professional Total Solution Provider, with six functions: keen industry trend analysis, decisive market application insights, strong product development capabilities, professional technical support service, complete material supply chain and flexible marketing channel development to create a high value-added market and profits different from those of traditional channel providers. Therefore, we have already differentiated our market position from the industry and avoided price competition among the industry that compresses profit margins.

b. The product lines that we represent and distribute are prospective core technology products and wide applications in the future, and we have established a good relationship with our suppliers from the early stage of their entry into the market, so they have a leading position in their industry, with products that are highly competitive in the market.

B. Short life cycle of downstream products

The electronics industry is often characterized by the change of product generations with the introduction of new products, which also tests the ability of semiconductor component distributors to grasp product information and inventory control.

Response measures:

a. Maintain a high degree of keen acuity to market trends and strengthen our ability to serve new technologies by actively introducing future core technology product lines and developing new customers in different fields in order to diversify operating risks and ensure stable profitability.

b. In order to keep abreast of the latest market demand and the most suitable inventory quantity, our BD staff will regularly present and compile the latest customer demand opinions and market information collected during business meetings, and utilize data such as product order status, inventory quantity, product attributes, market conditions, projected sales plan and procurement lead time as reference for purchasing and safety stock decision-making. The inventory is usually based on the common parts and components, while the parts and components for specific applications are based on the order acceptance status to ensure the appropriateness and flow of the inventory, and the inventory forecast is regularly compiled as a reference for procurement decisions.

c. To strengthen product market development, the Company shall continue to focus on new trends in products and markets, set future directions and opportunities, and introduce new distribution lines and develop new market customers in a timely manner in order to grasp business opportunities.

(2) Usage and Manufacturing Processes for the Company's Main Products

1. Important Applications of Major Products

Major Products	Significant Applications
Digital Communication Application Solutions and Components	Application solutions: Wireless LAN card, S-HUB, Router, ADSL broadband network, AP, WDMA, VoIP, LCD monitor, Desktop PC, Notebook, card reader, Tablet PC, Bluetooth headset, IoT transmission module, fiber optic module, etc. Components: Wireless network IC, LAN IC, LCD driver IC, USB Disk control IC, Audio decoding IC, USB interface application IC, Card Reader control IC, ARM CPU, WiFi-PA, Bluetooth IC.
Storage Application Solutions and Components	Application solutions: LCD TV, Set-top Box, digital multimedia player (DMP), various memory cards (MMC, CF, SD...), solid state hard disk, etc. Components: SRAM, SDRAM, DDR Memory, SPI Flash, SSD and various memory card control ICs.

Analog Electronic Components	Application: Power Adapter, ADSL broadband network, SOHO Gateway. Components: GaN transistors, network physical layer chips, clock generators, voltage regulators, over-current protection devices, power control devices.

2. Major product manufacturing process: Not applicable (the Company is not a manufacturer).

(3) Supply of major raw materials: Not applicable (the Company is not a manufacturer).

(4) The names of customers who accounted for more than 10% of the total procurement (sales) in any of the last two years

and the amount and percentage of purchase (sales) thereof:

1. The names of customers accounting for more than 10% of the net purchases in the last two years and the amounts and proportions of their purchases, and the reasons for the changes

Reasons

Unit: NT$ ‘000

	2022				2023				As of Q1 2024 (Note 2)			
Item	Title	Amount	As a percentage of net purchases for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net purchases for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net purchases for the current year as of Q1, 2022 (%)	Relationship with the Company
1.	Realtek	16,101,161	82.45	Note 1	Realtek	11,148,935	85.16	Note 1	Realtek	3,473,206	87.41	Note 1
2	Others	3,429,206	17.55		Others	1,943,481	14.84		Others	500,191	12.59	
	Net purchases	19,530,367	100%		Net purchases	13,092,416	100%		Net purchases	3,973,397	100.00	

Note 1: The Chairman of the Company is a substantive related party to the other company.

Note 2: The financial information in the first quarter of 2024 was reviewed by the CPAs only.

The Company's major supplier for the last two years is Realtek Semiconductor Corporation. Realtek Semiconductor Corporation.

Sales of its main products have thrived with the recent widespread adoption of wireless network communications in the China and Taiwan markets.

This line of products has the ability to be used in consumer electronics and home multimedia entertainment equipment, as well as wireless LAN functionality,

2. The names of customers accounting for more than 10% of the net sales in the last two years and the amounts and proportions of their purchases, and the reasons for the changes

Reasons

Unit: NT$ ‘000

	2022				2023				As of Q1 2024 (Note 1)			
Item	Title	Amount	As a percentage of net sales for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net sales for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net sales for the current year as of Q1, 2022 (%)	Relationship with the Company

1.	Hon Hai Precision Industry Co., Ltd. (Foxconn)	3,618,642	18.70	None	Hon Hai Precision Industry Co., Ltd. (Foxconn)	2,928,075	19.17	None	Hon Hai Precision Industry Co., Ltd. (Foxconn)	855,707	21.23	None
2	Others	15,727,861	81.30		Others	12,348,681	80.83		Others	3,175,083	78.77	
	Net purchases	19,346,503	100%		Net purchases	15,276,756	100%		Net purchases	4,030,790	100.00	

Note 1: The financial information in the first quarter of 2024 was reviewed by the CPAs only.

Hon Hai Precision Industry mainly procures Realtek's WiFi and LAN chips from the Company. The decrease in revenue was mainly due to lower product demand from end-users.

(5) Production volume for the last two fiscal years: Not applicable (the Company is not a manufacturing company).

(6) Sales volume for the last two fiscal years:

Unit: NT$ '000

Year / Sales Volume / Major Products	FY2022				FY2023			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Digital Communication Application Solutions and Components	Note	695,049	Note	15,564,468	Note	418,616	Note	12,723,512
Storage Application Solutions and Components	Note	167,320	Note	2,756,165	Note	63,910	Note	1,864,143
Analog Electronic Components	Note	10,485	Note	153,016	Note	32,746	Note	173,829
Total	Note	872,854	Note	18,473,649	Note	515,272	Note	14,761,484

Note: Since the Company has a wide range of products and different units of quantity, we only provide sales values for major product categories.

3. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels:

April 30, 2024

Year		FY2022	FY2023	As of April 30, 2024
Number of employees	Business Units	104	113	115
	Administrative Units	100	104	107
	Total	204	217	222
Average Age		40.01	38.57	40.79
Average years of service		7.18	6.22	6.56
Education distribution ratio	PhD	-	-	-
	Master's Degree	1.96%	2.76%	4.50%
	Bachelor's Degree	86.77%	85.72%	85.14%
	High School Diploma	9.31%	9.68%	8.56%

	Below High School	1.96%	1.84%	1.80%

4. Information on environmental protection expenditure:

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: The Company is principally engaged in the trading, import and export of semiconductor parts and components, and due to the nature of its business, there is no environmental pollution.

5. Labor relations:

1. List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements:

(1) Employee welfare measures

The Company's employees regularly apply for various welfare measures, such as employee health insurance and group insurance, and employees are entitled to annual bonuses, employee meal gatherings, birthday parties, and other benefits. In order to improve the quality of human resources and cultivate professional talents, we provide relevant professional training according to the needs of personnel and business. We also have a profit distribution and dividend system, a people-oriented management promotion system, a transfer system, and domestic and overseas travel subsidies for employees.

(2)Various staff training and training

New employees are required to be briefed by HR personnel on the day they report to work, including all code of conduct rules and welfare system. Pre-employment training focuses on helping new employees get familiar with the working environment and get into the situation as soon as possible. Through planned training, all employees will be able to give full play to their strengths in the workplace. From time to time, the Company conducts training courses either uniformly or individually by the unit, and participates in training courses held by domestic and foreign training institutions.

(3) Retirement system and its implementation

The Company has a retirement plan for its regular employees. Starting from May 2003, a monthly pension fund of 2% of salaries is provided to the Company's Labor Pension Fund Supervisory Committee and deposited in the name of the Committee in the Bank of Taiwan. In accordance with the Labor Law of the Hong Kong Special Administrative Region, the employees of the Hong Kong Branch are subject to the "Mandatory Provident Fund Scheme Act" and the monthly contributions are made at 5% of their salaries to their individual pension accounts. Since July 1, 2005, all employees of the Taiwan head office are subject to the "Labor Pension Act", which provides for a defined contribution retirement plan, and 6% of the employees' monthly salaries are contributed to their individual pension accounts.

(4) Group agreements between labor and management and measures to protect employees' rights and interests

In order to protect the rights and interests of employees and to harmonize the labor relations, the Company has made efforts to strengthen the harmony between management and employees and to ensure two-way communication and coordination to solve problems.

2. Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company has not had any labor disputes since its establishment. In the future, the Company will strengthen the communication between employers and employees in order to promote the prosperity of the Company and to protect the welfare of employees, and under the peaceful and rational operation of both parties, labor disputes should not occur easily in the future.

6. Information Security Management

(1) Cybersecurity risk management framework, cybersecurity policy, specific management plan, and resources invested in cybersecurity management

These Procedures apply to all employees of each unit, contracted vendors, third-party personnel, and the security management of related information assets.

1. Information Security Management Framework

(1) Chief Information Security Officer: The head of the Information Management Division is responsible for convening and chairing information security management meetings on a regular basis, and making decisions based on the results of the meetings for implementation.

(2) Information security team: The team is composed of the supervisors of each business unit to propose motions based on information security management issues, and are responsible for planning, promoting and coordinating the resolutions.

(3) The information security meeting shall be convened and chaired by the Chief Information Security Officer to approve various information security matters, announce new security policies, review corrective and preventive measures, respond to information security crises, and regulate the relevant personnel in accordance with these Regulations.

2. Information Security Policy

(1) To ensure the confidentiality of company-related information and to protect confidential company and personal information.

(2)To ensure the integrity and availability of information related to the Company's business and to improve administrative efficiency and quality.

(3)To enhance the information security protection capability in line with the promotion of national policies and to achieve the goal of sustainable business operation.

3. Specific management plan for information security

Currently, the Company has not purchased information security insurance, but has established a joint defense mechanism for human resources training and information security.

(1) Physical and Environmental Security Management

Computer equipment security and server room control management includes hardware environment control, power supply, cable security, and equipment maintenance. In order to avoid leakage of personal information, the information assets and equipment are disposed of by the information unit in accordance with the procedures.

(2) Security management of software use

The Company strictly prohibits the use of illegal software. The software used within the

Company has been authorized by the vendor and cannot be downloaded or installed without the consent of the head of the information management department to avoid infringement of intellectual property, misuse of laws, or activation of malicious execution files.

(3) Perimeter Security Management

IT support personnel or maintenance service personnel can only enter when accompanied or authorized by the information management department, and records of entry and exit shall be kept.

(4) Network security and data security management

1. Network security management: To assign dedicated personnel to manage the network system, maintain the normal operation of the network system, set up firewalls and information security protection equipment to prevent illegal intrusion into the company causing the risk of commercial secrets and personal information leakage, and keep complete records of all personnel logging in and out of the internal network and host system.

2. Data security management: access control and data storage security, strict password management, regular data and software backup, and off-site storage mechanism for important information storage.

3. The Company cannot fully guarantee against malicious attacks from third-party network paralysis systems, but no malicious network attacks have occurred in 2023 or as of the date of the annual report, affecting the Company's normal operations.

4. Resources Invested in Information Security Management

1. The Group has invested a total of 2 persons in the information security team.

2. The Company holds regular meetings every week to review the information security vulnerabilities and review the correction status every month.

3. 32,539,039 endpoint threats have been successfully blocked through anti-virus endpoint protection and behavior analysis modules.

4. 96,061,209 spam emails and 1,806,027 blackmail emails were successfully blocked by the Spam Protection and Threat Protection modules.

(II) 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:

The Group did not suffer any financial loss due to material information security incidents in the latest year and up to the date of printing of the annual report.

7. Important Contracts

Nature of Contracts	Parties	Date of commencement and expiration of the contract	Main Contents	Restrictions
Agency Agreement	Realtek Semiconductor Corporation	2016/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Multimedia Division I, Multimedia Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2016/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Communication Network Division, Communication Network Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Computer Peripherals Division I, Computer Peripherals Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2022/01/01 - termination of the agreement between the parties	Online Multimedia Product Distribution Agreement	Restricted product sales area

Agency Agreement	Realtek Singapore Pte.Ltd	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Communication Network Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte.Ltd	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Computer Peripherals Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte.Ltd	2020/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Multimedia Products Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte.Ltd	2024/01/01 - termination of the agreement between the parties	Online Multimedia Product Distribution Agreement	Restricted product sales area
Agency Agreement	RayMX Micro Co.,Ltd.	2022/01/01 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Product Distribution Agreement	Winbond Electronics Corp.	2024.01.01-2024.12.31	Distribution contract for IC products	Restricted product sales area
Agency Agreement	Artilux Inc.	2021/01/15 - termination of the agreement between the parties	Agency Agreement	
Agency Agreement	Storart Technology Co.,Ltd.	2021/04/14 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area

Note: The above contract will be automatically extended if both parties do not agree to terminate before the contract expires.

VI. Financial Overview

1. Condensed balance sheet and consolidated income statement for the last five fiscal years, name of certified public accountant and audit opinion.

(1) Condensed balance sheet and consolidated income statement

(1) Condensed Balance Sheet - IFRS (Consolidated Financial Statements)

Unit: NT$ '000

Item \ Year		Financial information for the last five fiscal years (Note 1)					Financial information for the current year as of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Current assets		4,663,450	5,159,348	6,750,806	7,650,082	6,066,439	7,038,041
Property, plant and equipment		14,446	12,346	9,338	331,763	329,717	524,136
ntangible assets		-	-	-	-	-	-
Other assets		62,577	345,487	548,578	305,661	360,685	360,675
Total assets		4,740,473	5,517,181	7,308,722	8,287,506	6,756,841	7,922,852
Current liabilities	Before distribution	3,314,146	3,794,777	5,193,077	5,409,200	3,862,550	4,861,956
	After distribution	3,314,146	3,794,777	5,193,077	5,734,451	(Note 3)	(Note 2)
Non-current liabilities		22,006	234,727	220,451	219,068	184,088	175,002
Total liabilities	Before distribution	3,334,853	4,029,504	5,413,528	5,628,268	4,046,638	5,036,958
	After distribution	3,334,853	4,029,504	5,413,528	5,953,519	(Note 3)	(Note 2)
Equity attributable to owners of the parent company		1,405,620	1,487,677	1,895,194	2,659,238	2,648,819	2,828,336
Share capital		1,180,321	1,251,140	1,376,254	1,626,254	1,626,254	1,626,254
Capital reserve		44,977	44,977	44,977	223,116	223,116	223,116
Retained earnings	Before distribution	211,829	267,745	587,811	767,805	765,496	859,147
	After distribution	70,191	142,631	312,560	442,554	(Note 3)	(Note 2)
Other equity interests		(31,507)	(76,185)	(113,848)	42,063	33,953	119,819
Treasury stock		-	-	-	-	-	-
Non-controlling interests		-	-	-	-	61,384	57,558
Total equity	Before distribution	1,405,620	1,487,677	1,895,194	2,659,238	2,710,203	2,885,894
	After distribution	1,334,801	1,487,677	1,619,943	2,333,987	(Note 3)	(Note 2)

Note 1: The financial information for each year was audited and certified by attesting CPAs.
Note 2: The financial information for the first quarter of 2024 was reviewed by CPAs only.
Note 3: The appropriation of the 2023 earnings is subject to the resolution of the shareholders' meeting.

(2) Condensed Consolidated Statements of Income - IFRS (Consolidated Financial Statements)

Unit: NT$ '000

Item / Year	Financial information for the last five fiscal years (Note 1)					Financial information for the current year as of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating Revenue	12,704,736	13,678,646	18,852,689	19,346,503	15,276,756	4,030,790
Gross Profit	597,988	675,170	1,091,967	1,051,088	865,652	215,233
Operating Profit and Loss	217,399	275,510	546,320	567,445	408,845	68,979
Non-operating Income and Expenses	(10,584)	(27,290)	7,329	22,024	(16,537)	45,412
Net Income before Tax	206,815	248,220	553,649	589,469	392,308	114,391
Net income of continuing operations for the period	154,917	197,574	445,506	453,946	312,807	89,825
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss) for the period	154,917	197,574	445,506	453,946	312,807	89,825
Other comprehensive income (net after tax) for the period	(17,006)	(44,698)	(36,942)	157,210	(7,553)	85,866
Total comprehensive income for the period	137,911	152,876	408,564	611,156	305,254	175,691
Net income attributable to owners of the parent company	154,917	197,574	445,506	453,946	322,385	96,651
Net income attributable to noncontrolling interests	-	-	-	-	(9,578)	(3.826)
Total consolidated profit or loss attributable to owners of the parent company	137,911	152,876	408,564	611,156	314,832	179,517
Total comprehensive income attributable to noncontrolling interests	-	-	-	-	(9,578)	(3.826)
Earnings per share	1.31	1.58	3.24	3.08	1.98	0.58

Note 1: The financial information for each year was audited and certified by attesting CPAs.
Note 2: The financial information for the first quarter of 2024 was reviewed by CPAs only.

(3) Condensed Balance Sheet - IFRS (Parent Company Only Financial Reports)

Unit: NT$ ‘000

Item \ Year		Financial information for the last five fiscal years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		4,645,145	5,102,347	6,660,503	7,599,085	6,032,033
Property, plant and equipment		10,243	8,843	5,935	328,914	326,638
Intangible assets		-	-	-	-	-
Other assets		50,746	370,148	602,079	315,664	295,048
Total assets		4,706,134	5,481,338	7,268,517	8,243,663	6,653,719
Current liabilities	Before distribution	3,290,134	3,762,576	5,158,985	5,379,233	3,820,561
	After distribution	3,290,134	3,762,576	5,158,985	5,704,484	(Note 2)
Non-current liabilities		10,380	231,085	214,338	205,192	184,339
Total liabilities	Before distribution	3,300,514	3,993,661	5,373,323	5,584,425	4,004,900
	After distribution	3,300,514	3,993,661	5,373,323	5,909,676	(Note 2)
Equity attributable to owners of the parent company		1,405,620	1,487,677	1,895,194	2,659,238	2,648,819
Share capital		1,180,321	1,251,140	1,376,254	1,626,254	1,626,254
Capital reserve		44,977	44,977	44,977	223,116	223,116
Retained earnings	Before distribution	211,829	267,745	587,811	767,805	765,496
	After distribution	70,191	142,631	312,560	442,554	(Note 2)
Other equity interests		(31,507)	(76,185)	(113,848)	42,063	33,953
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	1,405,620	1,487,677	1,895,194	2,659,238	2,648,819
	After distribution	1,334,801	1,487,677	1,619,943	2,333,987	(Note 2)

Note 1: The financial information for each year was audited and certified by attesting CPAs.
Note 2: The appropriation of the 2023 earnings is subject to the resolution of the shareholders' meeting.

(4) Condensed Consolidated Statements of Income - IFRS (Parent Company Only Financial Reports)

Unit: NT$ ‘000

Item \ Year	Financial information for the last five fiscal years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	12,697,137	13,655,164	18,771,092	19,312,581	15,303,570
Gross Profit	592,907	668,067	1,044,151	1,047,658	875,672
Operating Profit and Loss	222,201	246,620	517,168	595,192	449,846
Non-operating Income and Expenses	(15,386)	1,600	32,455	(5,401)	(47,960)
Net Income before Tax	206,815	248,220	549,623	589,791	401,886
Net income of continuing operations for the period	154,917	197,574	445,506	453,946	322,385
Loss from discontinued operations	-	-	-	-	-
Net income (loss) for the period	154,917	197,574	445,506	453,946	322,385
Other comprehensive income (net after tax) for the period	(17,006)	(44,698)	(36,942)	157,210	(7,553)
Total comprehensive income for the period	137,911	152,876	408,564	611,156	314,832
Net income attributable to owners of the parent company	-	-	-	-	-
Net income attributable to noncontrolling interests	-	-	-	-	-
Total consolidated profit or loss attributable to owners of the parent company	-	-	-	-	-
Total comprehensive income attributable to noncontrolling interests	-	-	-	-	-
Earnings per share	1.31	1.58	3.24	3.08	1.98

Note 1: The financial information for each year was audited and certified by attesting CPAs.

(2) Name of the attesting CPAs and audit opinion for the past five fiscal years:

Audit Year	Name of Accounting Firm	Name of Attesting CPA	Audit opinion
2019	KPMG Taiwan	May Yang and Winston Yu	Unqualified opinion
2020	KPMG Taiwan	May Yang and Winston Yu	Unqualified opinion
2021	KPMG Taiwan	Jason Lin and Winston Yu	Unqualified opinion

2022	KPMG Taiwan	Jason Lin and Winston Yu	Unqualified opinion
2023	KPMG Taiwan	Jason Lin and Winston Yu	Unqualified opinion

2. Financial analysis for the last five fiscal years

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

Analyzed items (Note 3) \ Year		Financial analysis for the last five fiscal years (Note 1)					As of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt to Assets Ratio	70.35	73.04	74.07	67.91	59.89	63.58
	Long-term capital to property, plant and equipment	9,873.51	554.10	689.29	867.58	877.81	583.99
Solvency (%)	Current ratio	140.71	135.96	130.00	141.43	157.06	144.76
	Quick ratio	120.18	114.76	108.85	98.38	130.28	119.63
	Interest Coverage Ratio	9.06	12.74	18.45	10.36	6.23	10.06
Operating Performance	Accounts receivable turnover ratio	4.50	4.55	5.63	5.22	4.55	4.77
	Average collection days	81.11	80.22	64.83	69.92	80.21	76.52
	Inventory turnover ratio (times)	19.75	17.51	18.80	10.75	8.60	13.69
	Accounts payable turnover ratio (times)	6.63	5.71	6.40	6.49	6.02	6.45
	Average sales days	18.48	20.85	19.41	33.95	42.44	26.66
	PPE turnover ratio (times)	971.27	84.10	61.03	60.58	46.19	37.77
	Total assets turnover ratio (times)	2.97	2.67	2.94	2.48	2.03	2.20
Profitability	Return on assets (%)	4.10	4.18	7.34	6.47	4.96	5.45
	Return on equity (%)	11.31	13.66	26.34	19.93	11.65	12.84
	Profit before tax to capital stock ratio (%)	17.52	19.84	40.23	36.25	24.12	28.14
	Net Income Ratio (%)	1.22	1.44	2.36	2.35	2.05	2.23
	Earnings per share (NT$)	1.31	1.58	3.24	3.08	1.98	0.58
Cash flow	Cash flow ratio (%)	(10.46)	25.06	(8.32)	(11.86)	38.09	3.52
	Cash flow adequacy ratio (%)	485.30	133.79	40.34	(13.21)	35.94	52.3
	Cash reinvestment ratio (%)	(29.75)	51.76	(20.39)	(31.64)	39.35	5.56
Leverage	Operating leverage	1.10	1.09	2.00	1.85	2.12	3.12

	Financial leverage	1.13	1.08	1.06	1.12	1.22	1.22
Please explain the reasons for the changes in the financial ratios in the last two years. (If the increase/decrease change is less than 20%, the analysis is not required) 1. Increase in quick ratio: mainly due to the repayment of short-term bank borrowings in 2023, resulting in a decrease in liabilities. 2. Decrease in interest coverage ratio: mainly due to the decline in revenue in 2023, resulting in a decrease in profit. 3. Decrease in inventory turnover and increase in average sales days: mainly due to the decrease in market demand in 2023. 4. Decrease in the turnover rate of property, plant and equipment: mainly due to the decline in revenue in 2023. 5. Decrease in return on assets, return on equity, net income before tax to paid-in capital ratio, and earnings per share: mainly due to the decrease in net operating profit in 2023. 6. Increase in cash flow ratio, cash flow equivalency ratio, and cash reinvestment ratio: mainly due to the increase in net cash inflow from operating activities in 2023.							

Note 1: The financial information for each year was audited and certified by attesting CPAs.
Note 2: The financial information for the first quarter of 2024 was reviewed by CPAs only.
Note 3: The calculation formula is as follows

1. Financial Structure
   (1) Debt to asset ratio = total liabilities / total assets.
   (2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Debt Service Coverage Ratio (DSCR)
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
   (3) Interest coverage ratio = Net income before income tax and interest expense / Interest expense for the period.
3. Operating Performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover ratio = Net sales / Average accounts receivable (including accounts receivable and notes receivable arising from operations) balance for each period.
   (2) Average collection days = 365/receivable turnover ratio.
   (3) Inventory turnover rate = cost of goods sold / average inventory amount.
   (4) Accounts payable (including accounts payable and notes payable arising from operations) turnover ratio = cost of goods sold / average accounts payable (including accounts payable and notes payable arising from operations) balance for each period.
   (5) Average sales days = 365 / inventory turnover ratio.
   (6) Property, plant and equipment turnover ratio = Net sales / Average net property, plant and equipment.
   (7) Total asset turnover ratio = Net sales / Average total assets.
4. Profitability
   (1) Return on assets = [Profit and loss after tax + interest expense × (1 - tax rate)] / average total assets.
   (2) Return on equity = Profit or loss after tax / average total equity.
   (3) Net income ratio = Profit or loss after tax / Net sales.
   (4) Earnings per share = (Profit or loss attributable to owners of parent company - preferred stock dividends)/weighted average number of shares outstanding.
5. Cash Flow
   (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the last five years / (capital expenditures + increase in inventories + cash dividends) for the last five years.
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).
6. Leverage:
   (1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.
   (2) Financial leverage = Operating income / (Operating income - interest expense).

(2) Financial Analysis - IFRS (Individual Financial Reports)

Analyzed items (Note 2) \ Year		Financial analysis for the last five fiscal years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to Assets Ratio	70.13	72.86	73.93	67.74	60.19
	Long-term capital to property, plant and equipment	13,824.07	559.23	695.00	870.88	867.37
Solvency (%)	Current ratio	141.18	135.61	129.10	141.27	157.88
	Quick ratio	120.62	114.96	108.60	98.21	131.26
	Interest Coverage Ratio	9.51	13.26	18.69	10.49	6.43
Operating Performance	Accounts receivable turnover ratio	4.51	4.52	5.55	5.15	4.47
	Average collection days	80.93	80.75	65.77	70.87	81.66
	Inventory turnover ratio (times)	19.89	17.87	19.47	10.90	8.69
	Accounts payable turnover ratio (times)	6.63	5.71	6.39	6.48	6.04
	Average sales days	18.35	20.42	18.75	33.49	42.00
	PPE turnover ratio (times)	1,328.29	85.99	61.46	61.07	46.69
	Total assets turnover ratio (times)	2.99	2.68	2.94	2.49	2.05
Profitability	Return on assets (%)	4.10	4.20	7.38	6.49	5.12
	Return on equity (%)	11.31	13.66	26.34	19.93	12.15
	Profit before tax to capital stock ratio (%)	17.52	19.84	37.58	36.27	24.71
	Net Income Ratio (%)	1.22	1.45	2.37	2.35	2.11
	Earnings per share (NT$)	1.31	1.58	3.24	3.08	1.98
Cash flow	Cash flow ratio (%)	(10.57)	24.73	(9.37)	(12.13)	38.70
	Cash flow adequacy ratio (%)	46.02	147.52	37.21	(17.64)	33.27
	Cash reinvestment ratio (%)	(29.59)	51.57	(26.48)	(29.47)	40.53
Leverage	Operating leverage	1.05	1.06	1.03	1.76	1.95
	Financial leverage	1.12	1.09	1.06	1.12	1.20

Please explain the reasons for the changes in the financial ratios in the last two years. (If the increase/decrease change is less than 20%, the analysis is not required)
1. Increase in quick ratio: mainly due to the repayment of short-term bank borrowings in 2023, resulting in a decrease in liabilities.
2. Decrease in interest coverage ratio: mainly due to the decline in revenue in 2023, resulting in a decrease in profit.

3. Decrease in inventory turnover and increase in average sales days: mainly due to the decrease in market demand in 2023. 4. Decrease in the turnover rate of property, plant and equipment: mainly due to the decline in revenue in 2023. 5. Decrease in return on assets, return on equity, net income before tax to paid-in capital ratio, and earnings per share: mainly due to the decrease in net operating profit in 2023. 6. Increase in cash flow ratio, cash flow equivalency ratio, and cash reinvestment ratio: mainly due to the increase in net cash inflow from operating activities in 2023.

Note 1: The financial information for each year was audited and certified by attesting CPAs.
Note 2: The calculation formula is as follows:

1. Financial Structure
   (1) Debt to asset ratio = total liabilities / total assets.
   (2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Debt Service Coverage Ratio (DSCR)
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
   (3) Interest coverage ratio = Net income before income tax and interest expense / Interest expense for the period.

3. Operating Performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover ratio = Net sales / Average accounts receivable (including accounts receivable and notes receivable arising from operations) balance for each period.
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   (5) Average sales days = 365 / inventory turnover ratio.
   (6) Property, plant and equipment turnover ratio = Net sales / Average net property, plant and equipment.
   (7) Total asset turnover ratio = Net sales / Average total assets.
4. Profitability
   (1) Return on assets = [Profit and loss after tax + interest expense × (1 - tax rate)] / average total assets.
   (2) Return on equity = Profit or loss after tax / average total equity.
   (3) Net income ratio = Profit or loss after tax / Net sales.
   (4) Earnings per share = (Profit or loss attributable to owners of parent company - preferred stock dividends)/weighted average number of shares outstanding.
5. Cash Flow
   (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities.
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6. Leverage:
   (1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.
   (2) Financial leverage = Operating income / (Operating income - interest expense).

3. The Audit Committee's report on the most recent annual financial statements:

GMI Technology Inc.

Audit Report prepared by the Audit Committee

The Board of Directors has prepared and submitted to the Board of Directors a business report, parent company only financial statements, consolidated financial statements and a proposal for distribution of earnings for the year ended December 31, 2023, among which the parent company only financial statements and consolidated financial statements have been duly audited and certified by the attesting CPAs Jason Lin and Winston Yu of KPMG Taiwan, whereby an Audit Report has been issued.

The above-mentioned business report, financial statements, consolidated financial statements and statement of earnings distribution were examined by the Audit Committee and were found to be in order and consistent with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Audit report is hereby presented to

the 2024 Annual General Meeting of GMI Technology Inc.

GMI Technology Inc.

Audit Committee Convenor: Jan, Sen

May 9, 2024

4. The consolidated financial statements of the most recent year audited by CPAs

Representation Letter

The entities that are required to be included in the combined financial statements of G.M.I. Technology Inc. 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, G.M.I. Technology Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: G.M.I. Technology Inc.
Chairman: Yeh, Chia-Wen
Date: March 12, 2024

Independent Auditors' Report

To the Board of Directors of G.M.I. Technology Inc.:

Opinion

We have audited the consolidated financial statements of G.M.I. Technology Inc. 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, based on our audits and the report of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants 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 Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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. We have determined the matters described below to be the key audit matters to be communicated in our report:

1. Revenue Recognition

   Please refer to note 4(m) "Revenue Recognition" for accounting policy, and note 6(q) Revenue from Customer Contracts, of the Consolidated Financial Statements.

   Description of key audit matter:

   The Group mainly engages in the purchase and sale of electronic components. Since revenue is an important item in financial reporting and is of the interest to the users of financial statements, revenue recognition is one of the important evaluations performed by our auditors in the consolidated financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understand and test the internal processes and related controls related to revenue recognition.
- Analyze the form and transaction terms of major revenues to assess the appropriateness of the timing of revenue recognition
- Verify the revenue transaction records and various certificates for the period before and after the selected financial reporting date to assess the appropriate cutoff of operating revenue records.
- Assess whether there are material sales return and discounts.

Other Matter

We did not audit the financial statements of Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd. subsidiaries of the Group. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd., is based solely on the report of another auditor. The investment in Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd. accounted for using the equity method constituting 3.50% and 2.86% of consolidated total assets at December 31, 2023 and 2022, respectively, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method constituting 1.50% and 1.62% of total Earning before tax for the years then ended respectively.

The Company has prepared its parent-company-only financial report for the years 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Lin, Heng-Shen and Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2024

Notes to Readers

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

The 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 auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

G.M.I. Technology Inc. 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))	$ 1,497,908	23	1,455,659	18
1150	Notes receivable (notes (6)(c)(q))	91,684	1	96,006	1
1170	Accounts receivable (notes (6)(c)(q) and (8))	3,081,975	46	3,442,658	42
1181	Accounts receivable due from related parties (notes (6)(c)(q) and (7))	7,161	-	71	-
1200	Other receivables	21,549	-	17,899	-
1220	Current income tax assets	22,641	-	6,529	-
130X	Inventories (note (6)(d))	1,030,721	16	2,319,295	27
1476	Other financial assets - current (note (8))	225,303	3	231,773	3
1470	Other current assets	87,497	1	80,192	1
	Total current assets	6,066,439	90	7,650,082	92
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	70,185	1	-	-
1550	Investments accounted for using the equity method (notes (6)(e) and (7))	236,679	3	237,492	3
1600	Property, plant and equipment (notes (6)(f) and (8))	329,717	5	331,763	4
1755	Right-of-use assets (note (6)(g))	20,510	-	28,937	-
1840	Deferred income tax assets (note (6)(m))	26,863	1	36,038	1
1975	Net defined benefit assets- non current (note (6)(l))	2,387	-	1,426	-
1900	Other non-current assets	4,061	-	1,768	-
	Total noncurrent assets	690,402	10	637,424	8
	Total assets	$ 6,756,841	100	8,287,506	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes (6)(i)and (8))	$ 1,350,950	20	2,238,874	27
2110	Short-term notes and bills payable (note (6)(h))	199,601	3	379,163	5
2170	Accounts payable	212,926	3	397,049	5
2180	Accounts payable to related parties (note (7))	1,909,752	28	2,264,502	27
2219	Other payables	83,892	1	79,774	1
2220	Other payables to related parties (note (7))	4,923	-	-	-
2230	Current income tax liabilities	27,871	1	3,287	-
2280	Current lease liabilities (note (6)(k))	13,065	-	12,785	-
2300	Other current liabilities	32,795	1	21,866	-
2322	Long-term borrowings, current portion (notes (6)(j)and (8))	26,775	-	11,900	-
	Total current liabilities	3,862,550	57	5,409,200	65
	Non-Current liabilities:				
2540	Long-term borrowings(notes (6)(j)and (8))	175,525	3	202,300	2
2580	Non-current lease liabilities(note (6)(k))	8,563	-	16,768	-
	Total non-current liabilities	184,088	3	219,068	2
	Total liabilities	4,046,638	60	5,628,268	67
	Equity attributable to owners of the parent company (notes (6)(n) and (o)):				
3110	Ordinary share	1,626,254	24	1,626,254	20
3200	Capital surplus	223,116	3	223,116	3
3310	Legal reserve	146,600	2	101,075	1
3320	Special reserve	-	-	113,848	1
3350	Unappropriated retained earnings	618,896	9	552,882	7
3400	Other equity	33,953	1	42,063	1
	Total equity attributable to owners of parent:	2,648,819	39	2,659,238	33
36XX	Non-controlling interests	61,384	1	-	-
	Total equity	2,710,203	40	2,659,238	33
	Total liabilities and equity	$ 6,756,841	100	8,287,506	100

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology Inc. 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**	**%**
4000	**Operating revenues** (notes (6)(q) and (7))	$ 15,276,756	100	19,346,503	100
5000	**Operating costs** (notes (6)(d) and (7))	14,411,104	94	18,295,415	95
	Gross profit (loss) from operations	865,652	6	1,051,088	5
	Operating expenses (notes (6)(k)(l)(o) and (r)):				
6100	Selling expenses	305,374	2	319,425	1
6200	Administrative expenses	135,176	1	133,066	1
6300	Research and development expenses	35,439	-	22,920	-
6450	Impairment loss (impairment gain) determined in accordance with IFRS 9 (note (6)(c))	(19,182)	-	8,232	-
	Total operating expenses	456,807	3	483,643	2
	Net operating income	408,845	3	567,445	3
	Non-operating income and expenses (notes (6)(f)(k) and (s)):				
7100	Interest income	28,182	-	7,815	-
7010	Other income	25,270	-	5,501	-
7020	Other gains and losses, net	(824)	-	62,113	-
7050	Finance costs	(75,050)	-	(62,978)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	5,885	-	9,573	-
	Total non-operating income and expenses	(16,537)	-	22,024	-
7900	**Profit before income tax**	392,308	3	589,469	3
7950	Less: Income tax expense(note (6)(m))	79,501	1	135,523	1
	Profit	312,807	2	453,946	2
8300	**Other comprehensive income (loss):**				
8310	**Items that may not reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(l))	557	-	1,173	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified	-	-	126	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		557	-	1,299	-
8360	**Items that may be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(7,847)	-	151,895	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(263)	-	4,016	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(8,110)	-	155,911	1
8300	**Other comprehensive income, net**	(7,553)	-	157,210	1
	Comprehensive income	**$ 305,254**	**2**	**611,156**	**3**
	Profit (loss), attributable to:				
	Owners of parent	$ 322,385	2	453,946	2
	Non-controlling interests	(9,578)	-	-	-
		$ 312,807	**2**	**453,946**	**2**
	Comprehensive income attributable to:				
	Owners of parent	$ 314,832	2	611,156	3
	Non-controlling interests	(9,578)	-	-	-
		$ 305,254	**2**	**611,156**	**3**
	Earnings per share (note (6)(p))				
	Basic earnings per share	**$ 1.98**		**3.08**	
	Diluted earnings per share	$ 1.98		3.08	

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology Inc. 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			Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total equity
Balance at January 1, 2022	$ 1,376,254	44,977	56,557	76,185	455,069	(113,848)	-	-	1,895,194
Profit for the period	-	-	-	-	453,946	-	-	-	453,946
Other comprehensive income or loss for the period	-	-	-	-	1,299	155,873	38	-	157,210
Total comprehensive income or loss for the period	-	-	-	-	455,245	155,873	38	-	611,156
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	44,518	-	(44,518)	-	-	-	-
Special reserve	-	-	-	37,663	(37,663)	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(275,251)	-	-	-	(275,251)
Issuance of shares for cash	250,000	175,000	-	-	-	-	-	-	425,000
Share-based payment transactions	-	3,139	-	-	-	-	-	-	3,139
Balance at December 31, 2022	1,626,254	223,116	101,075	113,848	552,882	42,025	38	-	2,659,238
Profit for the period	-	-	-	-	322,385	-	-	(9,578)	312,807
Other comprehensive income or loss for the period	-	-	-	-	557	(8,515)	405	-	(7,553)
Total comprehensive income	-	-	-	-	322,942	(8,515)	405	(9,578)	305,254
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	45,525	-	(45,525)	-	-	-	-
Special reserve	-	-	-	(113,848)	113,848	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(325,251)	-	-	-	(325,251)
Changes in non-controlling interests	-	-	-	-	-	-	-	70,962	70,962
Balance at December 31, 2023	**$ 1,626,254**	**223,116**	**146,600**	**-**	**618,896**	**33,510**	**443**	**61,384**	**2,710,203**

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology Inc. 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	$ 392,308	589,469
Adjustment:		
Adjustments to reconcile profit (loss):		
Depreciation expense	22,324	20,607
Expected credit (gain) loss	(19,182)	8,232
Interest expense	75,050	62,978
Interest revenue	(28,182)	(7,815)
Share-based payments transactions	-	3,139
Gain on financial assets at fair value through profit or loss	(185)	-
Share of loss of associates accounted for using equity method	(5,885)	(9,573)
Loss from disposal of property, plan and equipment	45	45
Loss from disposal of investments	(38)	-
Gain from lease modification	(9)	-
Total adjustments to reconcile profit	43,938	77,613
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes receivable	4,166	37,881
Decrease in accounts receivable	375,344	537,843
(Increase) decrease in accounts receivable due from related parties	(7,091)	37,956
Decrease in other receivable	(3,195)	(3)
Decrease (increase) in inventories	1,298,206	(1,106,352)
(Increase) decrease in other current assets	(7,716)	40,254
Total changes in operating assets	1,659,714	(452,421)
Changes in operating liabilities:		
Increase (decrease) in accounts payable	(184,867)	232,167
Increase (decrease) in accounts payable to related parties	(350,763)	(714,402)
Increase (decrease) in other payable	9,050	(41,839)
Increase (decrease) in other payable to related parties	4,923	-
Increase (decrease) in other current liabilities	11,345	(41,085)
Increase (decrease) in net defined benefit liability	(404)	(391)
Total changes in operating liabilities	(510,716)	(565,550)
Total adjustments	1,192,936	(940,358)
Cash inflow (outflow) from operations	1,585,244	(350,889)
Interest received	27,649	6,897
Interest paid	(79,742)	(59,120)
Income taxes (paid)	(61,942)	(238,582)
Net cash flows from operating activities	1,471,209	(641,694)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(70,000)	-
Acquisition of property, plant and equipment	(4,391)	(31,810)
Decrease (increase) in other financial assets	6,050	(1,083)
(Increase) decrease in other non-current assets	(2,306)	2,258
Dividends received	6,408	3,966
Net cash flows used in investing activities	(64,239)	(26,669)
Cash flows from (used in) financing activities:		
Increase in short-term borrowing	7,355,369	8,929,732
Decrease in short-term borrowing	(8,249,542)	(8,130,114)
Increase in short-term notes and bills	3,355,559	2,368,379
Decrease in short-term notes and bills	(3,535,121)	(2,548,169)
Repayments of long-term debt	(11,900)	(11,900)
Payment of lease liabilities	(15,444)	(13,599)
Cash dividends paid	(325,251)	(275,251)
Proceeds from issuing shares	-	425,000
Contribution by non-controlling interests	71,000	-
Net cash flows from (used in) financing activities	(1,355,330)	744,078
Effect of exchange rate changes on cash and cash equivalents	(9,391)	(67,773)
Net increase (decrease) in cash and cash equivalents	42,249	7,942
Cash and cash equivalents at beginning of period	1,455,659	1,447,717
Cash and cash equivalents at end of period	**$ 1,497,908**	**1,455,659**

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology Inc. and subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

G.M.I. Technology Inc. (hereinafter referred to as the Company) was established in October 1995 with the approval of the Ministry of Economic Affairs, R.O.C and its registered office is located at 2F, No. 57, Xingzhong Rd, Neihu District, Taipei, Taiwan. The Company and its subsidiaries (hereinafter collectively referred to as the Group) are principally engaged in the trading and manufacturing of electronic equipment and components, computer software development, trading and related business services.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 12, 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"

(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"

(Continued)

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

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

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

(4) Summary of material accounting policies:

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

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

(ii) Functional and presentation currency

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

(Continued)

(c) Basis of consolidation

(i) Principles of preparation of consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. 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

List of the subsidiaries included in the consolidated financial statements:

			Percentage of ownership		
Name investor	**Name of investee**	**Scope of business**	**December 31, 2023**	**December 31, 2022**	**Description**
The Company	G.M.I. Technology (BVI) Co., Ltd	Investment holding	100.00%	100.00%	-
The Company	Rehear Audiology Company Ltd.	Medical Devices research and development	29.00%	- %	Note 1
G.M.I. Technology (BVI) Co., Ltd	Harken Investments Limited	Investment holding	100.00%	100.00%	-
G.M.I. Technology (BVI) Co., Ltd	Vector Electronic Co. Ltd	Trading of electronic components and investment holding	100.00%	100.00%	-
Vector Electronic Co. Ltd	G.M.I. (Shanghai) Trading Company Limited	Trading of electronic components and business marketing consulting	100.00%	100.00%	
Vector Electronic Co. Ltd	G.M.I. Vector Electronics (Shenzhen) Company	Trading of electronic components and business marketing consulting	- %	- %	Note 2
Vector Electronic Co. Ltd	Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	100.00%	100.00%	-
G.M.I (Shanghai) Trading Company Limited.	Shandong Wan Shun He Energy Co., Ltd.	Chemical engineering products and Trading of electronic components	- %	100.00%	Note 3

Note 1: On March 22, 2023, Rehear Audiology Company LTD was established and registered.Although the Company owns less than 50% of Rehear Audiology Company LTD, the Company and the related parties own more than 50% of Rehear Audiology Company LTD, and the Company could determine the related operating activities. Therefore, Rehear Audiology Company LTD, is regarded as a subsidiary.

Note 2: The subsidiary was established in 2007 and was approved by the Board of Directors for liquidation on November 8, 2022. The subsidiary was canceled on November 23, 2022. In addition, the company was liquidated on December 6, 2022.

(Continued)

Note 3: The subsidiary was liquidated by the resolution of the Board of Directors on March 28, 2023, and the company was deregistered on May 30, 2023.

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

(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. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

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

(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 (as defined in IAS 7) 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.

An entity shall classify a liability as current when:

(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) 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 comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(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; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(Continued)

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group, therefore, those receivables are measured at FVOCI. However, they are included in the 'trade receivables' line item.

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

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

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

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

(Continued)

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

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

· other debt securities and bank balances for which credit risk (i.e. the risk of 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.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(Continued)

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

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 stated at amortized cost.

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.

(Continued)

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.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using 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 existing location and condition.

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. Under the equity method, when associates are originally acquired, they are recognized by cost, plus the net fair value of any identifiable assets and liabilities by the investee that exceeds the cost of the investment. The cost of the investment also includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

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

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

(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.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline 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)	Building and structure	30 years
2)	Machinery and equipment	5 years
3)	Office equipment and other equipment	3 to 5 years
4)	Leasehold Improvement	3 years
5)	Transportation equipment	4 years

The Group reviews the depreciation method, useful life and residual value at each reporting date, and makes appropriate adjustments when necessary.

(k) Leases

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

(i) As a leasee

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.

(Continued)

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

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

(1) fixed payments;

(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(3) amounts expected to be payable under a residual value guarantee; and

(4) 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:

(1) there is a change in future lease payments arising from the change in an index or rate; or

(2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(3) 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

(4) there is a change of its assessment on whether it will exercise a extension or termination option; or

(5) there is any lease modifications

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

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

(l) Impairment of non financial assets

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

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 cash-generating units (CGUs).

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

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.

Non-financial assets are reversed only to the extent that the carrying amount (other than depreciation or amortization) does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(m) Revenue Recognition

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 Group recognizes revenue when control over a product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Group has objective evidence that all acceptance conditions have been met.

The Company regularly provides sales discounts to its customers on the basis of sales achieved. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.
The Group recognizes accounts receivable when the goods are delivered because the Group has the unconditional right to receive the consideration at that point in time.

(n) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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.

(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. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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 confirm the number of shares subscribed by the employees.

(Continued)

(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 are recognized in profit or loss.

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

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) 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.

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, if any.

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

(i) the Group has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(Continued)

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

(r) Operating segments

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

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

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

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

The accounting policies involved significant judgement and have a significant impact on the amounts recognized in this consolidated financial report as follows:

(a) Judgement regarding significanst infiuence over an investee

The Group holds 12.73% voting shares, and is the second largest shareholder, of Unitech Electronics Co., Ltd., resulting in the Group's chairman and his family having substantial control and significant influence over Unitech Electronics Co., Ltd..

(b) Judgment regarding substantive control over an investee

Although the Company owns less than 50% of Rehear Audiology Company LTD, the Company and the related parties own more than 50% of Rehear Audiology Company LTD, and the Company could determine the related operating activities. Therefore, Rehear Audiology Company LTD, is regarded as a subsidiary.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) The loss allowance for trade receivables

The Group has estimated the loss allowance for trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(c).

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, The Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid technological changes, the net realizable value of inventories may change significantly. The relevant assumptions and input values, please refer to note 6(d).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 3,877	5,784
Cheques and demand deposits	1,494,031	1,449,875
	$ 1,497,908	**1,455,659**

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

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:		
Beneficiary funds	**$ 70,185**	**-**

(Continued)

(i) Please refer to note 6(t) for the amount of the financial assets at fair value through profit or loss.

(ii) None of the Group's financial asset at fair valule through profit or loss had been pledged as collateral.

(c) Notes and accounts receivable

Mandatorily measured at fair value through profit or loss:

	December 31, 2023	December 31, 2022
Notes receivable - arising from operations	$ 91,960	96,295
Accounts receivable - measured at amortized cost	3,115,349	3,495,090
Accounts receivable due from related parties	7,161	71
Less: Allowance for losses	(33,650)	(52,721)
	$ 3,180,820	3,538,735

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

	December 31, 2023		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	$ 3,189,318	0.99%	31,521
Less than 90 days past due	25,152	8.46%	2,129
	$ 3,214,470		33,650

	December 31, 2022		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	3,379,158	1.09%	36,776
Less than 90 days past due	212,298	7.51%	15,945
	$ 3,591,456		52,721

(Continued)

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

		2023	2022
Balance at January 1	$	52,721	58,490
Impairment losses		-	8,232
Amounts written off as irrecoverable during the year		-	(18,456)
Impairment loss reversal		(19,182)	-
Foreign exchange gains or losses		111	4,455
Balance at December 31	$	33,650	52,721

For details on financial assets guaranteed as long-term loans and financing guarantees mentioned above, please refer to note 8.

(d) Inventories

		December 31, 2023	December 31, 2022
Goods for sale	$	1,030,721	2,319,295

Inventories recognized as cost of sales amounted to 14,455,551 thousand and 18,191,664 thousand for the years ended December 31, 2023 and 2022, respectively.

In 2023, the part of inventories previously write down to net realizable value has been sold, leading to an increase in net realizable value and a decrease in cost of good sold of $44,447 thousand. In 2022, the write down of inventories to net realizable amounted to 103,751 thousand, which recognzied as cost of good sold.

(e) Investments accounted for using the equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2023	December 31, 2022
Associates	$	560,256	561,069
Accumulated impairment		(323,577)	(323,577)
	$	236,679	237,492

(Continued)

(i) Associates

For Affiliates that are significant to the Group, their relevant information are as follows:

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights December 31, 2023	December 31, 2022
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73%	12.73%

For Affiliates that are significant to the Group have been listed on the stock exchange, their fair values are as follows:

	December 31, 2023	December 31, 2022
Unitech Electronics	$ 287,248	214,600

The aggregated financial information of the affiliates that are material to the Group is as follows. The financial information has been adjusted to the amounts included in the IFRS consolidated financial statements of each Affiliate to reflect the Group's fair value adjustments and adjustments made for differences in accounting policies for affiliates when acquiring equity in Affiliates:

1) Unitech Electronics's Aggregate Financial Information:

	December 31, 2023	December 31, 2022
Current Asset	$ 1,794,128	1,920,808
Non-Current Asset	582,566	580,061
Current Liability	(458,796)	(541,419)
Non-Current Liability	(105,990)	(137,518)
Net Assets	$ 1,811,908	1,821,932

	For the years ended December 31, 2023	2022
Operating revenue	$ 2,242,442	2,350,259
Current period net profit	40,867	91,437
Other comprehensive gains and losses	(548)	18,493
Total comprehensive gains and losses	$ 40,319	109,930

(Continued)

	For the years ended December 31, 2023	For the years ended December 31, 2022
Beginning carrying balance of the Group's share of net assets of associates	$ 224,079	213,644
The Group's total gains and losses attributable to associates	4,919	14,401
Dividends received from associates	(6,408)	(3,966)
Ending balance of the Group's share of net assets of associates	$ 222,590	224,079

2) The aggregate financial information of the Group's equity-method associates, which are individually insignificant, is summarized as follows (amounts included in the Group's consolidated financial statements):

	December 31, 2023	December 31, 2022
Carrying amount of equity in individual insignificant associates	$ 14,089	13,413

	For the years ended December 31, 2023	For the years ended December 31, 2022
Attributable to the Group:		
Net loss for the period	$ 716	(2,052)
Other comprehensive income or loss	(40)	1,366
Comprehensive income or loss	$ 676	(686)

3) Collaterals

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

(Continued)

(f) Property, plant and equipment

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

		Land	Buildings and Construction	Machinery and equipment	Transportation equipment	Leasehold improvements	Office equipment	Other equipment	Total
Costs									
Balance on January 1, 2023	$	270,496	51,264	1,192	154	4,307	22,499	1,352	351,264
Additions		-	-	-	-	-	3,540	851	4,391
Disposal		-	-	-	-	(34)	(7,837)	(68)	(7,939)
Effects of changes in foreign exchange rates		-	-	(21)	(3)	(37)	(84)	(8)	(153)
Balance on December 31, 2023	$	270,496	51,264	1,171	151	4,236	18,118	2,127	347,563
Balance on January 1, 2022	$	-	-	1,232	152	4,388	16,128	3,225	25,125
Additions		-	23,109	-	-	-	8,088	613	31,810
Reclassification		270,496	28,155	-	-	(354)	81	273	298,651
Disposal		-	-	(58)	-	-	(1,947)	(2,784)	(4,789)
Effects of changes in foreign exchange rates		-	-	18	2	273	149	25	467
Balance on December 31, 2022	$	270,496	51,264	1,192	154	4,307	22,499	1,352	351,264
Depreciation and impairment losses:									
Balance on December 31, 2023	$	-	2,376	1,073	122	3,159	12,306	465	19,501
Additions		-	1,700	-	24	758	3,551	318	6,351
Disposal		-	-	-	-	(32)	(7,795)	(67)	(7,894)
Effects of changes in foreign exchange rates		-	-	(19)	(3)	(34)	(51)	(5)	(112)
Balance on December 31, 2023	$	-	4,076	1,054	143	3,851	8,011	711	17,846
Balance on January 1, 2022	$	-	-	1,112	84	2,311	9,643	2,637	15,787
Depreciation for the year		-	1,317	-	36	949	4,436	368	7,106
Disposal		-	-	(55)	-	-	(1,905)	(2,784)	(4,744)
Reclassification		-	1,059	-	-	(276)	54	222	1,059
Effects of changes in foreign exchange rates		-	-	16	2	175	78	22	293
Balance on December 31, 2022	$	-	2,376	1,073	122	3,159	12,306	465	19,501
Carrying amounts:									
Balance on December 31, 2023	$	270,496	47,188	117	8	385	10,107	1,416	329,717
Balance on December 31, 2022	$	270,496	48,888	119	32	1,148	10,193	887	331,763
Balance on January 1, 2022	$	-	-	120	68	2,077	6,485	588	9,338

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

(Continued)

(g) Right-of-use assets

		Buildings and Construction	Transportation Equipment	Total
Cost:				
Balance on January 1, 2023	$	37,558	-	37,558
Additions		1,582	6,528	8,110
Reduction		(1,903)	-	(1,903)
Effects of changes in foreign exchange rates		(489)	-	(489)
Balance on December 31, 2023	**$**	**36,748**	**6,528**	**43,276**
Balance on January 1, 2022	$	41,044	-	41,044
Additions		28,356	-	28,356
Reduction		(33,634)	-	(33,634)
Effects of changes in foreign exchange rates		1,792	-	1,792
Balance on December 31, 2022	**$**	**37,558**	**-**	**37,558**
Depreciation:				
Balance on January 1, 2023	$	8,621	-	8,621
Depreciation		13,797	2,176	15,973
Reduction		(1,548)	-	(1,548)
Effects of changes in foreign exchange rates		(280)	-	(280)
Balance on December 31, 2023	**$**	**20,590**	**2,176**	**22,766**
Balance on January 1, 2022	$	27,543	-	27,543
Depreciation		13,501	-	13,501
Reduction		(33,634)	-	(33,634)
Effects of changes in foreign exchange rates		1,211	-	1,211
Balance on December 31, 2022	**$**	**8,621**	**-**	**8,621**
Carrying amounts：				
Balance on December 31, 2023	**$**	**16,158**	**4,352**	**20,510**
Balance on December 31, 2022	**$**	**28,937**	**-**	**28,937**
Balance on January 1, 2022	**$**	**13,501**	**-**	**13,501**

(Continued)

(h) Short-term notes and bills payable

	December 31, 2023			
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**	
Commercial paper payable	Grand Bills Finance Corp.	1.9%	$	30,000
Commercial paper payable	Dah Chung Bills Finance Corp.	1.9%		30,000
Commercial paper payable	Taiwan Finance Corporation	1.9%		30,000
Commercial paper payable	China Bills Finance Corporation	1.9%		50,000
Commercial paper payable	Taiwan Cooperative Financial Holding Co., Ltd.	1.9%		30,000
Commercial paper payable	Ta Ching Bills Finance Corporation.	1.9%		30,000
Less: Discount on short term notes and bills payable				(399)
Total			$	199,601

	December 31, 2022			
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**	
Commercial paper payable	Grand Bills Finance Corp.	2.1%	$	100,000
Commercial paper payable	MEGA Bills Finance Co., Ltd.	2.1%		80,000
Commercial paper payable	Dah Chung Bills Finance Corp.	2.1%		150,000
Commercial paper payable	Taiwan Finance Corporation	2.058%		50,000
Less: Discount on short term notes and bills payable				(837)
Total			$	379,163

No assets of the Group were pledged as guarantee for the payment of short-term notes and bills.

(i) Short-term borrowing

The short-term borrowings were summarized as follows:

		December 31, 2023	**December 31, 2022**
Unsecured bank loans	$	1,258,776	1,526,057
Secured bank loans		92,174	712,817
	$	1,350,950	2,238,874
Unused short-term credit lines	$	6,777,498	3,894,372
Range of Interest rate		1.78%~7.07%	1.58%~6.58%

For the collateral for bank loans, please refer to note 8.

(Continued)

(j) Long-term borrowings

The details, terms and conditions of the long-term borrowings were summarized as follows:

	December 31, 2023	December 31, 2022
Secured bank loans	$ 202,300	214,200
Less: current portion	(26,775)	(11,900)
	$ 175,525	202,300
Unused short-term credit lines	$ -	-
Range of interest rates (%)	1.9%	1.65%

For the collateral for bank loans, please refer to note 8.

(k) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	$ 13,065	12,785
Non-current	$ 8,563	16,768

The amounts of leases recognized in profit or loss were as follows:

	For the years ended December 31,	
	2023	2022
Interest expense on lease liabilities	$ 1,452	1,068
Expenses relating to short-term leases	$ 1,872	1,959

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

	For the years ended December 31,	
	2023	2022
Total cash outflow for leases	$ 18,768	16,626

The Group leases buildings for its office space and employee housing, with terms that typically run for the periods of five and two years, respectively. Some leases include an option to extend the lease for the same period as the original contract upon maturity. To the extent that it is not reasonably certain that an optional extension of the lease term will be exercised, payments related to the period covered by the option are not included in the lease liability.

(Continued)

(l) Employee benefits

(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	$ 12,175	12,456
Fair value of plan assets	(14,562)	(13,882)
Net defined benefit liabilities	**$ (2,387)**	**(1,426)**

The Group's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Liability for short-term compensated absences (included in other payables)	**$ 1,722**	**1,878**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits 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 $14,562 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 defined benefit obligations

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

	For the years ended December 31,		
		2023	**2022**
Defined benefit obligations at January 1	$	12,456	13,807
Current service cost and interest cost		150	92
Net defined benefit liability remeasurement		(431)	(133)
Benefits paid		-	(1,310)
Defined benefit obligations at December 31	**$**	**12,175**	**12,456**

3) Movements in fair value of defined benefit plan assets

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

	For the years ended December 31,		
		2023	**2022**
Fair value of plan assets at January 1	$	(13,882)	(13,669)
Interest income		(169)	(93)
Net defined benefit asset remeasurement		(128)	(1,040)
Contributions paid by the employer		(383)	(390)
Benefits paid		-	1,310
Fair value of plan assets at December 31	**$**	**(14,562)**	**(13,882)**

4) Expenses recognized in profit or loss

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

	For the years ended December 31,		
		2023	**2022**
Current service cost and interests	$	149	92
Net interest of net liabilities for defined benefit obligations		(169)	(93)
	$	**(20)**	**(1)**

	For the years ended December 31,		
		2023	**2022**
Operating expenses	**$**	**(20)**	**(1)**

(Continued)

5) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The cumulative remeasurement of the Group's net defined benefit obligation recognized in other comprehensive income were as follows:

		For the years ended December 31, 2023	2022
Cumulated amount at January 1	$	(443)	(1,616)
Total gain/loss recognized		557	1,173
Cumulated amount at December 31	**$**	**114**	**(443)**

6) Actuarial assumptions

The principal actuarial assumptions of the actuarial valuation were as follows:

	For the years ended December 31, 2023	2022
Discount Rate	1.20%	1.20%
Future salary increases	3.00%	3.00%

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 $380 thousand.

The weighted average lifetime of the defined benefits plans is 5.9 years.

7) Sensitivity analysis

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

		Impact on the defined benefit obligations Increased 1.00%	Decreased1.00%
Balance at December 31, 2023			
Discount Rate	$	(720)	727
Future salary increases		615	(611)
Balance at December 31, 2022			
Discount Rate		(838)	847
Future salary increases		730	(724)

(Continued)

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. In practical, the relevant actuarial assumptions are correlated to each other. 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 the sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

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

The total pension costs of the Group's overseas subsidiaries under their respective defined contribution plan are recognized in accordance with their local regulations. All pension payment contributed in the current period are recognized as pension expense.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $13,886 thousand and $13,096 thousand for the years ended December 31, 2023 and 2022, respectively.

(m) Income taxes

(i) Income tax expenses

The components of income tax expense (gains) in the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31,	
	2023	**2022**
Current tax expense		
Current period	$ 77,369	164,550
Adjustment for prior years	(7,043)	1,134
Subtotal	70,326	165,684
Deferred tax expense (income)		
Origination and reversal of temporary differences	9,175	(30,161)
Subtotal	9,175	(30,161)
Income tax expense	**$ 79,501**	**135,523**

(Continued)

Reconciliation of income tax expense and profit before tax for 2023 and 2022 is as follows:

	For the years ended December 31,	
	2023	**2022**
Profit before income tax	$ 392,308	589,469
Income tax using the Company's domestic tax rate	$ 78,461	117,894
Effect of tax rates in foreign jurisdiction	(2,264)	(1,703)
Permanent difference	(392)	(1,914)
Change in unrecognized temporary differences	7,449	6,927
Adjustments for under provisions of prior years	(7,043)	1,134
Additional tax on undistributed earnings	9,916	4,387
Others	(6,626)	8,798
Total	$ 79,501	135,523

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	December 31, 2023	**December 31, 2022**
Tax effect of deductible Temporary Differences	$ 112,781	105,331

The deferred tax assets have not been recognized in respect of the these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

2) Recognized deferred tax assets

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

Deferred Tax Assets:

	Allowance for bad debt	**Unrealized exchange loss**	**Other**	**Total**
Balance at January 1, 2023	$ 3,831	15,959	16,248	36,038
Recognized in profit or loss	3,125	(200)	(12,100)	(9,175)
Balance at December 31, 2023	$ 6,956	15,759	4,148	26,863
Balance at January 1, 2022	$ 2,557	132	3,188	5,877
Recognized in profit or loss	1,274	15,827	13,060	30,161
Balance at December 31, 2022	$ 3,831	15,959	16,248	36,038

There were no income tax expense recognized the Group equity and other comprehensive income for amount of years ended December 31, 2023 and 2022.

(Continued)

The Company's tax returns for the years through 2021 were assessed by the National Taxation Bureau of R.O.C..

(n) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares was amounted to $2,000,000 thousand. The number of authorized ordinary shares were 200,000 thousand shares with par value of $10 per share, of which 162,625 thousand shares of ordinary shares were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for year ended December 31, 2023 and 2022 were as follows:

	Ordinary share For the years ended December 31,	
(in thousands of shares)	**2023**	**2022**
Balance on January 1	162,625	137,625
Issued for cash	-	25,000
Balance on December 31	**162,625**	**162,625**

(i) Ordinary shares

After the resolution of the Board on March 24, 2022, The Company issued 25,000 thousand new ordinary shares through cash capital increase at a price of $17 per share at premium. The total amount of new shares amounting to $425,000 thousand and the base day for capital increase is on August 11, 2022. The Group's share capital was fully received as of August 11, 2022 and the registration of the change was completed on August 30, 2022.

(ii) Capital surplus

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

	December 31, 2023	**December 31, 2022**
Share capital at premium	$ 219,941	219,941
Changes in net equity of associates recognized by equity method	36	36
Employee stock options	3,139	3,139
	$ 223,116	**223,116**

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.

(Continued)

In addition, the Group is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please refer to note 6(o) for details.

(iii) Retained earnings

In accordance with the Company's Articles of Association, if there is any surplus in the annual final accounts, the Company shall first pay taxes to cover for the prior years' deficits and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside in accordance with the Company's operating needs and laws and regulations. Then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the distributable earnings and paying cash dividends on 10% or more of the dividends distributed in a given year. If the dividend is less than $3, the Company may distribute stock dividends in full.

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 Permit No. 1010012865 as issued by the Financial Supervisory Commission on 6 April 2012, a special reserve equal to the contra account of other shareholders' equity is appropriated from current and prior period earnings. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On June19, 2023 and June 23, 2022, the appropriation the earnings for 2022 and 2021 was resolved in the general meeting of shareholders. The amounts of interests distributed to owners were as follows:

	For the years ended December 31,			
	2022		2021	
	Amount per share	Total Amount	Amount per share	Total Amount
Dividends distributed to ordinary shareholders:				
Cash	$ 2.00	325,251	2.00	275,251

(Continued)

(iv) Other equity

		Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income
Balance on January 1, 2023	$	42,025	38
Exchange differences on translation of net assets of foreign operations		(8,515)	405
Balance on December 31, 2023	$	33,510	443
Balance on January 1, 2022	$	(113,848)	-
Exchange differences on translation of net assets of foreign operations		155,873	38
Balance on December 31, 2022	$	42,025	38

(o) share-based payment transaction

(i) The Group's Board of Directors resolved to implement issuance of stock for cash on March 24, 2022, of which 3,750 thousand shares were reserved for employees.

	Cash injection reserved for employees subscription
Grant date	Balance at July 11, 2022
Number of options granted	2,511 thousand shares
Recipients	Employee
Vesting conditions	Immediately vested

The Group adopted the BlackScholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

The fair value per unit of the share option was 1.25 and the remuneration cost of 3,139 thousand was recognized in the year ended December 31, 2022 and classified as operating expenses. Please refer to note 6(n) for the capital reserve recognition.

(ii) Employee expenses attributable to share based payment are as follows:

	For the years ended December 31, 2022
Expenses resulting from granted employee share options	$ 3,139

(p) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2023 and 2022 was based on the profit attributable to ordinary shareholders of the Company amounting to $322,385 thousand and $453,946 thousand, and the weighted average number of ordinary shares outstanding of $162,625 thousand and $147,420 thousand, respectively, as follows:

1) Profit attributable to ordinary shareholders of the Company

	For the years ended December 31, 2023	For the years ended December 31, 2022
Profit attributable to ordinary shareholders of the Company	$ 322,385	453,946

2) Weighted-average number of outstanding ordinary shares

	For the years ended December 31, 2023	For the years ended December 31, 2022
Outstanding at January 1	$ 162,625	137,625
Effect of shares issued	-	9,795
Outstanding at December 31	$ 162,625	147,420

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2023 and 2022 was 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 is as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31, 2023	For the years ended December 31, 2022
Profit attributable to ordinary shareholders of the Company (dilutive)	$ 322,385	453,946

(Continued)

2) Weighted-average number of ordinary shares (diluted)

	For the years ended December 31, 2023	2022
Weighted-average number of ordinary shares outstanding (basic)	$ 162,625	147,420
Effect of employee share bonus	28	43
Weighted-average number of ordinary shares outstanding at December 31(Dilution)	$ 162,653	147,463

(q) Revenue from contracts with customers

(i) Details of revenue

	For the years ended December 31, 2023	2022
Primary geographical markets:		
Taiwan	$ 515,272	872,854
China	14,584,153	18,366,698
Others	177,331	106,951
	$ 15,276,756	19,346,503
Major products/service lines:		
Digital Communication Solutions and Components	$ 13,142,128	16,259,517
Storage Applications Solutions and Components	1,928,053	2,923,485
Analog Electronic Components	206,575	163,501
	$ 15,276,756	19,346,503

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$ 91,960	96,295	122,198
Accounts receivable	3,115,349	3,495,090	3,773,918
Accounts receivable due from related parties	7,161	71	38,026
Less: Loss allowance	(33,650)	(52,721)	(58,490)
Total	$ 3,180,820	3,538,735	3,875,652

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

(Continued)

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

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 0.1% as directors' and supervisors' 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 supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The distribution of remuneration of employees, directors, and supervisors should be submitted and reported to the shareholders' meeting. 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 450 thousand and 650 thousand, and directors' and supervisors' remuneration amounting to 8,200 thousand and 11,000 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

The related information can be accessed from market observation post system website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2023 and 2022.

(s) Non-operating income and expenses:

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Interest income	$ 28,182	7,815

(Continued)

(ii) Other income

The Group's other income was as follows:

	For the years ended December 31,	
	2023	**2022**
Compensation income	$ 6,266	-
Deputy merchandse procument	2,633	-
Other income	16,371	5,501
	$ 25,270	**5,501**

(iii) Other gains and losses

The Group's other gains and losses were as follows:

	For the years ended December 31,	
	2023	**2022**
Foreign exchange gains	$ 5,368	62,311
Gain on modification of lease	9	-
Miscellaneous disbursements	(6,379)	(153)
Net gain on financial assets at fair value through profit or loss	185	-
Losses on disposals of property, plant and equipment	(45)	(45)
Gain on disposal of investments	38	-
	$ (824)	**62,113**

(iv) Finance costs

Finance costs of the Group are detailed as follows:

	For the years ended December 31,	
	2023	**2022**
Interest on bank loans	$ (73,598)	(61,910)
Interest expenses on lease liabilities	(1,452)	(1,068)
	$ (75,050)	**(62,978)**

(Continued)

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The Group's customers are concentrated in a large group of high-tech computer industry customers. In order to reduce the credit risk of accounts receivable, the Group continuously evaluates the financial position of its customers and, if necessary, requires them to provide guarantees or assurances. The Group also regularly evaluates the probability of collection of accounts receivable and provides an allowance for losses.

3) Credit risk of receivables

For details on credit risk of notes and accounts receivable, please refer to note 6(2).

(ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

	Carrying amounts	Contractual Cash flows	within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	$ 1,350,950	1,360,234	1,134,344	225,890	-	-	-
Short-term notes payables	199,601	200,000	200,000	-	-	-	-
Accounts payable (including related parties)	2,122,678	2,122,678	2,122,678	-	-	-	-
Other payables (including related parties)	88,815	88,815	88,815	-	-	-	-
Long-term borrowings (including current portion)	202,300	232,908	24,604	15,150	29,919	51,938	111,297
Lease liabilities	21,628	22,824	8,377	5,569	7,505	1,373	-
	$ 3,985,972	4,027,459	3,578,818	246,609	37,424	53,311	111,297
December 31, 2022							
Non-derivative financial liabilities							
Short-term borrowings	$ 2,238,874	2,263,959	2,075,926	188,033	-	-	-
Short-term notes payables	379,163	380,000	380,000	-	-	-	-
Accounts payable (including related parties)	2,661,551	2,661,551	2,661,551	-	-	-	-
Other payables	79,774	79,774	79,774	-	-	-	-
Long-term borrowings (including current portion)	214,200	236,142	7,705	7,656	29,947	63,735	127,099
Lease liabilities	29,553	31,509	6,941	7,014	11,184	6,370	-
	$ 5,603,115	5,652,935	5,211,897	202,703	41,131	70,105	127,099

(Continued)

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

(iii) Currency risk

1) Exposure of 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	$ 175,686	30.705	5,394,439	202,908	30.710	6,231,305
RMB	800	4.327	3,462	1,223	4.408	5,391
Financial liabilities						
Monetary items						
USD	100,412	30.705	3,083,150	175,824	30.710	5,399,555

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, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and the CNY at December 31, 2023 and 2022, would have increased or decreased the profit before tax by $115,738 thousand and $41,857 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses 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 (including realized and unrealized portions) amounted to $5,368 thousand and $62,311 thousand, respectively.

(iv) interest rate analysis

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

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

(Continued)

If the interest rate increases or decreases by 1% the Group's net income will decrease /increase by $17,529 thousand and $28,322 thousand for the years ended December 31, 2023 and 2022 with all other variable factors remaining constant. This is mainly due to the the Group's variable rate bank deposit.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2023				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value:					
Fund	$ 70,185	70,185	-	-	70,185

2) Valuation technique for the financial instrutment at fair value

If a financial instrument has a public price in an active market,the public price in an active market is the fair value. Market prices published by major exchanges and central government bond over-the-counter trading centers are considered sought?after securities and are the basis for the fair value of listed equity instruments and debt instruments publicly quoted in active markets.

The public price of a financial instrument is provided on a timely and regular basis by an exchange, broker, underwriter, trade association, pricing service or authority, which represents actual and frequent fair market traders. If the above conditions are not met, the market is considered inactive. In general, large bid-ask spreads, increasing bid-ask spreads, or low volume are indicators of market inactivity.

(u) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's exposure information, 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 in the accompanying non-consolidated financial statements.

(ii) Structure of risk management

The Group's finance management department provides business services for the overall internal department. It monitor and manage financial risks of the the Group's business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Group these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the Board of Directors of the Group in accordance with the procedure of the board meetings.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The policy adopted by the Group is to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Group will rate the major customers using other publicly available financial information and mutual transaction records. The Group continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Risk Management Committee.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(Continued)

(iv) Liquidity risk

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.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2023 and 2022, the Group's unused credit line were amounted to $6,777,498 thousand and $3,894,372 thousand, respectively.

(v) 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 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) Currency risk

The Group is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Group's respective entity, primarily the NTD, USD dollar, HKD and RMB. The currencies used in these transactions are the NTD, USD, HKD and RMB.

2) Interest rate risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(v) Capital management

The Group sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment and reduce the capital for redistribution to its shareholders, issue new shares, or sell assets to settle any liabilities.

The Group uses the debt-to-equity ratio to manage capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Company's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 4,046,638	5,628,268
Less: Cash and cash equivalents	(1,497,908)	(1,455,659)
Net liabilities	**$ 2,548,730**	**4,172,609**
Total equity	**$ 2,710,203**	**2,659,238**
Debt-to-equity ratio	**48.46%**	**61.08%**

(w) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2023	Cash flows	Non-Cash changes: Lease modification	Non-Cash changes: Foreign exchange movement	December 31, 2023
Short-term notes payables	$ 379,163	(179,562)	-	-	199,601
Short-term borrowings	2,238,874	(894,173)	-	6,249	1,350,950
long-term borrowings	214,200	(11,900)	-	-	202,300
Total liabilities from financing activities	29,553	(15,444)	7,746	(227)	21,628
Total liabilities from financing activities	**$ 2,861,790**	**(1,101,079)**	**7,746**	**6,022**	**1,774,479**

	January 1, 2022	Cash flows	Non-Cash changes: Lease modification	Non-Cash changes: Foreign exchange movement	December 31, 2022
Short-term notes payables	$ 558,953	(179,790)	-	-	379,163
Short-term borrowings	1,395,505	799,618	-	43,751	2,238,874
long-term borrowings	226,100	(11,900)	-	-	214,200
Lease liabilities	14,188	(13,599)	28,356	608	29,553
Total liabilities from financing activities	**$ 2,194,746**	**594,329**	**28,356**	**44,359**	**2,861,790**

(Continued)

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
GW Electronics Company Limited (hereinafter referred to as GW Electronics)	Investee company accounted for using equity method by the Group
Unitech Electronics Co., Ltd. (hereinafter referred to as Unitech Electronics)	Investee company accounted for using equity method by the Group
Rehear Audiology Company LTD. (hereinafter referred to as Rehear Audiology)	Investee company accounted for using equity method by the Group
Realtek Semiconductor Corp. (hereinafter referred to as Realtek)	The Chairman of the company is the beneficial party of the entity
Realtek Singapore private Limited (hereinafter referred to as "Realtek Singapore")	Subsidiary of Realtek Semiconductor Co.
RayMx Microelectronics Corp (hereinafter referred to as RayMx)	Subsidiary of Realtek Semiconductor Co.
Actions Technology (HK) Company Ltd. (hereinafter referred to as Actions (HK)).	The Chairman of the company is the beneficial party of the entity
GMI Computing International Ltd. (hereinafter referred to as GMI Computing)	The chairman of the company is the second immediate famnily of the chairman of the Company

(b) Significant related-party transactions

(i) Sale revenue

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the years ended December 31, 2023	2022
Other related parties-Realtek	$ 31,600	2,252
Other related parties-Realtek Singapore	8,353	15,899
Other related parties-Unitech Electronics	456	-
	$ 40,409	18,151

Based on the contract, the sales price to related party is cost-plus. The product which the sells to subsidiaries are not sold to other customers and the sales price is not comparable to other customers. The collection conditions and sales price are not significantly different from those of ordinary customers.

(Continued)

(ii) Purchases

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

	For the years ended December 31, 2023	For the years ended December 31, 2022
Other related parties-Realtek	$ 6,345,400	8,920,736
Other related parties-Realtek Singapore	4,545,163	7,051,561
Other related parties-RayMx	258,372	128,864
Other related parties-Actions (HK)	89,692	3,893
	$ 11,238,627	16,105,054

The products which the Company purchases from the above-mentioned related parties are not purchased from other vendors, resulting in no purchase price to compare with other vendors. The payment terms are not significantly different from general vendors.

(iii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Receivable to related parties	Realtek	$ 5,590	71
Receivable to related parties	Realtek Singapore	1,478	-
Receivable to related parties	Unitech Electronics	93	-
		$ 7,161	71

(iv) Payable from related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Payables to related parties	Realtek	$ 1,253,124	894,388
Payables to related parties	Realtek Singapore	607,108	1,357,835
Payables to related parties	RayMx	40,188	11,717
Payables to related parties	Actions (HK)	9,332	562
Other Payables to related parties	GMI Computing	4,923	-
		$ 1,914,675	2,264,502

(Continued)

(c) Key management personnel compensation

Key management personnel compensation includes:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Short-term employee benefits	$ 30,672	36,946
Post-employment benefits	287	298
	$ 30,959	37,244

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Time deposit (classified under other financial assets)	Bank loan limit	$ 225,303	231,773
Accounts receivable	The unused letters of credit and secured loans	101,673	219,193
Property, plant and equipment	Long-term bank loans	295,775	296,684
		$ 622,751	747,650

(9) Commitments and contingencies:

(a) Guarantees provided by the Group's bank to its suppliers for the delivery of goods:

	December 31, 2023	December 31, 2022
Purchase Guarantee	$ 309,583	329,615

(b) The amount of unused outstanding letters of credit were as follows:

	December 31, 2023	December 31, 2022
Outstanding standby letters of credit	$ 1,772,579	2,107,466

(Continued)

(c) The tax payable on imported goods guaranteed by the Group's bank:

	December 31, 2023	December 31, 2022
Taxes on imported goods guaranteed by banks	$ 4,000	4,000

(d) As of December 31, 2023 and 2022, the Group had issued $1,029,025 thousand and $1,160,065 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

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

	For the three months ended December 31					
	2023			2022		
By funtion / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	189,853	189,853	-	161,666	161,666
Labor and health insurance	-	12,394	12,394	-	11,257	11,257
Pension	-	13,866	13,866	-	13,095	13,095
Others	-	6,867	6,867	-	7,251	7,251
Depreciation	-	22,324	22,324	-	20,607	20,607

(b) Others

Accounts receivable regarding to legal proceedings:

In January 2017, the Company filed a civil lawsuit to the Shanghai court for the overdue payment of Shanghai Hairong Information Technology Co. (Shanghai Hairong). However, in May 2017, the Shanghai court rejected the lawsuit. In July of the same year, the Company filed a criminal lawsuit to the Shenzhen Public Security Bureau against the majority shareholder of Shanghai Hairong. However, in September of that year, the Shenzhen Public Security Bureau notified the Company that the case cannot be filed. Hence, the Company has now filed a civil lawsuit against Shanghai Hairong to the Shenzhen court, and the court agreed to accept the lawsuit, which was heard on June 21, 2018. On May 22, 2019, the court ordered Shanghai Hairong to pay the Company the amount of $5,804 thousand (US$187 thousand). Shanghai Hairong appealed against the Company again on June 12, 2019, and The Shenzhen Intermediate People's Court ruled in the second instance to maintain the status quo ante.Shanghai Hairong negotiated a settlement with the Company on December 15, 2021. The Company has received $5,804 thousand in June 2022 and the Company recognized allowance for bad debt for uncollected amounts of $18,456 thousand to write off the allowance for losses for changes in allowance for doubtful debts, please refer to note 6(c).

(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:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	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)	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company									
0	The Group	G.M.I (Shanghai) Trading Company Limited.	2	2,648,819	88,900 (RMB20,000*4.445)	-	-	-	2,648,819	Y	N	Y

Note 1: The Company's endorsement and guarantee amount for a single enterprise is limited to 80% of the Company's shareholders' equity, but for a single overseas affiliate, it is limited to 100% of the Company's shareholders' equity.

Note 2: The relationship between the guarantor and the target of the endorsement is as follows.

(1) Companies with business dealings.
(2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) A company that directly or indirectly holds more than 50% of the voting shares of the company.
(4) A company in which the company directly or indirectly holds more than 90% of the voting shares.
(5) A company that is mutually insured by a contract between peers or co-founders for the purpose of contracting.
(6) A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
(7) Interbank companies that are engaged in the performance guarantee of pre-sale contracts in accordance with the Consumer Protection Act.

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

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Precontage of ownership (%)	Fair value	
Rehear Audiology Company Ltd.	CTBC Hua Win Money Market Fund	-	Non-current financial assets at fair through profit or loss	-	70,000	- %	70,185	

(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$300 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 Compan	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	6,345,400	48.47%	O/A 45 days	No purchases from other vendors	No material variance	(1,253,124)	(59.04)%	
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	4,545,163	34.72%	O/A 45 days	No purchases from other vendors	No material variance	(607,108)	(28.60)%	
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	(948,215)	(6.21)%	O/A 60 days	No material variance	No material variance	136,511	4.29%	Note 1

(Continued)

Name of company	Related party	Nature of relationship	Transaction details: Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Transactions with terms different from others: Unit price	Payment terms	Notes/Accounts receivable (payable): Ending balance	Percentage of total notes/accounts receivable (payable)	Note
The Company	RayMx	Subsidiary of Realtek Semiconductor Co.	Purchase	258,372	1.97%	O/A 45 days	No purchases from other vendors	No material variance	(40,188)	(1.89)%	

Note 1 : The transactions were written off in the consolidated financial statements.

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue: Amount	Overdue: Action taken	Amounts received in subsequent period	Allowance for bad debts
The Company	G.M.I (Shanghai)	Subsidiaries	136,511	674.46%	-		58,912	-

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions: Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	GMI company	Hong Da Fu Tong	1	Business consultation fees	71,622	Monthly payment	0.47%
0	GMI company	G.M.I (Shanghai)	1	Sales revenue	948,215	based on cost-plus approach	6.21%
0	GMI company	G.M.I (Shanghai)	1	Business consultation fees	29,960	Monthly payment	0.20%
0	GMI company	G.M.I (Shanghai)	1	Accounts receivable	136,511	Monthly payment O/A 60 days	2.02%
0	GMI company	Vector Electronic	1	Sales revenue	105,922	Monthly payment O/A 60 days	0.69%
0	GMI company	Vector Electronic	1	Accounts receivable	49,381	Monthly payment O/A 60 days	0.73%

Note 1: Numbers are filled in as follows:
1. “0” represents the Group
2. The subsidiaries start with number 1.

2: Relationship with the listed companies:
1. Transactions from parent Group to subsidiary
2. Transactions from subsidiary to parent Group
3. Transactions between subsidiaries

(b) Information on investees:

The following is the information on investees for the years ended December 31, 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: December 31, 2023	December 31, 2022	Balance as of December 31, 2023: Shares (thousands)	Percentage of wnership	Carrying value	Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Islands	Investment holding	556,991	556,991	18,277	100.00%	(6,605)	100.00%	(37,277)	(37,277)	Note
GMI Technology Inc.	GLOBAL MOBILE INTERNET CO., LTD	Taiwan	Sale of electronic products	15,484	15,484	1,548	34.21%	14,089	34.21%	2,116	716	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products	200,739	200,739	9,559	12.73%	222,590	12.73%	40,612	5,169	
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding	151,141	151,141	34,149	100.00%	(6,683)	100.00%	(37,278)	(37,278)	Note
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMTED	British Virgin Islands	Investment holding	393,484	393,484	13,169	100.00%	74	100.00%	1	1	Note
HARKEN INVESTMENTS LIMTED	GW Electronics Company Limited	Hong Kong	Trading of electronic components	393,236	393,236	102,000	51.00%	-	51.00%	-	-	
G.M.I. Technology	Rehear Audiology Company Ltd.	Taiwan	Medical Devices Research and deveolpment	29,000	-	5,800	29.00%	17,914	29.00%	(13,543)	(3,965)	Note

Note: The transactions were written off in 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	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period	Note
					Outflow	Inflow								
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(b)	48,708	-	-	48,708 (Note 2)	(39,173)	100.00%	100.00%	(39,173)	(33,164)	-	
Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	(b)	44,660	-	-	44,660 (Note 2)	(1,617)	100.00%	100.00%	(1,617)	22,895	-	
Sangdong Wan Shun He Enrgy Co., Ltd.	Chemical engineering products and Trading of electronic components	-	(b)	-	-	-	- (Note 2)	-	-%	-%	-	-		Note 3

Note 1: Three types of investment method are as follows:
(a) Direct investment in Mainland China.
(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(c) Others

Note 2: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is the direct investment by Vector Electronic Co. Ltd with its own capital.

Note 3: The subsidiary has already been liquidated by a resolution of the Board of Directors on March 28, 2023, and has been written off in May 2023.

(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
93,368	629,123	1,589,291

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders:None

Shareholding / Shareholder’s Name	Shares	Percentage
De-Jet Investment Co., Ltd.	52,782,278	32.45%
De-Jia Investment Co., Ltd.	14,340,303	8.81%

Note：The information on major shareholders in this table is based on the last business day of each quarter, and is calculated based on the total number of 5% ordinary shares or more of the Company’s shareholders that have been delivered without physical registration. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

(14) Segment information:

(a) General information

The Group sells and purchases various electronic equipment and components and does not have a significant industrial segment. The information of this operating segment is consistent with the consolidated financial statements. Please refer to the Consolidated Balance Sheet and the Consolidated Statements of Income for details.

(b) Products and services information

The Group's reveThe Group's revenue from external customer were as follows:nue from external customer were as follows:

Products and services	For the years ended December 31, 2023	2022
Digital Communication Solutions and Components	$ 13,142,128	16,259,517
Storage Applications Solutions and Components	1,928,053	2,923,485
Analog Electronic Components	206,575	163,501
Total	$ 15,276,756	19,346,503

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Geographical information	For the years ended December 31, 2023	2022
Revenue from the external customers:		
Taiwan	$ 515,272	872,854
China	14,584,153	18,366,698
Others	177,331	106,951
	$ 15,276,756	19,346,503
Non-current assets:		
Taiwan	$ 403,134	327,851
Mainland China	16,445	23,492
Hong Kong	4,894	11,125
Total	$ 424,473	362,468

(Continued)

(d) Major customers:

There were no individual customers representing greater than 10% of sales revenues in the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022.

	For the years ended December 31, 2023	2022
Customer A	$ 2,928,075	3,618,642

5. Parent company only financial statements of the most recent year audited by CPAs

Independent Auditors' Report

To the Board of Directors of G.M.I. Technology Inc.:

Opinion

We have audited the financial statements of G.M.I. Technology Inc.("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, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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. Based on our audits and the reports of other auditors, 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 judgement, were of most significance in our audit of the consolidated financial statements of 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 judgment, should be communicated are as follows:

1. Revenue recognition

   Please refer to note 4(m) "Revenue Recognition" for accounting policy, and note 6(p) Revenue from Customer Contracts, of the financial statements.

   Description of key audit matter:

   The Company mainly engages in the purchase and sale of electronic components. Since revenue is an important item in financial reporting and is of the interest to the users of financial statements, revenue recognition is one of the important evaluations performed by our auditors in the consolidated financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understand and test the internal processes and related controls related to revenue recognition.
- Analyze the form and transaction terms of major revenues to assess the appropriateness of the timing of revenue recognition
- Verify the revenue transaction records and various certificates for the period before and after the selected financial reporting date to assess the appropriate cutoff of operating revenue records.
- Assess whether there are material sales returns and allowances after year end.

Other Matter

We did not audit the financial statements of Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd., subsidiaries of the Company. Those statements were audited by other auditors, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd., is based solely on the reports of other auditors. The financial statements of Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd. reflect total assets constituting 3.56% and 2.88% of the consolidated total assets at December 31, 2023 and 2022, respectively, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method constituting 1.46% and 1.62% of total Earning before tax for the years then ended respectively.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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 Lin, Heng-Shen and Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2024

Notes to Readers

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

The 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 auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

G.M.I. Technology Inc.

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))	$ 1,404,706	22	1,367,298	17
1150	Notes receivable (notes (6)(b) and (p))	91,684	1	96,006	1
1170	Accounts receivable(notes (6)(b)(p) and (8))	2,975,358	45	3,324,349	40
1180	Accounts receivable due from related parties, net(notes (6)(b)(p) and (7))	193,053	3	170,783	2
1200	Other receivables	18,589	-	14,950	-
1220	Current income tax assets	22,621	-	6,529	-
130X	Inventories (note (6)(c))	1,015,021	16	2,307,205	28
1476	Other current financial assets (note (8))	225,303	3	231,773	3
1470	Other current assets:	85,698	1	80,192	1
	Total current assets	6,032,033	91	7,599,085	92
	Non-current assets:				
1550	Investments accounted for using equity method (notes (6)(d) and (7))	254,593	4	268,137	3
1600	Property, plant and equipment (note (6)(e))	326,638	5	328,914	4
1755	Right-of-use assets(note (6)(f))	7,144	-	8,396	-
1840	Deferred tax assets (note (6)(l))	26,863	-	36,038	1
1975	Net defined benefit assets- non current (note (6)(k))	2,387	-	1,426	-
1900	Other non-current assets	4,061	-	1,667	-
	Total non-current assets	621,686	9	644,578	8
	Total assets	**$ 6,653,719**	**100**	**8,243,663**	**100**

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes (6)(h) and (8))	$ 1,350,950	21	2,238,874	27
2110	Short-term notes and bills payable(note (6)(g))	199,601	3	379,163	5
2170	Accounts payable	212,136	3	394,332	5
2180	Accounts payable to related parties (note (7))	1,909,752	29	2,264,502	27
2219	Payables, others	68,964	1	62,449	1
2220	Payables to related parties (note (7))	4,923	-	-	-
2230	Current income tax liabilities	27,871	-	3,287	-
2280	Current lease liabilities (note (6)(j))	5,058	-	5,573	-
2300	Other current liabilities	14,531	-	19,153	-
2322	Long-term borrowings, current portion (notes (6)(i) and (8))	26,775	-	11,900	-
	Total Current liabilities	3,820,561	57	5,379,233	65
	Non-Current liabilities:				
2540	Long-term borrowings (notes (6)(i) and (8))	175,525	3	202,300	2
2580	Non-current lease liabilities (note (6)(j))	2,209	-	2,892	-
2650	Non-current recognized liabilities defined benefit plan (note (6)(d))	6,605	-	-	-
	Total Non-current liabilities	184,339	3	205,192	2
	Total liabilities	4,004,900	60	5,584,425	67
	Share capital (notes (6)(m) and (n)):				
3110	Ordinary share	1,626,254	24	1,626,254	20
3200	Capital surplus	223,116	3	223,116	3
3310	Legal reserve	146,600	2	101,075	1
3320	Special reserve	-	-	113,848	1
3350	Unappropriated retained earnings	618,896	10	552,882	7
3400	Other equity	33,953	1	42,063	1
	Total equity	2,648,819	40	2,659,238	33
	Total liabilities and equity	**$ 6,653,719**	**100**	**8,243,663**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

G.M.I. Technology Inc.

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	%
4000	**Operating revenue (notes (6)(p) and (7))**	$ 15,303,570	100	19,312,581	100
5000	**Operating costs (notes (6)(c) and (7))**	14,427,898	94	18,264,923	95
	Gross profit (loss) from operations	875,672	6	1,047,658	5
	Operating expenses (notes (6)(j)(k)(n)(q) and (7)):				
6100	Selling expenses	286,398	2	286,468	1
6200	Administrative expenses	134,885	1	133,066	1
6300	Research and development expenses	24,022	-	22,920	-
6450	Impairment loss (impairment gain) determined in accordance with IFRS 9 (note (6)(b))	(19,479)	-	10,012	-
	Total operating expenses	425,826	3	452,466	2
	Net operating income (loss)	449,846	3	595,192	3
	Non-operating income and expenses (notes (6)(d)(j) and (r)):				
7100	Interest income	27,368	-	7,343	-
7010	Other income	25,811	-	5,160	-
7020	Other gains and losses	8,198	-	70,000	-
7050	Finance costs	(73,980)	-	(62,149)	-
7060	Share of profit of associates accounted for using equity method	(35,357)	-	(25,755)	-
	Total non-operating income and expenses	(47,960)	-	(5,401)	-
7900	**Profit before income tax**	401,886	3	589,791	3
7950	Less: Income tax expenses (note (6)(l))	79,501	1	135,845	1
	Profit	322,385	2	453,946	2
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Remeasurements of defined benefit plans (note (6)(k))	557	-	1,173	-
8330	Share of other comprehensive income of subsidiaries, accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	-	-	126	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		557	-	1,299	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	(7,847)	-	151,895	1
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, that may be reclassified to profit or loss	(263)	-	4,016	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(8,110)	-	155,911	1
8300	**Other comprehensive income**	(7,553)	-	157,210	1
	Total comprehensive income	**$ 314,832**	**2**	**611,156**	**3**
	Earnings per share (note (6)(o))				
	Basic earnings per share	**$ 1.98**		**3.08**	
	Diluted earnings per share	**$ 1.98**		**3.08**	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

G.M.I. Technology Inc.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2022	$ 1,376,254	44,977	56,557	76,185	455,069	(113,848)	-	1,895,194
Profit for the period	-	-	-	-	453,946	-	-	453,946
Other comprehensive income or loss for the period	-	-	-	-	1,299	155,873	38	157,210
Total comprehensive income for the period	-	-	-	-	455,245	155,873	38	611,156
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	44,518	-	(44,518)	-	-	-
Special reserve appropriated	-	-	-	37,663	(37,663)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(275,251)	-	-	(275,251)
Capital increase by cash	250,000	175,000	-	-	-	-	-	425,000
Share-based payment transaction	-	3,139	-	-	-	-	-	3,139
Balance at December 31, 2022	1,626,254	223,116	101,075	113,848	552,882	42,025	38	2,659,238
Profit for the period	-	-	-	-	322,385	-	-	322,385
Other comprehensive income or loss for the period	-	-	-	-	557	(8,515)	405	(7,553)
Total comprehensive income	-	-	-	-	322,942	(8,515)	405	314,832
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	45,525	-	(45,525)	-	-	-
Special reserve	-	-	-	(113,848)	113,848	-	-	-
Cash dividends of ordinary share	-	-	-	-	(325,251)	-	-	(325,251)
	-	-	45,525	(113,848)	(256,928)	-	-	(325,251)
Balance at December 31, 2023	**$ 1,626,254**	**223,116**	**146,600**	**-**	**618,896**	**33,510**	**443**	**2,648,819**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

G.M.I. Technology Inc.

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 tax	$ 401,886	589,791
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	12,814	10,972
Expected credit loss (Reversal of expeced (credit loss)	(19,479)	10,012
Interest expense	73,980	62,149
Interest income	(27,368)	(7,343)
Share-based payments	-	3,139
Share of loss (profit) of subsidiaries,associates and joint ventures accounted for using equity method	35,357	25,755
Loss (gain) on disposal of investments	(38)	-
Total adjustments to reconcile profit (loss)	75,266	104,684
Changes in operating assets and liabilities:		
Decrease in notes receivable	4,166	37,881
Decrease in accounts receivable	366,084	524,583
(Increase) decrease in accounts receivable due from related parties	(22,859)	33,025
(Increase) decrease in other receivable	(3,129)	(306)
Decrease (increase) in inventories	1,302,090	(1,135,312)
(Increase) decrease in other current assets	(5,920)	40,254
Total changes in operating assets	1,640,432	(499,875)
(Decrease) increase in accounts payable	(183,273)	231,431
Decrease in accounts payable to related parties	(353,268)	(712,195)
Increase (decrease) in other payable	11,198	(32,982)
Increase in other payable to related parties	4,923	-
Ddecrease in other current liabilities	(4,493)	(42,067)
Decrease in net defined benefit liability	(404)	(391)
Total changes in operating liabilities	(525,317)	(556,204)
Total adjustments	1,190,381	(951,395)
Cash inflow (outflow) generated from operations	1,592,267	(361,604)
Interest received	26,835	6,424
Interest paid	(78,672)	(58,291)
Income taxes refund (paid)	(61,922)	(238,905)
Net cash flows from (used in) operating activities	1,478,508	(652,376)
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(21,841)	-
Acquisition of property, plant and equipment	(2,701)	(31,006)
Increase in other financial assets	6,050	(1,083)
Decrease in other non-current assets	(2,398)	2,146
Dividends received	6,408	3,966
Net cash flows from (used in) investing activities	(14,482)	(25,977)
Cash flows from (used in) financing activities:		
Increase in short-term loans	7,355,369	8,929,732
Decrease in short-term loans	(8,249,542)	(8,130,114)
Increase in short-term notes and bills payable	3,355,559	2,368,379
Decrease in short-term notes and bills payable	(3,535,121)	(2,548,169)
Repayments of long-term debt	(11,900)	(11,900)
Payment of lease liabilities	(7,777)	(5,433)
Cash dividends paid	(325,251)	(275,251)
Proceeds from issuing shares	-	425,000
Net cash flows from (used in) financing activities	(1,418,663)	752,244
Effect of exchange rate changes on cash and cash equivalents	(7,955)	(69,264)
Net increase (decrease) in cash and cash equivalents	37,408	4,627
Cash and cash equivalents at beginning of period	1,367,298	1,362,671
Cash and cash equivalents at end of period	**$ 1,404,706**	**1,367,298**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

G.M.I. Technology Inc.

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

G.M.I. Technology Inc.(hereinafter referred to as the Company) was established in October 1995 with the approval of the Ministry of Economic Affairs, R.O.C and its registered office is located at 2F, No. 57, Xingzhong Rd, Neihu District, Taipei, Taiwan. The Company and its subsidiaries (hereinafter collectively referred to as the Group) are principally engaged in the trading and manufacturing of electronic equipment and components, computer software development, trading and related business services.

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

These financial statements were authorized for issue by the Board of Directors on March 12, 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 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 IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

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

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(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 liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note XX.

(ii) Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The parent company only 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.

(Continued)

(c) Foreign currencies

(i) Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

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

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

(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 noncurrent.

(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 (as defined in IAS 7) 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 noncurrent.

An entity shall classify a liability as current when:

(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) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are shortterm, 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 shortterm cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(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.

(Continued)

(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; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or 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.

1) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

·i ts contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI. However, they are included in the 'trade receivables' line item.

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

(Continued)

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

3) 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, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of 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.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

(Continued)

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. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, 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.

4) 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.

(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.

(Continued)

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.

(g) Inventories

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

The cost of inventories transferred from biological assets is its fair value less costs to sell at the date of harvest.

(h) Investment in associates

Associates are those entities in which the Company 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 Company'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 Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

(Continued)

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

When the Company'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 Company has incurred legal or constructive obligations or made payments on behalf of the associate.

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

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without remeasuring the retained interest.

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

(i) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the financial statements. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(Continued)

(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. The cost of certain items of property, plant and equipment on January 1, 2012, the Group's date of transition to the Standards, was determined with reference to its fair value at that date.

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 straightline 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:

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

(iv) Reclassification to investment property

(k) Leases

(i) As a leasee

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.

(Continued)

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:

(1) fixed payments;

(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(3) amounts expected to be payable under a residual value guarantee; and

(4) 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:

(1) there is a change in future lease payments arising from the change in an index or rate; or

(2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

(3) 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

(4) there is a change of its assessment on whether it will exercise a extension or termination option; or

(5) there is any lease modifications

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

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

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Company will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

(Continued)

(l) Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

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

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

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

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

(m) Revenue from contracts with customers

(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 Group's main types of revenue are explained below.

1) Sale of goods–electronic components

The Company manufactures and sells electronic components to computer 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.

(Continued)

The Company often offers volume discounts to its customers based on aggregate sales of electronic components over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales of electronic components are made with a credit term of XX days, which is consistent with the market practice.

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

2) Construction contracts

The Company enters into contracts to build residential properties, commercial buildings and public constructions. Because its customer controls the asset as it is constructed, the Company recognizes revenue over time on the basis of 【the construction costs incurred to date as a proportion of the total estimated costs of the contract / the surveys of work performed / completion of a physical proportion of the contract work】. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, a penalty payment calculated based on delay days), accumulated experience is used to estimate the amount of variable consideration, using the expected value method. For other variable considerations (for example, completion bonus if a construction is completed by a specified date), the Company estimates the amount of variable consideration using the most likely amount. Considering the progress of a public construction is highly susceptible to factors outside the Company's control and, therefore, completion bonus is usually constrained, the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Company cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Company shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Company expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(Continued)

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

c) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(n) Employee benefits

(i) Defined contribution plans

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

(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) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(v) 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. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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 board of directors authorized the price and number of a new award.

(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 are recognized in profit or loss.

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

(Continued)

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.

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, if any.

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

(i) the Company has a legally enforceable right to set off currenttax 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 Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The Company's potentially dilutive Ordinary shares include stock-based compensation to employees.

(r) Operating segments

Segment information was disclosed in consolidated financial statements; therefore, it was not disclosed in the parent company only financial statement.

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

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

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

(Continued)

The accounting policies involved significant judgement and have a significant impact on the amounts recognized in this consolidated financial report as follows:

(a) Judgement regarding significanst infiuence over an investee

The Group holds 12.73% voting shares, and is the second largest shareholder, of Unitech Electronics Co., Ltd., resulting in the Group's chairman and his family having substantial control and significant influence over Unitech Electronics Co., Ltd..

(b) Judgment regarding substantive control over an investee

Although the Company owns less than 50% of Rehear Audiology Company LTD, the Company and the related parties own more than 50% of Rehear Audiology Company LTD, and the Company could determine the related operating activities. Therefore, Rehear Audiology Company LTD, is regarded as a subsidiary.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) The loss allowance for trade receivables

The Company has estimated the loss allowance for trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(b).

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, The Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid technological changes, the net realizable value of inventories may change significantly. The relevant assumptions and input values, please refer to note 6(c).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 3,828	5,784
Cheques and demand deposits	1,400,878	1,361,514
	$ 1,404,706	**1,367,298**

(Continued)

(b) Notes receivable and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable - arising from operations	$ 91,960	96,295
Accounts receivable - measured at amortized cost	3,008,056	3,376,397
Accounts receivable due from related parties	193,053	170,783
Less:Allowance for losses	(32,974)	(52,337)
	$ 3,260,095	3,591,138

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions were determined as follows:

	December 31, 2023		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	$ 3,253,038	0.95%	30,845
Less than 90 days past due	40,031	5.32%	2,129
	$ 3,293,069		32,974

	December 31, 2022		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	$ 3,431,177	1.06%	36,392
Less than 90 days past due	212,298	7.51%	15,945
	$ 3,643,475		52,337

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

	2023	2022
Balance at January 1	$ 52,337	56,375
Impairment losses (reversal of gains)	(19,479)	10,012
Amounts written off as irrecoverable during the year	-	(18,456)
Foreign exchange gains or losses	116	4,406
Balance at December 31	$ 32,974	52,337

For details on financial assets guaranteed as long-term loans and financing guarantees mentioned above, please refer to note 8.

(c) Inventories

	December 31, 2023	December 31, 2022
Goods for sale	$ 1,015,021	2,307,205

Inventories recognized as cost of sales amounted to $14,472,471 thousand and $18,161,873 thousand for the years ended December 31, 2023 and 2022, respectively.

In 2023, the part of inventories previously write down to net realizable value has been sold, leading to an increase in net realizable value and a decrease in cost of good sold of $44,573 thousand. In 2022, the write-down of inventories to net realizable amounted to $103,050 thousand, which recognzied as cost of good sold.

(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
Subsidiaries	$ 11,309	30,645
Associates	313,319	314,132
Accumulated impairment loss and amortization:	(76,640)	(76,640)
Subtotal	247,988	268,137
Credit balance of investment accounted for using equity method	6,605	-
	$ 254,593	268,137

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

(ii) Associates

For Affiliates that are significant to the Company, their relevant information are as follows:

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights December 31, 2023	Proportion of ownership interest and voting rights December 31, 2022
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73%	12.73%

(Continued)

For Affiliates that are significant to the Company have been listed on the stock exchange, their fair values are as follows:

	December 31, 2023	December 31, 2022
Unitech Electronics	$ 287,248	214,600

The aggregated financial information of the affiliates that are material to the Company is as follows. The financial information has been adjusted to the amounts included in the IFRS consolidated financial statements of each Affiliate to reflect the Group's fair value adjustments and adjustments made for differences in accounting policies for affiliates when acquiring equity in Affiliates:

1) Unitech Electronics's Aggregate Financial Information:

	December 31, 2023	December 31, 2022
Current Asset	$ 1,794,128	1,920,808
Non-Current Asset	582,566	580,061
Current Liability	(458,796)	(541,419)
Non-Current Liability	(105,990)	(137,518)
Net Assets	$ 1,811,908	1,821,932

	For the years ended December 31,	
	2023	2022
Operating Income	$ 2,242,442	2,350,259
Current period net profit	$ 40,867	91,437
Other comprehensive gains and losses	(548)	18,493
Total comprehensive gains and losses	$ 40,319	109,930

	For the years ended December 31,	
	2023	2022
Beginning carrying balance of the Group's share of net assets of affiliates	$ 224,079	213,644
The Group's total gains and losses attributable to affiliates	4,919	14,401
Dividends received from affiliates	(6,408)	(3,966)
Ending carrying balance of the Group's interest in affiliates	$ 222,590	224,079

(Continued)

(iii) The aggregate financial information of the Company's equity-method associates, which are individually insignificant, is summarized as follows (amounts included in the Group's consolidated financial statements):

		December 31, 2023	December 31, 2022
Carrying amount of equity in individual insignificant associates	$	32,003	13,413

		For the years ended December 31, 2023	2022
Attributable to the Group:			
Net loss for the period	$	(3,249)	(2,052)
Other comprehensive income or loss		(40)	1,366
Total comprehensive income or loss	$	(3,289)	(686)

(iv) Collateral

None of the Company's investments accounted for using the equity method had been pledged as collateral.

(e) Property, plant and equipment

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

		Land	Buildings and Construction	Leasehold improvements	Office equipment	Other equipment	Total
Costs							
Balance on January 1, 2023	$	270,496	51,264	2,505	18,311	941	343,517
Additions		-	-	-	1,886	815	2,701
Disposal		-	-	-	(7,242)	(41)	(7,283)
Effects of changes in foreign exchange rates		-	-	(6)	(4)	-	(10)
Balance on December 31, 2023	$	270,496	51,264	2,499	12,951	1,715	338,925
Balance on January 1, 2022	$	-	-	2,611	12,155	1,458	16,224
Additions		-	23,109	-	7,284	613	31,006
Reclassification		-	-	-	(1,303)	(1,403)	(2,706)
Disposal		270,496	28,155	(354)	81	273	298,651
Effects of changes in foreign exchange rates		-	-	248	94	-	342
Balance on December 31, 2022	$	270,496	51,264	2,505	18,311	941	343,517

(Continued)

		Land	Buildings and Construction	Leasehold improvements	Office equipment	Other equipment	Total
Depreciation and impairment losses:							
Balance on December 31, 2023	$	-	2,376	2,088	9,946	193	14,603
Additions		-	1,700	422	2,616	244	4,982
Disposal		-	-	-	(7,242)	(41)	(7,283)
Effects of changes in foreign exchange rates		-	-	(11)	(4)	-	(15)
Balance on December 31, 2023	$	-	4,076	2,499	5,316	396	12,287
Balance on January 1, 2022	$	-	-	1,593	7,604	1,092	10,289
Depreciation for the year		-	1,317	605	3,541	282	5,745
Disposal		-	-	-	(1,303)	(1,403)	(2,706)
Reclassification		-	1,059	(276)	54	222	1,059
Effects of changes in foreign exchange rates		-	-	166	50	-	216
Balance on December 31, 2022	$	-	2,376	2,088	9,946	193	14,603
Carrying amounts:							
Balance on December 31, 2023	$	270,496	47,188	-	7,635	1,319	326,638
Balance on December 31, 2022	$	270,496	48,888	417	8,365	748	328,914
Balance on January 1, 2022	$	-	-	1,018	4,551	366	5,935

As of December 31, 2023, the property, plant and equipment ot the Company had been pledged as collateral for long-term borrowings; please refer to note8.

(f) Right-of-use assets

		Buildings and Construction	Trnsporation Equipment	Total
Cost:				
Balance on January 1, 2023	$	11,196	-	11,196
Additions		-	6,528	6,528
Effects of changes in foreign exchange rates		(26)	-	(26)
Balance on December 31, 2023	$	11,170	6,528	17,698
Balance on January 1, 2022	$	14,116	-	14,116
Additions		10,818	-	10,818
Reduction		(15,135)	-	(15,135)
Effects of changes in foreign exchange rates		1,397	-	1,397
Balance on December 31, 2022	$	11,196	-	11,196

(Continued)

		Buildings and Construction	Trnsporation Equipment	Total
Depreciation:				
Balance on January 1, 2023	$	2,800	-	2,800
Depreciation		5,656	2,176	7,832
Effects of changes in foreign exchange rates		(78)	-	(78)
Balance on December 31, 2023	$	8,378	2,176	10,554
Balance on January 1, 2022	$	11,764	-	11,764
Depreciation		5,227	-	5,227
Reduction		(15,135)	-	(15,135)
Effects of changes in foreign exchange rates		944	-	944
Balance on December 31, 2022	$	2,800	-	2,800
Carrying amounts:				
Balance on December 31, 2023	$	2,792	4,352	7,144
Balance on December 31, 2022	$	8,396	-	8,396
Balance on January 1, 2022	$	2,352	-	2,352

(g) Short-term notes and bills payable

	December 31, 2023			
	Guarantee or acceptance institution	Range of interest rates		Total Amount
Commercial paper payable	Grand Bills Finance Corp.	1.9%	$	30,000
Commercial paper payable	Dah Chung Bills Finance Corp.	1.9%		30,000
Commercial paper payable	Taiwan Finance Corporation	1.9%		30,000
Commercial paper payable	China Bills Finance Corp.	1.9%		50,000
Commercial paper payable	Taiwan Cooperative Bills Finance Corporation	1.9%		30,000
Commercial paper payable	Ta Ching Bills Finance Corp.	1.9%		30,000
Less: Discount on short term notes and bills payable				(399)
Total			$	199,601

(Continued)

	December 31, 2022			
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**	
Commercial paper payable	Grand Bills Finance Corp.	2.1%	$	100,000
Commercial paper payable	Mega Bills Finance Co., Ltd.	2.1%		80,000
Commercial paper payable	Dah Chung Bills Finance Corp.	2.1%		150,000
Commercial paper payable	Taiwan Finance Corporation	2.058%		50,000
Less: Discount on short term notes and bills payable				(837)
Total			$	379,163

No assets of the Company were pledged as guarantee for the payment of short-term notes and bills.

(h) Short-term borrowings

		December 31, 2023	December 31, 2022
Unsecured bank loans	$	1,258,776	1,526,057
Secured bank loans		92,174	712,817
	$	1,350,950	2,238,874
Unused short-term credit lines	$	6,777,498	3,806,212
Range of Interest rate		1.78%~7.07%	1.58%~6.58%

For the collateral for bank loans, please refer to note 8.

(i) Long-term borrowings

The details were as follows:

		December 31, 2023	December 31, 2022
Secured bank loans	$	202,300	214,200
Less: current portion		(26,775)	(11,900)
	$	175,525	202,300
Unused short-term credit lines	$	-	-
Range of interest rates (%)		1.90%	1.65%

For the collateral for bank loans, please refer to note 8.

(Continued)

(j) Lease liabilities

The carrying amounts of the Company's lease liabilities were as follows:

		December 31, 2023	December 31, 2022
Current	$	5,058	5,573
Non-current	$	2,209	2,892

The amounts of leases recognized in profit or loss were as follows:

	For the years ended December 31,		
		2023	2022
Interest expense on lease liabilities	$	382	239
Expenses relating to short-term leases	$	531	924

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

	For the years ended December 31,		
		2023	2022
Total cash outflow for leases	$	8,690	6,596

The Company leases buildings for its office space and employee housing, with terms that typically run for the periods of five and two years, respectively. Some leases include an option to extend the lease for the same period as the original contract upon maturity. To the extent that it is not reasonably certain that an optional extension of the lease term will be exercised, payments related to the period covered by the option are not included in the lease liability.

(k) Employee benefits

(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	$	12,175	12,456
Fair value of plan assets		(14,562)	(13,882)
Net defined benefit liabilities	$	(2,387)	(1,426)

(Continued)

The Company's employee benefit liabilities were as follows:

		December 31, 2023	December 31, 2022
Liability for short-term compensated absences (included in other payables)	$	1,434	1,438

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits 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 $14,562 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 defined benefit obligations

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

		For the years ended December 31,	
		2023	2022
Defined benefit obligations at January 1	$	12,456	13,807
Current service cost and interest cost		150	92
Net defined benefit liability remeasurement		(431)	(133)
Benefits paid		-	(1,310)
Defined benefit obligations at December 31	$	12,175	12,456

(Continued)

3) Movements in fair value of defined benefit plan assets

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

	For the years ended December 31,	
	2023	**2022**
Fair value of plan assets at January 1	$ (13,882)	(13,669)
Interest income	(169)	(93)
Net defined benefit asset remeasurement	(128)	(1,040)
Contributions paid by the employer	(383)	(390)
Benefits paid	-	1,310
Fair value of plan assets at December 31	**$ (14,562)**	**(13,882)**

4) Expenses recognized in profit or loss

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

	For the years ended December 31,	
	2023	**2022**
Current service cost and interests	$ 149	92
Net interest of net liabilities for defined benefit obligations	(169)	(93)
	$ (20)	**(1)**

	For the years ended December 31,	
	2023	**2022**
Operating expenses	**$ (20)**	**(1)**

5) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The cumulative remeasurement of the Company's net defined benefit obligation recognized in other comprehensive income were as follows:

	For the years ended December 31,	
	2023	**2022**
Cumulated amount at January 1	$ (443)	(1,616)
Total gain/loss recognized	557	1,173
Cumulated amount at December 31	**$ 114**	**(443)**

(Continued)

6) Actuarial assumptions

The principal actuarial assumptions of the actuarial valuation were as follows:

	For the years ended December 31,	
	2023	**2022**
Discount Rate	1.20%	1.20%
Future salary increases	3.00%	3.00%

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 $380 thousand.

The weighted average lifetime of the defined benefits plans is 5.9 years.

7) Sensitivity analysis

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

	Impact on the defined benefit obligations	
	Increased 1.00%	**Decreased1.00%**
Balance at December 31, 2023		
Discount Rate	$ (720)	727
Future salary increases	615	(611)
Balance at December 31, 2022		
Discount Rate	(838)	847
Future salary increases	730	(724)

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. In practical, the relevant actuarial assumptions are correlated to each other. 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 the 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 Group of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

(Continued)

The total pension costs of the Company's overseas subsidiaries under their respective defined contribution plan are recognized in accordance with their local regulations. All pension payment contributed in the current period are recognized as pension expense.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $5,365 thousand and $5,032 thousand for the years ended December 31, 2023 and 2022, respectively.

(l) Income taxes

(i) Income tax expenses

The components of income tax expense (gains) in the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31,	
	2023	**2022**
Current tax expense		
Current period	$ 77,369	164,872
Adjustment for prior years	(7,043)	1,134
Subtotal	70,326	166,006
Deferred tax expense (income)		
Origination and reversal of temporary differences	9,175	(30,161)
Subtotal	9,175	(30,161)
Income tax expense	**$ 79,501**	**135,845**

Reconciliation of income tax expense and profit before tax for 2023 and 2022 is as follows:

	For the years ended December 31,	
	2023	**2022**
Profit before income tax	$ 401,886	589,791
Income tax using the Company's domestic tax rate	80,377	117,958
Adjustments in tax rate	(392)	(1,914)
Change in unrecognized temporary differences	7,450	6,927
Adjustments for under provisions of prior years	(7,043)	1,134
Additional tax on undistributed earnings	9,916	4,387
Others	(10,807)	7,353
Total	**$ 79,501**	**135,845**

(Continued)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	December 31, 2023	December 31, 2022
Tax effect of deductible Temporary Differences	$ 112,781	105,331

The deferred tax assets have not been recognized in respect of the these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

2) Recognized deferred tax assets

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

Deferred Tax Assets:

	Allowance for bad debt	Unrealized exchange loss	Other	Total
Balance at January 1, 2023	$ 3,831	15,959	16,248	36,038
Recognized in profit or loss	3,125	(200)	(12,100)	(9,175)
Balance at December 31, 2023	**$ 6,956**	**15,759**	**4,148**	**26,863**
Balance at January 1, 2022	$ 2,557	132	3,188	5,877
Recognized in profit or loss	1,274	15,827	13,060	30,161
Balance at December 31, 2022	**$ 3,831**	**15,959**	**16,248**	**36,038**

There were no income tax expense recognized the Company equity and other comprehensive income for amount of years ended December 31, 2023 and 2022.

The Company's tax returns for the years through 2021 were assessed by the National Taxation Bureau of R.O.C..

(Continued)

(m) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares was amounted to $2,000,000 thousand. The number of authorized ordinary shares were 200,000 thousand shares with par value of $10 per share, of which 162,625 thousand shares of ordinary shares were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for year ended December 31, 2023 and 2022 were as follows:

	Ordinary share For the years ended December 31,	
(in thousands of shares)	**2023**	**2022**
Balance on January 1	162,625	137,625
Issued for cash	-	25,000
Balance on December 31	**162,625**	**162,625**

(i) Ordinary shares

After the resolution of the Board on March 24, 2022, The Company issued 25,000 thousand new ordinary shares through cash capital increase at a price of $17 per share at premium. The total amount of new shares amounting to $425,000 thousand and the base day for capital increase is on August 11, 2022. The Company's share capital was fully received as of August 11, 2022 and the registration of the change was completed on August 30, 2022.

(ii) Capital surplus

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

	December 31, 2023	December 31, 2022
Share capital at premium	$ 219,941	219,941
Changes in net equity of associates recognized by equity method	36	36
Employee stock options	3,139	3,139
	$ 223,116	**223,116**

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.

In addition, the Company is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please refer to note 6(n) for details.

(Continued)

(iii) Retained earnings

In accordance with the Company's Articles of Association, if there is any surplus in the annual final accounts, the Company shall first pay taxes to cover for the prior years' deficits and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside in accordance with the Company's operating needs and laws and regulations. Then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the distributable earnings and paying cash dividends on 10% or more of the dividends distributed in a given year. If the dividend is less than $3, the Company may distribute stock dividends in full.

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 Permit No. 1010012865 as issued by the Financial Supervisory Commission on 6 April 2012, a special reserve equal to the contra account of other shareholders' equity is appropriated from current and prior period earnings. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On June 19, 2023 and June 23, 2022, the appropriation the earnings for 2022 and 2021 was resolved in the general meeting of shareholders. The amounts of interests distributed to owners were as follows:

	For the years ended December 31,			
	2022		2021	
	Amount per share	Total Amount	Amount per share	Total Amount
Dividends distributed to ordinary shareholders:				
Cash	2.00	325,251	2.00	275,251
Total		$ 325,251		275,251

(Continued)

(iv) Other equity

		Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income
Balance on January 1, 2023	$	42,025	38
Exchange differences on translation of net assets of foreign operations		(8,515)	405
Balance on December 31, 2023	$	33,510	443
Balance at January 1, 2022	$	(113,848)	-
Exchange differences on translation of net assets of foreign operations		155,873	38
Balance at December 31, 2022	$	42,025	38

(n) Share-based payment transaction

(i) The Company's Board of Directors resolved to implement issuance of stock for cash on March 24, 2022, of which 3,750 thousand shares were reserved for employees.

	Cash injection reserved for employees subscription
Grant date	Balance at July 11, 2022
Number of options granted	2,511 thousand shares
Recipients	Employee
Vesting conditions	Immediately vested

The Company adopted the BlackScholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

The fair value per unit of the share option was 1.25 and the remuneration cost of 3,139 thousand was recognized in the year ended December 31, 2022 and classified as operating expenses. Please refer to note 6(m) for the capital reserve recognition.

(ii) Employee expenses attributable to share based payment are as follows:

	For the years ended December 31, 2022
Expenses resulting from granted employee share options	$ 3,139

(Continued)

(o) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2023 and 2022 was based on the profit attributable to ordinary shareholders of the Company amounting to $322,385 thousand and $453,946 thousand, and the weighted average number of ordinary shares outstanding of $162,625 thousand and $147,420 thousand, respectively, as follows:

1) Profit attributable to ordinary shareholders of the Company

	For the years ended December 31,	
	2023	**2022**
Profit attributable to ordinary shareholders of the Company	**$ 322,385**	**453,946**

2) Weighted-average number of outstanding ordinary shares

	For the years ended December 31,	
	2023	**2022**
Outstanding at January 1	$ 162,625	137,625
Effect of shares issued	-	9,795
Outstanding at December 31	**$ 162,625**	**147,420**

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2023 and 2022 was 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 is as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31,	
	2023	**2022**
Profit attributable to ordinary shareholders of the Company (dilutive)	**$ 322,385**	**453,946**

(Continued)

2) Weighted-average number of ordinary shares (diluted)

		For the years ended December 31, 2023	2022
Weighted-average number of ordinary shares outstanding (basic)	$	162,625	147,420
Effect of employee share bonus		28	43
Weighted-average number of ordinary shares outstanding at December 31(Dilution)	$	162,653	147,463

(p) Revenue from contracts with customers

(i) Details of revenue

		For the years ended December 31, 2023	2022
Primary geographical markets:			
Taiwan	$	515,272	872,854
China		14,610,967	18,332,776
Others		177,331	106,951
	$	15,303,570	19,312,581
Major products/service lines:			
Digital Communication Solutions and Components	$	13,168,047	16,231,210
Storage Applications Solutions and Components		1,929,294	2,918,265
Analog Electronic Components		206,229	163,106
	$	15,303,570	19,312,581

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$	91,960	96,295	122,198
Accounts receivable		3,008,056	3,376,397	3,660,882
Accounts receivable due from related parties		193,053	170,783	187,277
Less: Loss allowance		(32,974)	(52,337)	(56,375)
Total	$	3,260,095	3,591,138	3,913,982

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

(Continued)

(q) Remuneration to employees, and directors

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 0.1% as directors' and supervisors' 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 supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The distribution of remuneration of employees, directors, and supervisors should be submitted and reported to the shareholders' meeting. 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 450 thousand and 650 thousand, and directors' and supervisors' remuneration amounting to 8,200 thousand and 11,000 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

The related information can be accessed from market observation post system website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2023 and 2022.

(r) Non-operating income and expenses:

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Interest income	$ 27,368	7,343

(Continued)

(ii) Other income

The Company's other income was as follows:

		For the years ended December 31, 2023	2022
Compensation income	$	6,266	-
Other operating income		2,633	-
Other		16,912	5,160
	$	25,811	5,160

(iii) Other gains and losses

The Company's other gains and losses were as follows:

		For the years ended December 31, 2023	2022
Foreign exchange gains	$	14,541	70,094
Gain on dosposal of investments		38	-
Miscellaneous disbursements		(6,381)	(94)
	$	8,198	70,000

(iv) Finance costs

Finance costs of the Company are detailed as follows:

		For the years ended December 31, 2023	2022
Interest on bank loans	$	(73,598)	(61,910)
Interest expenses on lease liabilities		(382)	(239)
	$	(73,980)	(62,149)

(s) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The Company's customers are concentrated in a large group of high-tech computer industry customers. In order to reduce the credit risk of accounts receivable, the Company continuously evaluates the financial position of its customers and, if necessary, requires them to provide guarantees or assurances. The Company also regularly evaluates the probability of collection of accounts receivable and provides an allowance for losses.

3) Credit risk of receivables

For details on credit risk of notes and accounts receivable, please refer to note 6(b).

(ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

	Carrying amounts	Contractual Cash flows	within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	$ 1,350,950	1,360,234	1,134,344	225,890	-	-	-
Short-term notes payables	199,601	200,000	200,000	-	-	-	-
Accounts payable (including related parties)	2,121,888	2,121,888	2,121,888	-	-	-	-
Other payables	73,887	73,887	73,887	-	-	-	-
Long-term borrowings (including current portion)	202,300	232,908	24,604	15,150	29,919	51,938	111,297
Lease liabilities	7,267	7,422	4,079	1,114	2,229	-	-
	$ 3,955,893	**3,996,339**	**3,558,802**	**242,154**	**32,148**	**51,938**	**111,297**
December 31, 2022							
Non-derivative financial liabilities							
Short-term borrowings	$ 2,238,874	2,263,959	2,075,926	188,033	-	-	-
Short-term notes payables	379,163	380,000	380,000	-	-	-	-
Accounts payable (including related parties)	2,658,834	2,658,834	2,658,834	-	-	-	-
Other payables	62,449	62,449	62,449	-	-	-	-
Long-term borrowings (including current portion)	214,200	236,142	7,705	7,656	29,947	63,735	127,099
Lease liabilities	8,465	8,508	2,836	2,836	2,836	-	-
	$ 5,561,985	**5,609,892**	**5,187,750**	**198,525**	**32,783**	**63,735**	**127,099**

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

(Continued)

(iii) Currency risk

1) Exposure of 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	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 173,739	30.705	5,334,656	202,220	30.710	6,210,176
RMB	800	4.327	3,462	1,223	4.408	5,391
Financial liabilities						
Monetary items						
USD	94,372	30.705	2,897,692	170,316	30.710	5,230,404

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, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and the CNY at December 31, 2023 and 2022, would have increased or decreased the profit before tax by $122,021 thousand and $49,258 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses 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 (including realized and unrealized portions) amounted to $14,541 thousand and $70,094 thousand, respectively.

(iv) interest rate analysis

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

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

(Continued)

If the interest rate increases or decreases by 1% the Company's net income will decrease /increase by $17,529 thousand and $28,322 thousand for the years ended December 31, 2023 and 2022 with all other variable factors remaining constant. This is mainly due to the the Company's variable rate bank deposit.

(t) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company's exposure information, 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 in the accompanying non-consolidated financial statements.

(ii) Structure of risk management

The Company's finance management department provides business services for the overall internal department. It monitor and manage financial risks of the the Company's business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Company these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the board of directors of the Company in accordance with the procedure of the board meetings.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

(Continued)

1) Accounts receivable and other receivables

The policy adopted by the Company is to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Company will rate the major customers using other publicly available financial information and mutual transaction records. The Company continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Risk Management Committee.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(iv) Liquidity risk

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.

Loans and borrowings from the bank form an important source of liquidity for the Company. As of December 31, 2023 and 2022, the Company's unused credit line were amounted to $6,777,498 thousand and $3,806,212 thousand, respectively.

(v) 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 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) Currency risk

The Company is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Company's respective entity, primarily the NTD, USD dollar, HKD and RMB. The currencies used in these transactions are the NTD, USD dollar, HKD and RMB.

2) Interest rate risk

The Company borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Company manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(Continued)

(u) Capital management

The Company sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders, issue new shares, or sell assets to settle any liabilities.

The Company uses the debt-to-equity ratio to manage capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Company's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 4,004,900	5,584,425
Less: Cash and cash equivalents	(1,404,706)	(1,367,298)
Net liabilities	$ 2,600,194	4,217,127
Total equity	$ 2,648,819	2,659,238
Debt-to-equity ratio	49.54%	61.33%

(v) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities was as follows:

			Non-Cash changes		
	Jan. 1, 2023	Cash flows	Lease modification	Foreign exchange movement	December 31, 2023
Short-term notes payables	$ 379,163	(179,562)	-	-	199,601
Short-term borrowings	2,238,874	(894,173)	-	6,249	1,350,950
long-term borrowings	214,200	(11,900)	-	-	202,300
Total liabilities from financing activities	8,465	(7,777)	6,528	51	7,267
Total liabilities from financing activities	$ 2,840,702	(1,093,412)	6,528	6,300	1,760,118

(Continued)

	Jan. 1, 2022	Cash flows	Non-Cash changes: Lease modification	Non-Cash changes: Foreign exchange movement	December 31, 2022
Short-term notes payables	$ 558,953	(179,790)	-	-	379,163
Short-term borrowings	1,395,505	799,618	-	43,751	2,238,874
long-term borrowings	226,100	(11,900)	-	-	214,200
Lease liabilities	2,607	(5,433)	10,818	473	8,465
Total liabilities from financing activities	$ 2,183,165	602,495	10,818	44,224	2,840,702

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Company during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
G.M.I. Technology (BVI) Co., Ltd. (hereinafter referred to as G.M.I. (BVI))	Subsidiary of the Company
Harken Investments Limited (hereinafter referred to as Harken)	Subsidiary of the Company
Vector Electronic Co. Ltd (hereinafter referred to as Vector)	Subsidiary of the Company
G.M.I (Shanghai) Trading Company Limited. (hereinafter referred to as G.M.I(Shanghai))	Subsidiary of the Company
Hong Da Fu Tong Electronics Company Limited. (hereinafter referred to as Shenzhen Fu Tong)	Subsidiary of the Company
GW Electronics Company Limited. (hereinafter referred to as GW Electronics)	Investee company accounted for using equity method
Rehear Audiology Company Ltd. (hereinafter referred to as Rehear Audiology)	Investee company accounted for using equity method
Unitech Electronics Co., Ltd. (hereinafter referred to as Unitech Electronics)	Investee company accounted for using equity method
Realtek Semiconductor Corp. (hereinafter referred to as Realtek)	The Chairman of the company is the beneficial party of the entity
Realtek Singapore private Limited (hereinafter referred to as“Realtek Singapore”)	Subsidiary of Realtek Semiconductor Co.
RayMx Microelectronics Corp (hereinafter referred to as RayMx)	Subsidiary of Realtek Semiconductor Co.
Actions Technology (HK) Company Ltd. (hereinafter referred to as Actions (HK)).	The Chairman of the company is the beneficial party of the entity

(Continued)

Name of related party	Relationship with the Group
GMI Computing International Ltd. (hereinafter referred to as GMI Computing)	The Chairman of the company is the second immedinte farmily of the chaiman of the Company

(b) Significant transactions with related parties

(i) Sale revenue

The amounts of significant sales transactions between the Company and related parties were as follows:

	For the years ended December 31,	
	2023	**2022**
Other related parties-Realtek	$ 31,600	2,252
Other related parties-Realtek Singapore	8,353	15,899
Subsidiary	1,054,137	492,100
Other related parties-Unitech Electronics	456	-
	$ 1,094,546	510,251

The selling prices for the second-tier subsidiary are based on the contracted cost plus a markup. The credit terms offered to the second-tier subsidiary are not significantly different from those offered to unrelated parties. The products sold to other related parties are not sold to other customers. Therefore, the selling prices are not comparable to those of other customers, and the selling price and credit terms are not significantly different from those of unrelated parties.

(ii) Purchases

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

	For the years ended December 31,	
	2023	**2022**
Other related parties-Realtek	$ 6,345,400	8,920,736
Other related parties-Realtek Singapore	4,545,163	7,051,561
Other related parties-RayMx	258,372	128,864
Other related parties-Actions (HK)	89,692	3,893
	$ 11,238,627	16,105,054

The products which the Company purchases from the above-mentioned related parties are not purchased from other vendors, resulting in no purchase price to compare with that of other vendors. The payment terms are not significantly different from those of non-related parties.

(Continued)

(iii) The expenses incurred by the Company consulting subsidiary for its overseas operations in the years ended December 31, 2023 and 2022 were $101,582 thousand and $75,349 thousand, respectively.

(iv) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts receivable due from related parties	Subsidiary	$ 185,892	170,712
Amounts received in subsequent period	Other related parties	7,161	71
		$ 193,053	170,783

(v) Payable from related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Payables to related parties	Realtek	$ 1,253,124	894,388
Payables to related parties	Realtek Singapore	607,108	1,357,835
Payables to related parties	RayMx	40,188	11,717
Payables to related parties	Actions (HK)	9,332	562
Other payables to related parties	GMI Computing	4,923	-
		$ 1,914,675	2,264,502

(vi) Sale of Patent

In 2023, the Company sold patents to its subsidiaries for $7,810 thousand, and the unrealized gain on disposal was recognized in profit or loss based on the useful life of the patents. As of December 31, 2023, the unrealized gain on disposal was $7,159 thousand and is in balance of "investments account for using equity method".

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$ 30,672	36,946

(Continued)

Post-employment benefits		287	298
	$	**30,959**	**37,244**

(Continued)

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Time deposit (classified under other financial assets)	Bank loan limit	$ 225,303	231,773
Accounts receivable	The unused letters of credit and secured loans	101,673	219,193
Property, plant and equipment	Long-term bank loans	295,775	296,684
		$ 622,751	747,650

(9) Commitments and contingencies:

(a) Guarantees provided by the Group's bank to its suppliers for the delivery of goods:

	December 31, 2023	December 31, 2022
Purchase Guarantee	$ 309,583	329,615

(b) The amount of unused outstanding letters of credit were as follows:

	December 31, 2023	December 31, 2022
Outstanding standby letters of credit	$ 1,772,579	2,107,466

(c) The tax payable on imported goods guaranteed by the Group's bank:

	December 31, 2023	December 31, 2022
Taxes on imported goods guaranteed by banks	$ 4,000	4,000

(d) As of December 31, 2023 and 2022, the Group had issued $1,029,025 thousand and $1,160,065 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(Continued)

(12) Other:

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

	For the three months ended December 31					
	2023			2022		
By funtion By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	118,557	118,557	-	96,567	96,567
Labor and health insurance	-	8,289	8,289	-	7,957	7,957
Pension	-	5,345	5,345	-	5,031	5,031
Remuneration of directors	-	8,840	8,840	-	11,904	11,904
Others	-	4,907	4,907	-	5,488	5,488
Depreciation	-	12,814	12,814	-	10,972	10,972

The additional information about number of employees and employee benefit expenses for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Employees	115	106
Directors not in concurrent employment	6	3
Average employee benefits	$ 1,258	1,117
Average employee salary	$ 1,088	938
Average raise of employee salary	15.99%	

The decrease in average remuneration to employees for the year is arising from decreases in the bonus expenses estimated for the year.

The Company's remuneration policy (including directors, supervisors, managers and employees) is as follows:

The performance assessment and remuneration of managers and directors by the Company taking into account of usual standard payments of peers to evaluate the reasonableness of relationship among personal performance, operation performance and future risks. The Company complying with Labor Standards Act and relevant regulations to set out various employee remuneration and benefits and to provide competitive benefits to motivate its employees.

(Continued)

(b) Others

Accounts receivable regarding to legal proceedings:

In January 2017, the Company filed a civil lawsuit to the Shanghai court for the overdue payment of Shanghai Hailong Information Technology Co. (Shanghai Hailong). However, in May 2017, the Shanghai court rejected the lawsuit. In July of the same year, the Company filed a criminal lawsuit to the Shenzhen Public Security Bureau against the majority shareholder of Shanghai Hailong. However, in September of that year, the Shenzhen Public Security Bureau notified the Company that the case cannot be filed. Hence, the Company has now filed a civil lawsuit against Shanghai Hailong to the Shenzhen court, and the court agreed to accept the lawsuit, which was heard on June 21, 2018. On May 22, 2019, the court ordered Shanghai Hailong to pay the Company the amount of $5,804 thousand (US$187 thousand). Shanghai Hailong appealed against the Company again on June 12, 2019, and The Shenzhen Intermediate People’s Court ruled in the second instance to maintain the status quo ante. Shanghai Hailong negotiated a settlement with the Company on December 15, 2021. The Company has received $5,804 thousand in June 2022 and the Company recognized allowance for bad debt for uncollected amounts of $18,456 thousand to write off the allowance for losses. For changes in allowance for doubtful debts, please refer to note 6(b).

(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties:None.

(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	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)	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company									
0	The Company	G.M.I (Shanghai)	2	2,648,819	88,900 (RMB20,000 *4.445)	-	-	-	2,648,819	Y	N	Y

Note 1: The Company's endorsement and guarantee amount for a single enterprise is limited to 80% of the Company's shareholders’ equity, but for a single overseas affiliate, it is limited to 100% of the Company's shareholders’ equity.

Note 2: The relationship between the guarantor and the target of the endorsement is as follows.

(1) Companies with business dealings.
(2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) A company that directly or indirectly holds more than 50% of the voting shares of the company.
(4) A company in which the company directly or indirectly holds more than 90% of the voting shares.
(5) A company that is mutually insured by a contract between peers or co-founders for the purpose of contracting.
(6) A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
(7) Interbank companies that are engaged in the performance guarantee of pre-sale contracts in accordance with the Consumer Protection Act.

(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$100 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)

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	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	6,345,400	48.44%	O/A 45 days	No purchases from other vendors	No material varience	(1,253,124)	(59.06)%	
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	4,545,163	34.70%	O/A 45 days	No purchases from other vendors	No material varience	(607,108)	(28.61)%	
The Company	RayMx	Subsidiary of Realtek Semiconductor Co.	Purchase	258,372	1.97%	O/A 45 days	No purchases from other vendors	No material varience	(40,188)	(1.89)%	
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	(948,215)	(6.20)%	O/A 60 days	No material variance	No material variance	136,511	4.19%	

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	G.M.I (Shanghai)	Sub subsidiary	136,511	674.46%	-		58,912	-

(ix) Trading in derivative instruments:None.

(Continued)

G.M.I. TECHNOLOGY INC.
Notes to the Financial Statements

(b) Information on investees:

The following is the information on investees for the years ended December 31, 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 December 31, 2023	Original investment amount December 31, 2022	Balance as of December 31, 2023 Shares (thousands)	Balance as of December 31, 2023 Percentage of wnership	Balance as of December 31, 2023 Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Note
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Island	Investment holding	556,991	556,991	18,277	100.00%	(6,605)	(37,277)	(37,277)	
GMI Technology Inc.	Global Mobile Internet Co., Ltd	Taiwan	Sale of electronic products	15,484	15,484	1,548	34.21%	14,089	2,116	716	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products	200,739	200,739	9,559	12.73%	222,590	40,612	5,169	
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding	151,141	151,141	34,149	100.00%	(6,683)	(37,278)	(37,278)	
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMTED	British Virgin Islands	Investment holding	393,484	393,484	13,169	100.00%	74	1	1	
HARKEN INVESTMENTS LIMTED	GW Electronics Company Limited	Hong Kong	Trading of electronic components	393,236	393,236	102,000	51.00%	-	-	-	
G.M.I. Technology Inc.	Rehear Audiology Co., Ltd.	Taiwan	Medical Devices research and development	29,000	-	5,800	29.00%	17,914	(13,543)	(3,965)	

(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 (note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows Outflow	Investment flows Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period	Note
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(b)	48,708	-	-	48,708 (note 2)	(39,173)	100.00%	(39,173)	(33,164)	-	-
Hong& Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	(b)	44,660	-	-	44,660 (note 2)	(1,617)	100.00%	(1,617)	(1,617)	-	-

(Continued)

Sangdong Wan Shun He Enorgy Co., Ltd.	Chemical engineering products and trading of electronic components	-	(b)	-	-	-	- (note 2)	-	-%	-	-	-	(note 3)

(Continued)

Note 1: Three types of investment method are as follows:
(a) Direct investment in Mainland China.
(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(c) Others

Note 2: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is the direct investment by Vector Electronic Co. Ltd with its own capital.

Note 3: The subsidiary has already been liquidated by a resolution of the Board of Directors on March 28, 2023, and has been written off in May 2023.

(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
93,368	629,123	1,589,291

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2023, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders:None

Shareholding / Shareholder’s Name	Shares	Percentage
De-Jet Investment Co., Ltd.	52,782,278	32.45%
De-Jia Investment Co., Ltd.	14,340,303	8.81%

Note: The information on major shareholders in this table is based on the last business day of each quarter and is calculated based on the total number of 5% ordinary shares or more of the Company’s shareholders that have been delivered without physical registration. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

(14) Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2023.

G.M.I. Technology Inc.

Statement of Cash and Cash Equivalents

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash	Cash on hand	$ 3,828
Bank deposits	Check deposits (HKD311,878.74@3.929;)	1,225
	USD100@30.705)	3
	Demand deposits	78,517
	Foreign currency demand deposits (USD37,220,699.73@30.705；	1,142,862
	RMB8,062.97@4.327)	35
	HKD45,364,229.83@3.929)	178,236
	Subtotal	1,400,878
Total		**$ 1,404,706**

G.M.I. Technology Inc.

Statement of Notes Receivable

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Notes receivable	
WORLD	$ 54,562
Shenzhen C-DATA Technology Co., Ltd.	17,641
Yichen (Shenzhen) Technology Co., Ltd.	9,723
Chengdu Meross Technology Co., Ltd.	8,732
Other (all less than 5%)	1,302
Subtotal	91,960
Less: Allowance for bad debt	(276)
Total	**$ 91,684**

G.M.I. Technology Inc.

Statement of Accounts Receivable

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Accounts receivable		
Nanning Fulian Fugui Precision Industry Co., Ltd.	$	373,307
Zhongxing Telecommunication Equipment Corporation		216,366
Futaihua Industrial (Shenzhen) Co., Ltd.		203,651
Cloud Network Technology singapore Pte. Ltd		164,666
Other (all less than 5%)		2,050,066
Subtotal		3,008,056
Less: Allowance for bad debt		(32,698)
Total	**$**	**2,975,358**

G.M.I. Technology Inc.

Statement of other receivable

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Income tax refund receivable	$ 15,493
Other (all less than 5%)	3,096
Total	**$ 18,589**

G.M.I. Technology Inc.

Statement of Inventories

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Costs	Market price	Notes
Merchandise inventory	$ 1,116,250	1,079,900	Market price under their Net realizable value
Less: Allowance for inventory valuation and obsolescence losses	(101,229)		
	$ 1,015,021		

G.M.I. Technology Inc.

Statement of other current assets

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Offset Against Business Tax Payable	$ 55,013
Prepayments	30,685
Total	**$ 85,698**

G.M.I. Technology Inc.

Statement of changes in investments under equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning Balance		Increase		Disposal		Equity method Share of profits/losses of investee	Exchange differences adjustment	Other (Note 2)	Ending balance			Pledge or guarantee Object
	shares	Amount	shares	Amount	shares	Amount (Note 1)				shares	Percentage	Amount	
Equity method													
G.M.I. Technology (BVI) Ltd.	18,277	$ 30,645	-	-	-	-	(37,277)	27	-	18,277	100.00%	(6,605)	None
Global Mobile Internet Co., Ltd	1,548	13,413	-	-	-	-	716	(40)	-	1,548	34.21%	14,089	〃
Unitech Electronics Co., Ltd.	9,559	224,079	-	-	-	(6,408)	5,169	(250)	-	9,559	12.73%	222,590	〃
Rehear Audiology Co., Ltd.	-	-	6,000	30,000	(200)	(962)	(3,965)	-	(7,159)	5,800	29.00%	17,914	〃
		$ 268,137		30,000		(7,370)	(35,357)	(263)	(7,159)			247,988	
Credit balance of investment accounted for using equity method												6,605	
												$ 254,593	

Note1: The decrease in investments accounted for using equity method Unitech Electronic due to the distribution of earning of $6,408 thousand.
Note2: The unrealized gain on interompany transaaction was $(7,159) thousand.

G.M.I. Technology Inc.

Statement of Short-term Borrowings

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Bank	Balance at December 31, 2023	Loan period	Range of Interest rate	Collateral or pledge
Credit loans	E.SUN Syndicated Loans	$ 33,776	2023/12/15-2024/3/15	7.0719%	None
〃	HSBC Bank (Taiwan) Limited	200,000	2023/10/27-2024/1/25	1.78%	〃
〃	Hua Nan Commercial Bank, Ltd.	200,000	2023/11/27-2024/1/26	1.82%	〃
〃	Yuanta Commercial Bank Co., Ltd.	50,000	2023/11/7-2024/2/5	1.83%	〃
〃	Agricultural Bank of Taiwan	100,000	2023/12/22-2024/2/23	1.81%	〃
〃	Taishin International Bank	200,000	2023/12/29-2024/2/27	1.82%	〃
〃	FAR EASTERN INTERNATIONAL BANK	150,000	2023/12/19-2024/3/18	1.82%	〃
〃	First Commercial Bank	100,000	2023/11/27-2024/3/27	1.82%	〃
〃	Chang Hwa Commercial Bank, Ltd.	225,000	2023/9/14-2024/9/14	1.9%	〃
Secured loans	E.SUN Commercial Bank	92,174	2023/12/13-2024/1/12	6.57%	Note 8
Total		$ 1,350,950			

G.M.I. Technology Inc.

Statement of Accounts Payable

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Winbond Electronics Corp.	$ 62,102
AUO Display Plus Corp.	36,682
Other	113,352
Total	**$ 212,136**

G.M.I. Technology Inc.

Statement of other payables

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Wages and salaries payable	$ 24,896
Remuneration payables to employees, directors, and supervisors	8,650
Service expenses payable	4,922
Import/export (customs) payables	4,099
Other (all less than 5%)	26,397
Total	**$ 68,964**

G.M.I. Technology Inc.

Statement of Long-term Borrowings

Balance on December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Bank	Current portion	Long term borrowings	Loan period	Range of Interest rate	Unused credit lines	Collateral or pledge
Secured loans	E.SUN Commercial Bank	$ 26,775	175,525	2020.10.28~ 2035.10.26	1.90 %	238,000	Note 8

G.M.I. Technology Inc.

Statement of Operating revenue

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Number (thousands)	Amount
Digital Communication Solutions and Components	354,451	$ 13,168,047
Storage Applications Solutions and Components	57,380	1,929,294
Analog Electronic Components	89,006	206,229
Total		$ 15,303,570

Note: The above amounts are net of sales returns and discounts of $132,355 thousand.

G.M.I. Technology Inc.

Statement of Operating Costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Beginning inventory	$ 2,452,967
Add: Purchase for the period, net	13,586,037
Less: Inventories at the end of the period	(1,116,250)
Transfer to operating expenses	(742)
Inventory obsolescence losses	(6,379)
Subtotal	14,915,633
Commissions revenue	(486,971)
Loss for market price decline and obsolete and slow-moving inventories	(44,573)
Import expense	28,074
Other	15,735
Total	**$ 14,427,898**

G.M.I. Technology Inc.

Statement of Operating Expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Selling	Administrative	Research and development
Business consultation fees of subsidiary	$ 101,582	-	-
Salary and bonus expenses	34,205	69,061	15,291
Export expense	28,022	192	-
Service expenses	62,411	4,692	186
Other (all less than 5%)	60,178	60,940	8,545
Total	$ 286,398	134,885	24,022

Please refer to Note 6(e) for Statement of property, plant and equipment
Please refer to Note 6(e) for Statement of Changes in accumulated depreciation of property, plant and equipment
Please refer to Note 6(f) for Statement of right-for use assets.
Please refer to Note 6(f) for Statement of Changes in accumulated depreciation of right-for use assets.

6. The effect of the financial difficulties of the Company and its affiliates on the financial position of the Company for the most recent fiscal year and up to the date of printing of the annual report: None.

VII. Review and Analysis of Financial Position, Financial Performance, and Risk Matters

1. Financial Position

1. Comparative analysis of financial position

Unit: NT$ ‘000

Year / Item	2023	2022	Variation in	
			Amount	%
Current assets	6,066,439	7,650,082	(1,583,643)	(20.70)%
Property, plant and equipment	329,717	331,763	(2,046)	(0.62)%
Investment properties	-	-	-	-
Intangible assets	-	-	-	-
Other assets	360,685	305,661	55,024	18.00%
Total assets	6,756,841	8,287,506	(1,530,665)	(18.47)%
Current liabilities	3,862,550	5,409,200	(1,546,650)	(28.59)%
Non-current liabilities	184,088	219,068	(34,980)	(15.97)%
Total liabilities	4,046,638	5,628,268	(1,581,630)	(28.10)%
Equity attributable to owners of the parent company	2,648,819	2,659,238	(10,419)	(0.39)%
Share capital	1,626,254	1,626,254	-	-
Capital reserve	223,116	223,116	-	-
Retained earnings	765,496	767,805	(2,309)	(0.30)%
Other equity interests	33,953	42,063	(8,110)	(19.28)%
Treasury stock	-	-	-	-
Non-controlling interests	61,384	-	61,384	-
Total equity	2,710,203	2,659,238	50,965	1.92%

1. Analysis of changes in the percentage of increase or decrease: (If the change is less than 20%, the analysis is exempted)
(1) Current assets: mainly due to the active destocking in 2023, resulting in the decrease in the amount of inventories.
(2) Current liabilities and total liabilities: mainly due to the increase in net cash inflow from operating activities and repayment of bank loans.
(3) Non-controlling equity: mainly due to the new investments in 2023 in non-wholly owned subsidiaries.
2. Future response plans: None.

2. Financial performance

1. Financial performance analysis

Unit: NT$ '000

Year / Item	2023	2022	Increase (decrease) amount	Change (%)
Operating Revenue	15,276,756	19,346,503	(4,069,747)	(21.04)
Operating Costs	14,411,104	18,295,415	(3,884,311)	(21.23)
Gross Profit	865,652	1,051,088	(185,436)	(17.64)
Operating Expenses	456,807	483,643	(26,836)	(5.55)
Operating Income	408,845	567,445	(158,600)	(27.95)
Non-operating Income and Expenses	(16,537)	22,024	(38,561)	(175.09)
Net Income before Tax	392,308	589,469	(197,161)	(33.45)
Income tax expense	79,501	135,523	(56,022)	(41.34)
Net income of continuing operations for the period	312,807	453,946	(141,139)	(31.09)
Loss from discontinued operations	-	-	-	-
Net income (loss) for the period	312,807	453,946	(141,139)	(31.09)
Other comprehensive income for the period	(7,553)	157,210	(164,763)	(104.80)
Total comprehensive income for the period	305,254	611,156	(305,902)	(50.05)
Net income attributable to owners of the parent company	322,385	453,946	(131,561)	(28.98)
Net income attributable to noncontrolling interests	(9,578)	-	-	-
Total consolidated profit or loss attributable to owners of the parent company	314,832	611,156	(296,324)	(48.49)
Total comprehensive income attributable to noncontrolling interests	(9,578)	-	-	-
Earnings per share	1.98	3.08	(1.10)	(35.71)
Analysis of changes in the percentage of increase or decrease: (If the change is less than 20%, the analysis is exempted)				

(1) Decrease in operating revenue and operating cost: mainly due to the decrease in market demand. (2) Decrease in net operating profit: mainly due to the decrease in gross profit. (3) Decrease in non-operating income and expenses: mainly due to the decrease in exchange gains as a result of exchange rate fluctuations. (4) Profit before tax, income tax expense, net profit from continuing operations, net profit, net profit attributable to the owners of the parent company, and earnings per share: mainly due to the decrease in net operating profit this year. (5) Decrease in other comprehensive income, total comprehensive income, and total comprehensive income attributable to owners of the parent company: mainly due to the decrease in exchange differences on translation of financial statements of foreign operating institutions as a result of exchange rate changes. (6) Net income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests:mainly due to the new investments in 2023 in non-wholly owned subsidiaries, resulting in a loss in 2023.

(2) Expected sales volume and its basis, possible impact on the Company's future financial operations and plans for response

As the Company does not disclose the financial forecast for 2024, the disclosure of the expected sales volume is not intended.

3. Cash Flow

(1) Liquidity analysis for the last two years

Item \ Year	2023	2022	Increase (decrease) ratio
Cash flow ratio	38.09	(11.86)	(421.16)
Cash flow adequacy ratio	35.94	(13.21)	(372.07)
Cash reinvestment ratio	39.35	(31.64)	(224.37)
Analysis of the changes in the ratio 1. Increase in cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio: mainly due to the increase in net cash inflow from operating activities in 2023.			

(2) Cash flow analysis for the coming year

Unit: NT$ ‘000

Cash balance at the beginning of the year	Estimated annual net cash flow from operating activities	Net cash inflows from investing and financing activities	Estimated remaining (deficit) cash	Remedial measures for estimated cash shortage	
				Investment Plan	Financing plan
1,497,908	399,765	(894,823)	1,002,850	-	-
1. Analysis of changes in cash flows in the coming year. Operating activities: The cash inflows from operations are expected to be generated in the coming year. Net cash inflow from investing and financing activities for the year: This is due to the expected repayment of bank loans in the future.					

4. The impact of significant capital expenditures on financial operations for the most recent fiscal year: None

5. Investment policy, main reasons for profit or loss for the most recent fiscal year, and improvement plans and investment plans for the coming year

Unit: NT$ '000

Investee company	Investment gains and losses recognized in the current period	Investment policy	Main reasons for gain or loss	Improvement Plan	Investment plan for the coming year
GMI Technology (BVI)Co.,Ltd	(37,277)	Indirect investment in Mainland China from a third region	GMI Technology (BVI) Co., Ltd. is a holding company and loss is generally derived from loss on investment interests.	Depending on the future operation, we will evaluate the capital increase plan.	None
HARKEN INVESTMENTS LIMITED	1.	Indirectly reinvested in Hong Kong from a third region	As a holding company, the current profit is derived from interest income.	Depending on the future operation, we will evaluate the capital increase plan.	None
Vector Electronic Company Limited	(37,278)	Indirect investment in Mainland China from a third region	GMI Technology (BVI) Co., Ltd. is a holding company and loss is generally derived from loss on investment interests.	Depending on the future operation, we will evaluate the capital increase plan.	None
G.M.I International Trading (Shanghai) Co.,Ltd.	(39,173)	Responsible for the sale and purchase of electronic parts and components in bonded warehouses in North China and marketing consulting services	The loss was mainly due to the decline in revenue.	Depending on the future operation, we will evaluate the capital increase plan.	None
Shenzhen Hongda Futong Electronics Co.,Ltd.	(1,617)	Responsible for the sale and purchase of electronic parts and components in China	The reason for the loss is that the marketing service fees injected by the parent	Future evaluation will depend on the	None

			company were not enough to cover the management and elimination expenses.	operating condition of the subsidiaries	
Shandong Wanshunhe Energy Co.,Ltd.	-	Trading of chemical products and electronic components	No business activity as of present.	Note 1	-
GW Electronics Company Limited	-	Responsible for the sale and purchase of electronic components of Toshiba's Flash and Discrete products, with the agent relationship currently terminated.	Currently, there is no business activity.	Future evaluation will depend on the status of accounts receivable collection.	None
Global Mobile Internet Co.,Ltd.	716	Trading of communication equipment and information software services	Profits were mainly from investment	To be reevaluated depending on future operating conditions	None
Unitech Electronics Co.,Ltd.	5,169	Development, manufacturing and marketing of "automatic data collection products" and related businesses	Profit from normal operating activities	None	None
Rehear Audiology Co., Ltd.	(3,965)	Medical equipment research and development and sales	The Company was established in 2023 and has not yet contributed revenue	It is expected that the revenue will begin to pour in 2024	None

Note 1: The subsidiary was liquidated on March 28, 2023 by the Board of Directors, and the write-off was completed in May 2023 .

6. Analysis and evaluation of risk matters for the most recent year and as of the printing date of the annual report

(1) The impact of interest rates, exchange rate changes and inflation on the Company's profit and loss and future measures to address them:

1. Impact of exchange rate changes on the Company's revenue and profitability and the Company's specific measures in response to exchange rate changes

(1) Impact of exchange rate changes on the Company's revenue and profitability

Most of the Company's product prices are denominated in U.S. dollars, therefore, the trend of the U.S. dollar exchange rate and the change in the Company's foreign exchange gain or loss are quite correlated. The Company engages in foreign exchange hedging operations as necessary to control the risks arising from changes in foreign exchange rates in order to reduce the impact of changes in foreign exchange rates on revenue and profitability.

(2) Specific measures taken by the Company in response to changes in foreign exchange rates

The Company responds to the risk of exchange rate fluctuations by directly offsetting the increase in foreign currency receivables due to export sales by increasing the foreign currency payables arising from the purchase of goods in order to achieve the effect of Natural Hedge. We will keep in close contact with banks to keep abreast of exchange rate movements. In accordance with IFRS 7 "Financial Instruments: Disclosures" and the "Procedures for the Acquisition or Disposal of Assets" established by the Company, the risk of exchange rate fluctuations is timely hedged through sound and strict control by those in charge.

2. Impact of interest rate changes on the Company's revenue and profitability and the Company's specific measures to respond to changes in interest rates

(1) Impact of interest rate changes on the Company's revenue and profitability

The Company's financial costs for 2023 were NTD 75,050 thousand, accounting for 0.49% of operating revenues, which was insignificant. Overall, this did not cause significant adverse effects on the Company's revenues and profits.

(2) The Company's specific measures to respond to changes in interest rates

The Company will gradually apply for cash capital increase, increase the proportion of its own funds and improve the financial structure to minimize the interest rate risk.

3. Inflationary impact on the Company's revenue and profitability and the Company's specific measures to address inflation.

(1) Inflationary impact on the Company's revenue and profitability

There was no significant impact on the Company's profit or loss due to inflation during the year.

(2) Specific measures taken by the Company in response to inflation

The Company continuously monitors changes in upstream commodity prices to reduce the impact of cost changes on the Company's profit or loss.

(2) The Company's policy on engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profits or losses, and future measures to address them.

1. The Company did not engage in high-risk and highly leveraged investment in 2023.

2. The Company's endorsements, guarantees and loaning of funds to others in 2023: The Company provided guarantee to G.M.I International Trading (Shanghai) Co.,Ltd. to apply for a credit facility of RMB20 million from Fubon Bank (China) Co., Ltd Hongqiao Branch.

(1) Policy: The Company endorsed the guarantee for its subsidiaries in accordance with the "Procedures for Endorsement and Guarantee".

(2) Main reasons: The Company provides endorsement and guarantee to its subsidiaries, and the endorsement and guarantee items are financing guarantees.

(3) Future measures: The necessary control measures are carried out in accordance with the endorsement and guarantee procedures.

3. The Company did not engage in derivative transactions in 2023.

(3) Future research and development

2024 R&D plan

Product/application name	Cooperating supplier
STB (Set-top Box)	Winbond, Realtek, Zbit, APEC
SSD	Realtek, APEC
NB/MB/AIO/IPC	Realtek, Winbond, APEC
BT Speaker and TWS	Realtek
AC to DC Adapter	APEC
LCD panel module	AUO
Wi-Fi/ADSL	Realtek, Winbond
Network SWITCH IC	Realtek, Winbond
PC Peripherals and Type-C	Realtek, Zbit
IoT(Internet of Things)	Realtek
IOI(Internet of Identities)	Realtek
Industrial HMI	AUO, Zbit
Automotive Ethernet	Realtek, Zbit, Winbond
xPON	Realtek, Winbond

The estimated total amount of R&D expenses for the above projects in 2024 is NTD 38,000 thousand.

(4) Impact of significant domestic and foreign policies and legal changes on the Company's financial operations and measures to address them.

There was no material impact on the Company's financial operations due to significant domestic or foreign policy and legal changes in the most recent fiscal year.

(5) Impact of technological changes (including information and communications security risks) and industry changes on the Company's financial operations and measures taken in response.

There were no significant changes in technology and information and communications security risks that had a material impact on the Company's financial operations in the most recent year.

(6) Impact of corporate image change on corporate crisis management and measures to address it.

Since its establishment, the Company has been actively strengthening its internal management and reinforcing its core values. The Company has a good corporate image and has not experienced any corporate crisis due to changes in corporate image.

(7) Expected benefits, possible risks and measures for mergers and acquisitions: None.

(8) Expected benefits, possible risks and measures for plant expansion: None.

(9) Risks of concentration of imports or sales and measures to address them: None.

(10) The effect of the transfer or change of ownership of directors or major shareholders holding more than 10% of the shares on the Company, the risk and measures to be taken: None.

(11) Impact, risk and response to changes in management rights: None.

(12) If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, president, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the publication date of the report: None.

(13) Other significant risks and responses: None.

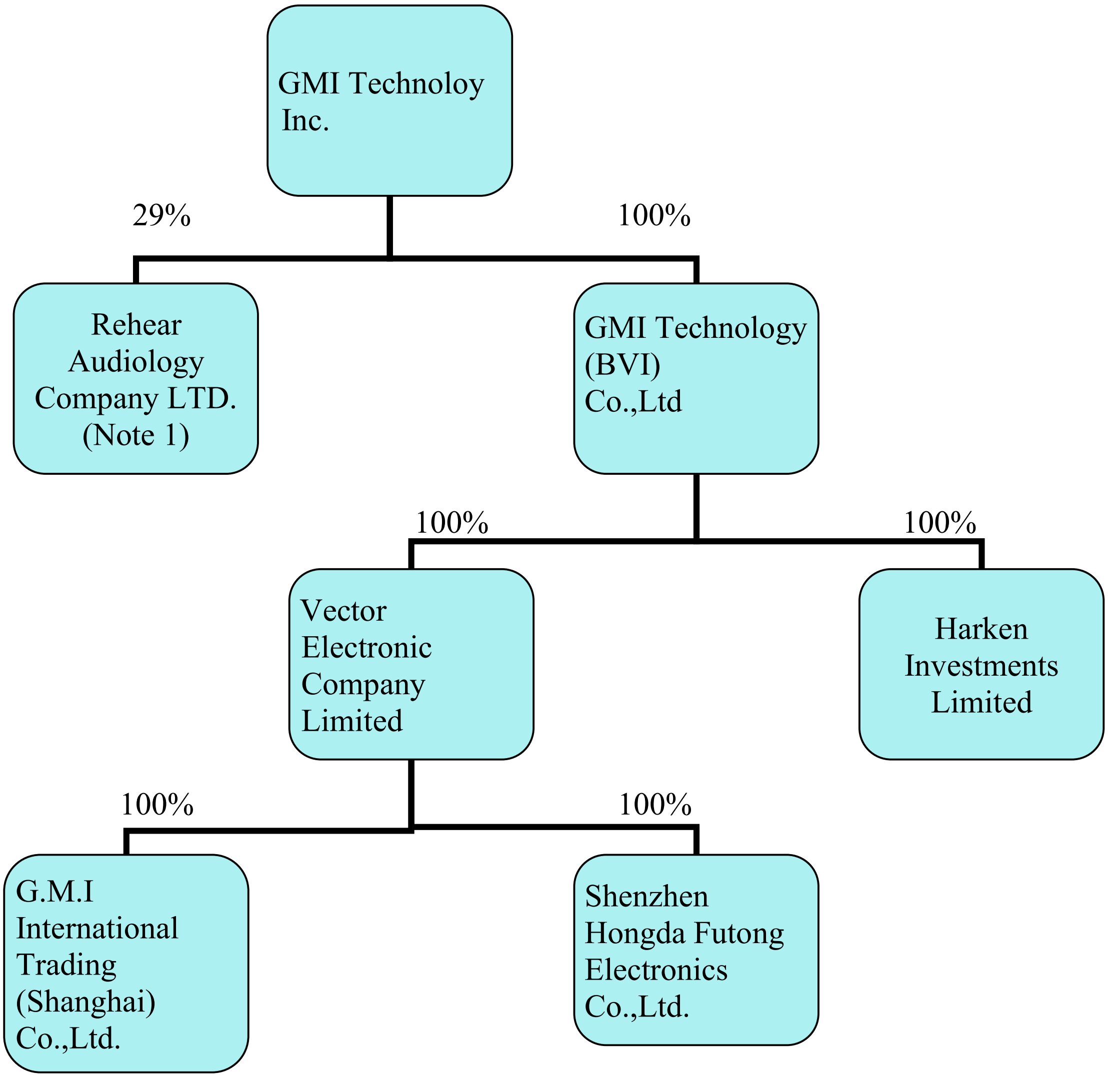
7. Other important matters: None.

VIII. Special Items to be Included

I. Information on affiliated companies.

(1) Report on merger of affiliated companies

1. Organization chart of affiliated companies



Note 1: The company was registered on March 22, 2023. The Company's shareholding ratio is less than 50%. However, considering that the Company and its related parties as a whole hold more than 50% of the shares and that the Company dominates the relevant operating activities of this company, it is considered that the Company has control over this company.

2. Basic information of each affiliated company

Unit: NT$ '000

Company name	Date of Establishment	Address：	Paid-in capital	Main scope of business or production
GMI Technology (BVI) Co., Ltd.	2003.05.22	Beaufort House, P.O. Box 438, Road Town, Tortola,British Virgin Island	NT$556,991 (USD18,277)	Investment Holding Company
Harken Investments Limited	2012.07.03	Commence Chambers,P.O.Box 2208,Road Town,Trotola,British Virgin Islands.	NT$393,484 (USD13,169)	Investment Holding Company
Vector Electronic Company Limited	1990.11.13	9/F., Shatin Industrial Building, Nos.22-28 Wo Shui Street, Fo Tan, Shatin, Hong Kong.	NT$151,141 (HKD34,149)	Electronic Components Trading
G.M.I International Trading (Shanghai) Co.,Ltd.	2002.02.07	Room 1002, Building 2, Actions R&D Building, No. 58, Xiangke Road, Pudong New District, Shanghai	NT$68,382 (RMB14,740.9)	Electronic Components Trading Business Marketing & Consulting Services
Shenzhen Hongda Futong Electronics Co.,Ltd.	2012.05.08	Unit 2-7, 10/F, Wuzi Land Building, No.6 Liyuan Road, Luohu District, Shenzhen, P.R.C.	NT$65,445 (RMB13,638.11)	Electronic Components Trading
Rehear Audiology Co., Ltd.	2023.03.22	9F-6, No. 2, Lane 150, Section 5, Xinyi Road, Xinyi District, Taipei City	100,000	Medical equipment research and development and sales

3. Names and shareholdings of directors, supervisors and presidents of affiliated companies

Unit: NT$ '000

Company name	Title	Shareholdings held by	Shares held	
			Number of Shares / Capital Contribution	Shareholding ratio (%)/ Capital contribution ratio
GMI Technology (BVI) Co., Ltd	Chairman of the Board	GMI Technology Inc. Corporate Representative: Chia-Wen Yeh	NT$556,991 (USD18,277)	
HARKEN INVESTMENTS LIMITED	Chairman of the Board	GMI Technology (BVI) Co., Ltd Corporate Representative: Chia-Wen Yeh	NT$393,484 (USD13,169)	
Vector Electronic Company Limited	Chairman of the Board	GMI Technology (BVI) Co., Ltd Corporate Representative: Chia-Wen Yeh	NT$151,141 (HKD34,149)	
G.M.I International Trading (Shanghai) Co.,Ltd.	Chairman of the Board	Executive Director: Chen, Ching-Hsien	NT$68,382 (RMB14,740.9)	
Shenzhen Hongda Futong Electronics Co.,Ltd.	Chairman of the Board	Vector Electronic Company Limited Representative: Chen, Ching-Hsien	NT$65,445 (RMB13,638.11)	
Rehear Audiology Co., Ltd.	Chairman of the Board	Chia-Wen Yeh	5,800/29,000	

4. State of Operations of Affiliated Companies

Unit: NT$ '000

Company name	Registered Capital (Note 2)	Total assets	Total liabilities	Net value	Operating Revenue	Operating income (loss)	Profit (loss) for the period (After tax)	Earnings Per Share (NT$) (After tax)
GMI Technology (BVI) Co.,Ltd	556,991	(6,605)	-	(6,605)	-	-	(37,277)	-
Harken Investments Limited	393,484	74	-	74	-	-	1	-
Vector Electronic Company Limited	151,141	42,908	49,591	(6,683)	109,889	3,477	(37,278)	-
G.M.I International Trading (Shanghai) Co.,Ltd.	68,382	131,256	164,420	(33,164)	951,890	(29,863)	(39,173)	-
Shenzhen Hongda Futong Electronics Co.,Ltd.	65,445	41,354	18,459	22,895	67,126	(1,232)	(1,617)	-
Rehear Audiology Co., Ltd.	100,000	88,223	1,766	86,457	-	(14,033)	(13,543)	-0.90

Note 1: The financial statements of each of the above companies were audited and certified by attesting CPAs.
Note 2: Based on historical exchange rates.

(II) Consolidated Financial Statements of affiliated companies: Please refer to pp.141 to 202.

(III) Business Report on affiliated companies: None.

2. Private placement of marketable securities for the most recent year and up to the date of the annual report: None

3. Holding or disposal of the Company's shares by subsidiaries in the most recent year and as of the date of the annual report: None

4. Other necessary supplementary information: None

IX. Matters that may materially affect on shareholders' equity or the price of securities as defined in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act for the most recent fiscal year and as of the publication date of the annual report: None

Statement of Declaration

The Company complied with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" that should be included in the consolidated financial statements of affiliated enterprises and the consolidated financial statements of parent and subsidiaries pursuant to the IFRS 10 approved by the Financial Supervisory Commission are the same in 2022 (from January 1, 2023 to December 31, 2023), and the relevant information to be disclosed in the consolidated financial statements of affiliated enterprises It has been disclosed in the aforementioned consolidated financial statements of the parent company and subsidiaries, and it is not necessary to prepare the consolidated financial statements of affiliated companies separately.

Hereby declare

Name of Company: GMI Technology Inc.

Chairman: Chia-Wen Yeh

Date: March 12, 2024

GMI Technology Inc.

Chairman: Chia-Wen Yeh