Stock Code: 2481

強茂股份有限公司
PANJIT International Inc.

FY 2023 Annual Report

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

The URL of the information reporting website designated by the FSC: https://mops.twse.com.tw/

The website where the Company discloses relevant information about the annual report: https://www.panjit.com.tw/

April 15, 2024

I. Contact Information of Spokesperson and Deputy Spokesperson

Spokesperson: Shen, Ying-Hsiu
Spokesperson Title: Chief Financial Officer
Spokesperson Phone: (07) 961- 1105
Spokesperson Email: investor@panjit.com.tw

Deputy Spokesperson: Hsieh, Pai-Cheng
Deputy Spokesperson Title: Chief Accountant
Deputy Spokesperson Phone: (07) 961- 1105
Deputy Spokesperson email：investor@panjit.com.tw

II. Contact Information of Headquarters, Branches and Plants:

Headquarter: No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City
Phone: (07) 621-3121

III. Contact Information of Stock Transfer Agency

Name of stock transfer agency: Yuanta Securities Co., Ltd.
Address: B1, No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City
Phone: (02) 2586-5859
Website: https://www.yuanta.com.tw/

IV. Contact Information of the CPAs for the Latest Financial Statements

Names of CPAs: Chen, Cheng-Chu, Fuh, Wen-Fun
CPA firm: Ernst & Young Taiwan
Address: 17F., No. 2, Zhongzheng 3rd Rd., Xinxing Dist., Kaohsiung City
Phone (07) 238-0011
Website: https://www.ey.com/

V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry

Global Depositary Receipt
Stock exchange: Luxembourg Stock Exchange
Website: https://www.bourse.lu/Accueil.jsp

VI. Company Website: https://www.panjit.com.tw/

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Chapter 1. Report to Shareholders

I. Overview of FY 2023 Business Results:

(I) Business plan implementation results

In 2023, consolidated revenue was NT$12.7 billion, and in 2023, consolidated operating gross profit was NT$3.2 billion. The Company's 2023 consolidated operating income was NT$0.83 billion. Based on the above information, the consolidated net profit per share in 2023 was NT$2.15.

Regarding the cash dividend, the Board of Directors approved the allotment of NT$1.2 per share.

(II) Budget Execution

The Company did not disclose 2023 financial forecasts, and therefore budget execution is irrelevant.

(III) Financial Income and Expenditure and Profitability Analysis

(Parent Company Only) Units: NT$ thousands

Items			2023	2022	Percentage change (%)
Financial revenue and expense	Revenue		7,889,882	8,855,785	(10.91)
	Operating margin		1,720,016	2,493,179	(31.01)
	Post-tax profit or loss		820,782	1,757,631	(53.30)
Profitability	Return on assets (%)		3.85	7.76	(50.39)
	ROE (%)		6.11	13.26	(53.92)
	Proportion to the paid-in capital (%)	Operating profit	8.01	26.23	(69.46)
		Net pre-tax income	23.42	50.71	(53.82)
	Net profit rate (%)		10.40	19.85	(47.61)
	Earnings per share (NT$)		2.15	4.60	(53.26)

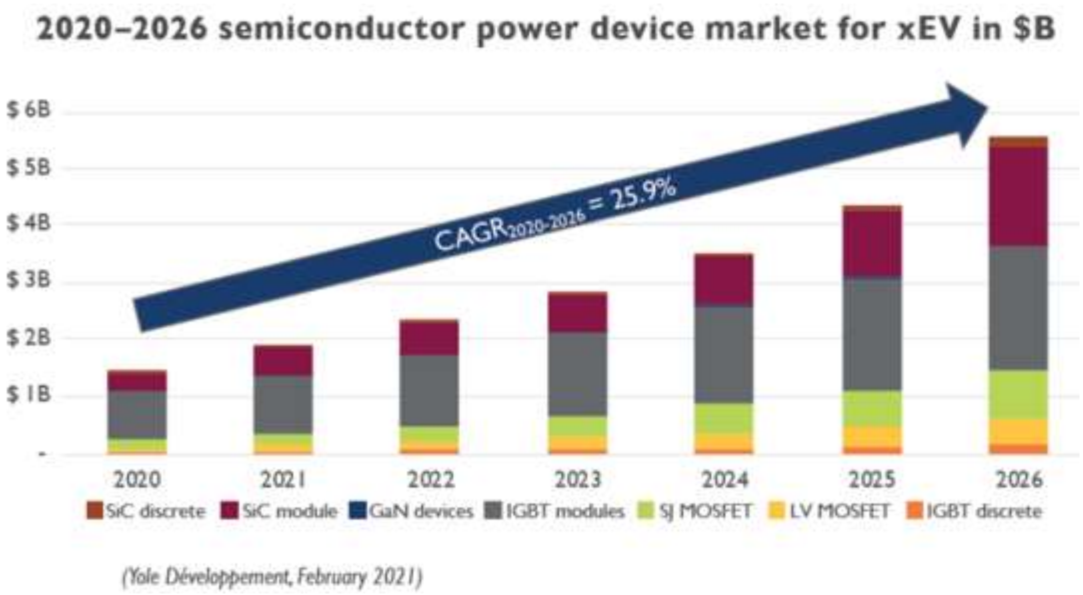
(Consolidated) Units: NT$ thousands

Items			2023	2022	Percentage change (%)
Financial revenue and expense	Revenue		12,707,319	13,227,847	(3.94)
	Operating margin		3,208,061	3,995,837	(19.71)
	Post-tax profit or loss		1,012,951	1,757,904	(42.38)
	Profit attributable to owners of the parent company		820,782	1,757,631	(53.30)
Profitability	Return on assets (%)		4.06	6.69	(39.31)
	ROE (%)		6.86	12.55	(45.34)
	Proportion to the paid-in capital (%)	Operating profit	21.82	42.61	(48.79)
		Net pre-tax income	30.49	54.63	(44.19)
	Net profit rate (%)		7.97	13.29	(40.03)
	Earnings per share (NT$)		2.15	4.60	(53.26)

(IV) Research and Development

PANJIT Group has been providing semiconductor electronic products from semiconductor wafer design, manufacturing to assembly components for more than 30 years. The Company's innovative business unit (IBU) is developing advanced semiconductor discrete device products from upstream to downstream. Also included is the technology development of third-generation compound semiconductors, such as SiC semiconductors as well as the technology development of third-generation compound semiconductors, such as SiC semiconductors. SiC semiconductors have excellent material properties for the manufacture of high-speed power electronics for automotive, military and other high-end applications.

By 2026, the power semiconductor discrete device market in electric vehicles will reach 6 billion US dollars. The CAGR from 2020 to 2026 is 25.9%. In order to meet the current market trend, electric vehicles play an important role in the development of our company.



PANJIT has developed and released 60 semiconductor power discrete devices in 2023, including: HV MOSFETs, MV MOSFETs, IGBTs, SiCs and FREDs.

From the perspective of semiconductor device technology, the 600V/650V high-voltage superjunction surface (HV SJ) MOSFET Gen.1.5, 100V medium voltage shielded grid trench (MV SGT) MOSFET 100V Gen.2, 650V/1200V SiC Schottky diodes (SiC SBDs) Gen.1 and Gen.1.5 as well as 600V/1200V FREDs Gen.1 and Gen.2 fabrication technologies have been successfully developed and commercialized.

II. Summary of FY 2024 Business Plan

(I) Operation guidelines

Core technologies:

With years of experience in high power component technology, PANJIT continues to focus on core technology development of MOSFETs, IGBTs and SiC components to meet the market demand for high efficiency and low power consumption products. The SiC Diode, low and medium voltage SGT MOSFET and Super Junction MOSFET series released in recent years have not only enriched the product lineup, but also laid a solid foundation for upcoming advanced technologies such as Field Stop Trench IGBT and SiC MOSFET. In addition, the 8-inch fab has proven its excellent stability and performance in the pilot production stage of Super Junction MOSFETs and IGBTs, all of which have significantly enhanced the company's competitiveness in the high-end market.

PANJIT will continue to invest in research and development of critical process technologies. We firmly believe that only through continuous technological innovation can we provide our customers with the advanced product solutions of higher quality and further expand our market presence.

Market planning:

PANJIT has achieved significant results in the strategic layout of the automotive market. Through comprehensive product design and real-time technical support, it provided customers with fast and complete solutions, thus consolidating its market position. The number of new product certifications increased steadily and the company won important orders from major international manufacturers, which had a positive impact on revenue growth. In the industrial and power supply markets, PANJIT actively cooperated with industry leaders and end customers to establish a layout plan in this field through high-power component solutions. These partnerships have not only enhanced PANJIT's influence in the industry chain, but also laid a solid foundation for the company's future development. In addition, through strategic mergers and acquisitions, we have injected diversified solutions into our market deployment and pioneered new modes of cross-domain cooperation. These initiatives have enhanced Qiangmao's ability to respond to market dynamics and given it new impetus to achieve its long-term development goals.

(II) Sales Projection and its Basis

The international situation has become more complex due to geopolitical turmoil, the ongoing Ukraine-Russia war and the start of the Israeli-Palestinian war, inflation and interest rate increases by central banks. The Israeli-Palestinian war has triggered regional turmoil that has forced the international community to reassess the challenges of regional security and supply chain stability. The company's small signal packaging products correspond to AI consumer, computer and home appliance market applications. As the demand for AI applications gradually increases and the terminal market continues to consume inventories, we are optimistic about the growth rate of the sales volume of small signal packaging products; however, as high-power packaging products correspond to industrial control, electric vehicles, renewable energy and power management, it is expected that their growth momentum is better than that of small-signal packaging products benefits to the increase in market demand driven by net-zero carbon emission policies of various countries.

(III) Major operation & sales policies

Strengthen the competitiveness of the Company The Company shall continue improving in automation equipment and smart manufacturing management system, and optimize production and deployment efficiency. At the same time, it shall integrate internal and external resources and seek for external third-party manufacturers on highly competitive items to create cost competitiveness. In addition, we continue to introduce international management team to actively enhance our R&D capabilities. In addition to the power control management ICs of our subsidiary, Champion Microelectronic Corp., PANJIT is also committed to the research and development of new integrated circuit IC products, and aims to be a solution provider to deeply penetrate into the consumer, computer, and home appliance markets, and to jointly capture the industrial control, electric vehicles, renewable energy, and power management markets, in order to make the company more competitive in the discrete component market.

Satisfy Customer Demand The Xuzhou plant in mainland China completed mass production and became a plant with highly mature production capability to provide larger quantity of products to customers. At the same time, PANJIT Group's domestic and overseas factories continue to optimize production processes, reduce costs, and improve delivery speed and flexibility to ensure product quality and delivery efficiency. In order to enhance sales competitiveness, a new production line was established in Southeast Asia to provide more diversified products to meet the needs of international customers and increase the customer orders. In the automotive area, the Company focuses on new products and targets the top 100 global automotive clients and the major automotive electronics customer groups in the capital market. PANJIT Group will respond to the development trends and design requirements of higher-end global consumer products, automobiles, green energy and industrial control products, master the Time to Market and continue to develop new products to meet the certification of more world-class automotive electronics manufacturers and industrial instrument manufacturers.

The Company will continue to pay attention to the application needs of various markets, including: LED, TVs, AI laptops, AI tablets, computers, AI servers, smartphones, wearables, and network communications, we have also continued to strengthen our sales efforts in other applications such as solar junction box, solar inverters, energy-efficient lighting and industrial controls, power management, renewable energy, the electric vehicle and electric vehicle charging device markets in order to increase our overall market share and create higher profit margins.

III. Future development strategies of the Company

PANJIT is committed to maintaining its leading position in the power semiconductor industry. Through the strategic layout of new products, new markets, and new applications, as well as the continuous investment in the research and development of its own high-efficiency product core technologies, it maintains the future growth momentum to gradually realize its vision of becoming a power semiconductor IDM factory in Taiwan. PANJIT's development strategy focuses on two main axes: first, to deepen the layout of the automotive market, especially in the application of electric vehicles, to provide innovative solutions, and to work hand in hand with end customers; second, to respond to the challenges of climate change, and to proactively expand the layout of high-efficiency products in the field of new energy such as charging piles, energy storage systems, and solar energy, and to embed ESG responsibilities into the core of the company's operations. In addition, we have strengthened our ties with our supply chain partners to ensure stable business development and respond to market fluctuations. The above strategies aim to expand market share and lay a solid foundation for the company's sustainable development. We are confident in the future and look forward to creating greater value for shareholders, customers and society through continuous innovation, strategic cooperation and responsible governance.

IV. Impact of the external competitive environment, regulatory environment, and overall business environment

Due to geopolitics, Russia-Ukraine and Israeli-Palestinian wars, inflation, interest rate increase by central banks, and inventory adjustments, the market continues to be sluggish and volatile, making the semiconductor discrete component market even more competitive. Beside the continue resource investment in the R&D of new high-margin products, the Company will combine its own and external wafer fab platform with automation in the future to speed up the mass production of new products while improving their quality. In terms of sales competition, adjust product mix to improve gross profit. We shall leverage the advantages of brand channels and e-commerce platform development, plus the out-sourcing practice, to increase the overall product competitiveness. In addition, we are committed to promoting sustainable management, publishing sustainability reports, emphasizing environmental protection and resource conservation in the production process, and actively investing in employee training and welfare enhancement to uphold our corporate social responsibility. At the same time, the Company also participates in social and public welfare undertakings, actively contributes to the community, and contributes to sustainable development, in order to enhance the long-term stability of the enterprise's operations and bring value returns in a longer term. In the highly competitive semiconductor market, the Company will continue to uphold the principle of sustainable management to provide customers with high-quality products, and at the same time, strive for the environment, society and the sustainable development of the company. In addition to complying with relevant laws and regulations, the Company also pays attention to important domestic and foreign policies and statutory changes. We shall immediately develop necessary countermeasures to meet the Company’s operational needs. So that the impact on the Company's financial adoption of important policies due to changes in the legal environment at home and abroad can be minimized.

Chapter 2. Company Introduction

I. Date of founding

May 20, 1986

II. Company History

1986	May	The Company was approved to be registered with a capital of NT$5 million. It was engaged in the import and export trading business of electronic parts.
1988 - 1992		The new Taiwan dollar has appreciated abruptly. Since the Company is engaged in import and export trading, it has caused a huge reduction in profits. Therefore, with the approval of the shareholders and the Board of Directors, the Company temporarily suspended.
1993	March	The Company resumed operation. Being optimistic about the prospects of the electronics industry, the Company started the business of buying and selling semiconductor rectifiers.
	June	The Company began to research and develop the production of surface mount rectifiers and surge suppressors.
1994	March	The Company developed and mass-produced the surge suppressor (TVS).
	November	The Company increased capital by NT$ 9.5 million in cash. After the capital increase, the paid-in capital became NT$100 million.
1995	July	The Company developed and mass-produced Schottky and Zener components.
1996	February	The Company moved to Gangshan for a new plant and started production.
1997	October	The Company increased capital by NT$29 million in cash, and NT$70 million through earnings. After the capital increase, the paid-in capital amounted to NT$199 million. The Company acquired QS-9000 system certification.
1998	April	The Company proceeded with retroactive handling of public issuance. The Company increased capital by NT$99.5 million in cash, and NT$59.7 million through earnings. After the capital increase, the paid-in capital amounted to NT$358.2 million.
	June	The Investment Review Committee approved the Company's investment in PAN-JIT ASIA (BVI). Through PAN-JIT ASIA (BVI), the Company reinvested in PAN-JIT HK and set up a processing plant in Shenzhen, Mainland China.
	October	The Company increased capital by NT$49.8 million in cash. After the capital increase, the paid-in capital amounted to NT$408 million.

1999	August	TPEx's OTC Securities Listing Review Committee approved the Company's listing. The Company increased capital by NT$81.6 million through earnings, and NT$40.8 million through capital reserve. After the capital increase, the paid-in capital amounted to NT$530.4 million.
	December	The Company's stock was officially listed on the OTC.
2000	February	The Company invested in the establishment of PYNMAX Technology CO., LTD to produce upstream epitaxial wafers and Schottky wafers.
	March	The Company established a processing plant for incoming materials in Wuxi, mainland China and started mass production.
	May	The Company established a R&D center in Phoenix, USA, responsible for the market information and R&D of new products.
	July	The Company increased capital by NT$58,697,600 in cash, and NT$159.12 million through earnings. After the capital increase, the paid-in capital amounted to NT$748,217,600.
2001	May	The Company issued convertible corporate bonds in the amount of NT$900 million.
	September	The Company's stock was officially listed on TaiEx；The Company increased capital by NT$149,643,520 through earnings, NT$74,821,760 through capital reserve, and NT$12 million through employee bonus. After the capital increase, the paid-in capital amounted to NT$984,682,880.
2002	September	The Company increased capital by NT$98,468,290 through earnings, NT$49,234,140 through capital reserve, and NT$6,420,000 through employee bonus. After the capital increase, the paid-in capital amounted to NT$1,038,805,310.
2002	December	The Company issued overseas convertible corporate bonds, and the total amount of issuance was limited to no more than 25 million U.S. dollars.
2003	April	The Company issued its first overseas convertible corporate bonds in the amount of NT$25 million U.S. dollars.
	July	The Company reinvested in Suzhou Grande Electronics Co., LTD. through PAN-JIT ASIA (BVI).
	October	The Company increased capital by NT$44,667,820 through earnings, NT$33,050,860 through capital reserve, and NT$5,097,000 million through employee bonus. After the capital increase, the paid-in capital amounted to NT$1,375,304,910.
2004	March	The Company issued second overseas convertible corporate bonds in

the amount of NT$20 million U.S. dollars.

May The Company reinvested in Pan-Jit Electronics (Suzhou) Co., Ltd. through PAN-JIT ASIA (BVI).

July The Company increased capital by NT$131,952,800 through earnings, NT$43,984,260 through capital reserve, and NT$43,984,260 million through employee bonus. After the capital reduction, the paid-in capital amounted to NT$1,677,189,560.

December The Company invested in the establishment of Weiquan International Co., Ltd. to engage in the trading of diode products.

2005 January The Company reinvested in MAX DIODE ELECTRONIC CO., LTD., DYNAMIC TECH GROUP LIMITED, and Shenzhen Weiquan Electronics Co.,Ltd through PAN-JIT ASIA (BVI).

February The Company compulsorily redeemed the first domestic convertible corporate bonds and terminated the listing on the OTC.

May The Company’s subsidiary Mildex Technology Co., Ltd. spinned off Mildex Optical Co., Ltd. to engage in the production of PC optical lenses.

August The Company increased capital by NT$98,104,780 through earnings, NT$65,403,180 through capital reserve, and NT$853 through employee bonus. After the capital increase, the paid-in capital amounted to NT$1,849,227,520.

October The Company cancelled the first repurchased treasury stocks of NT$2,110,000. After the capital reduction, the paid-in capital amounted to NT$1,847,117,520.

2006 April The Company's subsidiary Mildex Optical Co., Ltd. indirectly invested in MILDEX OPTICAL USA, INC. through Mildex Asia.

September The Company's subsidiary Mildex Optical Co., Ltd. absorbed and merged its 100%-owned subsidiary Mildex Technology Co., Ltd. By the end of 2006, it had reached 99.67%, and by the end of April 2007, it had held 100% of the shares.

November The Company increased capital by NT$ 200 million in cash and issued the second domestic unsecured conversion corporate bond of NT$300 million.

Mildex Optical Co., Ltd., a subsidiary of the Company, purchased 34.18% of Mildex Asia's equity from Mildex Technology Co., Ltd., and its shareholding ratio reached 100%

2007 July The Company issued the third domestic unsecured conversion corporate bond of NT$350 million.

August The Company increased capital by NT$114,108,750 through

		earnings, NT$39,499,180 through capital reserve, NT$14,597,000 through employee bonus, and NT$100 million in cash. The Company's subsidiary Mildex Optical Co., Ltd. is approved for public offering.
	September	The Company's subsidiary Mildex Optical Co., Ltd. acquired 100% of SINANO TECHNOLOGY CORP. through Mildex Asia and indirectly acquire 100% of Yana Technology (Shenzhen) Co., Ltd. Mildex Optical Co., Ltd., a subsidiary of the Company, was registered for emerging market.
	November	The Company acquired 60% of the equity of Aide Solar Technology Co., Ltd. and officially entered the solar energy business.
	December	The Company issues 10,000 units of employee stock option certificates, and the number of shares subscribed for each unit of stock option certificates is 1,000 shares. The total number of new ordinary shares to be issued due to the exercise of the options is 10 million shares.
2008	April	The Company's subsidiary Mildex Optics Co., Ltd. indirectly established a 100% shareholding of NEW POPULAR TECHNOLOGY CO., LTD. through Mildex Technology, and indirectly invested a 51% shareholding in Dongguan Dragon Crown Vacuum Technology Co., Ltd.
	May	The Company acquired 10% equity of Aide Solar Technology Co., Ltd., holding a total of 70% shares. At the same time, it participated in a cash capital increase of US$8,400,000 in proportion to its shareholding.
	June	The Company issued the fourth domestic unsecured conversion corporate bond of NT$500 million. The Company established Panjit (Sola Energy) Holding Limited under Panjit Asia BVI and adjusted as a new holding Company for Aide Solar Technology Co., Ltd.
	August	The Company increased capital by NT$260,995,060 through earnings, NT$78,298,510 through capital reserve, NT$24,205,000 through employee bonus, and NT$200 million in cash.
	September	The Company changed the name of Panjit (Sola Energy) Holding Limited to Aide Solar Energy (HK) Holding Limited.
2009	February	The Company's subsidiary Mildex Optical Co., Ltd. shares are officially listed on the OTC.
	September	The Company compulsorily redeemed the third domestic convertible corporate bonds and terminated the listing.

	November	After the organizational reorganization, the investment structure was changed to Panjit Asia (BVI) in Nov. to invest in AIDE Energy (Cayman) Holding Co., Ltd., then to invest in Aide Solar Energy (HK) Holding Limited, and then to invest in Aide Solar Technology Co., Ltd.. Established AIDE Energy (Cayman) Holding Co., Ltd. under PAN-JIT ASIA (BVI), as the main body of Jiangsu Aide's listing in Taiwan. After the organizational reorganization, the investment structure was changed to Panjit Asia (BVI) to invest in AIDE Energy (Cayman) Holding Co., Ltd., then to invest in Aide Solar Energy (HK) Holding Limited, and then to invest in Aide Solar Technology Co., Ltd..
2010	March	In cooperation with the competent authority to promote the full non-physical issuance of marketable securities, the Company's Board of Directors resolved to fully convert the issued physical stocks into non-physical stocks.
	April	The Company compulsorily redeemed the fourth domestic convertible corporate bonds and terminated the listing.
	June	The Company issued the fifth domestic unsecured conversion corporate bond of NT$500 million.
	September	The Company increased capital by NT$ 300 million in cash.
	October	The Company acquired 20 million privately placed ordinary shares of MILDEX OPTICAL INC.
2011	April	The Company's subsidiary Mildex Optical Co., Ltd. absorbed and merged its 100%-owned subsidiary Mildex Technology Co., Ltd.
	September	After the capital reduction, the paid-in capital amounted to NT$3,747,856,230. After the capital reduction, the paid-in capital amounted to NT$3,747,856,230.
	October	The Company canceled the eighth repurchase of treasury shares amounting to NT$30 million, after the capital reduction, the paid-in capital amounted to NT$3,719,356,230.
2012	July	The Company compulsorily redeemed the fifth domestic convertible corporate bonds and terminated the listing.
2013	June	The Company issued the sixth domestic secured conversion corporate bond of NT$350 million and the seventh domestic unsecured conversion corporate bond of NT$150 million.
2014	October	The Company canceled the ninth repurchase of treasury shares amounting to NT$30 million, after the capital reduction, the paid-in capital amounted to NT$3,847,161,580.
2015	January	The Company canceled the tenth repurchase of treasury shares

amounting to NT$15 million, after the capital reduction, the paid-in capital amounted to NT$3,833,354,890.

2016 January The Company canceled the eleventh and twelfth repurchase of treasury shares amounting to NT$380 million, after the capital increase, the paid-in capital amounted to NT$3,524,482,170.
The Company compulsorily redeemed the seventh domestic convertible corporate bonds and terminated the listing.

2016 August The Company compulsorily redeemed the sixth domestic convertible corporate bonds and terminated the listing.

2018 January Aide Solar Technology Co., Ltd. has not seen any improvement in its operating performance. The board of directors has decided to reduce the operating scale after considering the overall operating conditions and planning for the future vision. Therefore, in accordance with the

2018 October International Accounting Standards (IAS) No. 36 Bulletin, the total amount of financial and non-financial assets of Aide Solar Technology Co., Ltd. is set aside for impairment losses of

2019 July approximately NT$1,285 million.
In order to assist the Company's subsidiary Mildex Optical Co., Ltd.

2021 March to introduce strategic investors, the Company sold some of the shares of Mildex Optics held to strategic investors and lost control of Mildex Optics.
After the capital increase, the paid-in capital amounted to NT$369,794,360. After the capital increase, the paid-in capital amounted to NT$3,328,149,270.
The Company acquired 19.97% of the equity of Alltop Technology Co., Ltd. (stock code: 3526) through a public acquisition.

2021 November The Company handled the cash capital increase, issued ordinary shares, and participated in the issuance of overseas depositary receipts of NT$500 million. After the capital increase, the paid-in capital amounted to NT$3,828,149,270.

2022 March The Company acquired 30.00% of the equity of Champion Microelectronic Corp. (stock code: 3257) through a public acquisition.

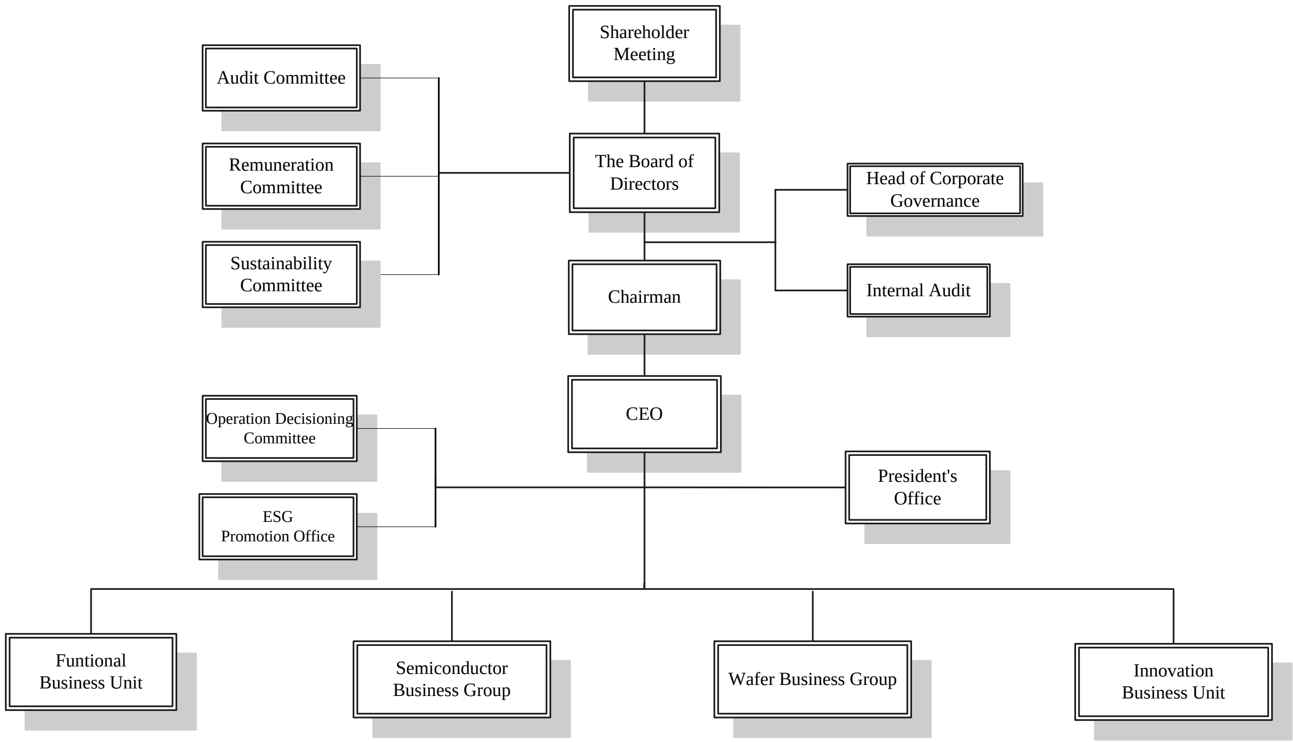
2023 May The Company canceled the 13th repurchase of treasury shares amounting to NT$7 million, after the capital reduction, the paid-in capital amounted to NT$3,821,149,270.

Chapter 3. Corporate Governance Report

I. Organization

(I) Organization Chart

April 15, 2024



Note： The former ESG Corporate Sustainability Committee was renamed as ESG Promotion Office in January 2024, and is referred to in this annual report by the organization name changed.

(II) Businesses operated by major departments

Departments	Main Responsibility
Operation Decisioning Committee	Strengthen operational strategy and decision-making efficiency. To guide and review the group's overall growth strategy to enhance the overall practice of PANJIT Group's sustainable operation,
ESG Promotion Office	Formulate and review ESG strategies and specific actions, and at the same time fully integrate the resources of PANJIT Group in environment, Social responsibility, and governance, so as to implement the concept of sustainable development of the enterprise.
President's Office	Assist the President to implement business and assist in the formulation, review and business performance analysis of business plans
Functional Business Unit of the Group	It covers the group finance, accounting, information, legal, human resources and other units to assist and support the management and growth of the various business units of the Group
Semiconductor Business Group	Responsible for business operation management, market development, product manufacturing, manufacturing technology development and integration of production and services for semiconductor global customers

Departments	Main Responsibility
Wafer Business Group	Responsible for business operation management, market development, product manufacturing, manufacturing technology development and integration of production and services for wafer global customers
Innovation Business Unit	Responsible for new business development evaluation, R&D and management
Internal Audit	Formulate and improve the Company's internal control system, plan and implement the auditing operations of the Company's various systems, report regularly and track improvements

II. Information on the Company's Directors, Supervisors, President, Vice Presidents, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units

(I) Directors and Supervisors

1. Directors and Supervisors (A)

April 15, 2024; Units: shares

Title (Note 1)	Nationality or Registration Location	Name	Gender Age (Note 2)	Date of appointment	Term of Office	Shares held at appointment		At Present Number of Shares Held		Spouse & minor shareholding Shares		Shares Held in the Name of Other Persons		Major experience/academic background	Positions concurrently held at the Company and other companies	Other supervisory or director roles held by spouse or second-degree relatives:			Remark (Note 3)
						Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding ratio			Title	Name	Relation	
Chairman	Republic of China	Fang, Ming-Ching	Male 61-70 years old	June 14, 2023	Three years	8,522,888	2.23%	8,522,888	2.23%	3,903,560	1.02%	0	0.00%	Department of Mechanical Engineering, Cheng Shiu Technical College Chairman of Kun Hexing Brick Manufacturing Co., Ltd.	Note I	Directors	Fang, Ming-Tsung	Elder Brother	Note IX
Directors	Republic of China	Fang, Ming-Tsung	Male 61-70 years old	June 14, 2023	Three years	2,554,629	0.67%	2,554,629	0.67%	9,393,480	2.46%	0	0.00%	Department of Civil Engineering, Cheng Shiu Technical College Chairman of Mildex Optics Co., Ltd.	Note II	Chairman	Fang, Ming-Ching	Younger Brother	
Directors	Republic of China	Zhong, Yun-Hui	Male 71-80 years old	June 14, 2023	Three years	2,225,319	0.58%	2,225,319	0.58%	0	0.00%	0	0.00%	Department of Electronic Engineering, China Technical College Plant Manager of Rectron	Note III	None	None	None	

Title (Note 1)	Nationality or Registration Location	Name	Gender Age (Note 2)	Date of appointment	Term of Office	Shares held at appointment		At Present Number of Shares Held		Spouse & minor shareholding Shares		Shares Held in the Name of Other Persons		Major experience/academic background	Positions concurrently held at the Company and other companies	Other supervisory or director roles held by spouse or second-degree relatives:			Remark (Note 3)
						Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding ratio			Title	Name	Relation	
Directors	Republic of China	King Mao Investment Co., LTD.	Male 61-70 years old	June 14, 2023	Three years	52,046,710	13.60%	52,121,710	13.64%	0	0.00%	0	0.00%	None	None	None	None	None	
		Representative: Lin, Hung Kang				0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, Brock College, City University of New York Director and Certified Public Accountant of Ernst & Young Taiwan	Note IV	None	None	None	
Directors	Republic of China	King Mao Investment Co., LTD.	Male 51-60 years old	June 14, 2023	Three years	52,046,710	13.60%	52,121,710	13.64%	0	0.00%	0	0.00%	None	None	None	None	None	
		Representative: Lin, Chun-Hsiang				0	0.00%	0	0.00%	3,000	0.00%	0	0.00%	M.S. Engineering Management, University of Southern California Director of Toppan Biotech Co., Ltd.	Director of Toppan Biotech Co., Ltd.	None	None	None	
Directors	Republic of China	King Mao Investment Co., LTD.	Male 41-50 years old	June 14, 2023	Three years	52,046,710	13.60%	52,121,710	13.64%	0	0.00%	0	0.00%	Master of Business Management, Sun Yat-Sen University President of Greater China Business, Yageo Co., Ltd.	Note V	None	None	None	
		Representative: Chen, Tso-Ming				0	0.00%	0	0.00%	441	0.00%	0	0.00%						

Title (Note 1)	Nationality or Registration Location	Name	Gender Age (Note 2)	Date of appointment	Term of Office	Shares held at appointment		At Present Number of Shares Held		Spouse & minor shareholding Shares		Shares Held in the Name of Other Persons		Major experience/academic background	Positions concurrently held at the Company and other companies	Other supervisory or director roles held by spouse or second-degree relatives:			Remark (Note 3)
						Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding ratio			Title	Name	Relation	
Independent Directors	Republic of China	Chen, Yi- Chen	Male 51-60 years old	June 14, 2023	Three years	9,975	0.00%	9,975	0.00%	0	0.00%	0	0.00%	Master of Finance and Management, Sun Yat-Sen University Vice President of Finance, FENG SHEHG ENTERPRISE COMPANY; Vice President of F&A and Spokesperson, Asia Vital Components Co., Ltd	Note VI	None	None	None	
Independent Directors	Republic of China	Fan, Liang-Fu	Male 71-80 years old	June 14, 2023	Three years	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Chemical Engineering, Oklahoma State University, USA Chief Operating Officer of Hanyang Semiconductor Co., Ltd.; VP of LAM Research, USA, Factory Director of TI, USA, Vice President of HERMES-MICROVISION, INC., Vice President of Hermes-Epitek Corporation	Vice President of Hermes-Epitek Corporation, Chairman and President of Genese Intelligent Technology CO., LTD.	None	None	None	

Title (Note 1)	Nationality or Registration Location	Name	Gender Age (Note 2)	Date of appointment	Term of Office	Shares held at appointment		At Present Number of Shares Held		Spouse & minor shareholding Shares		Shares Held in the Name of Other Persons		Major experience/academic background	Positions concurrently held at the Company and other companies	Other supervisory or director roles held by spouse or second-degree relatives:			Remark (Note 3)
						Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding ratio			Title	Name	Relation	
Independent Directors	Republic of China	Chu, Chun-Hsiung	Male 51-60 years old	June 14, 2023	Three years	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master's degree in Legal Studies, National Chung Hsing University Leading lawyer of Quanying International Law Firm	Note VII	None	None	None	
Independent Directors	Republic of China	Tai,Yih-Chi	Male 51-60 years old	June 14, 2023	Three years	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Engineering, University of Toronto, Canada President of ITIC	Note VIII	None	None	None	

Note 1: For institutional shareholders, the title of the institutional shareholder as well as the name of the representative shall be indicated (If it is a representative of a institutional shareholder, the name of the institutional shareholder shall be indicated). The following table should be filled out.

Note 2: Please list the actual age, and it must be expressed in intervals, such as 41-50 years old or 51-60 years old.

Note 3: If the chairman of the Board and the President or their equivalent (chief manager) are the same person, each other's spouse or a relative of the first degree of kinship, the reason, reasonableness, necessity and response measures (e.g. increase in the number of independent directors, and more than half of the directors do not concurrently serve as employees or managers) shall be stated.

Note I: Chairman and President of the Company; Chairman and President of Pynmax Technology Co., Ltd; Director of JOYSTAR INTERNATIONAL CO., LTD.; Director of PAN-JIT ASIA INTERNATIONAL INC.; Director of PAN JIT AMERICAS, INC.; Chairman and President of Pan Jit Electronics (Wuxi) Co., Ltd.; Director of PanJIT Electronics (Beijing) Co., Ltd.; Chairman of Panjit Electronics (Shandong) Co., Ltd.; Chairman and President of PAN-JIT INTERNATIONAL (H.K.) LTD.; Director of Suzhou Grande Electronics Co., LTD.; Director of CONTINENTIAL LIMITED; Chairman of PAN JIT EUROPE GMBH; Director of DYNAMIC TECH GROUP LIMITED; President of Shenzhen Weiquan Electronics Co.,Ltd; Chairman of Pan Jit Semiconductor (Xuzhou) Co., Ltd;Director of MILDEX OPTICAL INC.; Director of MILDEX OPTICAL USA, INC.; Supervisor of King Mao Investment Co., LTD.

Note II: Director Representative of Pynmax Technology Co., Ltd.; Director of PAN JIT AMERICAS, INC.; Director of Pan Jit Electronics (Wuxi) Co., Ltd.; Director of PanJIT Electronics (Beijing) Co., Ltd.; Director of Suzhou Grande Electronics Co., LTD.; Vice Chairman of Shenzhen Weiquan Electronics Co.,Ltd; Chairman and President of Aide Energy (CAYMAN) Holding Co., Ltd.; Partner of AIDE Energy Europe Coöperatie U.A.; Director of AIDE ENERGY EUROPE B.V.; Chairman of EC Solar C1 SRL; Director of PANJIT Semiconductor (Xuzhou) Co., Ltd.; Chairman of Champion Microelectronic Corp.; Director of Wisdom Mega Corp.; Director of Wisdom Bright Inc.; Director of Wisdom Toprich Technology Limited; Director of Great Power Microelectronics Corp.; Chairman of Mildex Optics Co., Ltd.; Director of MILDEX ASIA Co., LTD. ; Chairman of MILDEX OPTICAL USA, INC.; Chairman and President of Mildex Technology (Wuxi) Co., LTD.; Director of SINANO TECHNOLOGY CORP.; Chairman and President of Mildex Optical (Xuzhou) Inc.; Director of MILDEX TECHNOLOGY HOLDING (CAYMAN) CO., LTD.; Director of JUMPLUS CO., LTD.; Director Representative of ALLTOP TECHNOLOGY CO., LTD.; Director Representative of EVER OHMS TECHNOLOGY CO., LTD.; Chairman of King Mao Investment Co., LTD.; Chairman of

Golden Champion Digital Power Corporation; Chairman of PANJIT JAPAN CO., LTD.; and Chairman of PANTOP Technology Co., Ltd.

Note III : Chairman of Shenzhen Weiquan Electronics Co.,Ltd; Director of Mildex Optical (Xuzhou) Inc.; Director of PanJit Semiconductor (Xuzhou) Co., Ltd

Note IV: Supervisor of Union Mechatronic Inc.; Chairman of Ernst & Young Cultural and Educational Foundation; Independent Director of O-Bank Co., Ltd.; Corporate Director Representative of GLOBE UNION INDUSTRIAL CORP; and Director of The Private Taichung Jumei Social Welfare Charity Foundation; Independent director of Johnson Health Tech. Co., Ltd.; and Independent director of Samson Holding Ltd. (Listed on the HKEX, stock No.: 531)

Note V : Chief Operating Officer of the Company, President of Pan Jit Semiconductor (Xuzhou) Co., Ltd, Director Representative of Champion Microelectronic Corp., and Director Representative of Great Power Microelectronics Corp., Director Representative of PANSTAR SEMICONDUCTOR CO., LTD., and Director Representative of PANTOP Technology Co., Ltd.

Note VI: Director, Vice President and CFO of Asia Vital Components Co., Ltd.; Director of Sentelic Corporation; Director of SHENG-SHING CORP.; Director Representative of Rayney International LTD.; Chairman of Hung Ye Investment Co., LTD.; Director Representative of ZIMAG TECHNOLOGY CO., LTD.; Chairman of Li Cheng Investment Co., LTD., Director Representative of FOSITEK CORP.; Supervisor of SteadyBeat Technology Corporation; Director Representative of PARAGON SEMICONDUCTOR LIGHTING TECHNOLOGY CO., LTD.

Note VII: Leading lawyer of Quanying International Law Firm, Independent director of Gloria Material Technology Corp., Independent director of D-Link Corporation, and Independent director of Huang Long Development Co., Ltd.

Note VIII: Chairman of CVCA Capital Management and Consulting Company, Chairman of Chengzhao Investment Co., Ltd., Chairman of Liufang Innovation Investment Co., Ltd., Director and president of InnoBridge International Capital, and Chairman of CHOICE BIOTECH INC.

Note IX: Due to operational and management needs, the Company’s chairman holds the concurrent position as the President to enhance the overall operating efficiency and decision execution. However, in order to improve the supervisory function of the Board of Directors, strengthen the management function, and conform to the spirit of corporate governance, the Company has the following specific measures:

i. Implementing BoD diversification policy: Board members shall have academic experience and expertise in accounting, law, semiconductor and other fields

ii. Setting up functional committees: Functional committees such as Audit Committee, Remuneration Committee and Sustainability Committee are set to assist the Board of Directors in major decisions

iii. Enhance the independence of the Board of Directors: All the Directors of the Company were re-elected at 2023 Regular Shareholder’s Meeting. Ten directors were elected, including 4 independent directors. There were no more than half of the directors who are also employees or managers, which is in compliance with the "Important Points for the Establishment and Exercise of Powers and Functions of the Board of Directors of Listed Companies".

1-1 Major shareholders of institutional shareholders

April 15, 2024

Name of institutional shareholder (Note 1)	Major shareholders of Legal Person shareholders (Note 2)	
King Mao Investment Co., LTD.	Chen, Chun-Min	15 %
	Fang, Ming-Ching	15 %
	Cai, Li-Xiang	10 %
	Eddy Fang	10 %
	Yan, Qing	10 %
	Fang, Ming-Tsung	10 %
	Zhuang, Guo-Chen	6 %
	Siligold Technology Inc.	5 %
	Fang, Shu-Ya	5 %
	Fang, Shu-Ling	5 %
	Fang, Shu-Qi	5 %

Note 1: If the directors or supervisors are a representative of a corporate shareholder, the name of the corporate shareholder shall be indicated.

Note 2: Fill in the name of the major shareholder of the corporate shareholder (the shareholding ratio accounts for the top ten) and its shareholding ratio. If its major shareholder is a corporate, the following table should be filled out.

Note 3: If a corporate shareholder is not a company or an institute, the name of the shareholder and shareholding ratio that should be disclosed in the previous disclosure is the name of the investor or donor (Please refer to the announcement of the Judicial Yuan for inquiries) and the ratio of capital contribution or donation. Donors who have passed away are marked "deceased".

1-2 Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders

April 15, 2024

Name of institutional shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)	
Siligold Technology Inc.	Cai, Ming-Hui	50%
	Zhuang, Guo-Chen	50%

Note 1: If the major shareholder in the table above is a corporate shareholder, the name of the corporate shareholder shall be indicated.

Note 2: Fill in the name of the major shareholder of legal person shareholder (the shareholding ratio accounts for the top ten) and its shareholding ratio.

Note 3: If a corporate shareholder is not a company or an institute, the name of the shareholder and shareholding ratio that should be disclosed in the previous disclosure is the name of the investor or donor (Please refer to the announcement of the Judicial Yuan for inquiries) and the ratio of capital contribution or donation. Donors who have passed away are marked "deceased".

2. Information of Directors and Supervisors (B)

2-1 Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors

Criteria / Name	Professional qualifications and experience (Note 1)	Independence of independent directors (Note 2)	Currently serving as an independent director in other public companies
Chairman Fang, Ming-Ching	He currently serves as Chairman and president of the Board of Directors of the Company, can provide extensive knowledge and management experience in the semiconductor industry in terms of operation and management, and has more than five years of working experience required for the company's business, and undergoes no matters under the provisions of Article 30 of the Company Act.	Not applicable	None
Directors Fang, Ming-Tsung	He currently serves as Chairman of MILDEX OPTICAL INC (stock code: 4729) and Chairman of Champion Microelectronic Corp. (stock code: 3257), has more than five years of work experiences required by the company's business, and undergoes no matters as stated in Article 30 of the Company Act.		None
Directors Zhong, Yun-Hui	He was the plant manager of Rectron. He can provide extensive knowledge and management experience in the semiconductor industry in terms of operation and management, and has more than five years of working experience required for the company's business, and undergoes no matters under the provisions of Article 30 of the Company Act.		None

Name \ Criteria	Professional qualifications and experience (Note 1)	Independence of independent directors (Note 2)	Currently serving as an independent director in other public companies
Directors Representative of King Mao Investment Co., LTD.: Lin, Hung Kang	He has a master's degree in business administration from Brock University in New York. He used to be a certified public accountant and chairman of Ernst & Young. He has more than 20 years of audit work experience. During his tenure as a director of the company, he provided advice and guidance on finance, taxation, auditing and business analysis. He currently serves as an independent director of O-Bank Co., Ltd. (stock code: 2897), Johnson Health Tech. Co., Ltd. (stock code: 1736) and has not violated the provisions of Article 30 of the Company Law.		2
Directors Representative of King Mao Investment Co., LTD.: Lin, Chun-Hsiang	He holds a master's degree in engineering management from the University of Southern California and has many years of working experience in foreign semiconductor companies, from the fields of quality management, new business development, marketing and sales to manufacturing operations. Currently, he serves as a director of TOOTHFILM INC.. He can provide rich semiconductor industry knowledge and management experience in operation and management. He has more than five years of work experience required for company business, and is not involved in any of the conditions specified in Article 30 of the Company Law.		None

Criteria / Name	Professional qualifications and experience (Note 1)	Independence of independent directors (Note 2)	Currently serving as an independent director in other public companies
Directors Representative of King Mao Investment Co., LTD.: Chen, Tso- Ming	He holds a master's degree in business administration from Sun Yat-sen University. He was president of the Greater China Business of YAGEO CORPORATION (stock code: 2327). He is currently the chief operating officer of the Company. He has professional abilities in market layout and business promotion, and is not involved in any of the conditions set forth in Article 30 of the Company Law.		None
Independent director Chen, Yi- Chen	He has a master's degree in Finance and Management from Sun Yat-Sen University and has been engaged in finance and accounting work for many years. He has been the director of the Finance and Accounting Department since Asia Vital Components Co., Ltd. (stock code: 3017) was listed on September 27, 1991 (later he was promoted to vice president). He has over 20 years of financial and accounting work experience in listed companies and has the experiences in the operational judgment, accounting and financial analysis, business management, industry experience, international market, leadership, decision-making ability, etc. He meets the requirement of having accounting or financial expertise as a member of the Audit Committee and is currently the convener of the Audit Committee and the Compensation Committee of the Company.	All independent directors of the Company comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act: I. There are no circumstances under Article 30 of the Company Act. II. Not a governmental, juridical person or its representative as defined in Article 27 of the company Act III. Not involved in the following circumstances two years before the election and during the term of office: (1) Employed by the Company or an affiliated business. (2) Directors and supervisors of the company or its affiliated enterprises. (3) Not a natural person shareholder who holds more than -1 of issued shares or is ranked top 10 in terms of the total quantity of shares held, including the shares held in the name of the person’s spouse, minor children, or in the	None

<table>
<tr><th>Criteria
Name</th><th>Professional qualifications and experience (Note 1)</th><th>Independence of independent directors (Note 2)</th><th>Currently serving as an independent director in other public companies</th></tr>
<tr><td>Independent director
Fan, Liang-Fu</td><td>Has the Master of Chemical Engineering, Oklahoma State University, USA. Acted as Vice President of Hermes Microvision Technology Co., Ltd. from 2004 to 2012. Currently serves as Vice President of Hermes-Epitek Corporation. He has more than five years of work experience required by the Company's business. During his tenure as an independent director of the Company, he provided rich knowledge and management experience in the semiconductor industry.</td><td rowspan="2">name of others.
(4) Not a Manager (1) or a spouse, relative within the second degree of kinship, or a linear relative within the third degree of kinship in (2), (3).
(5) Not a director, supervisor or employee of a institutional shareholder who directly holds more than V. of the total number of issued shares of the Company or is ranked top 5 in terms of the number of shares held or is a institutional shareholder who is appointed as a director or supervisor of the Company in accordance with Paragraph 1 or 2 of Article 27 of the Companies Act.
(6) A director, supervisor or employee of another company that is not controlled by the same person but not controlled by the same person.
(7) A director (member of the governing board), supervisor (member of the supervising board) or employee of a company or institution which is the same person or</td><td>None</td></tr>
<tr><td>Independent director
Chu, Chun-Hsiung</td><td>He has a master's degree from the National Chung Hsing University Law School and a lawyer's qualification. He is currently the managing attorney of Quanying International Law Firm. He has more than five years of work experience required for corporate business. During his tenure as an independent director of the company, he provided legal strategies, management and decision suggestions.</td><td>3</td></tr>
</table>

Criteria / Name	Professional qualifications and experience (Note 1)	Independence of independent directors (Note 2)	Currently serving as an independent director in other public companies
Independent director Tai,Yih-Chi	He has a master's degree in engineering from the University of Toronto, Canada, he was a fund manager, the chief investment officer of SUNPLUS TECHNOLOGY CO., LTD. (stock code: 2401), a company listed in the semiconductor industry, the president of ITIC and the person in charge of investment firms and management consulting firms. He has more than five years of experience in working in the business of a company and has been providing advice on strategic investment planning and management decision-making during his service as an independent director of the Company.	spouse as the chairman, President and equivalent of the Company. (8) Directors (member of the governing board), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company. (9) A professional individual or owner, partner, director (member of the governing board), supervisor (member of the supervising board), managerial officer and his/her spouse of a professional, sole proprietorship, partnership, company or institution that provides audit services to the Company or an affiliated enterprise or has received remuneration in the 2 most recent years exceeding NT$500,000 for business, legal, financial and accounting related services. However, members of the special committee on remuneration, public acquisition review, or merger and acquisition who perform their functions and powers in accordance with the provisions of the Act or Business Mergers and Acquisitions Act and other relevant regulations shall not be subject to this provision.	None

Note 1: Professional qualifications and experience. Describe the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or finance expertise, they should state their accounting or finance background and work experience. States none of the in the paragraphs of Article 30 of the Company Act applies.

Note 2: Independent directors shall state that they meet the circumstances of independence, including but not limited to whether I, my spouse, or relatives within the second degree act as directors, supervisors or employees of the Company or its affiliated companies; The number and proportion of the Company's shares held by the person, spouse, relatives within the second degree of kinship (or in the name of others); Whether to serve as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Obeyed); The amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

(Note) The Company and its affiliates had an appointment relationship with Mr. Chu, Chun-Hsiung and paid a total of NT$350,000 in attorney's fees during the period from June 13, 2021 to June 14, 2023 (two years retroactive from the date of election) (NT$100,000 and NT$250,000 were paid in February and November 2022, respectively). The company and its affiliated companies paid remuneration to Mr. Chu, Chun-Hsiung from June 13, 2021 to June 14, 2023, and the cumulative amount did not exceed NT$500,000.

2-2. Diversity and independence of the board of directors

2-2-1 Board Diversity:

In order to enhance the functions of the board of directors and improve the structure of the board of directors, the Company has formulated the "Board Diversity Policy". We also select members with diverse backgrounds and perspectives based on the Company's operation, business model and development needs. Please refer to pages 58 - 60 of the annual report for the specific management objectives and achievement of the diversity policy of the Board of Directors of the Company and the implementation of the diversity policy.

2-2-2 Independence of the Board of Directors:

The company has ten director seats in accordance with the company's articles of association, including four independent directors, accounting for 40% of the board seats, and all independent directors have served less than three terms. The board members, Chairman Fang, Ming-Ching, Director Fang, Ming-Tsung, and director Chen, Tso- Ming have employee status, accounting for 30% of the seats on the board; Chairman Fang, Ming-Ching and Director Fang, Ming-Tsung have kinship within the second degree, accounting for 20% of the seats on the board of directors. Therefore, there is no circumstance specified in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) President, Vice President, Senior Managers, Heads of Departments and Branches

April 15, 2024; Units: shares

Title (Note 1)	Nationality	Name	Gender	Date of appointment	Shares Held		By Spouse Or Minor Children Shares Held		In The Name Of Other Persons Shares Held		Major Work (Academic) Experience (Note 2)	Concurrent as Positions in other companies	Any managerial officer who is a spouse or a relative within the second degree of kinship			Remark (Note 3)
					Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
President	Republic of China	Fang, Ming-Ching	Male	1994.12.03	8,522,888	2.23%	3,903,560	1.02%	0	0.00%	Department of Mechanical Engineering, Cheng Shiu Technical College Chairman of Kun Hexing Brick Manufacturing Co., Ltd.	Note I	None	None	None	Note IV
Chief Operating Officer	Republic of China	Chen, Tso-Ming	Male	2018.08.15	0	0.00%	441	0.00%	0	0.00%	Master of Business Management, Sun Yat-Sen University President of Greater China Business, Yageo Co., Ltd.	Note II	None	None	None	
Vice President	Germany	KOENIG ROLAND HERBERT	Male	2019.02.11	0	0.00%	0	0.00%	0	0.00%	· MSc. in Chemistry, Ludwig-Maximilians-University, Munich, Germany · Nexperia GmbH, Hamburg, Germany, Director – Head of Global Customer Care · NXP Semiconductors Germany GmbH, Hamburg, Germany, Director - Head of Quality Complaints BL General Applications	None	None	None	None	
Vice President	Republic of China	Yang, Chao-Chuan	Male	2017.10.01	15,475	0.00%	0	0.00%	0	0.00%	Wichita State University (Bachelor of Marketing and Business Administration), Friends University MBA study Senior Marketing Manager of IBU and SBU, PANJIT Co., Ltd.	None	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date of appointment	Shares Held		By Spouse Or Minor Children Shares Held		In The Name Of Other Persons Shares Held		Major Work (Academic) Experience (Note 2)	Concurrent as Positions in other companies	Any managerial officer who is a spouse or a relative within the second degree of kinship			Remark (Note 3)
					Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
Vice President	Malaysia	Chiew Teo Ann	Male	2019.03.11	0	0.00%	0	0.00%	0	0.00%	· B Cs(Electronics Eng),Hanyang Universty,Seoul · Manufacturing Director,Osram Opto Semiconductor(M)Sdn Bhd · Operations Director, Infineon Technologies(M)Sdn Bhd	None	None	None	None	
Vice President	Republic of China	Lin, His (Resigned on June 9, 2023)	Male	2022.05.10	1,000	0.00%	25,000	0.01%	0	0.00%	Master of Industrial Engineering, National Tsing Hua University Senior Manager of Actron Technology Corporation	None	None	None	None	
Vice President	South Korea	Yeo, Woon-Young	Male	2023.10.02	12,000	0.00%	0	0.00%	0	0.00%	Yonsei University Industrial engineering Master's degree Onsemi Director	None	None	None	None	
Chief Strategy Officer	Republic of China	Li, Xue-Han (Notes)	Male	2018.04.09	0	0.00%	0	0.00%	0	0.00%	Master of George Washington University Alcatel Asia Pacific Chief Financial Officer; Zyxel Communications Corp. European Chief Operating Officer; Vice President of Hermes Microvision Technology Co., Ltd.; President of Lien Chang Electronic Enterprise Co., Ltd.	Corporate Director Representative of Pynmax Technology Co., Ltd.	None	None	None	
Chief Accounting Officer Accounting Supervisor, Head of Corporate Governance)	Republic of China	Hsieh, Pai-Cheng	Male	2000.09.01	0	0.00%	0	0.00%	0	0.00%	Master's Degree at the Accounting Institute of Chung Cheng University Senior Manager of Auditing, Ernst & Young Taiwan	Note III	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date of appointment	Shares Held		By Spouse Or Minor Children Shares Held		In The Name Of Other Persons Shares Held		Major Work (Academic) Experience (Note 2)	Concurrent as Positions in other companies	Any managerial officer who is a spouse or a relative within the second degree of kinship			Remark (Note 3)
					Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
Chief Financial Officer (Financial supervisor)	Republic of China	Shen, Ying-Hsiu	Female	1999.05.04	164,504	0.04%	2,285,710	0.60%	0	0.00%	Master's Degree at the Research Institute, University of Texas, USA Yufu Securities Commissioner	Supervisor of Pynmax Technology Co., Ltd.	None	None	None	

(Note) Li, Xue-Han's title of Chief Strategy Officer was changed on April 1, 2024.

Note 1: President, Vice President, Senior Managers, Heads of Departments and Branches shall be included. And any position equivalent to President, Vice President, or Senior Managers, regardless of job title, should also be disclosed.

Note 2: Experience relevant to the current position. If one has worked in a audit firm or related company during the previous disclosure period, one should state the job title and the responsible position.

Note 3: If the Chairman of the Board and the President or their equivalent (chief manager) are the same person, each other's spouse or a relative of the first degree of kinship, the reason, reasonableness, necessity and response measures (e.g. increase in the number of independent directors, and more than half of the directors do not concurrently serve as employees or managers) shall be stated:

Note I: Please refer to Note I on page 18 of this annual report.

Note II : Please refer to Note V on page 19 of this annual report.

Note III: Supervisor of Pynmax Technology Co., Ltd.; Supervisor of Pan Jit Electronics (Wuxi) Co., Ltd.; Supervisor of PanJIT Electronics (Beijing) Co., Ltd.; Supervisor of Panjit Electronics (Shandong) Co., Ltd.; Supervisor of Panjit Electronics (Qufu) Co.,Ltd; Supervisor of Suzhou Grande Electronics Co., LTD.; Director of Aide Energy (CAYMAN) Holding Co., Ltd.; Director of Zibo Micro Commercial Components Corp.; Supervisor of Panstar Semiconductor Co., Ltd.; and Supervisor of PANTOP Technology Co., Ltd.

Note IV: Please refer to Note IX on page 19 of this Annual Report.

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

(I) Remuneration to Directors and Independent Directors

Units: NT$ thousands

Job title	Name	Directors remuneration								Percentage of the total sums of A, B, C and D to net income after text (Note 10)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income (%) (Note 10)		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company (Note 11)
		Base compensation (A) (Note 2)		Severance pay and pension (B)		Directors compensation (C) (Note 3)		Business execution expenses (D) (Note 4)				Salaries, bonuses, and special expenses (E) (Note 5)		Severance pay and pension (F)		Employee compensation (D) (Note 6)						
																The Company		All Companies Consolidated Entities (Note 7)				
		The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report	The Company	All companies listed i n this financial report (Note 7)	The Company	All companies listed in the financial statements (Note 7)	Cash Amount	Amount of shares	Cash Amount	Stock Amount	The Company	All companies listed in this financial report	
Directors	Fang, Ming-Ching	0	2,320	0	0	12,995	12,995	340	460	13,335 1.62%	15,775 1.92%	13,742	33,287	304	304	5,848	0	5,848	0	33,229 4.05%	55,214 6.73%	4,596
	Fang, Ming-Tsung (Note 1) (Appointed on June 14, 2023)																					
	ZHONG, YUN-HUI																					
Corporate Director and its Representative	King Mao Investment Co., LTD.																					
	Fang, Ming-Tsung (Note 1) (Dismissed on June 14, 2023)																					
	Lin, Hung Kang																					
	Lin, Chun-Hsiang (Appointed on June 14, 2023)																					
	Chen, Tso- Ming (Appointed on June 14, 2023)																					
Independent Directors	Chen, Yi- Chen	0	0	0	0	3,500	3,500	240	240	3,740 0.46%	3,740 0.46%	0	0	0	0	0	0	0	0	3,740 0.46%	3,740 0.46%	0
	Fan, Liang-Fu																					
	Chen, Shi-Zhen (Dismissed on June 14, 2023)																					
	Chu, Chun-Hsiung (Appointed on June 14, 2023)																					
	Tai,Yih-Chi (Appointed on June 14, 2023)																					

1. Description of the policies, systems, standards and structure of the remuneration packages of independent directors and their correlations with the amount of remuneration paid, taking into account their responsibilities, risks and time commitment: The remuneration policy for independent directors of the Company is determined by the Board of Directors in accordance with the provisions of Article 16 of the Company's articles of association, referencing the industry's usual standards. Each person receives a fixed amount of director remuneration in accordance with the independent director remuneration standards passed by the board of directors on May 10, 2022.
2. In addition to those disclosed in the above table, the remuneration received by the directors of the Company in the most recent year for providing services (such as serving as a consultant for non-employees of the parent company / all companies listed in the financial report / transfer investment enterprises, etc.): Please refer to pages25 (Note)) of the annual report.

Range of remuneration

Range of Remuneration Paid to Directors	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies listed in the financial statements (Note 9) H	The Company (Note 8)	Parent company and all reinvested businesses (Note 9) I
Less than NT$1,000,000	Fang, Ming-Ching, Fang, Ming-Tsung, Zhong, Yun-Hui, Lin, Hung Kang, Lin, Chun-Hsiang, Chen, Tso- Ming, Chu, Chun-Hsiung, Tai,Yih-Chi, Chen Shizhen	Fang, Ming-Ching, Zhong, Yun-Hui, Lin, Hung Kang, Lin, Chun-Hsiang, Chen, Tso- Ming, Chu, Chun-Hsiung, Tai,Yih-Chi, Chen Shizhen	Zhong, Yun-Hui, Lin, Hung Kang, Lin, Chun-Hsiang, Chu, Chun-Hsiung, Tai,Yih-Chi, Chen Shizhen	Zhong, Yun-Hui, Lin, Hung Kang, Lin, Chun-Hsiang Chu, Chun-Hsiung, Tai,Yih-Chi, Chen Shizhen
NT$1,000,000 (inclusive) – 2,000,000 (non-inclusive)	Chen, Yi- Chen, Fan, Liang-Fu	Chen, Yi- Chen, Fan, Liang-Fu	Chen, Yi- Chen, Fan, Liang-Fu	Chen, Yi- Chen, Fan, Liang-Fu
NT$2,000,000 (inclusive) – 3,500,000 (non-inclusive)	None	Fang, Ming-Tsung	None	None
NT$3,500,000 (inclusive) – 5,000,000 (non-inclusive)	None	None	None	None
NT$5,000,000 (inclusive) – NT$10,000,000 (non-inclusive)	None	None	Fang, Ming-Ching, Fang, Ming-Tsung, Chen, Tso- Ming	None
NT$10,000,000 (inclusive) – 15,000,000 (non-inclusive)	King Mao Investment Co., LTD.	King Mao Investment Co., LTD.	King Mao Investment Co., LTD.	King Mao Investment Co., LTD., Chen, Tso- Ming
NT$15,000,000 (inclusive) – 30,000,000 (non-inclusive)	None	None	None	Fang, Ming-Ching, Fang, Ming-Tsung
NT$30,000,000 (inclusive) – 50,000,000 (non-inclusive)	None	None	None	None
NT$50,000,000 (inclusive) – 100,000,000 (non-inclusive)	None	None	None	None
NT$100,000,000 and above	None	None	None	None
Total	12 people	12 people	12 people	12 people

Note 1: The names of the Directors shall be listed separately (For corporate shareholders, the title of the corporate shareholder as well as the name of the representative shall be indicated), and the names of the general Directors and independent Directors shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If the director is also the President or Vice President, please fill in this form and the following table (3-1), or table (3-2-1) and (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, job bonus, severance payment, various bonuses, incentives, etc.).

Note 3: It refers to bonus distributed to directors upon approval by the Board of Directors in the most recent year.

Note 4: It refers to business expenses paid to directors in the most recent f year (including transport, special expenses, various allowances, accommodation, and provision of physical items such as vehicles) If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation.

Note 5: Remuneration for directors concurrently holding positions (including President, Presidents, vice presidents, other managerial officers, or employees) in the Company shall include salaries, job remuneration, severance pay, various bonuses, rewards, transportation allowance, special expenses, various allowances, accommodation, and provision of physical items such as vehicles. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Salary expenses recognized under IFRS 2 - "Share-based Payment", including employee stock warrant, new restricted employee shares, and participation in subscription of stocks in cash capital increase, shall also be included in the calculation of remuneration.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) from concurrent directors (including concurrently serving as President, Vice President, other managers and employees) in the most recent year. The amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached table 1-3 shall be filled out.

Note 7: The total amount of remuneration paid to directors of the Company by all companies (including the Company) as listed in the financial statements shall be disclosed.

Note 8: The name of individual director shall be disclosed in the remuneration ranges to which the amount of remuneration paid to individual director by the Company correspond, respectively.

Note 9: The name of individual director shall be disclosed in the remuneration ranges to which the amount of remuneration paid to individual director by all the companies (including the Company) listed in the financial statements correspond, respectively.

Note 10: Net income refers to that in the latest parent-only or individual financial statements.

Note 11: a. Remuneration received by the president and vice presidents of the Company from investee companies other than subsidiaries or parent company shall be specified (If none, please fill in "None").

b. If the directors of the Company receive remuneration from investee companies other than subsidiaries or parent company, the remuneration received by the directors of the Company from investee companies other than subsidiaries or parent company shall be included in Column E in the Remuneration Range Table, and the column heading shall be changed to "Parent company and all investee companies."

c. Remuneration in this case refers to remuneration, bonuses (including employee, director, or supervisor bonuses), and allowances received by the directors of the Company as the directors, supervisors, or managerial officers of invested companies other than subsidiaries or parent Company.

* The remuneration disclosed in this table is different from the concepts stipulated in the Income Tax Act. The purpose of this table is for information disclosure, not taxation

(Note 1) Mr. Fang Minzong was elected as a natural person director during the director re-election on June 14, 2023. He was originally the corporate director representative of King Mao Investment Co., LTD.

(Note 2) As of the publication date of the annual report, the director's remuneration received by directors and the employee remuneration received by them as a part-time employee as listed in this table have not yet been approved by the board of directors.

(II) Remuneration for the President and Vice Presidents

Units: NT$ thousands

Position title	Name	Salary (A) (Note 2)		Severance pays and pension (B)		Bonuses and special expenses (C) (Note 3)		Employee compensation (D) (Note 4)				Percentage of the total sums of A, B, C and D to net income after text (%) (Note 8)		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company. (Note 9)
		The Company	All companies listed in this financial report. (Note 5)	The Company	All companies listed in this financial report. (Note 5)	The Company	All companies listed in this financial report. (Note 5)	The Company		All Companies listed in this financial report. (Note 5)		The Company	All companies listed in this financial report	
								Cash Amount	Number of shares	Amount of cash	Number of shares			
President	Fang, Ming-Ching	32,294	44,238	512	512	300	4,399	10,882	0	10,882	0	43,988 5.36%	60,031 7.31%	12
Vice President (Chief Operating Officer)	Chen, Zuo-Ming													
Vice President	Koenig Roland Herbert													
Vice President	Yang, Zhao-Quan													
Vice President	Chiew Teo Ann													
Vice President	Lin Xi (Note 1)													
Vice President	Yeo, Woon-Young (Note 2)													
Chief Strategy Officer	Li, Xue-Han (Note 3)													

*Regardless of job title, all positions equivalent to President or Vice President (for example: president, chief executive officer, director... etc.) should be disclosed.

Note: As of the publication date of the annual report, the employee remunerations received by the managers as listed in this table have not yet been approved by the board of directors.

(Note 1) Vice President Lin, His resigned on June 9, 2023.

(Note 2) Vice President Yeo, Woon-Young took office on October 2, 2023.

(Note 3) Li, Xue-Han's title of Chief Strategy Officer was changed on April 1, 2024.

Range of remuneration

Range of remuneration paid to the president and vice presidents	Name of President and Vice Presidents	
	The Company (Note 6)	Parent company and all reinvested businesses (Note 7) E
Less than NT$1,000,000	None	None
NT$1,000,000 (inclusive) - 2,000,000 (non-inclusive)	Lin, His	Lin, His
NT$2,000,000 (inclusive) - 3,500,000 (non-inclusive)	Yang, Chao-Chuan, Yeo, Woon-Young	Yang, Chao-Chuan, Yeo, Woon-Young
NT$3,500,000 (inclusive) - 5,000,000 (non-inclusive)	None	None
NT$5,000,000 (inclusive) - NT$10,000,000 (non-inclusive)	Fang, Ming-Ching, Li, Xue-Han, Chen, Tso- Ming, Chiew Teo Ann, Koenig Roland Herbert	Chiew Teo Ann, Koenig Roland Herbert
NT$10,000,000 (inclusive) - 15,000,000 (non-inclusive)	None	Chen, Tso- Ming, Li, Xue-Han
NT$15,000,000 (inclusive) - 30,000,000 (non-inclusive)	None	Fang, Ming-Ching
NT$30,000,000 (inclusive) - 50,000,000 (non-inclusive)	None	None
NT$50,000,000 (inclusive) - 100,000,000 (non-inclusive)	None	None
NT$100,000,000 and above	None	None
Total	8 people	8 people

Note 1: The names of the President and Vice President shall be listed separately, and the names of the President and Vice President shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If the director is also the President or Vice President, please fill in this form and the above table (1-1), or (1-2-1) and (1-2-2).

Note 2: Salary, job allowance, and severance pay paid to the president and vice presidents in the most recent year.

Note 3: It includes the amount of various bonuses, rewards, transport fees, special expenses, various allowances, accommodation, provision of physical items such as vehicles, and other types of remuneration for President, Presidents, and vice presidents in the most recent year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Salary expenses recognized under IFRS 2 - “Share-based Payment”, including employee stock warrant, new restricted employee shares, and participation in subscription of stocks in cash capital increase, shall also be included in the calculation of remuneration.

Note 4: The names of the Directors shall be listed separately, and the names of the general Directors and independent Directors shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached table 1-3 shall be filled out.

Note 5: Total remuneration in various items paid out to this Company's President, Presidents and vice presidents by all companies (including this Company) listed in the consolidated statement shall be disclosed.

Note 6: The name of President, Presidents, and vice presidents shall be disclosed in the remuneration ranges to which the amount of remuneration paid to President, each President and each vice president by the Company correspond, respectively.

Note 7: The name of President, Presidents, and vice presidents shall be disclosed in the remuneration ranges to which the amount of remuneration paid to President, each President and each vice president by all the companies (including the Company) listed in the financial statements correspond, respectively.

Note 8: Net income refers to that in the latest parent-only or individual financial statements.

Note 9: a. Remuneration received by the president and vice presidents of the Company from investee companies other than subsidiaries or parent company shall be specified (If none, please fill in "None").

(III) Names of managerial officers who receive employee bonus, and distribution of employee bonus

Units: NT$ thousands

<table>
<tr><th></th><th>Title
(Note 1)</th><th>Name
(Note 1)</th><th>Amount of shares</th><th>Amount of cash</th><th>Total</th><th>Ratio of total amount to net income (%)</th></tr>
<tr><td rowspan="10">Managerial Officer</td><td>President</td><td>Fang, Ming-Ching</td><td rowspan="10">0</td><td rowspan="10">4,818</td><td rowspan="10">4,818</td><td rowspan="10">0.59%</td></tr>
<tr><td>Vice President (Chief Operating Officer)</td><td>Chen, Tso- Ming</td></tr>
<tr><td>Vice President</td><td>Koenig Roland Herbert</td></tr>
<tr><td>Vice President</td><td>Yang, Chao-Chuan</td></tr>
<tr><td>Vice President</td><td>Chiew, Teo Ann</td></tr>
<tr><td>Vice President</td><td>Lin, His
(Resigned on June 9, 2023)</td></tr>
<tr><td>Vice President</td><td>Yeo, Woon-Young
(Took office on October 2, 2023)</td></tr>
<tr><td>Chief Strategy Officer</td><td>LI, XUE-HAN
(Position adjustment on April 1, 2024)</td></tr>
<tr><td>Controller (Accounting Supervisor, Head of Corporate Governance)</td><td>Hsieh, Pai-Cheng</td></tr>
<tr><td>Chief Financial Officer (Financial supervisor)</td><td>Shen, Ying-Hsiu</td></tr>
</table>

(Note) As of the publication date of the annual report, the employee remunerations received by the managers as listed in this table have not yet been approved by the board of directors.

Note 1: Individual names and titles should be disclosed. However, the profit distribution can be revealed in a summary.

Note 2: The names of the managerial officers shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year. Net income refers to that for the most recent year; where the IFRS Standards are adopted, net income refers to that in the latest parent-only or individual financial statements.

Note 3: Based on March 27, 2003, Tai-Cai-Zheng-San-Zi No. 0920001301 Letter, the scope of applicable managers is as follows:

(1) President and equivalent
(2) Vice President and equivalent
(3) Associate Manager and equivalent
(4) Head of Finance Department
(5) Head of Accounting Department
(6) Other persons who have the right to manage affairs and sign for the Company

Note 4: If the director, President and Vice President receive employee compensation (including stocks and cash), in addition to table 1-2, this table should be filled out.

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent Company only financial reports or individual financial reports, as paid by this Company and by each other Company included in the consolidated financial statements during the past 2 years to directors, supervisors, Presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

Title	2023		2022	
	The Company	All companies listed in this financial report	The Company	All companies listed in this financial report
Directors Presidents and Vice Presidents	9.87%	14.50%	5.72%	7.72%

1. Analysis of the proportion of the total remuneration paid by the Company and all companies in the consolidated statements to the Company's directors, president and vice presidents in the net profit after tax of parent Company only or individual financial reports in the most recent two years:

(1) In terms of the total amount of remuneration paid, the total amount of remuneration paid by the Company and all companies in the consolidated statements to the Company's directors, presidents and vice presidents in 2023 was NT$80,957 thousands and NT$118,985 thousands. Compared with NT$100,460 thousands and NT$135,726 thousands in 2022, a decrease of NT$19,503 thousands and NT$16,741 thousands respectively. The main reason is that the Company's profit in 2023 decreased compared with that in 2022 and that the remuneration of directors, employee remuneration and bonuses of the president and vice president were adjusted based on the Company's operating performance.

(2) In terms of the difference in proportions, the total remuneration paid by the Company and all companies in the 2023 consolidated statement to the Company's directors, president and vice presidents accounted for 9.87% and 14.50% of the net profit of individual financial reports after tax, an increase of 5.72% and 7.72% over 2022. The main reason is that one vice president and one director who also serves as concurrently a employee were employed in 2023 and the salary of the president and vice president is fixed and relatively high, so total remuneration of the above-mentioned managers were decreased while their pure income after tax was increased.

2. Policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its connection to business performance and future risk exposure:

(1) Directors:

The Company's director's remuneration is in accordance with the Article of Association, Article 16: "The remuneration of all directors, regardless of profit or loss, may be agreed upon by the authorized board meeting according to the usual standards of the industry" and Article 19: "If the Company makes profits during the year, no more than 2% should be proposed for directors' remuneration. The proposal shall be drafted and reviewed by the Remuneration Committee in consideration of the participation in the Company's operations, contribution value and overall Company operating performance.

The Company conducts performance assessment on board members every year in accordance with the "Board of Directors and Functional Committee Performance Assessment Measures". It is incorporated to evaluate individual performance achievement and contribution to company performance and served as referencing basis. Directors' performance appraisal indicators include six major aspects: mastery of company goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relation management and communication, directors' professional and continuing education, and internal control.

(2) Presidents and Vice Presidents:

The salary and compensation of the Company's President and Vice President refer to the common level of the industry's payment level and consider the time invested by the individual, the responsibilities, degrees of achieving personal goals, performance in other positions, the Company's salary and compensation to the same position in recent years, and the Company's overall operating conditions, etc. Also, the Company's Articles of Association, Article 19: "If the Company makes a profit during the year, no less than 6% shall be allocated for employee compensation" shall be followed.

The Company's remuneration process has taken into account the performance evaluation results of the president and deputy presidents. Evaluation indicators include financial indicators (such as the Company's revenue achieving rate, etc.) and non-financial indicators (such as practice of the Company's five core values and operational management capabilities, etc.)

The performance assessment and remuneration of the directors, president, and vice president of the Company are reviewed by the Remuneration Committee and submitted to the Board of Directors for discussion, and review the remuneration system on time based on the actual operating conditions and relevant laws and regulations, to seek sustainable the Company's balanced control of operation and risks.

IV. The state of the Company's implementation of corporate governance

(I) Operation of the Board of Directors

A total of 7 (A) Board of Directors' meeting were held in the most recent year with the following attendance records from directors:

Title	Name (Note 1)	Actual presence (attendance) Times B	Delegated presence Times	Rate of Attendance in Person (%)[B/A] (Note 2)	Remark
Chairman	Fang, Ming-Ching	7	0	100.00%	Re-elected on June 14, 2023
Director	Fang, Ming-Tsung (Note)	3	0	100.00%	Re-elected on June 14, 2023, attending the meeting of the board of directors for 3 times in total during his tenure
Director	ZHONG, YUN-HUI	7	0	100.00%	Re-elected on June 14, 2023
Director	King Mao Investment Co., LTD. Representative: Fang, Ming-Tsung (Note)	4	0	100.00%	Resigned on June 14, 2023, attending the meeting of the board of directors for 4 times in total during his tenure
Director	King Mao Investment Co., LTD. Representative: Lin, Hung Kang	7	0	100.00%	Re-elected on June 14, 2023
Director	King Mao Investment Co., LTD. Representative: Lin, Chun-Hsiang	3	0	100.00%	Re-elected on June 14, 2023, attending the meeting of the board of directors for 3 times in total during his tenure
Director	King Mao Investment Co., LTD. Representative: Chen, Tso- Ming	3	0	100.00%	Re-elected on June 14, 2023, attending the meeting of the board of directors for 3 times in total during his tenure
Independent director	Chen, Yi- Chen	7	0	100.00%	Re-elected on June 14, 2023
Independent director	Fan, Liang-Fu	7	0	100.00%	Re-elected on June 14, 2023
Independent director	Chu, Chun-Hsiung	3	0	100.00%	Re-elected on June 14, 2023, attending the meeting of the board of directors for 3 times in total during his tenure
Independent director	Tai,Yih-Chi	3	0	100.00%	Re-elected on June 14, 2023, attending the meeting of the board of directors for 3 times in total during his tenure
Independent director	Chen, Shi-Zhen	4	0	100.00%	Relieved on June 14, 2023, attending the meeting of the board of directors for 4 times in total during his tenure
(Note) Mr. Fang, Ming-Tsung was elected as a natural person director during the director re-election on June 14, 2023. He was originally the corporate director representative of King Mao Investment Co., LTD..					

Other mandatory items:

I. If any of the following applies to the operation of Board of Directors, the date and session of the Board of Directors' meeting, the content of proposals, independent directors' opinions and the Company's actions in response to independent directors' opinions shall be stated.

1. Items listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, the provision of Article 14-3 shall not apply according to the provision of Article 14-5. For relevant information, please refer to the Operations of Audit Committee of the annual report on pages 42 - 45.
2. Other than the matters mentioned above, other resolutions on which the independent directors have dissenting or reserved opinions: None.

II. With regard to the recusal of independent directors from voting due to conflict of interests, the name of independent directors, the content of proposals, reasons for recusal due to conflict of interests and participation in voting shall be stated:

Board date	Name of director	Proposal	Reasons for Recusal	Participation in Voting
January 13, 2023	Chairman Fang, Ming-Ching Director Fang, Ming-Tsung	Proposal of the Company's 2022 Managerial Officers Annual Bonus	When discussing the annual bonus for directors who are also managerial officers (employees), the relevant stakeholders have avoided conflict of interest in accordance with regulations.	The proposal was approved without objection after consulting all the directors present by the (acting) chairman (Chairman FANG, Ming-Ching and Director FANG, Ming-Tsung have avoided conflict of interest and there were 6 directors present)
May 9, 2023	Chairman Fang, Ming-Ching Director Fang, Ming-Tsung	Proposal of 2022 employee bonus amount to the Company's managerial officers.	When discussing the amount of 2022 employee bonus for directors who are also managerial officers (employees), the relevant stakeholders have avoided conflict of interest in accordance with regulations.	The proposal was approved without objection after consulting all the directors present by the (acting) chairman (Chairman Fang, Ming-Ching and Director Fang, Ming-Tsung have avoided conflict of interest and there were 6 directors present)
May 9, 2023(Note)	Chairman Fang, Ming-Ching Director Fang, Ming-Tsung Director Lin, Hung Kang Director Zhong, Yun-Hui	Approval of 2022 director bonus distribution plan	When discussing the remuneration for directors, the relevant stakeholders have avoided conflict of interest in accordance with regulations.	The proposal was approved without objection after consulting all the directors present by the (acting) chairman (Chairman Fang, Ming-Ching, Director Fang, Ming-Tsung, Director Lin, Hung Kang, and Director ZHONG, YUN-HUI have avoided conflict of interest and there were 6 directors present)
August 8, 2023	Chairman Fang, Ming-Ching Director Fang, Ming-Tsung Director Chen, Tso- Ming	Proposal of salary adjustment for the Company's managerial officers	When discussing the salary adjustment for directors who are also managerial officers (employees), the relevant stakeholders have avoided conflict of interest in accordance with regulations.	The proposal was approved without objection after consulting all the directors present by the (acting) chairman (Chairman Fang, Ming-Ching, Director Fang, Ming-Tsung, and Director Chen, Tso- Ming have avoided conflict of interest and there were 9 directors present)

(Note) The payment method and the amount of the remuneration to the independent directors of the Company for 2022 complied with the regulations on the remuneration of independent directors as approved by the Board of Directors on May 10, 2022, so it is unnecessary to avoid the interests.

III. Assessment of the Board of Directors and various functional committees:

The Company performs an annual performance evaluation of the functional committees of the Board of Directors. The evaluation of the current year was from January 1 to December 31, 2023, and the evaluation results were reported at the Board of Directors' meeting held on March 8, 2024.

1. Board performance assessment:

Assessment Scope	Assessment Method	Assessment content	Assessment Result
Overall board performance evaluation	Board of directors self-assessment	1. The degree of participation in the Company's operations 2. Improvement in the quality of decision making by the Board of Directors 3. The composition and structure of the Board of Directors 4. Election and continuing education of the Directors 5. Internal controls	The overall evaluation score was above standard. The result shows that the overall operation of the board of directors of the Company is still perfect, which is in line with the spirit of corporate governance.
Performance assessment of individual board members	Board member self-assessment	1. Their grasp of the Company's goals and missions 2. Their recognition of director's duties 3. Their degree of participation in the Company's operations 4. Their management of internal relationships and communication 5. Their professionalism and continuing professional education 6. Internal controls	The overall average score was above standard. The result shows that the directors of the Company have positive comments on the efficiency and effectiveness of the operation of various assessment indicators.

2.Functional committees performance evaluation:

Assessment Scope	Assessment Method	Assessment content	Assessment Result
Audit committee performance evaluation	Internal self-evaluation of the audit committee	1. The degree of participation in the Company's operations 2. Their recognition of the duties of the functional committee 3. Improvement in the quality of decision making by the functional committee 4. The composition of the functional committee, and election and appointment of committee members 5. Internal controls	The overall average score was above standard. The result shows that the audit committee members of the Company have positive comments on the efficiency and effectiveness of the operation of various assessment indicators.
Remuneration Committee performance evaluation	Internal self-evaluation of the Remuneration Committee	1. The degree of participation in the Company's operations 2. Their recognition of the duties of the functional committee 3. Improvement in the quality of decision making by the functional committee 4. The composition of the functional committee, and election and appointment of committee members 5. Internal controls	The overall average score was above standard. The result shows that the remuneration committee member of the Company have positive comments on the efficiency and effectiveness of the operation of various assessment indicators.

(Note) The evaluation results are divided into three levels: above the standard (100–91 points), up to the standard (90–81 points), and to be improved (80 points or less).

IV. Goals for enhancing the functions of the Board of Directors (such as establishing an Audit Committee or increasing information transparency) for the current year and most recent year as well as the assessment of the actions implemented:

1. Actively assist directors to complete refresher courses to continuously enrich new knowledge and enhance professional knowledge and legal literacy.

2. In order to improve the structure of the board of directors, the Company has formulated the "Board Diversity Policy" in accordance with the "Code of Practice on Governance of Listed Companies".
3. In order to enhance the functions of the board of directors and strengthen the operation efficiency of the board of directors, the "Measures for the Performance Evaluation of the Board of Directors and Functional Committees" has been formulated. In accordance with the regulations, the internal board, Remuneration Committee and audit committee performance evaluation shall be carried out at least once a year, and report the evaluation results to the board of directors.
4. In order to assist directors in performing their duties and enhance the effectiveness of the board, "Standard Operating Procedures for Handling Directors' Requests" has been established.
5. The company has completed the establishment of a functional committee - the Sustainability Committee on January 26, 2024, with the chairman and all independent directors serving as committee members.

Note 1: If the directors and supervisors are legal persons, the names of the legal person shareholders and their representatives shall be disclosed.

Note 2: (1) If directors or supervisors resign before the end of the year, the date of resignation should be included in the notes. The actual attendance (%) shall be calculated based on the number of meetings held by the Board of Directors and the actual presence (attendance) during the term of service.

(2) In case any seat of director or supervisor has been re-elected before the end of the year, both the previous and current director or supervisor shall be filled, and the Remarks column shall indicate whether a director or supervisor was from a previous term, new, or re-appointed, and the date of re-election. The director's percentage of attendance in person (%) shall be calculated based on the number of Board of Directors' Meetings held and the actual attendance in person during his/her term of office.

(II) Operation of Audit Committee

The Audit Committee held 5 meetings (A) in the most recent year. The attendance of independent directors is as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Percentage of attendance in person (%) (B/A)(Note 1, 2)	Remark
Independent director (Convener)	Chen, Yi- Chen	5	0	100.00%	Cooperation of re-election and reappointment of directors on June 14, 2023
Independent director	Fan, Liang-Fu	5	0	100.00%	Cooperation of re-election and reappointment of directors on June 14, 2023
Independent director	Chu, Chun-Hsiung	2	0	100.00%	Cooperation of re-election and appointment of directors on June 14, 2023; the audit committee held a total of 2 times during his tenure.
Independent director	Tai,Yih-Chi	2	0	100.00%	Cooperation of re-election and appointment of directors on June 14, 2023; the audit committee held a total of 2 times during his tenure.
Independent director	Chen, Shi-Zhen	3	0	100.00%	Cooperation of re-election and relief of directors on June 14, 2023; the audit committee held a total of 3 times during his tenure.

Other mandatory items:

I. If any of the following applies to the operations of the Audit Committee, the audit committee meeting date, period, content of proposals, independent directors' objections, reservations or major recommendations, the results of the audit committee's resolutions, and the Company's handling of the audit committee's opinions should be stated..

(I) Items listed in Article 14-5 of the Securities and Exchange Act:

Audit committee Session & date	Proposal	Audit committee Voting results	Corporation's responses to the comments of the Audit Committee
The 17th meeting of the 2nd term January 13, 2023	1. The provision of non-confirmation services by Ernst & Young and its affiliates.	All Members of the Audit Committee present voted in favor of the resolution without objections on January 13, 2023.	All Directors present voted in favor of the resolution without objections.

Audit committee Session & date	Proposal	Audit committee Voting results	Corporation's responses to the comments of the Audit Committee
The 18th meeting of the 2nd term March 10, 2023	1. 2022 Business Report and Financial Statements of the Company. 2. 2022 Profit Distribution of the Company. 3. Independence evaluation and appointment and remuneration of certified accountants of the Company. 4. Review of 2022 "Internal Control System Effectiveness" and "Statement on Internal Control System." 5. The suspension of the capital increase through private common stock approved at the 2022 Annual Regular Shareholders’ Meeting.	All Members of the Audit Committee present voted in favor of the resolution without objections on March 10, 2023.	All Directors present voted in favor of the resolution without objections.
The 19th meeting of the 2nd term May 9, 2023	1. 2023 Q1 Financial Statements of the Company 2. The company’s thirteenth base date for cancellation of treasury shares repurchased and capital reduction.	All Members of the Audit Committee present voted in favor of the resolution without objections on May 9, 2023.	All Directors present voted in favor of the resolution without objections.
The 1st meeting of the 3rd term August 8, 2023	1. 2023 Q2 Financial Statements of the Company	All Members of the Audit Committee present voted in favor of the resolution without objections on August 8, 2023.	All Directors present voted in favor of the resolution without objections.
The 2nd meeting of the 3rd term November 9, 2023	1. 2023 Q3 Financial Statements of the Company 2. FY2024 Internal Audit Plan of the Company. 3. Amendments to the “Internal Control System” and the “Implementation Rules for Internal Audit” of the Company 4. The amendment to the Company's "Procedures for Prevention of Insider Trading Management". 5. The Company loans to its subsidiaries.	All Members of the Audit Committee present voted in favor of the resolution without objections on November 9, 2023.	All Directors present voted in favor of the resolution without objections.

None of the above proposals has any dissenting opinions, reservations or major suggestions issued by independent directors.

(II) Except the aforementioned matters, other resolutions approved by two-thirds or more of all the directors but yet to be approved by the Audit Committee: None.

II. Execution process where the independent director abstain from begin a stakeholder, the name of the director, the content of proposal, the reason of abstinence and the results of the voting should be stated: None.

III. Communication among Independent Directors, internal audit Supervisors, and CPAs (including important matters, methods, and results of the Company's finance and operations):

1. Communication between independent directors and Internal Auditing Officer:

The internal audit Director of the Company quarterly reported the audit reports to independent directors in the Audit Committee meetings, communicating the results of the audit report.

Auditing officer Meeting date	Content of the communication	Communication Methods	Results
The 18th meeting of the 2nd term March 10, 2023	1. 2022 Q4 Internal Audit Report. 2. Review of 2022 "Internal Control System Effectiveness" and "Statement on Internal Control System."	Attend to reports and discuss related issues	It has been reported or approved by the Audit Committee.
The 19th meeting of the 2nd term May 9, 2023	1. 2023 Q1 internal audit report.	Attend to reports and discuss related issues	It has been fully communicated and reported at the Audit Committee.
The 1st meeting of the 3rd term August 8, 2023	1. 2023 Q2 internal audit report.	Attend to reports and discuss related issues	It has been fully communicated and reported at the Audit Committee.
The 2st meeting of the 3rd term November 9, 2023	1. 2023 Q3 internal audit report. 2. FY2024 Internal Audit Plan of the Company. 3. Amendments to the “Internal Control System” and the “Implementation Rules for Internal Audit” of the Company	Attend to reports and discuss related issues	It has been reported or approved by the Audit Committee.

*The above communication matters have been submitted to the report of the board of directors or passed the resolution on the same day after the audit committee report or deliberation.

2. Communication between independent directors and CPAs:

In addition to discussions with independent directors on matters such as the review and audit results of the quarterly financial statements in the audit committee every year. Irregularly, the certified accountants of the Company also participate in the audit committee and the board of directors to provide professional consultation and suggestions for the decision-making of the Company's major resolutions.

CPA Meeting date	Content of the communication	COMMUNICATION METHODS	Results
The 18th meeting of the 2nd term March 10, 2023	2022 Business Report and Financial Statements of the Company.	Attend to consult, discuss, and recommend on the related issues.	It has been fully communicated and approved by the Audit Committee and Board of Directors.

The 19th meeting of the 2nd term May 9, 2023	2023 Q1 Financial Statements of the Company	Attend to consult, discuss, and recommend on the related issues.	It has been fully communicated and approved by the Audit Committee and Board of Directors.
The 1st meeting of the 3rd term August 8, 2023	2023 Q2 Financial Statements of the Company	Attend to consult, discuss, and recommend on the related issues.	It has been fully communicated and approved by the Audit Committee and Board of Directors.
The 2nd meeting of the 3rd term November 9, 2023	2023 Q3 Financial Statements of the Company	Attend to consult, discuss, and recommend on the related issues.	It has been fully communicated and approved by the Audit Committee and Board of Directors.

IV. The annual work focus of the Audit Committee of the Company:

1. Fair representation of the Company's financial statements.
2. Selection (dismissal), remuneration, and independence of certified accountants.
3. Assessment of the effectiveness of an internal control system.
4. Development or amendment of internal control systems.
5. Significant capital loans, endorsements or guarantees, assets or derivatives transactions.

Note 1: If independent directors resign before the end of the year, the date of resignation should be included in the notes. The actual attendance (%) shall be calculated based on the number of meetings held by the Audit Committee and the actual presence during the term of service.

Note 2: If independent directors are re-elected before the end of the year, new and former independent directors shall be listed accordingly and the "Remark" column shall indicate whether the status of an independent director is “Former”, “New” or “Re-elected” and the date of re-election. Percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

(III) Implementation of corporate governance, discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and disclose on the public information observatory.	No differences
II. Shareholder structure and shareholders' rights and interest				
(I) Has the Company established an internal operating procedure for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	✓		(I) The Company has formulated the "Measures for Handling Suggestions and Representations of Stakeholders" to handle matters such as shareholders' suggestions and implement them in accordance with the procedures.	No differences
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	✓		(II) In accordance with Article 25 of the Securities and Exchange Act, the Company reports monthly on the Market Observation Post System website the changes in the shareholdings of insiders, including directors, managers and shareholders whose shares exceed 10%.	No differences
(III) Has the Company established and implemented	✓		(III) The Company has formulated the "Regulations	No differences

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
risk control and firewall mechanisms among its affiliated companies?			Related to Financial Business between Related Parties" and "Administrative Measures for Subsidiaries" to implement risk control with related enterprises.	
(IV) Has the Company formulated internal regulations that prohibit insiders of the Company from trading securities using undisclosed information in the market?	✓		(IV) The Company has formulated "internal material information processing procedures" and "prevent insider trading management procedures" to avoid improper disclosure of information and to prohibit insiders such as company directors or employees from using undisclosed information on the market to trade the Company's securities for profit.	No differences
III. Composition and responsibilities of Board of Directors (I) Does the board of directors formulate a diversity policy, specific management objectives and implement them?	✓		(I) In order to enhance the functions of the board of directors and improve the structure of the board of directors, the Company has formulated the "Board Diversity Policy". We also select members with diverse backgrounds and perspectives based on the Company's operation, business model and development needs. The 10 members of the current board of directors of the	No differences

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			Company are composed of industry professionals with professional backgrounds, skills and industrial experience in semiconductor industry, taxation and accounting, and law. Please refer to pages 21 - 25 of this annual report). All were male Taiwanese, with an average age of about 62. Please refer to Note 2. for the specific management objectives and implementation of the Company's Board of Directors Diversity Policy.	
(II) Has the Company voluntarily established other functional committees, other than the Remuneration Committee and Audit Committee that are established in accordance with the law?	✓		(II) In addition to the Remuneration Committee and audit committee established by law, the company's board of directors approved the establishment of a Sustainability Committee as a functional committee on January 26, 2024. Please refer to page 67-68 of this annual report for its operation.	No differences
(III) Did the Company stipulate regulations for assessing the performance of the Board and the process of assessment, conduct performance appraisals on an annual basis on a regular basis, and submit the results of the performance appraisal to the	✓		(III) On November 11, 2016, the board of directors of the Company passed the "Measures for the Performance Evaluation of the Board of Directors", and since 2016, at the end of each year, the performance evaluation of the board of directors of the current year will be	No differences

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
Board? Are the results used as reference for the remuneration of individual Directors and the nomination for re-appointment?			implemented. In addition, in line with the planning content of the new version of the corporate governance blueprint of the competent authority, and the revision of the Securities and Exchange Law and its related sub-laws, on January 25, 2019, the Board of Directors approved the revision of the "Measures for the Performance Evaluation of the Board of Directors", which was renamed as "Performance Evaluation of the Board of Directors and Functional Committees". For the evaluation and implementation status of the Board of Directors and various functional committees in 2023, please refer to pages 40 of the annual report.	
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		(IV)The Company's president's Office, with reference to the "Statement of Ethics No. 10" and Article 47 of the CPA Act, has prepared the "Accountant Independence Evaluation Form" to evaluate the independence of the accountants on a yearly basis and to request the accountants to issue a statement of independence and provide information on the Audit Quality Indicator Information (AQIs) and to present it to the Audit	No differences

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			Committee and the Board of Directors for discussion on the independence and suitability of the accountants. The latest assessment of the independence of certified accountants was discussed and approved by the Audit Committee and the Board of Directors on March 8, 2024. For the independent assessment items and assessment results of accountants, please refer to Note 3.	
IV. Does the TWSE/TPEx listed company have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be in charge of corporate governance related matters (including but not limited to supplying information requested by the directors and supervisors for the execution of their duties, assisting the directors and supervisors in compliance with legal regulations, handling matters related to board meetings and shareholders' meetings and preparing minutes of board meetings and shareholders' meetings)?	✓		The Company designates the president's office as a special unit, responsible for corporate governance related affairs. It is supervised by the corporate governance supervisor. The main business responsibilities and promotion of this unit are described as follows: 1. Plan and implement the convening of the board of directors and various functional committees, including: scheduling the agenda, sending the meeting notice at least seven days before the meeting to provide sufficient discussion information for members to understand the content of the proposal, and send minutes of proceedings within 20 days after the meeting, so that	No differences

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			members can know the results of each resolution. 2. Plan and implement the annual shareholders' meeting matters, including: registering the date of the shareholders' meeting within the time limit specified by law, making and submitting meeting notices, annual reports, proceedings manuals and proceedings. 3. Plan and execute board and functional committee performance evaluation matters. 4. Continue to pay attention to various corporate governance regulations announced by the competent authorities to develop and plan appropriate organizational structures and company systems. 5. Plan director training courses, hire external lecturers to teach at home, and continue to provide director training course information, and assist with registration and other tasks. 6. Evaluate and purchase suitable director and manager liability insurance, and report the insurance-related content to the board of directors. 7. Report to the board of directors the results of their	

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			review of the qualifications of independent directors.	
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on material corporate social responsibility (CSR) issues?	✓		The Company has set up a stakeholder area on the Company's website with a complaint mailbox and a complaint window to serve as a communication channel with stakeholders in order to appropriately respond to important corporate social responsibility issues of concern to employees, customers, suppliers, government agencies, shareholders/investors, distributors, local communities and other stakeholders. The identity of the stakeholders, issues of concern, communication channels and response methods identified by the Company should be reported to the board of directors at least once a year.	No differences
VI. Does the Company commission a professional shareholder services agency to handle shareholders meetings and other relevant affairs?	✓		The Company has commissioned a professional stock affair agency to manage Shareholders meetings and other relevant affairs.	No differences
VII. Information disclosure (I) Has the Company established a website to disclose information on financial operations and corporate governance?	✓		(I) The Company established a website (www.panjit.com.tw) to disclose information on financial operations and corporate governance.	No differences

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	✓		(II)The Company has an English website, and a designated person is responsible for the collection and disclosure of company information. And set up a spokesperson and proxy spokesperson system in accordance with the law; In addition, the Company's website also has a special area for legal person briefings, and the relevant information of the legal person will be placed on the Company's website.	No differences
(III) Has the Company published and report its annual financial report within two months after the end of a year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.		✓	(III) The Company's 2023 financial report was approved by the board of directors on March 8, 2024, and the announcement was completed within the prescribed time limit. The financial report from the first quarter to the third quarter of 2023 and the operating conditions of each month are all completed within the prescribed time limit.	The Company will continue to evaluate and cooperate with the Company's needs and the regulations of the competent authorities.
VIII. Does the Company provide other important information that can help establish a better understanding of the state of corporate governance (including but not limited to	✓		1. Employee rights and employee care: The company has always treated its employees with honesty and integrity, and followed the relevant labor laws and regulations to protect the legal rights of	No differences

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education among directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors of the Company)?			employees, and established a good relationship of mutual trust and reliance with employees through a welfare system and a good education and training system to stabilize their lives. 2. Investor Relations: The Company has established a system of spokespersons and deputy spokespersons to handle investors' proposals and other issues, hold at least two institutional investors' conferences every year, and disclosed relevant information on the company's official website. 3. Supplier Relations: The Company has always maintained a good relationship with the suppliers. 4. Stakeholders' Rights: Stakeholders can communicate with the Company and put forward suggestions through the special mailbox for suggestions and complaints to safeguard their legitimate rights and interests. 5. Continuing Education and Training of Directors:	

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			All directors of the Company have academic backgrounds and practical experiences in business management applicable to the business scope of the Company and continue to study according to actual needs, please refer to Note 4. 6. Implementation of risk management policies and risk measurement standards: Various internal regulations are formulated in accordance with the law, and various risk management and assessment are carried out. 7. Implementation of customer policies: The Company maintains a stable and good relationship with its customers to create profits for the Company. 8. The Company purchases liability insurance for directors: The Company has renewed the director's and managers' liability insurance on March 8, 2023. 9. Situation of training of corporate governance supervisor, accounting supervisor and audit supervisor: please refer to Note 4.	

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			10. Circumstances of obtaining the relevant certificates and licenses specified by the competent authority for the personnel related to the transparency of financial information of the Company: The Company's accounting supervisor has the certificate of accountant of the Republic of China. 11. In order to prevent insider trading, protect investors and safeguard the Company's rights and interests, the Board of Directors approved the revision of the "Procedures for Prevention of Insider Trading Management" on November 9, 2023, which stipulates that directors are prohibited from trading in the Company's shares during the closing 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. In November 2023, the board of directors announced the date and schedule of the 2024 board of directors meeting, and also reminded the closing period of each quarter's financial report to prevent directors	

Assessment Items	Status of implementation (Note 1)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			from accidentally violating this standard.	

IX. Improvements made in the most recent year in response to the results of corporate governance assessment conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and prioritized matters and measures to be improved upon for matters that have not been improved.

In accordance with the results of the ninth Company corporate governance assessment released by the Securities and Futures Institute of Taiwan Corporate Governance Association, present the improvement and priorities and measures in the future as follows:

Metric category	Question number and index content (or overview)	Improvements and future enhancement priorities and measures
Strengthen the structure and operation of the board of directors	Question number: 2.14 Indicator content: Does the Company establish functional committees other than statutory ones, such as nomination committee, risk management committee, or sustainability committee, with at least three members, more than half of whom are independent directors, and one or more of whom possesses the professional competence required for such committees, and disclose their composition, duties, and operation?	The company's board of directors approved the establishment of the Sustainability Committee as a functional committee on January 26, 2024. The chairman serves as the convener and all independent directors serve as members. They meet at least once a year.
Improving information transparency	Question number: 3.12 Indicator content: Does the company's annual report disclose a specific and clear dividend policy?	The company's board of directors has approved the formulation of a clear dividend policy in the company's articles of association on March 8, 2024, and plans to submit it to the FY 2024 annual shareholders' meeting for discussion.

Note 1: No matter whether you tick “Yes” or “No”, the operation status should be stated in the summary description field.

Note 2: The specific management objectives and achievement of the diversity policy of the Board of Directors of the Company and the implementation of the diversity policy are as follows:

(1) The specific management objectives and achievement of the Board Diversity Policy:

Management goals	Achievement	Description
The number of directors who are employees of the Company should not exceed one-third of the number of directors	Achieved	Only three of the ten members of the Company's current Board of Directors are employees of the Company (30%), which does not exceed one-third of the number of directors.
To recruit at least one director each with financial and legal professional background, skills or industrial experience.	Achieved	The company's independent director Mr. Chen, Yi- Chen is the chief financial officer and director of Asia Vital Components Co., Ltd. (stock code: 3017). Director Mr. Lin, Hung Kang is the former director of Ernst & Young and a certified public accountant. They both have professional background in finance and accounting; the independent director Mr. Chu, Chun-Hsiung is the presiding lawyer of Quanying International Law Firm, and has a professional background in law.
Age distribution is even.	Achieved	Among the ten members of the Board of Directors of the Company, there are 4 directors aged under 60 (40%), 4 directors aged between 61 and 70 (40%) and 2 directors aged 71 or above (20%), and there is no concentration of more than 50% of directors in terms of age distribution.
The consecutive term of independent directors should not exceed three consecutive terms	Achieved	The consecutive terms of the four independent directors of the current board of directors of the Company have not exceeded three consecutive terms

(2) The Board Diversity Policy is disclosed on the Company's website and annual report.

Aspect 1: Basic Components

Title	Name	Nationality	Gender	Concurrent Employees of the Company	Distribution of independent directors' seniority			Age distribution of directors		
					Less than 3 years	3-9 years	9 years or more	60 years old or under	61-70 years old	71 years old or above
Chairman	Fang, Ming-Ching	Republic of China	Male	✓	Not applicable				✓	
Directors	Fang, Ming-Tsung	Republic of China	Male	✓	Not applicable				✓	
Directors	ZHONG, YUN-HUI	Republic of China	Male		Not applicable					✓
Directors	Representative of King Mao Investment Co., LTD.Co., LTD.: Lin, Hung Kang	Republic of China	Male		Not applicable				✓	
Directors	Representative of King Mao Investment Co., LTD.Co., LTD.: Lin, Chun-Hsiang	Republic of China	Male		Not applicable			✓		

Title	Name	Nationality	Gender	Concurrent Employees of the Company	Distribution of independent directors' seniority			Age distribution of directors		
					Less than 3 years	3-9 years	9 years or more	60 years old or under	61-70 years old	71 years old or above
Directors	Representative of King Mao Investment Co., LTD.Co., LTD.: Chen, Tso- Ming	Republic of China	Male	✓	Not applicable			✓		
Independent director	Chen, Yi- Chen	Republic of China	Male			✓			✓	
Independent director	Fan, Liang-Fu	Republic of China	Male			✓				✓
Independent director	Chu, Chun-Hsiung	Republic of China	Male		✓			✓		
Independent director	Tai,Yih-Chi	Republic of China	Male		✓			✓		

Aspect 2: Background Experience

Title	Name	Professional background	Professional skills			Industrial experience		
			Business decision and management	Financial analysis and decision	Legal practice	Manufacturing industry	Tax/investment management Services	Legal affair service
Chairman	Fang, Ming-Ching	✓	✓			✓		
Directors	Fang, Ming-Tsung	✓	✓			✓		
Directors	Zhong, Yun-Hui	✓	✓			✓		
Directors	Representative of King Mao Investment Co., LTD.: Lin, Hung Kang	✓	✓	✓			✓	
Directors	Representative of King Mao Investment Co., LTD.: Lin, Chun-Hsiang	✓	✓			✓		
Directors	Representative of King Mao Investment Co., LTD.: Chen, Tso- Ming	✓	✓			✓		
Independent director	Chen, Yi- Chen	✓		✓		✓		
Independent director	Fan, Liang-Fu	✓	✓			✓		

Title	Name	Professional background	Professional skills			Industrial experience		
			Business decision and management	Financial analysis and decision	Legal practice	Manufacturing industry	Tax/investment management Services	Legal affair service
Independent director	Chu, Chun- Hsiung	✓			✓			✓
Independent director	Tai,Yih-Chi	✓		✓			✓	

Aspect 3: overall ability

Title	Diversified core expertise / Name of director	Operational judgment	Accounting and finance analytical abilities	Management ability	Crisis management capabilities	Industry knowledge	International market perspective	Leadership	Decision-making capacity
Chairman	Fang, Ming- Ching	✓	*	✓	✓	✓	✓	✓	✓
Directors	Fang, Ming- Tsung	✓	*	✓	✓	✓	✓	✓	✓
Directors	Zhong, Yun-Hui	✓	*	✓	✓	✓	✓	✓	✓
Directors	Representative of King Mao Investment Co., LTD.: Lin, Hung Kang	✓	✓	✓	✓	✓	✓	✓	✓
Directors	Representative of King Mao Investment Co., LTD.: Lin, Chun-Hsiang	✓	*	✓	✓	✓	✓	✓	✓
Directors	Representative of King Mao Investment Co., LTD.: Chen, Tso- Ming	✓	*	✓	✓	✓	✓	✓	✓
Independent director	Chen, Yi- Chen	✓	✓	✓	✓	✓	✓	✓	✓
Independent director	Fan, Liang-Fu	✓	*	✓	✓	✓	✓	✓	✓
Independent director	Chu, Chun-Hsiung	✓	*	✓	✓	✓	✓	✓	✓
Independent director	Tai,Yih-Chi	✓	✓	✓	✓	✓	✓	✓	✓

(Note) * means partial ability

Note 3: The evaluation items and results of the independence of the Company's accountants are set forth below:

Assessment Item	Assessment Result	Whether it meets the required independence
1. Whether the evaluated object is employed by the Company as a regular job, receives a fixed salary, or serves as a director or supervisor.	None	Yes
2. Whether the subject has been a director, supervisor, manager of the Company or an employee who has a significant influence on the Company, and has left the Company for less than two years.	None	Yes
3. Whether the assessed object has a spouse, direct blood relative, direct in-law or second relative with the person in charge or manager of the Company.	None	Yes
4. Whether the subject himself or his spouse or minor children has any relationship with the Company to invest or share financial interests.	None	Yes
5. Whether the subject himself or his spouse or minor children has a loan with the Company.	None	Yes
6. Whether the valuated object provide the Company with management consulting or other non-audit business, and it is sufficient to affect independence.	None	Yes
7. Whether the subject under evaluation has any circumstance that does not comply with the business event competent authority's rotation of accountants, handling of accounting affairs on behalf of others, or other circumstances that may affect independence.	None	Yes
8. Whether the evaluated object has direct or significant indirect financial interest relationship with the Company.	None	Yes
9. Whether the evaluated object has any significant and close business relationship with the Company.	None	Yes
10. Whether there is a potential employment relationship between the evaluated company and the Company.	None	Yes
11. Whether the evaluated object has represented the Company in legal cases or other disputes with third parties outside of the business licensed by law.	None	Yes

Note 4: Situation of further education for directors, accounting supervisors and audit supervisors:

Title	Name	Training date	Organizer	Curriculum	Course hours
Chairman	Fang, Ming-Ching	July 4, 2023	Taiwan Stock Exchange Corporation	2023 Cathay Pacific Sustainable Finance and Climate Change Summit	6
Directors	Fang, Ming-Tsung	October 31, 2023	Corporate operating and Sustainable Development Association	The latest trends and potential risks in corporate social responsibility	3
		April 27, 2023	Corporate operating and Sustainable Development Association	Introduction to the newly released China Corporate Governance Blueprint 3.0	3
	Zhong, Yun-Hui	July 4, 2023	Taiwan Stock Exchange Corporation	2023 Cathay Pacific Sustainable Finance and Climate Change Summit	6
	Lin, Hung Kang	May 3, 2023	Taiwan Corporate Governance Association	Corporate governance response from technology trends and information security incidents	1

Title	Name	Training date	Organizer	Curriculum	Course hours
		May 23, 2023	Jointly organized by Taiwan Stock Exchange and Over-the-Counter Securities Trading Center	Publicity meeting on sustainable development action plans for listed companies	3
		July 15, 2023	Commerce Development Research Institute	Corporate governance and corporate sustainability workshop	3
		July 25, 2023	Taiwan Corporate Governance Association	Discussing corporate labor rights from the perspective of supply chain disruption	3
		August 21, 2023	Taiwan Corporate Governance Association	Money laundering prevention and enterprise risk management	2
		November 1, 2023	Taiwan Corporate Governance Association	Integrity management and fair hospitality	2
		November 13, 2023	Taiwan Securities Association	Economic Situation Analysis and Development Trends of Science and Technology Green Energy Industry	3
	Lin, Chun-Hsiang	September 28, 2023	Securities and Futures Institute	Transformation opportunities and challenges for Taiwan's industries under geopolitics - exclusive analysis by PMI/NMI	3
		October 24 - 25, 2023	Securities and Futures Institute	Practical seminar for directors, supervisors (including independent directors and supervisors) and corporate governance executive	12
	Chen, Tso- Ming	April 27, 2023	Corporate operating and Sustainable Development Association	Introduction to the newly released China Corporate Governance Blueprint 3.0	3
		July 4, 2023	Taiwan Stock Exchange Corporation	2023 Cathay Pacific Sustainable Finance and Climate Change Summit	6
		October 31, 2023	Corporate operating and Sustainable Development Association	The latest trends and potential risks in corporate social responsibility	3
Independent director	Chen, Yi- Chen	June 2, 2023	Taiwan Corporate Governance Association	The Impact of and response to ESG and Net-Zero Carbon Emissions on Enterprises	3
		June 9, 2023	Securities and Futures Institute	2023 Prevention of Insider Trading and Insider Equity Trading Publicity Seminar	3
	Fan, Liang-Fu	July 4, 2023	Taiwan Stock Exchange Corporation	2023 Cathay Pacific Sustainable Finance and Climate Change Summit	6
	Chu, Chun-Hsiung	May 25, 2023	Taiwan Corporate Governance Association	New version of corporate governance blueprint and key compliance points	3
		June 20, 2023	Taiwan Corporate Governance Association	New thinking on enterprise risk management integrating strategic development and ESG	3
		July 11, 2023	Taiwan Corporate Governance Association	Risks are everywhere, and how to effectively manage them?	3
		August 29, 2023	Taiwan Corporate Governance Association	How to expand influence, support SDGs sustainability, and enhance corporate value	3

Title	Name	Training date	Organizer	Curriculum	Course hours
		September 12, 2023	Taiwan Corporate Governance Association	Corporate growth strategies and external innovation	3
	Tai,Yih-Chi	September 8, 2023	Taiwan Corporate Governance Association	Succession plan launched-employee reward plan and equity inheritance	3
		November 29, 2023	Securities and Futures Institute	2023 annual insider Equity transaction legal compliance publicity seminar	3
		December 12, 2023	Taiwan Corporate Governance Association	The 19th (2023) International Summit Forum on Corporate Governance─Creating a new situation in governance and enhancing corporate value	6
Head of Corporate Governance	Hsieh, Pai-Cheng	April 25, 2023	Accounting Research and Development Foundation	How boards of directors and senior executives review ESG sustainability reports	3
		April 27, 2023	Corporate operating and Sustainable Development Association	Introduction to the newly released China Corporate Governance Blueprint 3.0	3
		October 27, 2023	Taiwan Corporate Governance Association	Family Charters and Family Offices	3
		October 31, 2023	Corporate operating and Sustainable Development Association	The latest trends and potential risks in corporate social responsibility	3
Accounting Supervisor	Hsieh, Pai-Cheng	May 25-26, 2023	Accounting Research and Development Foundation	Continuing Training Course for Principal Accounting Officers of Issuers, Securities Firms and Securities Exchanges	12
Auditing officer	Fang, Shu-Ying	November 27, 2023	The Institute of Internal Auditors-Chinese Taiwan	Analysis of the latest "Enterprise M&A Law" and "Corporate Governance" practical cases	6
		December 18, 2023	The Institute of Internal Auditors-Chinese Taiwan	Analysis of the rules and practices of capital lending, endorsement guarantee and acquisition of disposable assets	6

(IV) If the Company has set up a Remuneration Committee, it shall disclose its constitution, duties and operations

1. Remuneration Committee:

(1) Information on the members of the Remuneration Committee

April 15, 2024

Category of identity \ Criteria \ Name		Professional qualifications and experience	Status of Independence	Number of Remuneration Committee memberships concurrently held in other public companies
Independent director (Convener)	Chen, Yi- Chen	Please refer to "Disclosure of Professional Qualifications of Directors and Supervisors and Disclosure of Independence of Independent Directors" on pages 23- 25 of the annual report.		None
Independent director	Fan, Liang-Fu			None
Independent director	Chu, Chun-Hsiung			3
Independent director	Tai,Yih-Chi			None

(2) Operations of the Remuneration Committee

(2-1) the Company's Remuneration Committee comprises 4 members.

(2-2) Duration of the current term of service: June 14, 2023 to June 13, 2026, a total of 5 Remuneration Committee meetings (A) were held in the most recent year, members' qualifications and attendance as follow:

Title	Name	Attendance in person Times (B)	Delegated presence Times	Percentage of attendance in person (%) (B/A) (Notes)	Remark
Convener	Chen, Yi-Chen	5	0	100%	Cooperate with the re-election and re-appointment of directors on June 14, 2023
Committee member	Fan, Liang-Fu	5	0	100%	Cooperate with the re-election and re-appointment of directors on June 14, 2023
Committee member	Chu, Chun-Hsiung	2	0	100%	Cooperate with re-election and appointment of directors on June 14, 2023 the remuneration committee held 2 meetings during his tenure.
Committee member	Tai,Yih-Chi	2	0	100%	Cooperate with re-election and appointment of directors on June 14, 2023；the remuneration committee held 2 meetings during his tenure.
Committee member	Chen, Shi-Zhen	3	0	100%	Cooperate with re-election and relief of directors on June 14, 2023；the remuneration committee held a total of 3 times during his tenure.

Other mandatory items:

I. If the Board of Directors does not adopt or amend the recommendations made by the Remuneration Committee, the date and session of the Board of Directors' meeting, resolutions, voting results and handling of opinions from the Remuneration Committee by the Company shall be disclosed (if the remuneration approved by the Board of Directors is better than that recommended by the Remuneration Committee, the discrepancies and related reasons shall be stated): None.

II. If members of the Remuneration Committee have any dissenting opinion or qualified opinion on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Remuneration Committee, resolutions, all the members' opinions and handling of these opinions shall be stated: None.

III. The annual report reveals the Remuneration Committee's agenda and resolution, and the Company's decisions on committee members' recommendations.

Compensation Committee Session & Date	Proposal	Voting results	The Company's actions in response to the opinions of the Remuneration Committee
The 12th meeting of the 4th term January 13, 2023	1. Proposal of the Company's 2022 Managerial Officers Annual Bonus 2. Proposal of 2022 remuneration and performance assessment for the Company's managerial officers 3. Proposal of 2022 remuneration and performance assessment for the Company's directors.	All members present voted in favor of the resolution without objections in the Remuneration Committee meeting held on January 13, 2023.	All Directors present voted in favor of the resolution without objections.
The 13th meeting of the 4th term March 10, 2023	1. Approval of 2022 director bonus distribution plan.	All members of the Remuneration Committee present voted in favor of the resolution without objections on March 10, 2023.	All Directors present voted in favor of the resolution without objections.
The 14th meeting of The 4th Board May 9, 2023	1. Proposal of 2022 employee bonus amount to the Company's managerial officers. 2. Approval of 2022 director bonus distribution plan.	All members of the Remuneration Committee present voted in favor of the resolution without objections on May 9, 2023.	All Directors present voted in favor of the resolution without objections.
The 1rst meeting of the 5th term August 8, 2023	1. Proposal of salary adjustment for the Company's managerial officers.	All members of the Remuneration Committee present voted in favor of the resolution without objections on August 8, 2023.	All Directors present voted in favor of the resolution without objections.
The 2nd meeting of	1. Discussion on the compensation of the company's new managers.	All members of the Remuneration	All Directors present voted in favor of the resolution without

the 5th term November 9, 2023		Committee present voted in favor of the resolution without objections on November 9, 2023.	objections.
The 3rd meeting of the 5th term January 26, 2024	1. Proposal of the Company's 2023 Managerial Officers Annual Bonus. 2. Proposal of 2023 remuneration and performance assessment for the Company's managerial officers. 3. Proposal of 2023 remuneration and performance assessment for the Company's directors.	All members of the Remuneration Committee present voted in favor of the resolution without objections on January 26, 2024.	All Directors present voted in favor of the resolution without objections.

(Note) Please refer to page 39 of the annual report for the avoidance of interest of the directors in the discussion and voting on the matters of the meeting in which the directors have an interest in themselves or the corporations they represent.

IV The main functions and powers of the Remuneration Committee of the Company are listed as follows:

1. Regularly review the "Organizational Regulations of the Remuneration Committee" and propose amendments.
2. Formulating and regular review of the directors' and managers' annual and long-term performance targets and remuneration policies, systems, standards and structures.
3. Regularly evaluate the achievement of the performance goals of the directors and managers of the Company, and determine the content and amount of their individual salaries.

Note: (1) Where a member of the Remuneration Committee resigns before the end of the year, the "Remark" column shall be filled with the member's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

(2) If Remuneration Committee are re-elected before the end of the year, new and former Remuneration Committee shall be listed accordingly and the "Remark" column shall indicate whether the status of a member is "Former", "New" or "Re-elected" and the date of re-election. Percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

2. Sustainability Committee:

(1) Responsibilities of the Sustainability Committee:

To assist the board of directors in continuously promoting the corporate sustainable development and improving corporate governance for the purpose of sustainable management, the Sustainability Committee shall have the following matters:

i. Formulate the company's sustainable development direction, strategies and goals, and agree on relevant management policies and specific promotion plans.

ii. Tracking, review and revision of the implementation and effectiveness of corporate sustainable development plans.

iii. Report the implementation results of the company's sustainable development plan to the board of directors every year.

iv. Other matters that should be handled by the Sustainability Committee as directed by the Board of Directors.

In accordance with the "Rules and Regulations Governing the Organization of the Sustainability Committee" of the Company, the Sustainability Committee shall be convened at least once a year and may hold additional meetings as necessary.

(2) Composition of the Sustainability Committee:

On January 26, 2024, the Company's Board of Directors resolved to establish a Sustainability Committee. In accordance with the "Rules and Regulations Governing the Organization of the Sustainability Committee ", the Sustainability Committee shall consist of at least three members appointed by resolution of the Board of Directors, of which a majority of the members shall be independent directors, with the Chairman of the Board of Directors serving as the convener and chairman of the meeting.

The current Sustainability Committee has a total of five members (including four independent directors). Each member has rich industrial background and practical expertise. Among them, independent director Chu, Chun-Hsiung has a profound legal professional background and work experience and is good at corporate governance. He has served as the convener of the Corporate Sustainability Committee of listed companies since 2021 and has the experience and expertise required by this committee.

(3) Operation of the Sustainability Committee:

The term of the current members is from January 26, 2024 to June 13, 2026. As of the publication date of the annual report, no meeting has been convened.

Title	Name	Attendance in person Times	Delegated presence Times	Percentage of attendance in person (%)	Remark
Chairman (Convener)	Fang, Ming-Ching	-	-	-	-
Independent director (Committee member)	Chen, Yi-Chen	-	-	-	-
Independent director (Committee member)	Fan, Liang-Fu	-	-	-	-
Independent director (Committee member)	Chu, Chun-Hsiung	-	-	-	-
Independent director (Committee member)	Tai,Yih-Chi	-	-	-	-

(Ⅵ) The implementation of the promotion of sustainable development and the differences and reasons from the code of practice for sustainable development of TWSE/TPEx companies

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
I. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	✓		On March 1, 2022, the Company established the ESG Corporate Sustainability Committee (hereinafter referred to as "ESG Committee", which includes the Environmental Sustainability Promotion Group, the Social Responsibility Promotion Group, and the Sustainability Governance Promotion Group. The committee is chaired by the general manager, and representative members of each promotion group are selected from among the business unit supervisors. The ESG Committee is responsible for defining and developing the company's sustainability strategy, goals and related management guidelines, leading the sustainability team to propose and implement specific promotion plans, and continuously deepening and realizing the vision of corporate sustainability, and reporting to the Board of Directors on the promotion of sustainability at least once a year. The Board of Directors will also make recommendations and supervise the execution of the ESG Committee's management policies, strategy and objective formulation, and execution measures, as necessary. On November 9, 2023, the ESG Committee reported to the Board of Directors on the status of progress on sustainability issues such as stakeholder engagement, risk management operations, and the intellectual property rights management plan and its implementation.	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			To deepen the management of the Company's sustainability development, the Board of Directors resolved on January 26, 2024 to establish the "Sustainability Committee" under the Board of Directors, which is responsible for tracking, reviewing, and revising the implementation and effectiveness of the corporate sustainable development plan. The committee, with the chairman as the convener and four independent directors as members, meets at least once a year and reports to the board of directors on the progress of the sustainability plan. In response to the aforementioned adjustments to the sustainability governance structure, the ESG Corporate Sustainability Committee under the former President was renamed the ESG Promotion Office in January 2024, which is responsible for the promotion and implementation of corporate sustainability programs and the execution of matters directed by the resolutions of the Sustainability Committee.	
II. The Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies? (Note 2)	✓		To fulfill the Company's obligation of sustainable governance and to grasp the potential risks within and outside of its operations, the Company has formulated a "Risk Management Policy" to define various types of risks in accordance with the Company's overall operating policies, establish a risk management mechanism for early identification, accurate measurement, effective supervision and strict control, prevent possible losses within the tolerable risk range, and continuously adjust and improve the best risk management practices in response to changes in internal and external	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			environments. Risk assessment is based on the Company's overall operational policy to identify various types of risks by making reference to domestic and international sustainability standards and regulations (GRI, SASB, TCFD, etc.), communication experiences with internal and external stakeholders, reports on ESG issues, and integrating information from within the Company's organization, on issues that have a significant impact on investors and other stakeholders in terms of the environment, society, and corporate governance, and to continually adjust and improve the optimal risk management strategies in accordance with changes in internal and external environments, in order to protect the interests of employees, shareholders, partners, and customers, and to increase the value of the Company. For the environmental, social and corporate governance risk issues related to the Company's operations and its response strategies, please refer to Note 3.	
III. Environmental Issues (Ⅰ) Has the Company referred to the nature of its industry to establish a suitable environmental management system (EMS)?	✓		In promoting the management of the environment and hazardous substances, the Company continues to obtain ISO 14001 (validity: January 25, 2022-January 5, 2025) and IECQ QC080000 (validity: September 29, 2022-September 4, 2025) certification. For carbon emission management, the company has established a greenhouse gas inventory mechanism with reference to the ISO 14064-1	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			greenhouse gas inventory standard, and has established a process to inventory and analyze product life cycle carbon emissions in accordance with the quantitative principles and standards of the ISO 14067 carbon footprint, and obtained third-party Greenhouse Gases Verification Statement in October of 2023.	
(Ⅱ) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓		In order to improve the utilization efficiency of resources and reduce the environmental load, the measures adopted by the Company and their achievements are as follows: 1. Electronic waste and waste solution recycling: The Company entrusts professional e-waste recycling and processing manufacturers to recycle electronic wastes and waste solution recycling: (1) Electronic waste: high-purity precious metals gold and silver can be refined after the recycling of wafer waste. The reprocessing volume in 2023 was 1.19 metric tons. (2) Waste solution recovery: After the waste acid liquid containing heavy metals produced in the process is reprocessed, it can be made into industrial raw material nickel sulfate, and the reprocessed raw material can be recycled and reused. The reprocessing volume in 2023 was 14.37 metric tons. 2. Waste plastic reprocessing: The recyclers was entrusted to recycle the waste rubber made into hollow bricks, allowing the waste to be recycled and reused to reduce the impact	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			on the environment, and the reprocessing amount was 127.85 metric tons in 2023. 3. Sludge reduction The Company introduced a sludge dryer in 2019. The sludge produced by the process is firstly reduced in sludge and then entrusted to a qualified waste removal and treatment industry for final disposal. The sewage separated during the drying process will enter the Company's wastewater treatment system for treatment to comply with the effluent discharge standards. The processed amount of sludge was 96.67 metric tons in 2023. 4. Wastewater reclamation The Company's process wastewater is discharged after in-plant wastewater treatment, and is managed according to the drainage characteristics. In this way, in addition to increasing the recovery rate of water, some waste acid liquids, organic waste liquids, etc. still have economic value for recycling. Separate diversion can not only reduce the dosing amount of wastewater treatment, but also reduce the difficulty and environmental load of back-end waste treatment. The reprocessing volume was 64,329 metric tons in 2023. 5. Green power generation The Company's staff dormitories and some of the factory roofs are equipped with solar panels, with a total installation capacity of about	

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			183.89 KW. The electricity it generates is supplied to the dormitory for use and sold to Taipower. The electricity sales were 142,872 kWh in 2023.	
(Ⅲ) Has the Company assessed the current and future potential risks and opportunities of climate change for the Company, and taken relevant countermeasures?	✓		The Company evaluates and identifies climate change risks and opportunities based on the Task Force on Climate related Financial Disclosures (TCFD) and the disclosure recommendations for climate related information of listed and OTC companies in the Taiwan Stock Exchange' s "Regulations Governing the Preparation and Filing of Continuing Reports by Listed Companies". The ESG promotion team members of the ESG promotion office and the sustainability consultant discussed in the meeting, took stock of the possible risk and opportunity factors, and formulated the relevant risk response measures based on the assessed risks and opportunities. During the year, a total of five issues were prioritized as medium to high risk/opportunity items based on the identification results. Potential risks: Customer needs change (short-term), Low-carbon technology/ Product transformation needs (short-term), Company Sustainable Competitiveness (short-term), Lack of water (short-term), Unstable Energy Supply (short-term) and; 5 potential opportunities: Enter new markets (short-term), Low-Carbon Product And Service Opportunities (short-term), Make good use of incentives of the public sector (short-term), Increase recycling rate (short-term) and Supply Chain Management (medium-term).	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			In terms of climate change mitigation and adaptation, the Company not only actively promotes various energy and resource inventories and management, strives to meet the goals of low pollution, low energy consumption and water conservation in manufacturing processes, and continues to invest in the construction of green energy facilities and waste recycling, and continues to enhance the development of products in the green energy supply chain (solar energy/storage systems/electric vehicles), but also strengthens the sustainable management of the supply chain externally and promotes low-carbon manufacturing, and works together to set the goal of greenhouse gas reduction to enhance the sustainable competitiveness of the Company. A detailed analysis of the Company's climate change risks and opportunities is disclosed in the Sustainability Report.	
(IV) Has the Company the calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the policies with regard to greenhouse gas reductions, water consumption, and waste management?	✓		The Company's greenhouse gas emissions, water consumption and waste statistics for the last two years are listed below: 1.Greenhouse gas management: (1) Greenhouse gas emissions: To strengthen greenhouse gas management, the company's Gangshan plant conducted an in-plant emission inventory of greenhouse gas Scope 1 to 3 in accordance with the ISO14064-1:2018 standard on 2023, and obtained third-party Greenhouse Gases Verification Statement in October of 2023. For GHG information, please refer to	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			page 97of the annual report. (2) Greenhouse gas reduction policy and its achievement: In line with the Ministry of Economic Affairs' "Energy Conservation Targets and Execution Plan Regulations for Energy Users", the Company promoted energy conservation plans and expected to achieve the goal of achieving an average annual electricity saving rate of more than 1% from 2015 to 2024, and launched a series of Energy saving actions. In 2023, the Company achieved an average annual energy saving rate of 1.62%and reduced carbon emissions of about 375.5709TCO2e by replacing low efficiency air compressors with high efficiency air compressors, adding variable frequency control for cooling tower fans, replacing cooling tower heat sink materials, and installing solar power generation systems. (Note) Source of average annual power saving rate: Average annual power saving rate reported to the Energy Bureau The main energy-saving project promoted in 2023 is the solar photovoltaic power generation system installation project. The investment amount in the project was NT$1,346 thousand. The total installed capacity was about 29.26KW. The power generated is for the factory's own use. In 2023, the company's solar panel installation capacity in the factory reached 183.89KW, generating a total of 142,872KWh of electricity, which translates into a greenhouse gas	

<table>
<tr><th rowspan="2">Current project</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
reduction of about 70.72TCO2e.
(Note) The calculation of GHG reduction was converted using the 2022 electricity emission factor of 0.495 kg CO2e/kWh from the 2023 announcement.
In addition to the above projects, please refer to the Sustainability Report for the policies and results of greenhouse gas management implemented by the Company.
2. Water resources management:
(1) Water resource use (data coverage - Gangshan plant area):
Water consumption unit: million liters
<table>
<tr><th>Year</th><th>Operating Revenue (NT$ million)</th><th>Water intake</th><th>Intensity</th></tr>
<tr><td>2023</td><td>7,889.88</td><td>323.484</td><td>0.04100</td></tr>
<tr><td>2022</td><td>8,855.79</td><td>303.919</td><td>0.03432</td></tr>
</table>
(Note) Water consumption intensity: water consumption (million liters)/ Operating revenue (NT$ million)
(2) Water consumption reduction policy and implementation status:
The main water reduction project launched in 2023 was to add a ROR concentrated water recovery system. The project investment amount was NT$10,848 thousand. Based on the water intake of the company's Gangshan plant in 2022, It is estimated that the process RO water recovery rate can be improved by the project and hence the annual carbon reduction will reach about 2,694 TCO2e.
In addition to the above projects, please refer to the Sustainability
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Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			Report for the policies and results of water resource management implemented by the Company. 3.Waste management: (1) Waste consumption statistics (data coverage - Gangshan plant area):	

Waste unit: metric tons

Year	Operating Revenue (NT$ million)	Items	General Industrial waste	Hazardous Industrial waste	Total
2023	7,889.88	Weight	533.37	55.47	588.84
		Intensity	0.0676	0.0070	0.0746
2022	8,855.79	Weight	466.71	81.02	547.73
		Intensity	0.0527	0.0091	0.0618

(Note 1) Waste intensity: weight (metric tons)/ Operating revenue (NT$ million)

(Note 2) The above information is based on the information reported to EPD.

(2) Waste reduction policy and achievement:

To improve resource utilization efficiency and reduce environmental load, the Company has implemented measures such as electronic waste and waste liquid recycling, waste plastic recycling and sludge reduction. For detailed reduction policies and achievement status, please refer to pages 72 - 74 of the annual report and the sustainability report.

In addition to the aforementioned energy-saving measures to minimize the impact of our operating activities on the environment, the Company has

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			implemented paperless administrative operations to enhance the efficiency of resource utilization, including the issuance of electronic invoices, the adoption of an electronic checking system for internal administrative processes, and the implementation of recycled paper reuse to reduce the consumption of paper, thereby reducing energy consumption and carbon reduction; in addition, the Company also promotes the participation of employees in activities related to garbage classification and the recyclable resources reuse. In terms of water conservation, the entire plant has replaced traditional water taps with sensor-activated taps, and the water quantity control is carried out by the plant administration unit, which also appropriately adjusts the flow rate of water at the discharge point according to the water pressure of the water meter. The Company has established "Waste Management Procedures" to ensure that waste generated from various activities or operations of the Company can be properly collected, removed and treated in compliance with relevant government regulations.	
IV. Social Issues (I) Has the Company referred to relevant laws and international human rights instruments to stipulate relevant management policies and procedures?	✓		The Company has obtained SA8000 certificate in 2014, in accordance with the requirements of SA8000, international conventions, the United Nations Declaration and other international standards on corporate social responsibility, as well as domestic labor-related laws and regulations, the "Corporate Social Management Manual" has been formulated. The company has formulated a vision and policy for corporate social responsibility, which includes six major projects: compliance with regulations, energy conservation and waste reduction, risk elimination, respect for human rights, disciplinary responsibility, and continuous	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			improvement. PANJIT has actively introduced the "Responsible Business Alliance Code of Conduct" (RBA) to ensure that employees are provided with a safe working environment and that employees are respected and dignity. To protect the human rights of our employees,the Company has set up human rights related internal rules and regulations to implement and strengthen the promotion and management of human rights and has been awarded the RBA VAP Silver Certification in 2023. Please refer to Note 4. for the specific measures taken by the Company to promote human rights.	
(Ⅱ) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	✓		1. Employee compensation: In addition to the company's articles of association that clearly stipulate that "if the company makes a profit during the year, except the accumulated losses, it should reserve in advance to make up for the amount, and will allocate no less than 6% of the net profit before tax as employee compensation." Under the premise of the external competition, internal fairness and legality, it was considered to consider providing a diversified, reasonable and market-competitive salary system and link it to the company's operating performance, including: performance bonuses for achieving operational goals, year-end bonuses, employee remuneration, etc., to share profits with employees for attracting, retaining, developing and motivating employees.	No differences

<table>
<tr><th rowspan="2">Current project</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and Explanation</th></tr>
<tr><td></td><td></td><td></td><td>2. Workplace diversity and equality:
The Company is committed to the implementation of work equality and a friendly working environment that is diverse and inclusive. All employees regardless of gender are entitled to equal pay for equal work and equal opportunities for promotion. In 2023, the female employees in the Company accounts for 61.5%, and males account for 38.5%; among the managers the female supervisors accounts for 7.7% and males 11.2%. In terms of age structure of employees, the Company doesn’t employ child labor according to domestic and international laws and the RBA code of conduct, and focuses on the young and middle-aged as the main manpower in the organization. The employees aged 30–50 account for 71.4% of the total number of employees; 19.9% under 30, and 8.7% over 51.</td><td></td></tr>
</table>

Items		Total		Female		Male	
		No. of people	%	No. of people	%	No. of people	%
Job Title	Non- managerial positions	1,190	81.1	789	53.8	401	27.3
	Managerial positions	277	18.9	113	7.7	164	11.2
	Total	1,467	100.0	902	61.5	565	38.5
Age	Under 30 years old	292	19.9	201	13.7	91	6.2
	30-50 years old	1,047	71.4	635	43.3	412	28.1
	51 years old or above	128	8.7	66	4.5	62	4.2
	Total	1,467	100.0	902	61.5	565	38.5

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			3. Vacation system: The Company's leave system complies with the laws and regulations of the state on leave and work. According to the actual situation, the employees are free to plan their personal arrangements and vacations, and an exclusive paid happy birthday leave for employees is provided to achieve compliance with the laws and regulations and a balanced arrangement of employees' lives. 4. Other welfare policies: Please refer to pages 157 - 159 of the Annual Report.	
(Ⅲ)Has the Company provided employees with safe and healthy work environments as well as regular classes on health and safety?	✓		1. Measures for employee safety and healthy working environment: In terms of promoting occupational health and safety, in addition to continuing to maintain the ISO45001 (validity period: 2022.02.02~2025.02.02) and TOSHMS system, the factory also has nurses and outsourced occupational medicine physicians stationed in the factory. The factory cooperates with doctors from E-Da Hospital, and other hospitals to carry out health promotion and management, conduct regular employee health checks, provide psychological counseling, and organize education and training on fire prevention and occupational safety and hygiene.	No differences

<table>
<tr><th rowspan="2">Current project</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and Explanation</th></tr>
<tr><td></td><td></td><td></td><td>2. Employee safety and health education policy and its implementation in 2023:
<table>
<tr><th>Items</th><th>Number of participants</th><th>Man hour</th></tr>
<tr><td>Occupational Safety and Health General Course</td><td>919</td><td>2,757</td></tr>
<tr><td>ISO14001 and ISO45001 Internal Auditor Training</td><td>77</td><td>462</td></tr>
<tr><td>Factory emergency evacuation training course</td><td>Whole plant</td><td>0.5 Hour / person</td></tr>
<tr><td>Hazard Communication and Chemical Spill Handling Drill</td><td>51</td><td>102</td></tr>
<tr><td>Practical operation of fire extinguisher on-the-job education and training</td><td>227</td><td>227</td></tr>
<tr><td>ERT area fire marshalling drill</td><td>20</td><td>80</td></tr>
<tr><td>Firefighting base drills</td><td>20</td><td>160</td></tr>
</table>
3.Employee occupational disaster situation and related improvement measures in 2023:
There were 4 occupational accidents in the factory, and 4 people were injured due to temporary disability (accounting for 2.84‰ of the total number of employees), and the total number of days lost was 33 days. There were 4 occupational disasters in the factory due to unsafe conditions. The equipment unit has made engineering improvements to the production equipment and plant environment that caused the disaster and increased management measures to reduce the risk of hazards. In</td><td></td></tr>
</table>

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			addition, the Company continues to carry out a monthly theme-based publicity for occupational disasters outside the factory - commuting traffic accidents to strengthen the traffic safety awareness of colleagues. Compared with 2022, the number of traffic accidents has dropped significantly. 4. There was no fire incident in our company in 2023.	
(Ⅳ) Has the Company established effective career competence training plan for its employees?	✓		The company launched a key talent cultivation program in 2022 to accelerate talent development by selecting key talents, establishing a learning platform, formulating an IDP (individual development plan), and linking annual performance evaluations with other plans; in addition, each department submits annual proposals in accordance with the training procedures The training plan provides various trainings based on the plan to target the functional gaps and future development plans of supervisors and colleagues at all levels.	No differences
(Ⅳ) Does the Company comply with relevant laws and international standards, and formulate relevant consumer or customer rights protection policies and grievance procedures for issues such as customer health and safety, customer privacy, marketing and	✓		The Company and its subsidiaries are component suppliers. The main sales customers are assembly foundries and do not sell directly to consumers. However, in order to protect the rights and interests of sales customers, the Company has set up a contact window for each of the Group's operating bases, distributors and agents on the official website. Handle issues related to customer rights complaints, so as to handle customer complaints in a fair and timely manner. In addition, the Company has formulated the "Administrative Measures for	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
labelling of products and services?			Suggestions and Complaints of Stakeholders", And set up the stakeholder's advice and complaint service window on the Company's website to serve as a complaint channel for stakeholders when their rights and interests are infringed.	
(Ⅵ) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?	✓		The Company classifies and manages its suppliers and has formulated the "Supplier Evaluation, Guidance and Development Procedures" to regularly manage, evaluate and track suppliers' improvement. The specific management measures are briefly described as follows: 1. Vendor assessment: (1)Environmental protection: High and medium risk suppliers are evaluated according to the "Supplier Hazardous Substance Free Management System". Regarding the management of hazardous substances in raw materials, when selecting a new raw material supplier, the supplier is required to provide a material specification commitment, material composition statement (SDS), conflict metals, and third-party test reports in order to become a qualified supplier, and the supplier will be required to submit a third-party test report annually and update the information in the composition statement every three years. (2) Labor human rights: The evaluation is carried out according to the "Supplier Corporate Social Responsibility Evaluation Report Form". The evaluation	No differences

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	
			content covers issues such as occupational safety and health, and labor rights to ensure that suppliers meet the Company's requirements for the corporate social responsibility system. In 2023, the RBA audits of 58 direct suppliers in total were completed, with a pass rate of 100%. 2. Vendor audit: The Company arranges the audit method and audit frequency according to the supplier's risk level, transaction frequency and scale, and quality status. 3. Coaching improvement and tracking: (1) The Company will provide supplier guidance and improvement suggestions for the deficiencies seen in the audit process and keep track of its improvement. (2) If the supplier still fails to improve after a certain period of counseling, or there is a major hazard to environmental safety, labor violations, or violation of the relevant regulations on the management of chemical substances, the Company will propose to stop the procurement or cancel the supplier qualification application in accordance with internal regulations.	

<table>
<tr><th rowspan="2">Current project</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and Explanation</th></tr>
<tr><td>V. Did the Company, following internationally recognized guidelines, prepare and publish reports such as its Sustainability report to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?</td><td>✓</td><td></td><td>The Company has prepared the 2022 Annual Sustainability Report in accordance with the GRI Standards, and the AA1000 ASv3 Type I Medium Assurance Level Confirmation Statement has been issued by the third-party impartial verification organization, SGS Taiwan Ltd. The complete report has been submitted to the Internet information reporting system designated by the stock exchange within the prescribed period and disclosed on the company's official website.</td><td>No differences</td></tr>
<tr><td colspan="5">VI. Where the Company has stipulated its own Best Practices on CSR according to the Sustainability Best Practice Principles for TWSE/TPEx Listed Companies, please describe any gaps between the prescribed best practices and actual activities taken by the Company:
The Company's "Code of Practice for Corporate Social Responsibility" was approved by the board of directors in March 2015. On March 25, 2022, the board of directors approved the revision of the code and changed its name to "Code of Practice for Sustainable Development". The code reviews the implementation and improves accordingly, and there is no difference in implementation so far.</td></tr>
</table>

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	

XII. Any important information useful for understanding the state of Sustainability operations:

(Ⅰ)The Company is located in Gangshan District, Kaohsiung City. In 2023, the Company promoted the following sustainability initiatives to help grow with the local community:

1. Donated NT$5,000 each month to four elementary schools in the Gangshan District of Kaohsiung City for nutritious lunch subsidies or for improving teaching resources.
2. Donated NT$50,000 each quarter to House of Little Angels Kaohsiung to help take care of infants and vulnerable groups who have lost their family or suffered family changes.
3. Take action to support Lingjiu Mountain Charity Foundation, subscribe for 400 charity gift boxes, entrust them to the Kaohsiung City Government Social Affairs Bureau to manage them, and donate them to the disadvantaged elderly, women and children in need in the local area.
4. Gathered corporate volunteers organize the "ESG Elementary School Club" at Qianfeng Elementary School in Kaohsiung's Gangshan District, in order to germinate ESG concepts at an early age through the curriculum.
5. Organized the "Love the Earth, Plant a Tree 3.0" tree-planting activity in Kaohsiung's Kajia Wetland Park. This year, we joined forces with stakeholders and had a total of about 250 colleagues and stakeholders participate in the activity, with a cumulative total of about 1,500 hours of environmental volunteering, and planted more than 1,000 trees in order to implement ecological conservation.
6. Promoted the "Monthly Healthy Vegetable Day", where the company hosted a meal for colleagues to promote the reduction of meat consumption and carbon emissions through vegetarian meals, with a total of about 4,800 dinners.
7. Organized a charity road race with well-known 3C manufacturers, sponsoring a total of 76 registrations from employees and their dependents to participate in the event, combining employee health activities and realizing charity.
8. Staff blood donation activities were held every three months, and a total of 136 people participated in the blood donation activities during the year.

In 2023, the Company spent a total of NT$1.2 million on public welfare.

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	

(Ⅱ) Employee care:

1. Provide employees with diverse and smooth communication channels. The Company received 3 employee suggestions and complaints in 2023. All relevant cases have special personnel investigating and mediating, and reporting the follow-up handling situation at the labor-management and corporate social responsibility meeting.
2. The Company implements the following projects in 2023 to promote the physical and mental health of employees:

Project name	Project detail	Implementation effectiveness
Maternal Health Protection Program	Provide maternal health protection for employees who are pregnant and one year after childbirth. The content of the plan includes: assessment of work and individual hazards, risk control of protection plans, health guidance, adjustment or replacement of work content, adjustment of working hours, education and training and health protection measures	A maternal health protection plan was implemented for 24 pregnant women in total.
Health risk assessment and management	1. Anomaly tracking and health education of new and incumbent employees' health check data 2. Graded management of statutory special health inspections 3. If the health check data is abnormal, follow the doctor's advice to carry out tracking and health education management	A total of about 250 colleagues participated in the health risk assessment and management plan
Health promotion	Held blood donation events and posted health information on bulletin boards	A total of 136 people participated in blood donation activities
Biological Hazard Control and Response	Get the influenza vaccination once a year to avoid influenza cluster infection.	Because the number of people who signed up for public-funded vaccinations was insufficient, the standard for the number of people to provide in-plant vaccination services stipulated by the health center, so it was to publicize influenza vaccination for all colleagues in the factory.

Current project	Implementation Status (Note 1)			Discrepancies between its implementation and the Corporate Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such discrepancies
	Yes	No	Summary and Explanation	

Project name	Project detail	Implementation effectiveness
Weight management	Promote the concept of healthy weight loss, establish a correct attitude towards life and diet, and help colleagues to effectively manage their own health	The eight loss class uses propaganda to convey the correct concept of weight loss. A total of 51 employees participated and they have successfully lost 158.2 kg.
Employee health check	Provided medical checkups for new recruits, regular health checkups for in-service personnel, and special health checkups for special workers.	A total of about 1,086 on-the-job staff participated in employee health examinations, of which 274 colleagues received special health examinations
Doctor on-site service	1. Provide health consultation and conduct health education, tracking and health management for employees with abnormal health examination results 2. Site visit plan: identify and evaluate the work hazards of the on-site unit (for example, prevent human hazards and avoid repetitive musculoskeletal injuries, etc.), And put forward improvement plans and suggestions.	1. A total of about 200 colleagues received health consultation and health management services from resident doctors 2. Physicians in the factory conduct on-site visits once a month, and evaluate the results of the visits and discuss improvement plans in the following month. A total of 10 on-site visit plans for production line stations were completed.
Quit smoking activities	Promote the concept of smoking harm, provide smoking cessation referral line or smoking cessation clinic	Tobacco harm prevention and smoking cessation propaganda to all colleagues in the factory

Note 1: If "Yes" is checked in the execution situation. Please specify in detail the important policies, strategies, measures and implementations adopted; If you tick "No" for the implementation, please explain the difference and reasons in the column "Differences and Reasons from the Code of Practice for Sustainable Development of Listed OTC Companies”. And explain the plans to adopt relevant policies, strategies and measures in the future.

Note 2: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the Company's investors and other stakeholders.

Note 3: he risk management policies or strategies of the Company is as follows:

Sustainability Issues	Risk Type	Risk projects	Potential risk factors	Response strategy
Company Governance	Market Risk	Product competition	The Company's production and sales are highly interconnected with consumer electronics products. If the general economic environment is unstable and affects demand in the end market, revenue performance will be affected; the emerging applications in the semiconductor industry continue to lead technological change, which is also a challenge that the Company needs to be careful in order to enhance its competitiveness in the future.	To build up the core technology capability of high-end application products, increase the proportion of high value-added products such as automotive and industrial control products, and strengthen the product structure; to actively develop green energy products (electric vehicles, energy storage, solar energy) and expand the new energy market footprint.
	Market Risk	Geopolitics	Frequent geopolitical conflicts (e.g. wars, border blockades, trade barriers, etc.) and increasingly complex and diverse geopolitical risks not only impact global economic growth, but also increase the uncertainty of future business operations and investments.	In addition to deeply exploring the Taiwan market, we will also continue to expand overseas. Through the integration of the group's business and the development of local niche markets, we will gradually increase our overseas profit contribution to enhance regional diversity and diversify our sources of profit.
	Financial Risk	Interest rate and exchange rate risk	Due to drastic changes in the global financial market, fluctuations in exchange rates and interest rates may erode the company's profits.	The Company utilizes natural hedging methods such as foreign currency assets and liabilities balancing, as well as the operation of derivatives such as forwards and options to reduce exchange rate risk. With respect to interest rate risk, the Company regularly evaluates market capitalization and bank interest rates in order to minimize the impact of interest rate fluctuations on the Company.
	Operations Risk	Information security	Many well-known companies around the world and in Taiwan have suffered significant losses due to	The Information Security Action Team was established to strengthen the information security

Sustainability Issues	Risk Type	Risk projects	Potential risk factors	Response strategy
			ransomware incidents. Cyberattacks may not only expose companies to the risk of data leakage and ransomware, but also to the possibility of disruption of production systems, resulting in operational losses.	defense capability through the establishment of internal control systems such as firewalls, intrusion detection, and anti-virus systems, and also to build up the awareness of all employees through education and training and information security promotion to reach the consensus that everyone has a responsibility for information security in order to safeguard the company's information security.
Society	Harms Risk	Natural and man-made disasters	Due to special geological structure, destructive earthquakes, natural disasters caused by climate change, man-made emergencies, etc. in Taiwan, personal safety and property damage are caused and may affect the company's daily operations and production.	In response to all possible emergencies and natural disasters, the Company develops all-round response plans and procedures for risk prevention, emergency response, crisis management and operation continuity, and takes out adequate property insurance in order to minimize damage in the event of a disaster.
	Harms Risk	Occupational health and safety	An unsafe working environment and employees' lack of awareness of work safety may lead to a higher potential risk of work safety accidents, which may damage employees' lives and health as well as corporate property.	Continuously maintain ISO45001 and CNS 45001 certifications to ensure the effective operation of the occupational safety and health management system; conduct annual hazard identification and risk assessment, and take appropriate preventive measures to keep risks under acceptable levels; provide regular/irregular employee safety and health education and training to enhance employees' safety and health knowledge and disaster response capabilities.

Sustainability Issues	Risk Type	Risk projects	Potential risk factors	Response strategy
Environment	Climate Change	Energy supply	Climate change leads to long-term uneven rainfall and depletion, which may affect the normal production operation of production lines.	Enhance process wastewater management, build water recycling systems, introduce digital monitoring systems, and plan for water conservation and water supply based on climate change and water availability.
	Climate Change	Carbon neutral issues	With the global wave of net-zero carbon emissions, countries continue to set net-zero emission targets and amend related environmental laws and regulations, which will increase the operating costs of enterprises.	We actively implement energy saving and carbon reduction measures to reduce energy consumption in production and daily operations, and integrate the concept of green production into the daily management of the enterprise.

Note 4: The Company's specific measures for the promotion of human rights are as follows:

Items	Specific measures
Prohibition of forced labor	Strictly abide by local laws and regulations and comply with the requirements of corporate social responsibility formulated by the Company. And formulate a procedural “Management Procedure for Prohibition of Forced and Compulsory Labour”, implement the relevant norms for the implementation of the procedural book. Do not force or coerce anyone to engage in involuntary labor.
Prohibition of child labor	In accordance with corporate social responsibility and relevant human rights declarations, formulate “Management Procedure for Prohibition of Forced and Compulsory Labour”, and implement relevant norms in the implementation procedures. The Company also strictly requires that only those who are over 18 years old apply for the Company's work. Employees who are subsequently hired will undergo two-factor authentication to ensure the implementation of relevant procedures.
Prohibit discrimination	In accordance with the requirements of corporate social responsibility and local laws and regulations, formulate “Management Procedure for Prohibition of Non-discrimination and Harassment”, and implement relevant norms in the implementation procedures. Not to discriminate against any person based on any factors that may cause discrimination (such as race, party, constellation, blood type, etc.) in accordance with the procedures. And modify related work forms and processes, and do our best to provide non-discriminatory work processes and environments.
Provide a safe working environment	According to the working environment of employees, improve the software and hardware and continuously revise the relevant management procedures. It also implements four major protection plans for labor health (maternal health protection, unlawful violations in the execution of duties, abnormal workload, and human-induced hazards) to protect all laborers and provide a safer working environment.

Items	Specific measures
Assist employees with physical and mental health/work-life balance	Provide a variety of employee activities (such as: general manager's quarterly coffee time, whole factory employee travel, whole factory annual regular health check, fixed occupational medicine doctor stationed in the factory), based on employees' health needs, care for colleagues; set up exclusive breastfeeding space and signed a special kindergarten, so that employees can work without worries; set a paid “employee exclusive happy birthday leave”; and try our best to create a work-life balance work environment.
Corporate Social Responsibility Education and Training - All newcomers and the whole factory	The training of new recruits for each new recruit should include complete training related to labor (such as: prohibition of discrimination, prohibition of forced labor, etc.), workplace safety and hygiene environment training, health promotion instructions, workplace anti-bullying, anti-sexual harassment, etc. Let all personnel clearly understand the Company's regulations when they enter the office; In addition, corporate social responsibility training is carried out for department heads, through the description of diversity, let the supervisor more clearly understand the relevant regulations. Supervisors and colleagues work together to achieve a win-win situation for enterprises and labor, and together they are part of corporate social responsibility.
Freedom of Association	The Company does not have any restrictions on employees' freedom of association and collective consultation. The Company complies with the RBA regulations and formulates "Management Procedure for Freedom of Association and Collective Consultation". It respects and supports all employees’ rights of independence, freedom of association, collective bargaining and negotiation, and participation in peaceful assemblies. Employees and any representatives may communicate and share their ideas with management through labor-management meetings or other reasonable means of opinions feedback without fear of discrimination, threat or harassment.

(5.1) Climate-related information of listed companies

1. Implementation of Climate-related Information

Items	Implementation Status
1. Describe the supervision and governance of climate related risks and opportunities by the Board of Directors and management.	The Company established the ESG Corporate Sustainability Committee (renamed the ESG Promotion Office in January 2024) on March 1, 2022 to strengthen the promotion of climate governance, with the President serving as the chairperson and the business unit heads serving as the representatives of the promotion team. In 2023, the Board of Directors was informed quarterly of the progress of the greenhouse gas (GHG) inventory and verification, and through the operation of the "ESG Promotion Office", reports and discussions on relevant climate issues were conducted to formulate response strategies and promote the sustainable operation of PANJIT Group.
2. Describe how the identified climate risks and opportunities will affect the company's business,	In the climate risk and opportunity survey, the short term is defined as less than 3 years, the medium term is 3 to 5 years, and the long term is 6 to 9 years.

Items	Implementation Status
strategy and finances (short, medium and long term).	In 2023, 5 risks and 5 opportunities were identified. Risk-related items are: Customer needs change (short-term), Low-carbon technology/ Product transformation needs (short-term), Company Sustainable Competitiveness (short-term), Lack of water (short-term), Unstable Energy Supply (short-term) and; related to opportunities The projects are: Enter new markets (short-term), Low-Carbon Product And Service Opportunities (short-term), Make good use of incentives of the public sector (short-term), Increase recycling rate (short-term) and Supply Chain Management (medium-term). These risks and opportunities could potentially impact the Company's operating revenues, costs and asset values. In order to minimize the impact of climate change on our operations, after identifying risks and opportunities, we have set short-, medium-, and long-term management goals for greenhouse gas emissions, renewable energy construction, process waste water recovery, waste reduction, and resource recycling and reuse, etc., in order to regularly review and evaluate the achievement of the goals and formulate improvement plans accordingly. For details, please refer to pages98~103【Description of Climate Change Risks, Opportunities, Impacts and Corresponding Strategies.】
3. Describe the financial impact of extreme climate events and transformational actions.	Extreme weather events will affect the stability of production lines and the supply chain. The Company's production base in Taiwan is located in the southern region, where the rainfall season is obvious. In order to minimize the risk of water shortages, the Company has been investing in water-saving facilities, strengthening the recycling of water resources, and increasing the rate of water recycling and reuse, among other things. In addition, we work with a third party (water source company) to activate the water supply mechanism when necessary to maintain plant operations and minimize the risk of work stoppage loss or increase in water costs. In terms of transformation actions, the Company will actively expand the product layout of the green energy supply chain (solar energy/energy storage systems/electric vehicles) and increase its revenue share in response to the green energy-related applications derived from climate change. At the same time, the Company is also committed to improving the manufacturing process, and strives to meet the objectives

Items	Implementation Status
	of low pollution, low energy consumption, and water conservation in the manufacturing process. The financial impact of these actions will be reflected in increased operating costs, but at the same time will have a positive impact on entering new markets and increasing opportunities for low-carbon products and services.
4. Describe how the identification, assessment and management of climate risks are integrated into the overall risk management system.	Through discussions and evaluations at meetings between members of the ESG Promotion Office and sustainability consultants, the Company conducted risk assessment on environmental (including climate change risk), social and corporate governance issues related to the Company's operations based on the materiality principle, formulated relevant risk management policies or strategies, and reported to the Board of Directors on the status of risk management at least once a year.
5. If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors, and key financial impacts should be described.	No response has been made.
6. If there is a transition plan for managing climate-related risks, describe the plan and the metrics and objectives used to identify and manage entity and transition risks.	
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be stated.	
8. If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and amount of carbon reduction credits offset or the amount of renewable energy certificates (RECs) should be	

Items	Implementation Status
described.	
9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).	If the Company's paid-in capital does not reach NT$5 billion, the Company should disclose GHG of the parent company from 2026, and GHG of the parent and subsidiaries from year 2027; and complete the greenhouse gas verification of the parent company from 2028, and the greenhouse gas verification of the parent and subsidiaries from 2029. Our greenhouse gas verification is described in Table 1-1 below.

1-1 The company’s greenhouse gas inventory and confirmation status over the past two years

Year	Operating revenue	Items	Scope I	Scope II	Scope III	Status of confirmation
2023	7,889.88	Emission volume (metric tons of CO_2e)	521.0241	23,080.3234	14,588.4725	The 2023 greenhouse gas inventory data were self-inventory data. As of the publication date of the annual report, the verification has not been completed. The information will be disclosed in the next annual report.
		Intensity	2.99		1.85	
2022	8,855.79	Emission volume (metric tons of CO_2e)	463.5023	24,548.0321	22,272.2918	Confirmed scope: greenhouse gas emissions in 2022, including the plant located at No. 24 & 34, Gangshan North Road, Gangshan District, Kaohsiung City Inspection agency: SGS Taiwan Ltd. Inspection standard: ISO14064-1:2018 Inspection Opinions: Inspection statements with reasonable warranties for Categories 1 and 2 and limited warranties for Categories 3 to 6 are listed without unqualified opinions.
		Intensity	2.82		2.51	

Note 1: Direct emissions (Category I, i.e. emissions directly from sources owned or controlled by the company), indirect emissions from energy sources (Category II, i.e. indirect greenhouse gas emissions from imported electricity, heat or steam) and other indirect emissions (Category II, i.e. emissions from company activities that are not indirect emissions from energy sources but from sources owned or controlled by other companies):

Note 2: The scope of direct emissions and indirect energy emissions information shall be handled in accordance with the timetable set by the order stipulated in Article 10, Paragraph 2 of the Guidelines, and other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standard-ization (ISO).

Note 4. The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover: but at least the data calculated in terms of turnover (NT$ million) should be described.

(Note) Greenhouse gas emission intensity: greenhouse gas emissions (tons)/ Operating revenue (NT$ million)

1-2 GHG reduction goals, strategies and specific action plans: The company's paid-in capital has not reached NT$5 billion and should be disclosed starting from 2027.

【Description of Climate Change Risks, Opportunities, Impacts and Corresponding Strategies】

<table>
<tr><th>Risk Category</th><th>Risk Topic</th><th>Possible timetable</th><th>Risk Impact on PANJIT</th><th>Potential financial impact</th><th>Opportunity Category</th><th>Opportunity Topic</th><th>Opportunity Possible timetable</th><th>Corresponding Strategies</th></tr>
<tr><td>Market</td><td>Customer needs change</td><td>Short</td><td rowspan="2">In response to the importance of global climate change issues, corporate climate commitments have driven changes in the entire market and customer needs, including the use of renewable energy, low-carbon products and technologies, green supply chains, etc., if they cannot meet the needs of market transformation, it may lead to customer order transfer and market share reduction, which will directly affect the company's operations. In recent years, PANJIT has been actively developing green energy supply chain</td><td rowspan="2">➢ Increased operating costs
➢ Decreased operating income
➢ Increased operating income</td><td>Market</td><td>Enter new markets</td><td>Short</td><td rowspan="2">Enhance the R&D and application of products in the green energy market
➢ Continue the investment and strategic layout in power semiconductor field and provide more complete Power Solutions through diversified product lines.
➢ Continue the deep plowing in the automotive market, provide solutions in relation to e-vehicle applications, connect with end customers closely, and provide stable supply to reach growth together.
➢ In response to the application of green energy derived from climate change, the company will expand the product layout of charging piles, energy storage systems, and solar energy.
➢ In the short-term, we will increase the revenue share of the green energy supply chain (solar energy/energy storage systems/e-vehicles) through the existing product line.
➢ In the medium and long term, we will develop a new generation of power component products through a new generation of independent development technology, providing more effective products in the green energy industry to achieve the effect of energy conservation.</td></tr>
<tr><td>Technology</td><td>Low-carbon technology/ Product transformation needs</td><td>Short</td><td>Products/ Serves</td><td>Low carbon product and service opportunities</td><td>Short</td></tr>
</table>

Risk Category	Risk Topic	Possible timetable	Risk Impact on PANJIT	Potential financial impact	Opportunity Category	Opportunity Topic	Opportunity Possible timetable	Corresponding Strategies
			(solar/energy storage system/electric vehicle) products, investing more in green R&D to expand its market share in the green energy market, and developing more efficient energy-saving products to reduce energy consumption for end consumers.					
Goodwill	Corporate sustainable competitiveness	Short	As a part of the global semiconductor industry supply chain, PANJIT has certain responsibilities to work together with global supply chain partners on the road to net zero and carbon reduction. If there	➢Increased operating costs ➢Decreased operating income ➢Decreased operating	Market	Make good use of incentives of the public sector	Short	**Work with the supply chain and set GHG reduction targets** ➢ Confirm the support from the high-level management of the suppliers and start to conduct GHG reduction. ➢ Confirm that the suppliers have started the implementation. If not yet started, we will ask the suppliers to provide a schedule for future implementation. ➢ Confirm whether the goals set are achieved based on the goals planned by the suppliers. If

Risk Category	Risk Topic	Possible timetable	Risk Impact on PANJIT	Potential financial impact	Opportunity Category	Opportunity Topic	Opportunity Possible timetable	Corresponding Strategies
			is a lack of climate risk management and performance, there may be a risk of customer transfer or loss of potential customers. PANJIT actively strengthens the sustainable management of the supply chain, cooperates with relevant government incentive policies, works with suppliers to promote low-carbon manufacturing, and jointly sets greenhouse gas reduction targets to move towards net-zero emissions and enhance sustainable competitiveness.	income ➢ Increased operating income	Resilience	Supply chain management	Medium	counseling is needed, the responsible unit of the plant will be entrusted to provide counseling. ➢ Participate in the energy conservation and carbon reduction related subsidy projects of the Industrial Development Administration. ➢ Achieve the ultimate goal of carbon neutrality and net-zero emissions.
-	-	-	PANJIT strives to increase the recycling ratio and continues to recycle the e-waste (waste rubber, metal scraps, scrap products) and waste	➢ Decreased operating income ➢ Decreased operating income	Resource Efficiency	Increase recycling rate	Short	**Improvement of resource recycling and reuse rate** ➢ Establish a recycling mechanism and continue to increase the recycling and reuse rates of the e-waste (metal scraps, scrap products), waste rubber, and waste liquid. · E-waste (metal scraps, scrap products) · After recycling the chip scraps, high-purity

Risk Category	Risk Topic	Possible timetable	Risk Impact on PANJIT	Potential financial impact	Opportunity Category	Opportunity Topic	Opportunity Possible timetable	Corresponding Strategies
			liquids in the plant. In addition to reducing the environmental impact of new resources extraction, the waste disposal costs can also be reduced,and additional revenue can be brought, enhancing the corporate image and customers' favor.					precious metals of gold and silver can be refined. · Reuse of waste rubber: Outsource and cooperate with qualified suppliers and remake the waste rubber into hollow bricks to reuse the waste and reduce the environmental impact. · Recycle waste liquids: After reprocessing the waste acid liquid containing heavy metal produced during the process, the industrial raw material, nickel sulfate, can be produced for reuse. ➢ Continue to evaluate the feasibility and applicability of recycling/regeneration with downstream recycling manufacturers.
Physical risk	Lack of water	Short	In response to global warming and extreme weather conditions, Taiwan in recent years, making the difference in dry and wet seasons more obvious. Under policy influence, water use reduction and allocation during low water periods may pose a risk of water scarcity. Although PANJIT has not experienced any shutdown due to water shortage, it still needs to continuously reduce water consumption and improve water	➢ Increased operating costs ➢ Decreased asset value	-	-	-	**Systematic management of process wastewater** ➢ Process wastewater: It has to be treated in the plant before being discharged, and it is managed separately in accordance with the drainage characteristics, which can increase the recovery rate of water. ➢ Part of the waste acid liquid: Organic waste liquids still have economic value for recycling, and the separate diversion for treatment can reduce the dosage of wastewater treatment, which can also reduce the difficulty of back-end waste treatment and environmental load. ➢ Reduction of sludge: Introduce a sludge dryer to reduce the sludge produced in the process. Then it is entrusted to qualified waste removal and treatment service providers for final disposal. The sewage separated during the drying process enters the company's wastewater treatment system for treatment so as to meet the discharge standards. ➢ Water outage of the water plant: Negotiate with the third party (water source company) on the subsequent cooperation projects to purchase water if needed.

Risk Category	Risk Topic	Possible timetable	Risk Impact on PANJIT	Potential financial impact	Opportunity Category	Opportunity Topic	Opportunity Possible timetable	Corresponding Strategies
			recycling and reuse rates to reduce the risk of shutdown losses or increased water costs.					**Water conservation promotion and hardware improvement for domestic water** ➢ Provide relevant promotional materials and post warnings and reminders at key water use areas (faucets) for the saving of domestic water. ➢ The faucets of the entire plants have been replaced with sensor faucets, and the factory facility unit conducts control of the water volume and adjusts the discharge water flow accordingly based on the water pressure on the water meter. ➢ Prepare water reserves in the plant.
Physical risk	Unstable energy supply (Power outage/ rationing))	Short	Global warming leads to increasing higher average temperature globally, especially during summer peak or in areas with concentrated economic activities. The excessive demand may be beyond the carrying capacity of the power system, which may result in power outages or power rationing. PANJIT's main production base is located in Taiwan. There have been unexpected power outages that affected operations, but no major losses have been caused.	➢Increased operating costs	-	-	-	➢ Energy-consuming equipment: Introduce a carbon energy system to effectively manage high-energy-consuming equipment and reduce the electricity consumption of their equipment. ➢ Continuously evaluate the introduction of emergency generator settings and solar energy。 ➢ Plan to introduce second-generation factories for mass production to avoid risks.

Risk Category	Risk Topic	Possible timetable	Risk Impact on PANJIT	Potential financial impact	Opportunity Category	Opportunity Topic	Opportunity Possible timetable	Corresponding Strategies
			However, if the frequency or severity of the sudden power outages increases, production delays or interruption may occur. To lower this risk, it may be necessary for PANJIT to add backup generating units or other alternative energy resources to cover energy needs during power outages, which may also increase the operating costs.					

(VI) The state of performance of ethical operation and its differences with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and its reasons

Assessment Item	Status of implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary and Explanation	
I. Formulating ethical corporate management policies and programs				
(Ⅰ) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?	✓		(Ⅰ)The Company has established the "Integrity Management Code" and has been approved by the board of directors. The aforementioned measures are disclosed on the Company's website and public information observatory, expressing the policies and practices of honest management. The Company has also formulated the "Corporate Social Responsibility Policy (Guideline)", which expressly expresses the Company's belief in clean operation and fair trade in the policy (guideline).	No differences
(Ⅱ) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		(Ⅱ)In order to prevent dishonest acts, the Company has formulated relevant preventive measures, including the formulation of "Procedures and Conduct Guidelines for Integrity Management" for employees to follow, the design of an effective accounting system and internal control system to prevent acts with potentially higher risk of dishonesty, and the establishment of a reporting mechanism to detect dishonest acts, etc. The scope of these measures covers the preventive measures for acts under paragraph 2 of Article 7 of the	No differences

Assessment Item	Status of implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary and Explanation	
(Ⅲ) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	✓		"Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies". (Ⅲ)In order to actively prevent dishonest behavior, the Company has formulated regulations such as "Integrity Management Operation Procedures and Behavior Guidelines", "Stakeholders' Suggestions and Complaints Management Measures", etc. Specifically regulate the matters that the personnel of the Company should pay attention to when carrying out business, as well as the punishment and appeal system in the event of violations. The specialized unit shall handle the revision, implementation, interpretation, consulting services, registration and filing of notification contents and other related operations and supervise the implementation of the aforementioned regulations, and review and revise them regularly.	No differences
II. Implementing ethical corporate management (Ⅰ) Has the Company evaluated ethical records of its counterparty? Does the contract signed by the Company and its trading counterparty clearly provide terms on ethical conduct?	✓		(Ⅰ)In addition to assessing their integrity records, the Company also requires the signing of the "Supplier Incorruptibility and Anti-Bribery Commitment". And the signed contract also stipulates the terms of integrity and morality, and states the responsibility for breach of contract.	No differences
(Ⅱ) Has the Company set up a dedicated unit under the Board of	✓		(Ⅱ)The Company designates the President's Office to	No differences

Assessment Item	Status of implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary and Explanation	
Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?			coordinate relevant units to build an "Integrity Management Promotion Team" depending on the business contents, to be responsible for formulating policies on integrity management and prevention of dishonest practices and monitoring the implementation of such policies, and to report to the Board of Directors at least once a year. The Company's 2023 integrity management promotion situation is as follows: 1. Continuously promote and supervise the signing of anti-bribery pledges, with 777 signatures and a 100% achievement rate. (Note) Taking into account the content of the duties, the anti-bribery pledge is mainly signed by indirect staff. 2. Implementation of the management and maintenance of the dedicated e-mail mailbox for complaints and handling of complaint cases. During the year, the Company's dedicated e-mail mailbox for complaints against bribery did not receive any letters of complaint about bribery or acceptance of bribes. 3. Conduct online education and training on "prohibition of insider trading" for all directors and managers, The course contents include: "Requirements for Insider Trading",	

Assessment Item	Status of implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary and Explanation	
	✓		"Punishments for Violating Insider Trading", "How to Avoid Accidental Insider Trading" and other topics. 4. All directors completed the signing of the "Statement of Good Faith Management" on June 14, 2023, the date of re-election and assumption of office. 5. On November 9, 2023, the Board of Directors approved the addition of "Directors shall not trade in the Company's shares during the closed 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" to the "Procedures for Management of Insider Trading Prevention". In November 2023, the Board of Directors was notified by e-mail of the date of the 2024 Board of Directors Meeting, and the closing period before the announcement of each quarterly financial report was also shown to prevent the directors from violating the regulation inadvertently. The aforementioned performance assessment results were reported to the Board of Directors on March 8, 2024. (III)The Company has special e-mail mailboxes for	

Assessment Item	Status of implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary and Explanation	
(III) Has the Company established policies to prevent conflicts of interest, provided an appropriate channel for reporting such conflicts and implemented them?			complaints as a channel for representation. In addition, the supervisors of the administrative management units are responsible for the processing of file-building projects, and the auditing office cooperates with the legal affairs office to track the progress, so as to deal with the complaints in a fair and timely manner.	No differences
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	✓		(IV)The Company has established an effective accounting system and internal control system to prevent behaviors with potential high risk of dishonesty. The internal audit unit prepares an annual audit plan based on the risk assessment results, performs audits accordingly, and reports audit results to the Audit Committee and the Board of Directors on a regular basis.	No differences
(V) Does the Company regularly hold internal and external training related to ethical corporate management?	✓		(V) In addition to regular education and training on Sustainability and integrity management when new recruits arrive, the Company also holds regular integrity management publicity seminars to demonstrate the Company's determination to operate with integrity.	No differences
III. Implementation of the Company’s whistle-blowing system (I) Has the Company established a specific whistle-blowing and reward system, set up convenient whistle-blowing channels and designated appropriate personnel to handle investigations	✓		(I) In the "Guidelines for Operational Procedures and Behaviors of Integrity Management" formulated by the Company, it clearly defines the reporting and	No differences

Assessment Item	Status of implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary and Explanation	
against wrongdoers?			reward system, reporting channels, and designated personnel for acceptance. All reports of dishonest conduct or misconduct shall be handled in accordance with these regulations.	
(Ⅱ) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(Ⅱ) In the "Guidelines for Operational Procedures and Behaviors of Integrity Management" formulated by the Company, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms. All reports of dishonest conduct or misconduct shall be handled in accordance with these regulations.	No differences
(III) Has the Company set up protection for whistle-blowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?	✓		(III)The "Guidelines for Operational Procedures and Behaviors of Integrity Management" formulated by the Company clearly stipulates measures to protect whistle-blowers from being improperly dealt with due to whistle-blowing. All reports of dishonest conduct or misconduct shall be handled in accordance with these regulations.	No differences
IV. Enhancing information disclosure (Ⅰ) Has the Company disclosed the contents of its best practices for ethical corporate management and the effectiveness of relevant activities upon its official website or Market Observation Post System (MOPS)?	✓		The Company has disclosed the content and effectiveness of its ethical corporate management best practice principles on its website and the Market Observation Post System (MOPS) and disclosed the Company's performance of integrity management and the measures taken in the annual report and the Company's website.	No differences

Assessment Item	Status of implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary and Explanation	
V. If the Company has formulated its own principles of integrity operation based on "Code of Integrity Practice Rules for TWSE/TPEx Listed corporations", please state the difference between its principles and its operation: No difference. Based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", the Company has set up "Ethical Corporate Management Best Practice Principles". All operating activities are carried out in accordance with this code, and there is no difference.				
VI. Other important information that facilitates the understanding of the implementation of ethical corporate management: (such as review and amendment of the Company's Ethical Corporate Management Best Practice Principles) 1. On August 8, 2019 and January 17, 2020, the board of directors of the Company approved the revision of the "Integrity Management Code" and "Integrity Management Operating Procedures and Behavior Guidelines", which were reported at the 2020 Annual General Meeting of Shareholders. 2. On August 12, 2020, the board of directors of the Company approved the revision of the "Code of Ethics and Conduct" and reported it at the 2021th Annual Shareholders' Meeting.				

Note 1: No matter whether you tick "Yes" or "No", the operation status should be stated in the summary description field.

(VII) If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched.

1. The Company has established the corporate governance best practice principles and other relevant regulations, as follows:
   (1) Ethical Corporate Management Best Practice Principles
   (2) The Company's "Procedures for Ethical Management and Guidelines for Conduct".
   (3) Code of Ethical Conduct
   (4) Sustainable Development Code of Practice
   (5) Operational specifications related to financial business between related parties
   (6) Organizational Rules of the Remuneration Committee
   (7) Key points of executive training for directors
   (8) Suggestions from stakeholders and methods for handling complaints
   (9) Procedures for preventing insider trading management
   (10) The Board Diversity Policy is disclosed on the Company's website and annual report.
   (11) The performance evaluation method of the board of directors and functional committees
   (12) Corporate Governance Best Practice Principles
   (13) Rules on the scope of duties of independent directors
   (14) Organizational Rules of Audit Committee
   (15) Standard operating procedures for handling directors' requests

2. Inquiry method:
   You can go to the Market Observation Post System (https://mops.twse.com.tw/) under "Corporate Governance" under "Determine the Rules and Regulations of Corporate Governance" or the Company's website (https://www.panjit.com.tw) "Important Company Rules" under "Corporate Governance" in "Investor Zone".

(VIII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed: None

(IX) The section on the state of implementation of the Company's internal control system shall furnish the following:

1. Statement on Internal Control System: detailed in Appendix IV.
2. If a CPA has been hired to carry out a special audit of the internal control system, please furnish the CPA audit report: None.

(X) For the most recent year or during the current year up to the date of publication of the annual report, for any sanctions imposed in accordance with the law upon the Company or its internal personnel, or any sanctions imposed by the Company upon its internal personnel for violations of internal control system provisions, of which the penalty may significantly affect the shareholders' interests or the security prices, the penalty details, principal deficiencies, and the state of any efforts to make improvements shall be disclosed: None.

(XI)Material resolutions of a shareholders meeting or a Board Meeting during the most recent year or the current year up to the date of publication of the annual report.

1. Major resolutions of the Shareholders Meeting

Date of meeting	Major Resolutions of the Board of Directors	Implementation Status
June 14, 2023	1. To approve the 2022 Business Report and Financial Statements 2. To approve 2022 Earnings Distribution Proposal. 3. To re-elect directors of the Company. The list of elected directors is as follows: Director Fang, Ming-Ching, Director Fang, Ming-Tsung, Director Zhong, Yun-Hui, Representatives of King Mao Investment Co., LTD.: Director Lin, Hung Kang, Director Lin, Chun-Hsiang, Director Chen, Tso- Ming, Independent Director Chen, Yi- Chen, Independent Director Fan, Liang-Fu, Independent Director Chu, Chun- Hsiung, Independent Director Tai, Yih-Chi. 4. To Release the Non-compete Restriction on New Directors and the Representatives.	1. Completed. 2. Cash dividends are distributed at NT$3 per share; according to the authorization of the board of directors, the chairman has set August 5, 2023 as the ex-dividend base date, and cash dividends were distributed on August 30, 2023. 3. On July 30, 2023, the Ministry of Economic Affairs approved the registration of these amendments. These amendments were announced on the official website of the Company. 4. Completed.

2. Important resolutions of the Board of Directors

Date of meeting	Major resolutions of the Shareholders Meeting
January 13, 2023	1. Approved the Company's 2023 business plane. 2. Approved the provision of non-confirmation services by Ernst & Young and its affiliates. 3. Approved the cancellation of the comprehensive credit line, foreign exchange comprehensive line and financial product transaction line approval of by the Board of Directors in 2022 but not used. 4. Approved the application for loan to the subsidiary from the Company. 5. Approved the Company’s 2022 annual bonus for managerial officers. 6. Approved the Company's 2022 annual manager salary remuneration and performance assessment proposal. 7. Approved the Company’s 2022 directors’ remuneration and performance assessment.

Date of meeting	Major resolutions of the Shareholders Meeting
March 10, 2023	1. Approved the 2022 annual employee bonus distribution plan. 2. Approved the appropriation of directors' and employees' remuneration for the year 2022 of the Company. 3. Approved the business report and financial statements for the year 2022 of the Company. 4. Approved the Company's 2022 profit distribution. 5. Approved the assessment of independence assessment and appointment and remuneration for the Company's CPAs. 6. Approved the application for comprehensive credit line, foreign exchange comprehensive line and financial product transaction line. 7. Approved the proposal for the 2022 "Statement on Internal Control System". 8. Approved the amendment to the "Corporate Governance Best Practice Principles". 9. Approved the amendment of the Company's "Sustainable Development Best Practice Principles ". 10. Approved the amendment to the "Directions for the Implementation of Continuing Education for Directors ". 11. Approved the amendment to the "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties". 12. Approved the suspension of the capital increase through private common stock approved at the 2022 Annual Regular Shareholders' Meeting. 13. Approved the re-election of directors of the Company. 14. Approved the nomination and review of candidates for director (including independent director). 15. Approved lifting non-competition restrictions for new Directors. 16. Approved the relevant matters for convening the Company's 2023 regular shareholders' meeting. 17. Approved the nominations of candidates for directors (including independent directors) from shareholders holding more than 1% of the shares through the regular shareholders' meeting.
April 7, 2023	1. Approved the amendment to the election of directors of the Company. 2. Approved the amendment to the nomination and review of the list of candidates for director (including independent director). 3. Approval of lifting non-competition restrictions for new Directors. 4. Approved the amendment to the Regular Meeting of Shareholders to accept nominations of candidates for directors (including independent directors) from shareholders holding 1% or more of the shares.
May 9, 2023	1. Approved the 2023 Q1 Financial Statements of the Company 2. Approved the company's thirteenth base date for cancellation of treasury shares repurchased and capital reduction. 3. Approved the application for comprehensive credit line, foreign exchange comprehensive line and financial product transaction line. 4. Approved the 2022 employee bonus distribution plan. 5. Approved the 2022 director bonus distribution plan.
June 14, 2023	1. Proposal of the election of new Chairman of the Company. 2. Approval of the member appointment for the fifth Remuneration Committee.

Date of meeting	Major resolutions of the Shareholders Meeting
August 8, 2023	1. Approved the 2023 Q2 Financial Statements of the Company. 2. Approved the application for comprehensive credit line, foreign exchange comprehensive line and financial product transaction line. 3. Approval of salary adjustment for the Company's managerial officers.
November 9, 2023	1. Approved 2023 Q3 Financial Statements of the Company. 2. Approved the internal audit plan that the Company expects to implement in 2024. 3. Approved the amendments to the "Internal Control System" and the "Implementation Rules for Internal Audit" of the Company. 4. Approved the amendment to the Company's "Procedures for Prevention of Insider Trading Management". 5. Approved the Company's loans to its subsidiaries. 6. Approved the application for loan to the subsidiary from the Company. 7. Approved the revocation of the Consolidated Credit Line, Consolidated Foreign Exchange Line, and Financial Instruments Trading Line, which had been approved by the Board of Directors but not utilized in 2023. 8. Approved the application for comprehensive credit line, foreign exchange comprehensive line and financial product transaction line. 9. Approved the discussion on the compensation of the company's new managers.
January 26, 2024	1. Approved the 2024 business plan. 2. Approved the establishment Sustainability Committee and Sustainability Committee Charter. 3. Approved the appointment of the members of the first "Sustainability Committee". 4. Approved the Company's 2023 annual bonus for managerial officers. 5. Approved the Company's 2023 annual manager salary remuneration and performance assessment. 6. Approved the Company's 2023 director remuneration and performance assessment.
March 8, 2024	1. Approved 2023 director bonus distribution plan. 2. Approved 2023 director and employee bonus distribution plan. 3. Approved the Company's 2023 business report and financial statements. 4. Approved the Company's 2023 profit distribution. 5. Approved the assessment of independence assessment and appointment and remuneration for the Company's CPAs. 6. Approved the provision of non-confirmation services by Ernst & Young and its affiliates. 7. Approved the proposal for the 2023 "Statement on Internal Control System". 8. Approved the amendment to the "Rules Governing the Preparation and Filing of Sustainability Reports ". 9. Approved the amendment to the Company's "Risk Management Measures ". 10. Approved the amendment to the "Regulations Governing Procedure for Board of Directors Meetings ". 11. Approved the establishment of the "Audit Committee Charter" of the Company. 12. Approved the amendments to the "Rules of Procedure for Shareholders Meetings". 13. Approved the amendments to the Company's Articles of Incorporation. 14. Approved the relevant matters for convening the Company's 2024 annual general meeting.

(XII) Where, during the most recent year or the current 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.

(XIII) Any resignation or dismissal of the Company's chairperson of the board, President, accounting manager, financial executive, internal audit manager, and R&D executive in the most recent year up to the publication date of this report: None.

V. Information on certified public accountant Professional Fees

Unit: NTD Thousand Dollars

Name of accounting firm	Name of certified public accountant	Audit period	Audit fee	Non-audit fee	Remarks
Ernst & Young Taiwan	Chen, Cheng-Chu	January 1, 2023-December 31, 2023	5,840	274	1. Tax certification fee: NT$170 thousand 2. Salary information inspection service fee of NT$50 thousands for non-supervisor employees 3. Business registration service fee: NT$54 thousand
	Fuh, Wen-Fun				

Note: If the Company has replaced the CPAs or accounting firm in the current year, the audit period shall be listed separately, and the reason for replacement shall be stated in the Remark column. Non-audit public fees and should be annotated to explain its service content

(I) When the Company changes its accounting firm and the audit fees paid for the year in which such change took place are lower than those for the previous year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not applicable.

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

The company's public audit expenses for 2023 decreased by NT$1,950 thousand compared with the previous year, a decrease of 25%. The main reason for the decrease in audit fees is that the company did not appoint an accountant to issue an English financial audit or review report.

VI. Information on Replacement of certified public accountant

None.

VII. If the chairman, president, or manager in charge of financial or accounting affairs of the Company has worked for a firm of certified public accountants or its affiliates within the last one year, the Company shall disclose his/her name, title, and the period of time that he/she has worked for the firm of certified public accountants or its affiliates

None.

VIII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent year or during the current 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 year or during the current year up to the date of publication of the annual report

(I) Share changes by directors, supervisors, managers, and major shareholders

Unit: shares

Title (Note 1)	Name	2023		For the current year up to April 15 in the current year	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman and President	Fang, Ming-Ching	0	0	0	0
Directors	Fang, Ming-Tsung (Note 4)	0	0	0	0
Directors	Zhong, Yun-Hui	0	0	0	0
Corporate Director	King Mao Investment Co., LTD.	475,000	2,500,000	0	0
Corporate Director Representative	Lin, Hung Kang	0	0	0	0
Corporate Director Representative	Lin, Chun-Hsiang (Took office on June 14, 2023)	0	0		
Corporate Director Representative and Vice President (Chief Operating Officer)	Chen, Tso- Ming	0	0	0	0
Independent director	Chen, Yi- Chen	0	0	0	0
Independent director	Fan, Liang-Fu	0	0	0	0
Independent director	Chu, Chun-Hsiung (Took office on June 14, 2023)	0	0	0	0
Independent director	Tai,Yih-Chi (Took office on June 14, 2023)	0	0	0	0
Independent director	Chen, Shi-Zhen (Resigned on June 14, 2023)	0	0	-	-
Chief Strategy Officer	Li, Xue-Han (Position adjustment on April 1, 2024)	0	0	0	0
Vice President	KOENIG ROLAND HERBERT	0	0	0	0
Vice President	Yang, Chao-Chuan	0	0	0	0
Vice President	Lin, His (Took office on May 10, 2022; and resigned on June 9, 2023)	0	0	-	-
Vice President	Chiew, Teo Ann	0	0	0	0
Vice President	Yeo, Woon-Young (Took office on October 2, 2023)	3,000	0	7,000	0
Chief Financial Officer	Shen, Ying-Hsiu	0	0	0	0

Title (Note 1)	Name	2023		For the current year up to April 15 in the current year	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
(Financial supervisor)					
Chief Accountant Officer (Accounting Supervisor, Corporate Governance Supervisor)	Hsieh, Pai-Cheng	0	0	0	0
Major shareholders	King Mao Investment Co., LTD.	475,000	2,500,000	0	0

Note 1: Shareholders holding more than 10% of the Company's total shares should be marked as major shareholders and listed separately.

Note 2: Where the counterparty for equity transfer or pledge is a related person, the following form should be filled out.

Note 3: For directors and managers who took office or dismissed during 2023 and 2024, the number of shares held or pledged shares increased (decreased) based on the number of shares on the day they took office or dismissed.

Note 4: The company conducted a comprehensive re-election of directors on June 14, 2023, and Fang, Ming-Tsung, the former representative of King Mao Investment Co., LTD., was elected as a natural person director.

(II) Where the counterparty for equity transfer is a related person: None.

(III) Where the counterparty of equity pledged is a related party: None.

IX. Relationship information, if among the Company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 15, 2024; Units: shares

NAME (NOTE 1)	SELF SHARES HELD		BY SPOUSE OR MINOR CHILDREN SHARES HELD		IN THE NAME OF OTHER PERSONS SHARES HELD COMBINED		Title or name and relationship of the 10 largest shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (NOTE 3)		REMARK
	No. of shares	Share holding %	No. of shares	Share holding %	No. of shares	Share holding %	Name (or Name)	Relation	
King Mao Investment Co., LTD.	52,121,710	13.64%	0	0.00%	0	0.00%	Fang, Ming-Tsung Fang, Ming-Ching Cai, Li-Xiang Chen, Chun-Min	Note 4 Note 4 Note 6 Note 5	
Representative: Fang, Ming-Tsung	2,554,629	0.67%	9,393,480	2.46%	0	0.00%	King Mao Investment Co., LTD. Fang, Ming-Ching Cai, Li-Xiang Chen, Chun-Min	Note 4 Younger brother Sister-in-law Wife	
Chen, Chun-Min	9,393,480	2.46%	2,554,629	0.67%	0	0.00%	King Mao Investment Co., LTD. Fang, Ming-Tsung Fang, Ming-Ching Cai, Li-Xiang	Note 5 Husband Brother in law Sister-in-law	
Fang, Ming-Ching	8,522,888	2.23%	3,903,560	1.02%	0	0.00%	King Mao Investment Co., LTD. Fang, Ming-Tsung Chen, Chun-Min Cai, Li-Xiang	Note 4 Elder brother Sister-in-law Wife	
Tai Feng Investment Co., Ltd.	6,924,935	1.81%	0	0.00%	0	0.00%	None	None	
Representative: Yan, Qing	1,625,400	0.43%	43,500	0.01%	0	0.00%	None	None	
Citi Commercial Bank (Taiwan) was entrusted with the custody of the investment account of the Central Bank of Norway.	5,400,500	1.41%	0	0.00%	0	0.00%	None	None	
The American JPMorgan Chase Bank Taipei Branch is entrusted with the custody of Advanced Starlight Fund Corporation's series of funds and Advanced Aggregate International Stock Index Investment	5,356,398	1.40%	0	0.00%	0	0.00%	None	None	

NAME (NOTE 1)	SELF SHARES HELD		BY SPOUSE OR MINOR CHILDREN SHARES HELD		IN THE NAME OF OTHER PERSONS SHARES HELD COMBINED		Title or name and relationship of the 10 largest shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (NOTE 3)		REMARK
	No. of shares	Share holding %	No. of shares	Share holding %	No. of shares	Share holding %	Name (or Name)	Relation	
Account									
The American JP Morgan Chase Bank Taipei Branch is entrusted with the investment account of the VANGUARD emergencing markes stock index fund, a series of VANGUARD international equity index funds	4,659,740	1.22%	0	0.00%	0	0.00%	None	None	
Cai, Li-Xiang	3,903,560	1.02%	8,522,888	2.23%	0	0.00%	King Mao Investment Co., LTD. Fang, Ming-Tsung Chen, Chun-Min Fang, Ming-Ching	Note 6 Brother-in-law Sister-in-law Husband	
Tu, Shui-Cheng	3,388,000	0.89%	-	-	-	-	None	None	Note 7
The American JP Morgan Chase Bank Taipei Branch is entrusted with the the investment account of Advanced Trust Co., Ltd.'s legal person Total International Stock Market Index Trust II.	2,559,000	0.67%	0	0.00%	0	0.00%	None	None	

Note 1: The 10 largest shareholders shall be listed. For corporate shareholders, the title of the corporate shareholder as well as the name of the representative shall be indicated.

Note 2: The calculation of shareholding ratio refers to the calculation of shareholding ratio in their own name, spouse, minor children or in the name of others.

Note 3: Shareholders to be disclosed in the preceding item shall include corporates and natural persons. Relationships between shareholders shall be disclosed according to the financial reporting standards used by the issuer.

Note 4: They are the chairman of the Company (Fang, Ming-Tsung) and the supervisor (Fang, Ming-Ching)

Note 5: The chairman of the Company (Fang, Ming-Tsung) and the supervisor (Fang, Ming-Ching) are his husband or his brother-in-law.

Note 6: The Company's chairman (Fang, Ming-Tsung) and supervisor (Fang, Ming-Ching) are her brother-in-law or her husband.

Note 7: The shareholder is not an insider of the Company, therefore, there is no way to know that his spouse and minor children hold shares and use the name of others to hold shares in aggregate.

X. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2023. Units: shares

Reinvestment in other companies (Notes)	Investments of the Company		Investment by directors/supervisors/managers and by companies directly or indirectly controlled by the Company		Total investments	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
PAN-JIT ASIA INTERNATIONAL INC.	224,724,315	100.00%	0	0.00%	224,724,315	100.00%
Pynmax Technology Co., Ltd.	84,492,784	94.64%	8,399	0.01%	84,501,183	94.65%
MILDEX OPTICAL INC.	16,327,867	21.01%	6,951,433	8.94%	23,279,300	29.95%
Alltop Technology Co., Ltd.	11,315,009	19.13%	0	0.00%	11,315,009	19.13%
Champion Microelectronic Corp.	23,996,000	30.00%	0	0.00%	23,996,000	30.00%
AIDE ENERGY EUROPE COÖPERATIE U.A. (Note 1)	-	100.00%	-	0.00%	-	100.00%
PAN-JIT INTERNATIONAL (H.K.) LTD.	9,711,000	100.00%	0	0.00%	9,711,000	100.00%
PANJIT JAPAN Co., Ltd.	4,950	50.00%	990	10.00%	5,940	60.00%
PANSTAR SEMICONDUCTOR CO., LTD.	1,000,000	50.00%	0	0.00%	1,000,000	50.00%

(Note: The Company adopts the equity method for long-term investment.

Note 1: As a partnership company, there are no shares available.

Chapter 4. Financing Status

I. Capital and Shares

(I) Source of Equity

1. Share type:

April 15, 2024; Units: shares

Type of shares	Authorized capital			Remarks
	Outstanding shares (note)	Un-issued shares	Total	
Ordinary shares	382,114,927	217,885,073	600,000,000	

Note: TaiEx listed company stocks

2. Formation of share capital:

April 15, 2024

Month/ Year	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT$ thousands)	Number of shares (thousand shares)	Amount (NT$ thousands)	Capital stock stock	Capital increase by assets other than cash	Others
May, 1986	1000	5	5,000	5	5,000	Note (1)	None	None
Dec., 1994	1000	100	100,000	100	100,000	Note (2)	None	None
Oct., 1997	10	19,900	199,000	19,900	199,000	Note (3)	None	None
Jul., 1998	10	35,820	358,200	35,820	358,200	Note (4)	None	None
Dec., 1998	10	55,740	557,400	40,800	408,000	Note (5)	None	None
Aug., 1999	10	70,000	700,000	53,040	530,400	Note (6)	None	None
Jul., 2000	10	111,000	1,110,000	74,821.8	748,218	Note (7)	None	None
Sept., 2001	10	160,000	1,600,000	98,468.3	984,683	Note (8)	None	None
Sept., 2002	10	210,000	2,100,000	113,880.5	1,138,805	Note (9)	None	None
Jul., 2003	10	210,000	2,100,000	124,406.4	1,244,064	Transformation from corporate bond	None	None
Sept., 2003	10	210,000	2,100,000	137,530.5	1,375,305	Note (10)	None	None
Jan, 2004	10	210,000	2,100,000	140,888.4	1,408,884	Transformation from corporate bond	None	None
Mar., 2004	10	210,000	2,100,000	148,825.2	1,488,252	Transformation from corporate bond	None	None

Month/ Year	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT$ thousands)	Number of shares (thousand shares)	Amount (NT$ thousands)	Capital stock stock	Capital increase by assets other than cash	Others
Jul., 2004	10	280,000	2,800,000	167,719.0	1,677,190	Note (11)	None	None
Aug., 2005	10	280,000	2,800,000	184,922.8	1,849,228	Note (12)	None	None
Nov., 2005	10	280,000	2,800,000	184,711.8	1,847,118	Treasury stocks write-off	None	None
Apr., 2006	10	280,000	2,800,000	194,168.3	1,941,683	Transformation from corporate bond	None	None
Jul., 2006	10	280,000	2,800,000	195,681.3	1,956,813	Transformation from corporate bond	None	None
Jan., 2007	10	280,000	2,800,000	215,698.5	2,156,985	Note (13)	None	None
Apr., 2007	10	280,000	2,800,000	222,324.9	2,223,249	Transformation from corporate bond	None	None
Jul., 2007	10	280,000	2,800,000	224,600.8	2,246,008	Transformation from corporate bond	None	None
Aug., 2007	10	280,000	2,800,000	241,421.2	2,414,212	Note (15)	None	None
Oct., 2007	10	500,000	5,000,000	257,054.3	2,570,543	Note (14)	None	None
Jan., 2008	10	500,000	5,000,000	260,995.1	2,609,951	Transformation from corporate bond	None	None
Aug., 2008	10	500,000	5,000,000	296,966.9	2,969,669	Note (16)	None	None
Oct., 2008	10	500,000	5,000,000	316,966.9	3,169,669	Note (17)	None	None
Oct., 2009	10	500,000	5,000,000	317,445.4	3,174,454	Transformation from corporate bond	None	None
Jan., 2010	10	500,000	5,000,000	326,335.3	3,263,353	Transformation from corporate bond	None	None
Apr., 2010	10	500,000	5,000,000	331,732.4	3,317,324	Transformation from corporate bond	None	None
Jul., 2010	10	500,000	5,000,000	340,614.4	3,406,144	Transformation from corporate bond Employee stock	None	None

Month/ Year	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT$ thousands)	Number of shares (thousand shares)	Amount (NT$ thousands)	Capital stock stock	Capital increase by assets other than cash	Others
						option		
Oct., 2010	10	500,000	5,000,000	370,614.4	3,706,144	Note (18)	None	None
Nov., 2010	10	500,000	5,000,000	370,727.1	3,707,271	Transformation from corporate bond Employee stock option	None	None
Jan., 2011	10	500,000	5,000,000	372,854.8	3,728,548	Transformation from corporate bond Employee stock option	None	None
May, 2011	10	500,000	5,000,000	377,150.1	3,771,501	Transformation from corporate bond Employee stock option	None	None
Aug., 2011	10	500,000	5,000,000	377,785.6	3,777,856	Transformation from corporate bond	None	None
Sept., 2011	10	500,000	5,000,000	374,785.6	3,747,856	Treasury stocks write-off	None	None
Oct., 2011	10	500,000	5,000,000	371,935.6	3,719,356	Employee stock option Treasury stocks write-off	None	None
Apr. 2014	10	500,000	5,000,000	382,726.9	3,827,269	Transformation from corporate bond	None	None
Jul., 2014	10	500,000	5,000,000	385,675.7	3,856,757	Transformation from corporate bond	None	None
Oct., 2014	10	500,000	5,000,000	387,716.2	3,877,162	Transformation from corporate bond	None	None
Nov., 2014	10	500,000	5,000,000	384,716.2	3,847,162	Treasury stocks write-off	None	None
Mar., 2015	10	500,000	5,000,000	383,335.5	3,833,355	Transformation from corporate bond Treasury stocks write-off	None	None
May, 2015	10	500,000	5,000,000	388,158.0	3,881,580	Transformation from corporate bond	None	None

Month/Year	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT$ thousands)	Number of shares (thousand shares)	Amount (NT$ thousands)	Capital stock stock	Capital increase by assets other than cash	Others
Aug., 2015	10	500,000	5,000,000	388,991.4	3,889,914	Transformation from corporate bond	None	None
Feb., 2016	10	500,000	5,000,000	352,448.2	3,524,482	Transformation from corporate bond Treasury stocks write-off	None	None
Apr., 2016	10	500,000	5,000,000	363,598.8	3,635,988	Transformation from corporate bond	None	None
Aug., 2016	10	500,000	5,000,000	364,148.5	3,641,485	Transformation from corporate bond	None	None
Oct., 2016	10	500,000	5,000,000	369,794.4	3,697,944	Transformation from corporate bond	None	None
Aug., 2019	10	600,000	6,000,000	332,814.9	3,328,149	Cash capital reduction	None	None
Nov., 2021	10	600,000	6,000,000	382,814.9	3,828,149	Common Stock for Cash and Issuing Global Depositary Receipt	None	None
Jun., 2023	10	600,000	6,000,000	382,114.9	3,821,149	Treasury stocks write-off	None	None

Note: (1) The share capital at the time of its establishment in May 1986 was NT$5,000,000.

(2) In December 1994, the Department of Commerce of the Ministry of Economic Affairs approved the capital increase of NT$95,000,000 in cash as approved by (84) Shang No. 100006.

(3) In October 1997, the Ministry of Economic Affairs Department of Commerce approved par value change to NT$10, capital increase of NT$29,000,000 in cash and NT$70,000,000 through earnings. (1997.10.29 Jing (86) Shang No. 120510)

(4) In April 1998, the Securities and Futures Management Committee of the Ministry of Finance approved a capital increase of NT$99,500,000 in cash and NT$59,700,000 through earning at a par value of NT$10 and a total of 15,920,000 new shares. (Tai-Cai-Zheng (I) No. 30874)

(5) In October 1998, the Securities and Futures Management Committee of the Ministry of Finance approved a capital increase of NT$49,800,000 in cash at a par value of NT$10 and a total of 4,980,000 new shares. (1998.10.31 (87) Tai-Cai-Zheng (I) No. 91485)

(6) In August 1999, the Securities and Futures Management Committee of the Ministry of Finance approved a capital increase of NT$81,600,000 through earnings and NT$40,800,000 through capital reserve at a par value of NT$10 and a total of 12,240,000 new shares. (1999.8.20 (88) Tai-Cai-Zheng (I) No. 76284)

(7) In April 2000, the Securities and Futures Management Committee of the Ministry of Finance approved a capital increase of NT$159,120,000 through earnings and NT$58,697,600 in cash at a par value of NT$10 and a total of 21,781,760 new shares. (2000.4.12 (89) Tai-Cai-Zheng (I) No. 30271)(2000.5.3 (89) Tai-Cai-Zheng (I) No. 38406)

(8) In August 2001, the Securities and Futures Management Committee of the Ministry of Finance approved a capital increase of NT$149,643,520 through earnings, NT$74,821,760 through capital reserve, and

NT$12,000,000 through employee bonus at a par value of NT$10 and a total of 23,646,528 new shares. (2001.8.27 (90) Tai-Cai-Zheng (I) No. 153914)

(9) In June 2002, the Securities and Futures Management Committee of the Ministry of Finance approved a capital increase of NT$98,468,290 through earnings, NT$49,234,140 through capital reserve, and NT$6,420,000 through employee bonus at a par value of NT$10 and a total of 15,412,243 new shares. (2002.6.28 (91) Tai-Cai-Zheng (I) No. 910135577)

(10) In July 2003, the Securities and Futures Management Committee of the Ministry of Finance approved a capital increase of NT$44,667,820 through earnings, NT$33,500,860 through capital reserve, and NT$5,097,000 through employee bonus at a par value of NT$10 and a total of 8,326,568 new shares and transferred 4,797,517 shares from convertible corporate bond.. (2003.7.4 Tai-Cai-Zheng (I) No. 920129806)

(11) In June 2004, the Securities and Futures Management Committee of the Ministry of Finance approved a capital increase of NT$131,952,800 through earnings, $43,984,260 through capital reserve, and NT$11,474,000 through employee bonus at a par value of NT$10 and a total of 18,741,106 new shares and transferred 152,631 shares from convertible corporate bond. (2004.6.8 Tai-Cai-Zheng (I) No. 930125243)

(12) In July 2005, the Financial Supervisory Commission approved a capital increase of NT$98,104,780 through earnings, $65,403,180 through capital reserve, and NT$8,530,000 through employee bonus at a par value of NT$10 and a total of 17,203,796 new shares. (2005.7.5 Jin-Guan-Zheng (I) No. 0940127020)

(13) In October 2006, the Financial Supervisory Commission approved a capital increase of NT$200,000,000 in cash at a par value of NT$10 and a total of 20,000,000 new shares and 17,241 transferred share from convertible corporate debt. (2006.10.17 Jin-Guan-Zheng (I) No. 0950146573)

(14) In October 2007, the Financial Supervisory Commission approved a capital increase of NT$100,000,000 in cash at a par value of NT$10 and a total of 10,000,000 new shares and 5,633,075 transferred share from convertible corporate debt. (2007.6.15 Jin-Guan-Zheng (I) No. 0960029324)

(15) In July 2007, the Financial Supervisory Commission approved a capital increase of NT$114,108,750 through earnings, $39,499,180 through capital reserve, and NT$14,597,000 through employee bonus at a par value of NT$10 and a total of 16,820,493 new shares. (2007.7.3 Jin-Guan-Zheng (I) No. 0960033639)

(16) In July 2008, the Financial Supervisory Commission approved a capital increase of NT$260,995,060 through earnings, $78,298,510 through capital reserve, and NT$20,425,000 through employee bonus at a par value of NT$10 and a total of 35,971,857 new shares. (2008.7.1 Jin-Guan-Zheng (I) No. 0970032540)

(17) In May 2008, the Financial Supervisory Commission approved a capital increase of NT$200,000,000 in cash at a par value of NT$10 and a total of 20,000,000 new shares. (2008.5.15 Jin-Guan-Zheng (I) No. 09700196561)

(18) In May 2010, the Financial Supervisory Commission approved a capital increase of NT$300,000,000 in cash at a par value of NT$10 and a total of 30,000,000 new shares. (2010.5.26 Jin-Guan-Zheng-Fa No. 0990025195)

(19) In September 2021, the Financial Supervisory Commission approved a capital increase with a total of 50,000,000 to 60,000,000 new shares and 10 transferred share from convertible corporate debt. (Jin-Guan-Zheng No. 1100357515)

3. General information about the reporting system: Not applicable.

(II) Shareholder structure

April 15, 2024; Units: shares; %

Shareholder structure / Qty.	Government agency	Financial institution	Others Institutional investor (Notes)	Individual investor	Foreign institutions & individuals	Total
Number of people	0	6	236	74,032	204	74,478
Number of Shares Held	0	3,828,079	66,609,013	274,142,188	37,535,647	382,114,927
Shareholding ratio (%)	0	1.00	17.43	71.75	9.82	100.00

Note: Primary listed (counter) companies and emerging cabinet companies should disclose their mainland-owned shareholding ratios; Mainland capital refers to the people, legal persons, organizations, other institutions of the Mainland area, or companies investing in the third area as stipulated in Article 3 of the Mainland Area People's Investment Permitting Regulations in Taiwan.

(III) Shareholding distribution status

1. Ordinary share

At par value of NT$10 April 15, 2024; Units: shares

Shareholding grading	Number of shareholders	Number of shares held	Shareholding ratio (%)
1 - 999	20,515	2,582,429	0.68
1,000 - 5,000	45,241	89,078,734	23.31
5,001 - 10,000	5,144	40,157,515	10.51
10,001 - 15,000	1,373	17,704,581	4.63
15,001 - 20,000	809	14,967,049	3.92
20,001 - 30,000	585	15,017,885	3.93
30,001 - 40,000	261	9,357,572	2.45
40,001 - 50,000	147	6,861,076	1.80
50,001 - 100,000	225	16,243,187	4.25
100,001 - 200,000	78	10,982,859	2.87
200,001 - 400,000	46	12,994,039	3.40
400,001 - 600,000	11	5,649,990	1.48
600,001 - 800,000	11	8,036,908	2.10
800,001 - 1,000,000	8	7,136,243	1.87
Over 1,000,001 Grading according to the actual situation	24	125,344,860	32.80
Total	74,478	382,114,927	100.00

2. Preferred share: None.

(IV) List of major shareholders: List all shareholders with a stake of 5 percent or greater, if less than ten shareholders, disclose the names of the top ten shareholders, specifying the number of shares and stake held by each shareholder on the list.

April 15, 2024; Units: shares

Shares / Name of major shareholders	Number of Shares Held	Shareholding ratio
King Mao Investment Co., LTD.	52,121,710	13.64%
Chen, Chun-Min	9,393,480	2.46%
Fang, Ming-Ching	8,522,888	2.23%
Tai Feng Investment Co., Ltd.	6,924,935	1.81%
Citi Commercial Bank (Taiwan) was entrusted with the custody of the investment account of the Central Bank of Norway.	5,400,500	1.41%
The American JPMorgan Chase Bank Taipei Branch is entrusted with the custody of Advanced Starlight Fund Corporation's series of funds and Advanced Aggregate International Stock Index Investment Account	5,356,398	1.40%
The American JP Morgan Chase Bank Taipei Branch is entrusted with the investment account of the VANGUARD emergencing marks stock index fund, a series of VANGUARD international equity index funds	4,659,740	1.22%
Cai, Li-Xiang	3,903,560	1.02%
Tu, Shui-Cheng	3,388,000	0.89%
The American JP Morgan Chase Bank Taipei Branch is entrusted with the the investment account of Advanced Trust Co., Ltd.'s legal person Total International Stock Market Index Trust II.	2,559,000	0.67%

(V) Share prices for the past two years, with company net worth per share, earnings per share, dividends per share, and related information

Items			2022	2023	As of March 31, 2024 (Note 8)
Market price per share (Note 1)	Highest		114.00	85.00	67.90
	Lowest		48.95	57.80	56.10
	Average		82.68	71.16	61.77
Net worth per share (Note 2)	Before allocation		35.57	34.67	(Note10. 11)
	After allocation		32.57	33.47 (Note 9)	
Earnings per share	Weighted average number of shares (1000 shares)		382,115	382,115	
	Earnings per share (Note 3)		4.60	2.15	
Stock dividend per share	Cash dividend		3.00	1.20	
	Stock grants	Stock dividend from earnings	0	0	
		Stock dividend from capital reserve	0	0	
	Accumulated dividends unpaid (Note 4)		0	0	
Return on investment analysis	Price earnings ratios (Note 5)		16.23	31.28	
	Price to dividend ratio (Note 6)		24.89	56.05	
	Dividend yield ratio (Note 7)		0.04	0.02	

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

Note 1: List the highest and lowest market prices of common stocks in each year, and calculate the average market price of each year based on the transaction value and volume of each year.

Note 2: Please refer to the number of issued shares at the end of the year and fill in the information according to the resolution of the board of directors or the shareholders' meeting of the following year.

Note 3: If retrospective adjustment is required due to free allotment, etc., the earnings per share before and after adjustment shall be listed.

Note 4: If the conditions for the issuance of equity securities stipulate that the undistributed dividends in the current year shall be accumulated and distributed in the year with surplus, the accumulated and unpaid dividends up to the current year shall be disclosed separately.

Note 5: Price/earnings ratio = Average closing price per share for the year/Earnings per share

Note 6: Price/dividend ratio = Average closing price per share for the year/Cash dividend per share.

Note 7: Cash dividend yield = Cash dividends per share/Average closing price per share for the current year.

Note 8: The net value per share and earnings per share should be filled with the information checked (reviewed) by the accountants in the most recent quarter up to the printing date of the annual report; other fields should be filled with the information of the current year up to the printing date of the annual report.

Note 9: The cash dividend distribution proposal for 2023 has been approved by the board of directors and is planned to be reported at the 2024Annual Regular Shareholders' Meeting.

Note 10: There is no distribution of surplus in cash and free allotment as resolved by the board of directors and shareholders' meeting respectively.

Note 11: As of the date of the annual report, the financial information for the most recent quarter has not been reviewed by the accountants.

(VI) Company's dividend policy and implementation thereof

1. Dividend policy stipulated in the Company's articles of association:

If there is a surplus in the Company's annual final accounts, the Company should accrue for taxes and make up for accumulated losses first, then withdraw 10% as a legal reserve and the special surplus reserve under the regulations of the competent authority. Afterward, the Board of Directors shall draft a surplus distribution proposal for the balance. When new shares are issued, they shall be distributed after a resolution of the shareholders meeting.

In accordance with Article 240, Paragraph 5 of the Company Act, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to assign all or part of the dividends and bonuses in cash. The resolutions shall be reported to the shareholders meeting.

The Company's dividend policy is determined by the Board of Directors based on operating plans, investment plans, capital budgets, and changes in internal and external environments. The Company's business is a capital-intensive industry and is currently in the stage of operational growth. Considering the Company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, the principles of surplus distribution are as follows: The balance to be distributed for the current year is given priority to cash dividends and can also be distributed to shareholders in the form of stock dividends, but the total amount of cash dividends shall not be less than 10% of the total amount of dividends paid to shareholders.

In accordance with Article 241 of the Company Act, the Company will issue all or part of the statutory surplus reserve and capital reserve as new shares or cash in proportion to the shareholders' original shares. When cash is assigned, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to make a resolution and report to the shareholders meeting. When new shares are issued, they shall be distributed after a resolution of the shareholders meeting.

2. The situation of the proposed dividend distribution at the shareholders meeting:

For the year ended December 31, 2023, the Company's net income after income tax was NT$820,782,159, plus the opening undistributed earnings of NT$1,746,773,649, the disposal of equity instruments measured at fair value through other comprehensive income of NT$15,983,008, and minus the other comprehensive income (re-measurement of the defined benefit plan) of NT$3,549,058 for the year of 2023, changes of NT$2,663 in ownership interest in subsidiaries, legal reserve of NT$83,321,345, all earnings available for distribution of NT$2,496,665,750, and proposed stockholder's bonus of NT$1.20 per share, all paid in cash, totaling NT$458,537,912.

3. Significant changes in expected dividend policy: None.

(VII) The proposed free share allotment of the shareholders meeting on the Company's business performance and per share impact of earning

There is no free allotment proposed at the shareholders meeting, so it is not applicable.

(VIII) The distribution of employee and director remunerations

1. The percentages or ranges with respect to employee and director remuneration, as set forth in the Company's articles of incorporation.

   After annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. But the Company shall reserve a portion of profit to offset accumulated losses, if any. The aforementioned employee compensation can be made in stock or cash. Its subjects may include employees of controlling or associates that meet certain conditions which are set by the Board of Directors.

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

   The recognition is based on the Company's Articles of Association which stipulates in Article 19 that, "after annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. But the Company shall reserve a portion of profit to offset accumulated losses, if any..." It is required to estimate. The estimated remuneration of staff and directors is recognized as salary expense in the current period. If the Board of Directors decides to pay employee compensation in stocks, the closing price on the day before the Board of Directors resolution is used as the basis for calculating the number of allotted shares. If there is a difference between the estimated number and the actual allotted amount by the Board of Directors, it is recognized as gain or loss in the following year.

3. Information on any approval by the Board of Directors of distribution of compensation:

   (1) The amount of employee compensation and directors' compensation distributed in cash or stocks:

   The Board of Directors resolved to appropriate NT$16,495 thousand (1.69%) for directors' remuneration and NT$63,400 thousand (6.50%) for employees' remuneration, based on the profit of NT$974,875,266 for 2023, after deducting the pre-retained indemnity amount, all of which were paid in cash.

   (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation:

   The Board of Directors does not propose to distribute employee remuneration by stocks, so it is not applicable.

4. The actual distribution of employee and director compensation for the previous year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

	Previous year (2022)			
	Actual allotment	Board of Directors Proposed allotment	Variance	Reasons for differences
1. Cash compensation for employees	NT$137,375 thousand	NT$137,375 thousand	NT$0	Not applicable
2. Employee stock compensation				
(1) Number of shares	0 shares	0 shares	0 shares	
(2) Amount	NT$0	NT$0	NT$0	
(3) stock price	NT$0	NT$0	NT$0	
3. Directors' remuneration	NT$35,000 thousand	NT$35,000 thousand	NT$0	

(IX) Share repurchases:

1. Those who have completed the execution

April 15, 2024

Buyback terms	The 1st (term)	The 2nd (term)	The 3rd (term)	The 4th (term)	The 5th (term)
Buyback purpose	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees
Buyback time	July 26, 2002 To September 25, 2002	January 22, 2003 To March 21, 2003	May 19, 2004 To July 18, 2004	May 3, 2005 To July 2, 2005	June 13, 2006 To August 12, 2006
Buyback prices	NT$17.1 - NT$36.9	NT$16.0 - NT$37.5	NT$19.6 - NT$53	NT$11.2 - NT$30.36	NT$8.90 - NT$23.95
Type and quantity of shares bought back	Common stock: 211,000 shares	Common stock: 2,000,000 shares	Common stock: 2,000,000 shares	Common stock: 2,000,000 shares	Common stock: 2,000,000 shares
The bought-back quantity accounts for the scheduled buy-back quantity Ratio (%)	10.55%	100.00%	100.00%	100.00%	100.00%
Amount of shares bought back	NT$4,837,573 (Fee included)	NT$45,445,789 (Fee included)	NT$53,743,150 (Fee included)	NT$32,587,050 (Fee included)	NT$25,797,190 (Fee included)
Number of shares cancelled and transferred	211,000 shares	2,000,000 shares	2,000,000 shares	2,000,000 shares	2,000,000 shares
The cumulative number of shares held in the Company	0 shares	0 shares	0 shares	0 shares	0 shares
The cumulative number of shares held in the Company accounted for Ratio of total issued shares (%)	0.00%	0.00%	0.00%	0.00%	0.00%

Buyback terms	The 6th (terms)	The 7th (terms)	The 8th (terms)	The 9th (terms)	The 10th (terms)
Buyback purpose	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees
Buyback time	August 31, 2006 To October 30, 2006	July 3, 2008 To September 2, 2008	September 9, 2008 To November 7, 2008	August 30, 2011 To October 29, 2011	December 1, 2011 To January 31, 2012
Buyback prices	NT$9.00 - NT$21.75	NT$13.65 - NT$41.60	NT$12.05 - NT$32.40	NT$12.50 - NT$36.95	NT$8.75 - NT$23.30
Type and quantity of shares bought back	Common stock: 3,000,000 shares	Common stock: 3,000,000 shares	Common stock: 3,000,000 shares	Common stock: 3,000,000 shares	Common stock: 1,500,000 shares
The bought-back quantity accounts for the scheduled buy-back quantity Ratio (%)	100.00%	100.00%	100.00%	30.00%	30.00%
Amount of shares bought back	NT$42,412,379 (Fee included)	NT$62,805,907 (Fee included)	NT$52,033,225 (Fee included)	NT$50,114,346 (Fee included)	NT$24,248,643 (Fee included)
Number of shares cancelled and transferred	3,000,000 shares	3,000,000 shares	3,000,000 shares	3,000,000 shares	1,500,000 shares
The cumulative number of shares held in the Company	0 shares	0 shares	0 shares	0 shares	0 shares
The cumulative number of shares held in the Company accounted for Ratio of total issued shares (%)	0.00%	0.00%	0.00%	0.00%	0.00%

Buyback terms	The 11th (term)	The 12th (term)	The 13th (term)
Buyback purpose	To maintain corporate credit and shareholders' equity	To maintain corporate credit and shareholders' equity	Transfer of shares to employees
Buyback time	September 24, 2015 To January 23, 2015	November 11, 2015 To January 10, 2016	March 24, 2020 To May 23, 2020
Buyback prices	NT$6.72 - NT$14.34	NT$8.37 - NT$19.08	NT$10.54 - NT$34.50
Type and quantity of shares bought back	Common stock: 20,000,000 shares	Common stock: 18,000,000 shares	Common stock: 700,000 shares
The bought-back quantity accounts for the scheduled buy-back quantity Ratio (%)	100.00%	100.00%	7.00%
Amount of shares bought back	$246,547,489 (Fee included)	$263,515,489 (Fee included)	$16,507,418 (Fee included)
Number of shares cancelled and transferred	20,000,000 shares	18,000,000 shares	700,000 shares
The cumulative number of shares held in the Company	0 shares	0 shares	0 shares
The cumulative number of shares held in the Company accounted for Ratio of total issued shares (%)	0.00%	0.00%	0.00%

2. Those who are still in execution: None.

II. Corporate bond

None.

III. Preferred shares

None.

IV. Overseas depositary receipt

<table>
<tr><td colspan="3">Date of issuance (Execution) (Note 2)
Items</td><td>2021/10/25</td></tr>
<tr><td colspan="3">Date of issuance (execution)</td><td>2021/10/25</td></tr>
<tr><td colspan="3">Issuance and Trading Location</td><td>Luxembourg Stock Exchange</td></tr>
<tr><td colspan="3">Total amounts issued</td><td>$ 151,000,000</td></tr>
<tr><td colspan="3">Issuance unit price</td><td>$ 3.02</td></tr>
<tr><td colspan="3">Total number of units issued</td><td>50,000,000 Unit(s)</td></tr>
<tr><td colspan="3">Recognizing Sources of Securities</td><td>Ordinary shares of the Company</td></tr>
<tr><td colspan="3">Amount of Commended Securities</td><td>50,000,000 shares</td></tr>
<tr><td colspan="3">Rights and Obligations of Depository Receipt Holders</td><td>The rights and obligations of the holders of overseas depositary receipts shall be handled in accordance with the relevant laws and regulations of the Republic of China and the relevant provisions of the depository deed. The main stipulations of the depositary deed are as follows:
(1) Exercise of voting rights
Unless otherwise provided by laws and regulations, holders of overseas depositary receipts may exercise the voting rights of PANJIT's ordinary shares recognized by their overseas depositary receipts in accordance with the depositary agreement and the laws and regulations of the Republic of China.
(2) Dividend distribution, preemptive rights for new shares and other rights
Unless otherwise stipulated in the depositary deed, holders of overseas depositary receipts shall, in principle, enjoy the same rights of dividend distribution and other rights to share shares as shareholders of PANJIT's ordinary shares.</td></tr>
<tr><td colspan="3">Trustee</td><td>None</td></tr>
<tr><td colspan="3">Depository institution</td><td>CitiBank, N.A.</td></tr>
<tr><td colspan="3">Custodian</td><td>First Commercial Bank</td></tr>
<tr><td colspan="3">Outstanding balance</td><td>Fully redeemed</td></tr>
<tr><td colspan="3">Apportionment method of related expenses during the issuance and existence period</td><td>The relevant expenses during the issuance and existence period shall be borne by the issuing company</td></tr>
<tr><td colspan="3">Important stipulations of depository deed and custody deed</td><td>Please refer to the Company's prospectus and depository deed</td></tr>
<tr><td rowspan="3">Per unit market price</td><td rowspan="3">2023</td><td>Highest</td><td>$ 2.60</td></tr>
<tr><td>Lowest</td><td>$ 1.84</td></tr>
<tr><td>Average</td><td>$ 2.16055</td></tr>
</table>

Items (Note 3)		Date of issuance (Execution) (Note 2)	2021/10/25
	As of March 31, 2024	Highest	$ 2.16
		Lowest	$ 1.78
		Average	$ 1.96691

Note 1: The handling of overseas depositary receipts includes public offering and private placement of overseas depositary receipts. The public offering overseas depositary receipts in process refer to those that have been approved by the Association; the private placement overseas depositary receipts that are in process refer to those that have been approved by the board of directors.

Note 2: The number of fields is adjusted according to the actual number of transactions.

Note 3: For those who have participated in the issuance of overseas depositary receipts, the relevant market price of the overseas depositary receipts in the most recent year and as of the date of publication of the annual report shall be listed. In addition, if there are multiple transaction locations for foreign depositary receipts, they shall be listed separately according to the transaction locations.

V. Employee stock warrant

None.

VI. Issuance of new shares in connection with the merger or acquisition of other companies

None.

VII. Implementation of capital utilization plan

2021 issuing common stock for cash and issuing global depositary receipt:

(I)The Plan

1. The contents of the previous change plans and the benefits before and after the change:

Unit: NT$ thousands

Application of funds Items	Before		After	
	Amount	Expected possible benefits	Amount	Expected possible benefits
Repay bank loan	931,000	In 2021, it can save about NT$1,148 thousand in interest expenses, and about NT$6,832 thousand in interest expenses in the following years	931,000	Same As Before
Foreign currency for material purchase	4,269,000	If the Company's current average borrowing rate for purchasing materials in foreign currency is 0.734%, it can save NT$31,332 thousand in interest expenses in the future.	3,297,000	If the Company's current average borrowing rate for purchasing materials in foreign currency is 0.83%, it can save NT$27,356 thousand in interest expenses each year in the future.

Application of funds Items	Before		After	
	Amount	Expected possible benefits	Amount	Expected possible benefits
Investment in overseas subsidiary (PAN JIT ELECTRONICS (WUXI)CO.,LTD)	420,000	The investment income recognized by the Company in accordance with the shareholding ratio in each year from 2022 to 2026 will be US$1,255 thousand, 2,844 thousand, 4,106 thousand, 4,603 thousand, and 4,603 thousand, respectively.	-	The original purpose of using funds was to increase capital in overseas subsidiaries to meet their capital expenditure needs, and now the overseas subsidiaries use their own funds to support
Investment in overseas subsidiary (PAN JIT Semiconductor (Xuzhou) Co., LTD)	980,000	The investment income recognized by the Company in accordance with the shareholding ratio in each year from 2022 to 2027 is US$3,773 thousand, 5,965 thousand, 7,163 thousand, 6,879 thousand, 6,603 thousand, and 6,334 thousand, respectively.	-	

2. Reasons of change

Due to the recent domestic and foreign political and economic situation and the rapid changes in the capital market, the actual funds raised in this case are US$151,000 thousand (equivalent to NT$4,228,000 thousand), which is higher than the originally planned capital requirement of US$235,714 thousand (equivalent to NT$6,600,000 thousand). After evaluating the business strategy, and considering the flexibility of the use of funds and market changes, it is planned to change the use of funds to repay bank loans and purchase materials in foreign currencies, and adjust the progress of fund use. This change in the capital utilization plan was approved by the board of directors on March 25, 2022, and was proposed to be approved at the 2022 Annual General Meeting of Shareholders.

(II) Implementation Status:

As of the quarter before the publication date of the annual report, the implementation situation and the comparison with the original estimated benefit:

Unit: NT$ thousands

<table>
<tr><th>Items</th><th colspan="2">Implementation status</th><th>As of March 31, 2023</th><th>Reasons behind or ahead of schedule and improvement plan</th><th>Benefit evaluation</th></tr>
<tr><td rowspan="4">Repay bank loan</td><td rowspan="2">Amount paid</td><td>Planned</td><td>931,000</td><td rowspan="4">Completed as planned in the first quarter of 2022</td><td rowspan="8">The repayment of bank loans and foreign currency purchase payments can save approximately NT$6,832 thousand and NT$27,356 thousand in interest expenses in subsequent years, respectively. The benefits of saving interest expenses and reducing financial burden should be reasonable and obvious.</td></tr>
<tr><td>Actual</td><td>931,000</td></tr>
<tr><td rowspan="2">Progress (%)</td><td>Planned</td><td>100.00%</td></tr>
<tr><td>Actual</td><td>100.00%</td></tr>
<tr><td rowspan="4">Foreign currency for material purchase</td><td rowspan="2">Amount paid</td><td>Planned</td><td>3,297,000</td><td rowspan="4">Completed as planned in the third quarter of 2022</td></tr>
<tr><td>Actual</td><td>3,297,000</td></tr>
<tr><td rowspan="2">Progress (%)</td><td>Planned</td><td>100.00%</td></tr>
<tr><td>Actual</td><td>100.00%</td></tr>
</table>

Chapter 5. Operation Summary

I. Business content

(I) Business scope

1. The main content of the business:

The Company and its subsidiaries are divided into different operating departments according to the different industrial attributes of manufacturing and selling products. The main business contents of each operating department are as follows:

(1) Diode: engaged in the manufacturing and sales of wafers, power components and control modules.

(2) Power IC and components: R&D, manufacturing and sales of power integrated circuits, field-effect transistors and fast recovery diodes, as well as technical consulting and import/export trade.

The above is the business scope of our subsidiary, Champion Microelectronic Corp. (stock code: 3257). Please refer to the annual report prepared by Champion Microelectronic for relevant information.

(3) Solar: Sales of electricity from solar power stations.

2. Proportion of Revenue from Major Products

Units: NT$ thousands

Operating Segments	2023	
	Sales Amount	Sales ratio (%)
Diode	11,432,853	89.97%
Power IC and components	1,071,885	8.44%
Solar	202,581	1.59%
Total	12,707,319	100.00%

3. The Company's current commodity items:

Operating Segments	Main products:
Diode	Discrete Devices (including: Rectifier diodes, surge suppressors, small signal components, transistors, wafers, chips)
Power IC and components	Power IC/Power Management IC, High/Low Voltage Power Field Effect Transistors (HV SJ /LV SGT MOSFET), PFC Stage Power Diodes (PFC Diodes)
Solar	Sales of electricity from solar power stations

4. New products planned to be developed:

Here is an explanation of the planned new products for the main sales product - Discrete Devices:

(1) Silicon-based power devices and advanced discrete devices:

A. High-Voltage Super-Junction MOSFETs:
HV SJ MOSFETs 600V/650V Gen.1.5-Easy
HV SJ MOSFETs 600V/650V Gen.1.5-FR
HV SJ MOSFETs 600V/650V Gen.2-Easy
HV SJ MOSFETs 600V/650V Gen.2-FR

B. Middle Voltage Shielded-Gate Trench MOSFETs:
MV SGT MOSFET 100V Gen.2
MV SGT MOSFETs 80V Gen.2-SL
MV SGT MOSFETs 80V Gen.2-LL
MV SGT MOSFETs 60V Gen.2
MV SGT MOSFETs 40V Gen.2
MV SGT MOSFETs- Vehicle AU

C. Fast recovery epitaxial diodes (FREDs)
FREDs 650V/1200V Gen.2

D. Field-stop trench, FST, IGBTs
FST IGBTs 650V/1200V Gen.2

(2) 3rd generation semiconductor, silicon carbide, high-speed power silicon carbide devices:

A. Silicon carbide Schottky diodes (SiC SDBs)
SiC SBDs 650V/1200V Gen.2

B. Silicon Carbide MOSFETs
SiC MOSFET 650V /1200V Gen.1

C. Gallium Nitride High Electron Conductivity Transistors (GaN HEMTs)
GaN E-HEMTs 650V

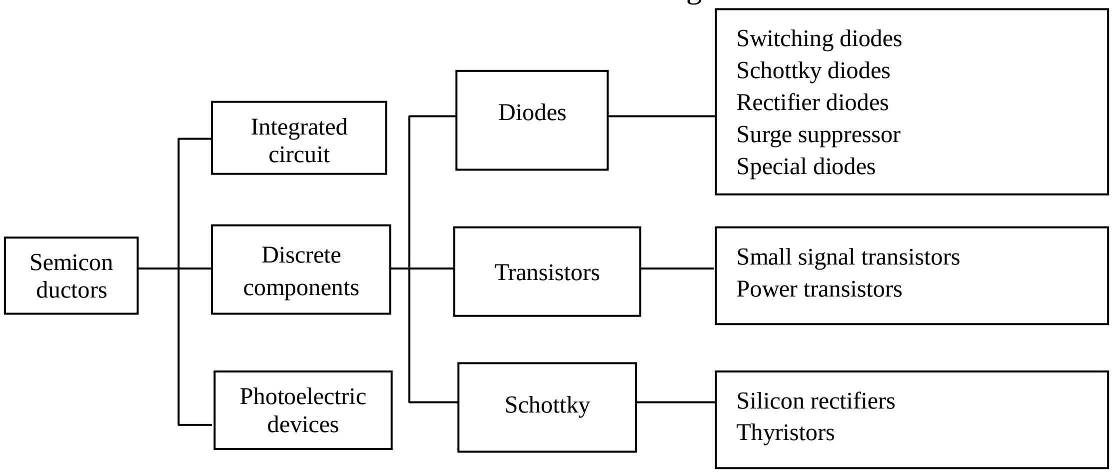
(II) Market summary

Here is an explanation of the industry status for the main sales product – rectifier diodes:

1. Current status and development of the industry

Discrete devices are one of semiconductors, and their functions are mainly current amplification, power protection and power management. Discrete components can be divided into three categories: Transistors, Diodes, and Thyristors according to their performance.

Product classification diagram



Source of data: Institute of Electronics, ITRI

The development of the discrete component industry. Before the 2010s, European, American, and Japanese manufacturers relied on their own component technology development, perfect manufacturing production and quality management capabilities, and made good use of their own brand marketing channels to divide up the overall discrete component market for a long time. The share is about 70%. In contrast, Taiwanese manufacturers are slightly weak in technology and marketing because they started out as OEMs, and their market share is only about 10%.

In recent years, factories in Europe, the United States and Japan have faced fierce market cost competition, as well as policy subsidies from specific countries, and have readjusted their operating models, which in turn led to a wave of consolidation. For example, Infineon acquired International Rectifier in 2015 to expand some of its channels and product lines; NXP sold its discrete business to a Chinese company to establish Nexperia in 2016; Littelfuse merged with IXYS in the second half of 2017; in 2018, Micro Chip acquired Microsemi to integrate the discrete semiconductor market in aerospace, defense and communications; and Diodes Inc. acquired Lite-On in 2020,which undoubtedly announced the direction of international majors towards discrete high power semiconductors and highlighted the trend of integration of international majors into the high power discrete semiconductor market.

In recent years, the geopolitical and epidemic impacts have brought about a niche for Taiwan-related manufacturers. The Taiwan factory mainly produces surface mount and other high value-added products, including metal oxide semiconductor transistors (MOSFETs), third-generation compound semiconductors (SiC), Schottky, Surge Suppressor (TVS) and Electrostatic Protection (ESD) and other fields. And a few low-priced product lines, such as STD Rectifier and Fast Rectifier, are transferred to mainland China where labor costs are lower. Even some manufacturers are worried about the impact of Sino-US trade, and they have not ruled out moving production capacity back to Taiwan or expanding production capacity equipment in Southeast Asia.

2. The relationship between the upper, middle and lower reaches of the industry

The industrial structure of discrete components can be divided into: upstream wafer raw materials, midstream wafer manufacturing, packaging and testing, and downstream applications.

Upstream raw materials mainly include wafers/ Epitaxy wafers, precious metals, non-ferrous metals, aluminum alloys, non-metals, etc. Among them, Taiwan can be partially self-sufficient in wafers/ Epitaxy wafers, while other precious metals such as gold, silver, platinum and some non-ferrous metals need to be imported.

Midstream wafer manufacturing and packaging testing, mainly 4"/6"/8" wafer manufacturing and back-end packaging and testing.

In terms of downstream applications, it covers a wide range of industries including: information, communication, consumer electronics, aerospace, medical, automotive, industrial control, energy and energy storage. The demand for discrete components in these markets continues to increase year after year and directly affects the growth prospects for discrete components.

3. Various development trends of products

With the development of science and technology, in response to the needs of various circuit designs, discrete components have been developing towards diversification in recent years. For example, for high-voltage current applications such as electromechanical equipment, it needs to be equipped with high-power components suitable for higher voltage tolerance for voltage regulation and rectification. For electronic information products, separate components with smaller size and higher precision are required for protection.

Due to the increasing popularity of broadband networks, 5G has been determined to enter the first year of commercialization in 2019, which has indeed increased the demand for discrete components suitable for high-frequency and low-interference communication equipment. WiFi 7.0 has been developed for 5G broadband applications, featuring higher transmission speeds, lower latency, stronger connection stability and greater device support. It helps to solve the challenges of existing WiFi technology in handling large data transfer and high-speed connection requirements, and provides stronger support for the increasingly popular smart home IOT, autonomous driving Level 3 and other applications. WiFi 7.0 also extends to the cloud, machine learning, artificial intelligence and other areas, bringing more utility to the future of digital life. Derivative products include network routers, network extenders, network cards, smart home devices, smart phones, tablet PCs, TVs, and surveillance systems. These are opportunities for the discrete component market. Secondly, the electronic design of new energy vehicles in Europe, the United States, Japan and China can be interconnected because various electronic products gradually built a compatible interface, attaching more attention to the current regulation and function protection.

The electrical function of discrete components is determined from the wafer manufacturing stages. Product characteristics are closely related to the wafer process. In order to achieve one-stop design and production efficiency, many manufacturers have adopted an upward process integration model, including scaling across into wafers and even epitaxial wafer fabrication processes.

There is no doubt that such upwardly integrated wafer manufacturing has considerable advantages in raw material costs. And because of the mastery of the wafer process, chips with different electrical functions can be produced according to different product requirements. This makes the production schedule more flexible and effectively improves the utilization of machine capacity.

If classified according to packaging methods, discrete components range from traditional Axial packaging, power packaging (TO, DFN clip bond, DFN wet table), Bridge packaging, to the recent trend towards very small surface mount DSN, WLCSP, SMD, DFN and QFN packaging development.

As for product development, the lowest level of technology from the general standard products, towards the higher level of technology, high voltage type, fast type and Schottky high power rectifier diode direction, for example: Metal Oxide Semiconductor Field-Effect Transistor (MOSFET) focus on Shielded Gate design technology; the third-generation compound semiconductor SiC SBD silicon carbide Schottky wide-gap diode with reduced on-resistance, high thermal conductivity and long lifetime, and the second-generation electrostatic protection components are suitable for Type C/HDMI transmission interface protection; and the second-generation bridge rectifier with high junction temperature, high voltage and low energy consumption can make the power supply efficiency more suitable for the power supply design to meet the requirements of 80Plus, SiC MOSFETs, and IGBTs.

With the development of technology, IC products have become indispensable components in modern life. Various ICs have been developed, such as DC/DC power management ICs, which are integrated circuits for controlling DC power supply, providing stable voltage output, and are widely used in various electronic devices. Signal chain ICs integrate multiple signal processing circuits to provide more efficient signal conversion and processing. Motor drive management ICs are designed to drive various types of motors, controlling the motor's speed, direction, and mode of operation. The advent of the above products has further improved the performance and functions of electronic products, and also provided customers with more product choices, allowing the company's product type to transform into a solution provider.

4. Product competition

At present, the main domestic listed and listed companies that produce discrete components are Taiwan Semiconductor, Fuding, Dazhong, Nexen, Jingyan and Lizhi, etc., while major foreign manufacturers include Infineon, STMicroelectronics, ROHM, VISHAY, and Diodes Inc., Onsemi and Nexperia, and in mainland China, they are Silan Micro, Yangjie, Xinjieneng and Jiejie Micro. As mentioned above, large international manufacturers such as Europe, America and Japan have gradually reduced the production of discrete components under the pressure of cost, or changed them to outsourced OEMs, and then turned to other semiconductor product lines such as high-tech Integrated circuit.

Looking at the overall semiconductor industry, discrete components belong to relatively mature process technology and relatively low barriers to entry. To obtain continuous trust from customers and the market, ensure product quality reaches a certain level, save production costs and increase gross profit margin, it has become a top priority for manufacturers. . In view of the rapid development of the industry, PANJIT will focus more on forward-looking market changes in the future, join international talent teams, actively integrate relevant resources of the group, and strive for sustainable and stable growth.

(III) Overview of technology and research and development

1. R&D expenses invested in the most recent year and as of the printing date of the annual report

Units: NT$ thousands

Items	2023
R&D expenses	832,674
Percentage of net sales	6.55%

2. Technologies or products that have been successfully developed in the most recent year and as of the publication date of the annual report

PANJIT has been committed to the market and product component technology development of advanced semiconductor discrete devices. In recent years, PANJIT has relied on its advantages in self-developed semiconductor chips and packaging to continue to research and develop silicon-based semiconductor power components, such as Si Power MOSFETs, Insulated-Gate Bipolar Transistors (IGBTs), Fast Recovery Epitaxial Diodes (FREDs), Wide Bandgap Semiconductors, SiC, and high-speed and high-power components, such as SiC SBDs, SiC MOSFETs, etc..

PANJIT has successfully released a number of semiconductor power discrete device products, which are listed as follows:

(1) Silicon-based power devices and advanced discrete semiconductor components:

A. High Voltage Super Junction MOSFETs (SJ, MOSFETs):

HV SJ MOSFET- 600V/650V Gen1.5 easy: 4 products released

HV SJ MOSFET - 600V/650V Gen1.5 FR: 1 product released

HV SJ MOSFETs- 600V/650V Gen.2: Prototype preliminary test verification results meet development goals, high efficiency performance and low on-resistance

B. Medium Voltage Shielded-Gate Trench MOSFETs (SGT, MOSFETs):

MV SGT MOSFET: 40V/ 60V / 80V / 100V Gen.2: under development

C. High-speed recovery epitaxial diodes (FREDs)

FREDs 600V/1200V Gen.1: 3 products released

FREDs 600V/1200V Gen.2: Freewheeling diode and field-stop field-stop trench insulated gate bipolar transistor verification confirmed

D. Insulated Grid Bipolar Transistors (IGBTs):

FST IGBT 650V/1200V Gen.1: 2 products released

(2) 3rd generation semiconductor, silicon carbide, high-speed power silicon carbide devices:

A. Silicon carbide Schottky diodes (SiC SDBs)

SiC SBDs 650V/1200V Gen.1: 10 products released

SiC SBDs 650V/1200V Gen.1.5: 26 products released

SiC SBDs 650V/1200V Gen.2: Products series confirmed, and 25 products will be released

B. Silicon Carbide MOSFETs

SiC MOSFETs 650V/1200V Gen.1: Prototype verification and wafer manufacturing process confirmed

(IV) The Company's long- and short-term business development plans.

Here is an explanation of the important use and production process of the main product - Discrete Devices

1. Short-term business development plan

Looking at the future development of the separation device industry, the growth is driven by the explosive growth of global demand for electric vehicle related charging devices, mainly in markets such as the Internet of Vehicles, robotics, servers, and artificial intelligence. In addition to making full use of external resources to meet the needs of our customers in the consumer market, the Company is also actively investing in research and development of IC and discrete components for automotive, industrial control, electric vehicles, and charging devices, etc. We are striving to become strategic partners with international manufacturers of top-tier brands in Europe, the United States, Japan, and China, and to obtain certification from international and Chinese automakers so that our operations can grow sustainably and steadily.

2. Long-term business development plan

We are actively recruiting team members with international perspectives and expanding our technology footprints in Silicon Valley, Korea and Taiwan to respond to future global demand for electric vehicle charging devices and the business opportunities arising from the rapid development of areas such as Vehicle-to-everything, robotics, servers, renewable energy and artificial intelligence. At the same time, we continue to devote ourselves to the research and development of integrated circuit IC products that can be combined with discrete components, in order to become a multi-directional product solution provider to satisfy the different needs of our customers. In addition, the Japan office was upgraded to a subsidiary to establish a local sales team and strategic partners to promote the company's brand and products through diversified marketing channels, and to increase the recognition and loyalty of Japanese customers to the company.

II. Summary of Market, Production and Sales

(I) Market Analysis

1. Sales area of main products

Units: NT$ thousands

Sales territories \ Year		2022 Amount	2022 %	2023 Amount	2023 %
Export to	ASIA	10,481,890	79.24	9,717,798	76.47
	America	558,407	4.22	392,906	3.09
	EUROPE	1,144,933	8.66	1,161,192	9.14
	Others	42,386	0.32	51,904	0.41
Subtotals		12,227,616	92.44	11,323,800	89.11
Domestic		1,000,231	7.56	1,383,519	10.89
Total		13,227,847	100.00	12,707,319	100.00

2. Market share

At present, the listed and OTC companies that produce discrete devices in Taiwan are mainly Taiwan Semiconductor Co., Ltd., Eris Technology Corp., HY Electronic (Cayman) Limited and Amazing Microelectronic Corp.. The sales value shares of the Company and the aforementioned companies in the global discrete devices are listed as follows:

Unit: NT$ millions

Items \ Year		2022	2023
Global Discrete Semiconductors Sales Value		1,047,149.58	1,103,875.46
PANJIT	Sales	12,765.46	11,432.85
	Market share (%)	1.22	1.04
Taiwan Semiconductor Co., Ltd.	Sales	7,793.24	6,264.26
	Market share (%)	0.74	0.57
Eris Technology Corp.	Sales	2,177.62	1,739.58
	Market share (%)	0.21	0.16
HY Electronic (Cayman) Limited	Sales	1,220.49	1,177.45
	Market share (%)	0.12	0.11
Amazing Microelectronic Corp.	Sales	2,811.26	2,637.71
	Market share (%)	0.27	0.24

Source of data:
Global Discrete Semiconductors Sales Value: World Semiconductor Trade Statistics (“WSTS”)
Sales value of each company: It is estimated based on the consolidated revenue announced by the Taiwan Stock Exchange Stock Market Observatory
Note: Because the revenue details of rectifier discrete devices products of various companies are different and have not been announced. Therefore, the calculation of market share can only be estimated based on its announced consolidated revenue.

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

This is to explain the future supply and demand situation and growth of the market with respect to the main sales product - Discrete Devices

From the perspective of the discrete component industry, its application ranges all kinds of electrical and electronic products, including various consumer electronics products, PCs, communications, automotive markets, etc. Its market size is closely related to the number of newly developed IC products and the output of chip production plants. Therefore, the shipment volume of its terminal application market and the overall semiconductor market will affect the prosperity of this industry.

A research report by Gartner, an information technology research and consulting organization, pointed out that after the global semiconductor market revenue declined by nearly 11% in 2023, global revenue is expected to increase significantly by nearly 17% in 2024, and the overall market size will even exceed that from 2021 to 2022. It shows that the long-sluggish semiconductor boom may have bottomed out and is expected to rebound in 2024. It is optimistic that the global semiconductor market revenue will grow by 16.8% to US$624 billion. Revenue is expected to exceed that in 2021 and 2022, reaching approximately US$600 billion per year.

IDC (International Data Information) research report shows that with the explosive increase in global demand for artificial intelligence (AI) and high-performance computing (HPC), coupled with smart phones, personal computers (Notebook & PC), servers, automobile and other market demand has stabilized, the semiconductor industry will usher in a new wave of growth, and the demand for integrating AI into all applications will drive the recovery of the overall semiconductor sales market in 2024. The semiconductor supply chain includes design, manufacturing, packaging and testing and other industries are also about to bid farewell to the downturn in 2023. IDC expects that the semiconductor sales market will return to growth in 2024, with an annual growth rate of 20%.

The following is an analysis of the supply, demand and growth potential of the main terminal application markets of the industry:

In terms of smartphones, over the past two years, global smartphone sales have been in decline for more than two years due to high inflation, high interest rates that have weakened consumer purchasing power, and supply chain issues that erupted during the epidemic, resulting in a decline in sales and a buildup of inventories. Fortunately, a number of recent surveys have shown that the global smartphone market has bottomed out, and the overall market is progressing steadily towards resuming its growth trajectory. According to the latest forecast report released by research firm Canalys, the key factors that will drive the growth of global cell phone shipments in 2024 will come from emerging markets such as the Asia-Pacific region, the Middle East and Africa. With the improvement of macroeconomic conditions in the aforementioned countries and the stabilization of consumer confidence, the demand for mobile phones in the Asia-Pacific region and emerging markets is heading towards recovery. It is estimated that smartphone shipments in 2024 will come from the Asia-Pacific region. The region is expected to grow by 6% annually; in the Middle East and Africa, shipments are also expected to grow by 6% next year; global mobile phone shipments are expected to reach 1.17 billion units in 2024, with an annual growth rate of about 4%.

In terms of personal computers, due to the impact of high inflation in 2023, the laptop market was in a sluggish mood, with annual shipments of only 166 million units, a year-on-year decrease of 10.8%. However, the decline has been less severe than in 2022. Looking forward to 2024, with favorable conditions such as the gradual destocking of major notebook manufacturers, the stabilization of inflationary pressures, and the generational change of Microsoft operating systems, which will drive the demand for replacement of old notebooks with new ones, global notebook shipments are expected to decline. Bottom reversal. TrendForce expects that the notebook market demand will improve quarter by quarter in 2024, and the global notebook computer market will show moderate growth, with an annual growth rate of approximately 3.6%, reaching 172 million units.

Market research firm IDC also concluded that the 2020 pandemic will drive demand for home office, enterprises to buy PCs, and commercial computers have a service life of about four years, so it is estimated that commercial computers will enter the replacement period in 2024, coupled with Microsoft's plan to end support for the Windows 10 operating system in 2025, which may lead to hundreds of millions of devices can not be updated, which will drive the sales of new computers, which will also have a fueling effect on the replacement wave. This will also have the effect of fueling the replacement trend, and IDC expects worldwide PC shipments to increase by 3.4% annually in 2024.

In the automotive market, in response to the 2050 net-zero carbon emission target, environmental regulations in various countries have gradually improved relevant green standards, continuing to promote the development of emerging application markets such as electric vehicles, and the demand for electric vehicle bodies and peripheral charging supporting hardware has also increased. In the face of higher performance demands for power semiconductors in the future, leading automotive semiconductor manufacturers are actively deploying technology research and development and manufacturing of GaN and SiC. In addition, as the number of semiconductors required per vehicle increases dramatically due to smart and self-driving, automotive companies are beginning to collaborate with semiconductor manufacturers to develop chips in order to control the product development path and maintain a stable supply chain. According to a Yole Group research report, the demand for automotive semiconductors will grow due to the increased demand for semiconductor-driven smart car applications, such as electric vehicles, advanced driver assistance systems (ADAS), etc. The global automotive semiconductor market is expected to increase from US$44 billion in 2021 to US$80.7 billion in 2027, with a compound annual growth rate (CAGR) of 11.1%.

4. Competitive strength

Here is an explanation of the competitive strength to the main sales product - Discrete Devices

(1) Excellent quality and brand

The Company has always adhered to excellent quality, and accumulated many years of skilled technology and experience. Not only has established a good reputation and reputation, but also obtained ISO9001, OHSAS-18001, ISO14001 and ISO/IATF16949, IECQ QC080000, ESDS20.20 quality certification, and as a member of the Electronic Industry Citizenship Coalition (EICC) we are a member of the Electronic Industry Citizenship Coalition (EICC) and have become one of the leading brands in the industry.

(2) Rich experience in manufacturing technology

The Company's management team, adhering to the concept of sustainable enterprise management, continues to invest in research and development and equipment. With R&D and process teams in various professional fields, they have accumulated many years of experience in professional semiconductor manufacturing technology, focusing on improving production efficiency, which helps to simplify and even optimize the process. In addition, by putting advanced equipment into production automation, it not only reduces production costs, but also improves product quality, thereby effectively enhancing operational efficiency and market competitiveness.

In addition, in recent years, the Company has been actively investing in fully automated surface-mounted discrete component production equipment, as well as optimizing production control systems, such as introducing MES. All these investments can effectively increase unit production and help to greatly reduce the rate of defective product quality. At present, the Company's overall non-performing rate can maintain a world-class level of less than 5PPM (five parts per million).

(3) Complete product line

The Company also produces a variety of separate components with different uses and specifications, which can meet the needs of customers for one-time purchase. Therefore, the customer base covers all kinds of electronic companies, so it is not limited by the changes in the prosperity of a single downstream industry. It is also an important niche for market competition because it provides a complete product line to customers.

(4) Control of raw material cost

In general discrete component factories, the production process is only packaging. Only companies with a larger scale can step into the diffusion of wafers and even the process of epitaxy. If it is only the packaging process, the Company is just a simple processing factory, and the profit margin is limited to the processing revenue. If the process involves the diffusion of the wafer, the control of the cost of raw materials becomes active. As long as the Company purchases plain chips with general specifications, the Company will produce chips according to different product requirements. Not only can the cost of raw materials be further reduced, but the production schedule can also flexibly cope with market changes, and the control over the sales of raw materials and finished products is more direct and effective.

(5) New product development

In response to the market demand for smart phones, tablet PCs and related peripheral products, the Company's current development of related ESD protection components is available. In particular, the adoption of USB3.0/3.1, HDMI x and Type C is becoming more and more mature in the market. The Company continues to develop related HI PIN COUNT components to meet customer needs.

In terms of product portfolio, with the current company has a variety of PACKAGE mass production advantages, such as SMD and DFN thinning series. In addition to the existing Schottky diodes, switching diodes, glass capped diodes, ESD protection components and MOSFET transistors of the series continue to expand, in response to the future needs of customers in energy saving, the company's product development will also be low forward voltage Schottky diodes and high-power low ON-resistance MOSFET transistor development, in order to meet the future needs of customers and efforts.

The insulated gate bipolar IGBTs used in motor drives, inverters and electric vehicle inverters have been developed by major foreign manufacturers, and the company has developed special processes to match the technology of the major foreign manufacturers. The third-generation compound semiconductor SiC MOSFT, a new generation material enables electronic design to reduce the size of electronic products, reduce the overall cost of electronic products and increase reliability and life, opening the door to industrial control and automotive fields.

5. Advantages, disadvantages and countermeasures of development prospects

This article explains the advantages, disadvantages and countermeasures of the development prospect with respect to the main sales product - Discrete Devices

(1) Positive drivers

A. Demand for IC and discrete components continues to increase due to AI applications. According to OMDIA's market forecast, the automotive, medical electronics, electric vehicle, industrial control, and high-efficiency computing industries continue to grow, so the Company is well positioned to grow in this direction.

B. The establishment of e-commerce platform enables end customers to purchase online and expand the fundamental group of customers.

C. Large manufacturers of discrete components in Europe and the United States, such as VISHAY and Onsemi, have increased the search for external resources under consideration of production costs, including the opportunity for manufacturers in Taiwan to seek OEM foundry, which is actually a potential customer base of PANJIT, or Derivative product line opportunity points. And this is actually the potential customer base of PAN-JIT semiconductor business group, or a product line opportunity point that can be derived.

D. The Company sells its own brand in Europe, America and Taiwan, and is widely recognized and adopted by world-class manufacturers. The Company obtained -9002 certification in 1996 and IATF16949 (QS-9000) certification in 1997, which is a very strict quality standard.

(2) Unfavorable factors and countermeasures

A. There is a trend of labor shortage in Taiwan

Countermeasures: In order to reduce the dependence on manpower and improve the quality, the Company has been committed to the automation of production equipment for many years, with good results. In addition, the introduction of foreign workers also solves part of the problem of insufficient production manpower.

B. Market competition is becoming increasingly fierce

Countermeasures: Strengthen automated production and actively develop markets to win orders, so as to increase production scale and reduce production costs; And take advantage of the increase in scale to make purchase bargaining and payment terms more favorable. At the same time, we are developing new products with high added value and increasing the proportion of new product production in order to improve our overall gross profit margin.

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

Here is an explanation of the important use and production process of the main product - Discrete Devices

1. Usage of the Company's main products.

Separate components are mainly used to provide power rectification, protection and switching of various electronic products, and are indispensable components in the circuits of various electronic products. The Company produces a complete range of products, which are widely used in various electronic products. Its application fields can be slightly divided as follows:

(1) Computers: terminals, motherboards, desktop computers, notebooks and tablet PCs, etc.

(2) Communication: fax machines, switches, telephone systems, set-top boxes, mobile phones, routers, satellite antennas, Ethernet power supply and 5G base stations, etc.

(3) Consumer electronics: monitors, printers, business machines, digital cameras, wearable electronics, games and computer monitors, etc.

(4) Automotive: automotive instrumentation, automotive rectifier, ignition system, ABS, airbag, automotive audio-visual system, satellite navigation system, electric vehicle charging pile, electric vehicle on-board charger, 48V electrical system and water pump, etc.

(5) Green energy: electronic ballast, uninterruptible power system, inverter, solar module wiring box, inverter and wind power generation, etc.

(6) Home appliances: TVs, washing machines, air conditioning systems and refrigerators, etc.

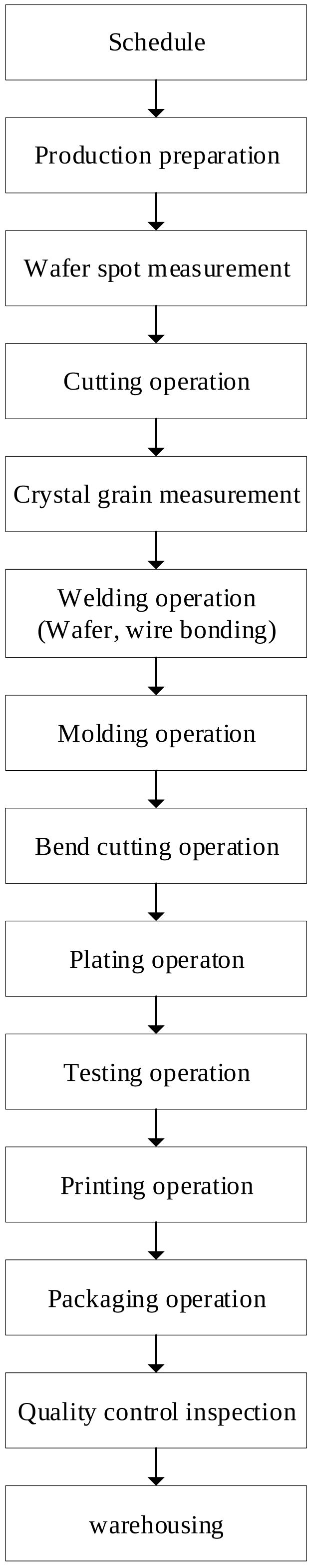
(7) Power supply: switching power supply and fast charging power supply for various electronic products.

(8) Industrial control: electric tools, spot welding machines, motor drives, etc.

2. Manufacturing processes for the Company's main products.

Assembly process flow chart

Product line (SOD, SOT, MOS)



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

The Company's production plants at home and abroad have long-term and stable cooperative relations with third-party factories and raw material suppliers. Therefore, suppliers can provide supply at the most competitive price and method, so that the Company can maintain its advantage in product cost and provide customers with the best service.

(IV) A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Information of major suppliers in the last two years:

The main suppliers in 2023 and 2022 are not much different.

Units: NT$ thousands

Items	2022				2023			
	Name	Amount	Percentage of annual net purchases	Relation with the issuer	Name	Amount	Percentage of annual net purchases	Relation with the issuer
1	Others	7,247,347	100.00%		Others	5,591,789	100.00%	
	Net purchase	7,247,347	100.00%		Net purchase	5,591,789	100.00%	

Note 1: List the names of suppliers who have purchased more than 10% of the total purchases in the last two years, as well as the purchase amount and proportion. However, because the contract stipulates that the name of the supplier or the transaction object shall not be disclosed as an individual and not a related person, the code name can be used.

Note 2: As of the date of publication of the annual report, there is no recent financial information verified by CPAs.

2. Information on major sales customers in the last two years:

The main sales customers in 2023 and 2022 are not much different.

Units: NT$ thousands

Items	2022				2023			
	Name	Amount	Percentage of annual net sales	Relation with the issuer	Name	Amount	Percentage of annual net sales	Relation with the issuer
1	Others	13,227,847	100.00%		Others	12,707,319	100.00%	
	Net sales	13,227,847	100.00%		Net sales	12,707,319	100.00%	

Note 1: List the names of customers who have more than 10% of the total sales in the last two years and their sales amount and proportion. However, because the contract stipulates that the name of client or the transaction counterparty shall not be disclosed as an individual and not a related person, the code name can be used.

Note 2: As of the date of publication of the annual report, there is no recent financial information verified by CPAs.

(V) An indication of the production volume over the past two years.

Units: NT$ thousands

Year / Product Volume Value / Main products: (Or segments)	2022			2023		
	capacity	Production Quantity	Production value	capacity	Production Quantity	Production value
Discrete Devices	22,859KK	19,542KK	7,000,985	22,876KK	16,147KK	6,405,339
Total			7,000,985			6,405,339

(Note) Discrete Devices include diode rectifiers, surge suppressors, etc.

Note 1: Production capacity refers to the amount that the Company can produce under normal operation using existing production equipment after taking into account factors such as necessary shutdowns and holidays.

Note 2: If the production of each product is substitutable, the production capacity may be calculated on a consolidated basis, and an explanation should be attached.

Note 3: Production capacity and output are self-produced parts.

(VI) An indication of the volume of units sold for the 2 most recent years.

Units: NT$ thousands

Year / Product Volume Value / Main products: (Or segments)	2022				2023			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Discrete Devices	1,743KK	832,945	24,158KK	11,477,728	1,133KK	573,411	22,016KK	10,517,524
Others	-	163,578	-	753,596	-	809,894	-	806,490
Total		996,523		12,231,324		1,383,305		11,324,014

(Note) Discrete Devices include diode rectifiers, surge suppressors, etc.

III. Employee information in the two most recent years up to the publication date of this annual report

Year		2022	2023	As of March 31, 2024
Employee Number of people Quantity	Administrative staff	208	219	224
	technical staff	1,189	1,292	1,303
	Operators	1,569	1,450	1,537
	Total	2,966	2,961	3,064
Average age		37.10 years old	37.68 years old	37.56 years old
Average years of service		6.86 years	7.29 years	7.12 years
Educational distribution ratio	PhD	0.20%	0.24%	0.26%
	Master	6.37%	7.16%	7.02%
	University/college	46.87%	48.09%	47.32%
	High school	32.50%	30.67%	30.52%
	High school and lower	14.06%	13.84%	14.88%

IV. Environmental protection expenditure

In the most recent year and as of the date of publication of the annual report, the current and future estimated amount of losses due to environmental pollution and countermeasures: None.

V. Labor relations

(Ⅰ)Any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee welfare measures and their implementation:

(1) Establish an employee welfare committee and regularly organize employee travel, provide wedding and funeral subsidies, scholarships, condolences for injuries and illnesses, gifts for three festivals, and group insurance for employees' major illness group insurance, etc.

(2) Labor insurance, health insurance, various maternity, injury, medical treatment, disability, old age, death and other benefits and payments shall be handled in accordance with relevant labor laws.

(3) Provide employees with exclusive birthday leave, so that employees can arrange their own paid birthday leave on their birthdays; provide employees with 2 days of annual corporate volunteer leave to participate in volunteer activities organized by the company.

(4) Establish a stock ownership trust for employees. Based on the employees' monthly withdrawals, the Company will allocate incentive payments to the trust, and encourage employees to increase their savings by purchasing the

Company's stock through the trust mechanism, so as to encourage them to create and share good performance with the Company.

2. Advanced education system and its implementation:

Reward employees for further education, set up a scholarship system, and issue different language allowances for English certification.

3. The training system and its implementation:

(1) Put forward education and training needs according to departments. And according to the Company's development goals and strategies to prepare an annual education and training plan, and then implement and review accordingly. And evaluate the effectiveness of employees, and make corrections when it is inappropriate.

(2) The training courses for the improvement and improvement of the management functions of the department heads are held in a special way to strengthen the organization and leadership.

(3) In order to strengthen the thinking and management skills of team members, provide relevant latest management information related books, newspapers and e-newsletters, so that relevant team members can learn and obtain the latest management information in a timely manner.

(4) Hold master lectures on diverse topics and invite celebrities from various fields to share new ideas and trends with company colleagues.

(5) 2023 annual staff training and training expenses are about NT$5,610 thousand. The training and training hours and course content statistics are as follows:

Course category	Total hours	Course category	Total hours
Business management	115	Quality system	2,013
Financial accounting	135	Industrial safety and environmental safety	4,689
Information technology	364	Human resources general affairs	215
Production engineering	6,837	R&D design	1,733
Others	982	Onboard training	5,364

(Note) The number of class hours is the combined statistics of internal and external training

4. Retirement system and its implementation:

Since July 1, 1995, the Company has chosen to apply the labor pension regulations according to the proportion specified by the regulations (6% of the monthly salary paid by the labor pension monthly payment scale), and the monthly payment is made. Pay the new labor pension.

For senior employees of the old pension system, according to the ratio stipulated in Article 56, Paragraph 1 of the Labor Standards Act (2% of the total monthly salary of the labor), the labor retirement reserve shall be allocated monthly to a special account for storage.

In addition, from 2016 onwards, for those who meet the retirement requirements of Article 53 or 54 of the Labor Standards Act in the current year, the full amount of pension is allocated to the special account for labor retirement reserves. The calculation of pension is based on the employee's past six months. The average salary (full salary plus overtime pay) is calculated.

The 2023 legacy employee pension has been fully contributed by the end of March.

5. The labor-management agreement and various employee rights protection measures:

Any new or revised measures related to labor-management relations of the Company and its subsidiaries have been fully communicated by both parties, so there is no dispute.

The Company has established the "Corporate Social Responsibility Communication Management Procedure" in the RBA system, which specifies the channels and procedures for employee complaints and complaints. And has a special unit to accept appeal cases. In addition, the "Measures for the Management of Stakeholders' Suggestions and Complaints" has also been formulated. And set up a special area for stakeholders on the Company's website to provide a complaint mailbox as a channel for employees to protect their rights and interests.

(Ⅱ)Any loss sustained as a result of labor disputes in the most recent year, and during the current year up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken: None.

VI. Information and communication security management:

(Ⅰ) The Company's information security risk management framework, information security policies, specific management plans and resources devoted to information security management

As the Company increasingly relies on systematization in its operations and often performs various businesses through the Internet, information security has become an unavoidable challenge. With the frequent occurrence of information security incidents in major companies around the world, information security threats are increasing day by day. The Company also actively enhances information security protection capabilities and establishes an effective information security management mechanism. Its purpose is not only to avoid waste and loss of company resources and to prevent damage to goodwill or image, but also to improve the operation process and improve the operation efficiency as a positive goal. The Company's management structure, policies and countermeasures related to information security are as follows:

1. Information security risk management framework:

   In 2021, the Company established an Information Security Action Team under the Group's Information Business Unit, which holds monthly information security meetings to plan, execute and promote information security management issues, promote information security awareness, and review information security policies on a regular basis. In addition, the audit office is used as the audit unit for information security supervision. If any deficiencies are found in the audit, the audited unit will be required to propose relevant improvement plans and report to the board of directors, and regularly track the improvement results to reduce internal information security risks. In order to continue to strengthen the information security framework and comply with regulatory requirements, the establishment of an information security supervisor and a dedicated information security officer was completed in 2023.

2. Information security policy:

   (1) All business divisions of the Company must comply with relevant government regulations (e.g., Patent Law, Copyright Law, Personal Information Protection Law, and Enforcement Rules of the Personal Information Protection Law) in the execution of their business.

   (2) Set up an information security management committee to be responsible for the establishment and promotion of the company's information security management system.

   (3) Establish an organizational panoramic assessment mechanism to define the information security policy and the implementation scope of the information security management system, and understand the organizational panorama and the needs and expectations of interested parties.

(4) Formulate document control operation regulations to stipulate management principles for the formulation, modification, encoding, and issuance of information security system-related documents.
(5) Establish an information asset management mechanism to coordinate the allocation and effective use of limited resources to solve key security issues.
(6) Establish risk assessment management methods and identify the risks of various assets, so as to take appropriate risk treatment measures to control and reduce risks to an acceptable level.
(7) Regularly implement business-related information security education and training, and publicize information security policies and related implementation regulations.
(8) Establish physical and environmental safety protection measures for the computer room, and perform relevant maintenance on a regular basis.
(9) Clearly regulate the use rights of information systems, network services, and sensitive information to prevent unauthorized access.
(10) Develop and implement information security internal audit activities to implement the information security management system and implement corrective measures for outstanding matters.
(11) Formulate an information security operation continuity plan and conduct actual drills to ensure that the company's business can continue to operate when an unexpected incident occurs.
(12) All personnel of the company are responsible for maintaining information security and should understand and comply with relevant information security management regulations and implement them in their work responsibilities.

3. Information security specific management plan:

The Company takes strengthening the hardware and software prevention mechanism as the main axis of responding to information security risks. Prioritize strengthening cybersecurity, infrastructure protection, and disaster recovery. The control measures for information security are as follows:

(1) System backup and backup: establish a backup mechanism and off-site backup storage for the Company's important systems, and schedule an annual backup drill for contingency operations.
(2) Network security: Build exclusive enterprise-grade wired and wireless networks and bind computers to effectively control network usage. Control employees' Internet access and implement switching mechanisms to avoid virus infection or Trojan horse attacks via the Internet.
(3) Mail control: establish a spam filtering and anti-blocking system, and continue to publicize email social engineering attacks related information, and conduct email click-through detection from time to time.

(4) Security Scanning and Virus Protection: Assign a special person to scan the Company's external host for weaknesses quarterly, and carry out system weakness repair operations.
(5) Build an information security and anti-virus system, and adopt third-party information security solutions. When a hacker attack or system poisoning is suspected, the system administrator will be notified by email.
(6) Control the installation of personal computer software and prevent unauthorized use of software.
(7) In terms of user endpoint security protection, in addition to building an antivirus system and delivering system updates through Windows, the Company's server host and client computers can be repaired in real time.

4. Invest in the resources of Zitong safety management:
The Company's vision of information security is to build a strict and effective information security defense network. Since 2020, considerable resources will be invested every year to reduce the risk of business interruption caused by information security issues, and it is expected to become an enterprise with outstanding performance in information security maturity. In order to strengthen the information security protection capability, the Company's relevant information security policies are as follows:
(1) Conduct two email social tests every year, and use various phishing letters to test and strengthen the information security awareness of colleagues.
(2) Purchase vulnerability scanning tools, scan and detect security vulnerabilities at least once every six months, and make improvements to major risks and high-risk items in the detection results.
(3) Promote information security policies through screen savers, videos and emails. In 2023, a total of 12 information security publicity announcement emails were issued and 6 information security courses were held.
(4) Disable the USB flash drive access function throughout the Company to prevent information security incidents from jeopardizing business operations.
(5) Introduce multi-factor authentication to protect accounts from hackers.
(6) Introduce SOC information security threat detection and MDR threat tracking and response services.

(Ⅱ) In the most recent year and as of the publication date of the annual report, the losses, possible impacts and countermeasures due to major information security incidents: None.

VII. Important Contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent year.

Corporation	Contract nature	Client	Indenture Starting date of lease	Main content	Restrictions
PANJIT INTERNATIONAL INC.	Syndicated loans	Land bank and a total of 10 financial institutions	August 17, 2021 ~ August 17, 2026	Sydicated loan line of NT$4.2 billion.	Before the debts are fully repaid during the duration of the contract, the Company's annual consolidated financial statements must maintain: a. The current ratio must not be less than 100% b. The debt ratio shall not be higher than 200% c. The interest coverage must not be less than 2.5 times d. The net value shall not be less than NT$5.3 billion or its equivalent in US dollars.
	Loan and Credit Agreement for Taiwanese Businessmen Returning to Taiwan for Investment Projects	Taishin Bank	December 6, 2019 ~ December 5, 2026	Credit Line A: The mid-term loan amount is NT$600 million.	No restrictive covenants
	Loan and Credit Agreement for Taiwanese Businessmen Returning to Taiwan for Investment Projects	Chang Hwa Bank	January 16, 2020 ~ January 15, 2027	Credit Line A: The mid-term loan amount is NT$900 million.	No restrictive covenants
	Loan and Credit Agreement for Taiwanese Businessmen Returning to Taiwan for Investment Projects	First Commercial Bank	January 16, 2020 ~ January 15, 2027	Credit Line A: The mid-term loan amount is NT$1.5 billion.	No restrictive covenants

Corporation	Contract nature	Client	Indenture Starting date of lease	Main content	Restrictions
	Loan and Credit Agreement for Taiwanese Businessmen Returning to Taiwan for Investment Projects	Land bank	February 27, 2020 ~ November 15, 2026	Credit Line A: The mid-term loan amount is NT$1.0 billion.	No restrictive covenants
PAN-JIT ASIA INTERNATIONAL INC.	Syndicated loans	First Commercial Bank and a total of 11 financial institutions	June 28, 2022 ~ June 28, 2027	Signed a syndicated loan of USD 80,000 thousand	Throughout the credit period, PANJIT INTERNATIONAL INC.'s consolidated financial statements must maintain: a. The current ratio must not be less than 100% b. The debt ratio shall not be higher than 200% c. The interest coverage must not be less than 2.5 times d. The net value shall not be less than NT$5.3 billion.

Chapter 6. Financial Summary

I. Condensed balance sheet and statement of comprehensive income in the five most recent years

(I) Condensed balance sheet and statement of comprehensive income - International Financial Reporting Standards (IFRS)

1. Condensed balance sheet (consolidated) - International Financial Reporting Standards (IFRS)

Units: NT$ thousands

Items / Year		Financial statements for the past five years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		8,477,139	9,702,274	14,535,039	14,609,804	14,332,321
Property, plant and equipment (Note 2)		3,165,965	3,691,739	5,306,044	7,411,293	7,801,152
Right-of-use assets		1,349,181	1,348,980	1,347,255	1,296,176	1,224,334
Intangible assets		328,967	253,937	218,378	1,661,358	1,649,469
Other assets (Note 2)		2,100,844	2,761,088	5,246,073	4,188,215	3,675,459
Total assets		15,422,096	17,758,018	26,652,789	29,166,846	28,682,735
Current Liabilities	Before distribution	5,044,193	5,268,736	8,245,623	7,547,887	7,110,064
	After distribution	5,393,649	5,766,908	9,391,968	8,694,232	7,568,602
Non-current Liabilities		4,004,032	5,242,550	5,296,164	6,709,724	6,938,132
Total Liabilities	Before distribution	9,048,225	10,511,286	13,541,787	14,257,611	14,048,196
	After distribution	9,397,681	11,009,458	14,688,132	15,403,956	14,506,734
Equity attributable to the parent company	Before distribution	6,248,695	7,099,421	12,895,868	13,615,577	13,248,598
	After distribution	5,899,239	6,601,249	11,749,523	12,469,232	12,790,060
Capital stock		3,328,149	3,328,149	3,828,149	3,828,149	3,821,149
Capital surplus		2,202,946	2,196,674	6,086,155	6,016,861	6,007,138
Retained earnings	Before distribution	1,434,837	1,972,194	3,250,008	4,339,691	4,026,560
	After distribution	1,085,381	1,474,022	2,103,663	3,193,346	3,568,022
Other components of equity		(717,237)	(381,089)	(251,937)	(552,617)	(606,249)
Treasury stock		-	(16,507)	(16,507)	(16,507)	-
Non-controlling interests		125,176	147,311	215,134	1,293,658	1,385,941
Total Equity	Before distribution	6,373,871	7,246,732	13,111,002	14,909,235	14,634,539
	After distribution	6,024,415	6,748,560	11,964,657	13,762,890	14,176,001

* If the Company prepares a parent company only financial report, it shall separately prepare a condensed balance sheet and a statement of comprehensive income for the individual for the most recent five years.

Note 1: The financial information of each year has been verified and certified by an accountant.

Note 2: The financial information of each year has not been revalued asset.

Note 3: The cash dividend distribution proposal for 2023 has been approved by the board of directors and is planned to be reported at the 2024 Annual General Meeting of Shareholders.

Note 3: As of the date of publication of the annual report, there is no recent financial information verified by CPAs.

2. Condensed statement of comprehensive income (consolidated) - International Financial Reporting Standards (IFRS)

Units: NT$ thousands

Year / Items	Financial statements for the past five years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenues	9,142,650	10,485,100	13,861,744	13,227,847	12,707,319
Gross profit	1,921,610	2,446,772	4,395,638	3,995,837	3,208,061
Operating income	628,410	992,083	2,289,422	1,631,073	833,734
Non-operating income and expenses	(27,838)	39,051	225,454	460,269	331,362
Pretax income from continuing operations	600,572	1,031,134	2,514,876	2,091,342	1,165,096
Profit from continuing operations	503,012	900,541	1,978,030	1,757,904	1,012,951
Loss from discontinued operations	0	0	0	0	0
Net income (loss)	503,012	900,541	1,978,030	1,757,904	1,012.951
Other comprehensive income (loss) (Net of tax)	(209,208)	348,788	186,633	216,970	(31,264)
Total comprehensive income (loss)	293,804	1,249,329	2,164,663	1,974,874	981,687
Net income (loss) attributable to stockholders of the parent	530,209	897,435	1,926,975	1,757,631	820,782
Net income (loss) attributable to non-controlling interests	(27,197)	3,106	51,055	273	192,169
Comprehensive income (loss) attributable to stockholders of the parent	333,031	1,226,597	2,110,038	1,898,561	779,584
Comprehensive income (loss) attributable to non-controlling interests	(39,227)	22,732	54,625	76,313	202,103
Earnings per share	1.50	2.70	5.66	4.60	2.15

* If the Company prepares an parent company only financial report, it shall separately prepare a condensed balance sheet and a statement of comprehensive income for the individual for the most recent five years.

Note 1: The financial information of each year has been verified and certified by an accountant.

Note 2: The loss of the suspended business unit is presented as the net amount after deducting income tax.

Note 3: As of the date of publication of the annual report, there is no recent financial information verified by CPAs.

3. Condensed balance sheet (parent company only) - International Financial Reporting Standards (IFRS)

Units: NT$ thousands

Items \ Year		Financial statements for the past five years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		2,989,914	3,741,049	5,464,124	6,285,997	5,039,747
Property, plant and equipment (Note 2)		1,892,469	2,524,877	3,957,765	4,744,750	5,216,594
Right-of-use assets		6,894	27,837	22,612	7,170	3,381
Intangible assets		51,975	77,792	97,127	82,278	70,464
Other assets (Note 2)		7,149,702	8,253,162	12,938,292	13,937,243	14,010,122
Total assets		12,090,954	14,624,717	22,479,920	25,057,438	24,340,308
Current Liabilities	Before distribution	3,220,923	3,802,991	5,345,899	5,271,712	5,030,968
	After distribution	3,570,379	4,301,163	6,492,244	6,418,057	5,489,506
Non-current Liabilities		2,621,336	3,722,305	4,238,153	6,170,149	6,060,742
Total Liabilities	Before distribution	5,842,259	7,525,296	9,584,052	11,441,861	11,091,710
	After distribution	6,191,715	8,023,468	10,730,397	12,588,206	11,550,248
Equity attributable to the parent company	Before distribution	6,248,695	7,099,421	12,895,868	13,615,577	13,248,598
	After distribution	5,899,239	6,601,249	11,749,523	12,469,232	12,790,060
Capital stock		3,328,149	3,328,149	3,828,149	3,828,149	3,821,149
Capital surplus		2,202,946	2,196,674	6,086,155	6,016,861	6,007,138
Retained earnings	Before distribution	1,434,837	1,972,194	3,250,008	4,339,691	4,026,560
	After distribution	1,085,381	1,474,022	2,103,663	3,193,346	3,568,022
Other components of equity		(717,237)	(381,089)	(251,937)	(552,617)	(606,249)
Treasury stock		0	(16,507)	(16,507)	(16,507)	0
Non-controlling interests		0	0	0	0	0
Total Equity	Before distribution	6,248,695	7,099,421	12,895,868	13,615,577	13,248,598
	After distribution	5,899,239	6,601,249	11,749,523	12,469,232	12,790,060

Note 1: The financial information of each year has been verified and certified by an accountant.

Note 2: The financial information of each year has not been revalued asset.

Note 3: As of the date of publication of the annual report, there is no recent financial information verified by CPAs.

Note 4: The cash dividend distribution proposal for 2023 has been approved by the board of directors and is planned to be reported at the 2024 Annual General Meeting of Shareholders.

4. Condensed statement of comprehensive income (parent company only) - International Financial Reporting Standards (IFRS)

Units: NT$ thousands

Items \ Year	Financial statements for the past five years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenues	5,941,910	6,710,919	8,706,119	8,855,785	7,889,882
Gross profit	1,209,113	1,335,827	2,565,755	2,493,179	1,720,016
Operating income	544,938	493,790	1,209,920	1,004,206	306,174
Non-operating income and expenses	65,873	449,634	1,021,817	936,878	588,806
Pretax income from continuing operations	610,811	943,424	2,231,737	1,941,084	894,980
Profit from continuing operations	530,209	897,435	1,926,975	1,757,631	820,782
Loss from discontinued operations	0	0	0	0	0
Net income (loss)	530,209	897,435	1,926,975	1,757,631	820,782
Other comprehensive income (loss) (Net of tax)	(197,178)	329,162	183,063	140,930	(41,198)
Total comprehensive income (loss)	333,031	1,226,597	2,110,038	1,898,561	779,584
Net income (loss) attributable to stockholders of the parent	530,209	897,435	1,926,975	1,757,631	820,782
Net income (loss) attributable to non-controlling interests	0	0	0	0	0
Comprehensive income (loss) attributable to stockholders of the parent	333,031	1,226,597	2,110,038	1,898,561	779,584
Comprehensive income (loss) attributable to non-controlling interests	0	0	0	0	0
Earnings per share	1.50	2.70	5.66	4.60	2.15

Note 1: The financial information of each year has been verified and certified by an accountant.

Note 2: The loss of the suspended business unit is presented as the net amount after deducting income tax.

Note 3: As of the date of publication of the annual report, there is no recent financial information verified by CPAs.

(II) Name of CPAs and Audit Opinions for the Last Five Years

Year	Name of accounting firm	Name of CPA	Opinion
2019	Ernst & Young Taiwan	Chen, Cheng-Chu, Tu, Jia-Ling	Unqualified opinion with emphasis of matter paragraph
2020	Ernst & Young Taiwan	Chen, Cheng-Chu, Tu, Jia-Ling	Unqualified opinion
2021	Ernst & Young Taiwan	Chen, Cheng-Chu, Fuh, Wen-Fun	Unqualified opinion
2022	Ernst & Young Taiwan	Chen, Cheng-Chu, Fuh, Wen-Fun	Unqualified opinion
2023	Ernst & Young Taiwan	Chen, Cheng-Chu, Fuh, Wen-Fun	Unqualified opinion

II. Financial analysis in the five most recent years

(1) Financial analysis (consolidated) - International Financial Reporting Standards (IFRS)

Items of analysis \ Year		Financial analysis of the recent five years (Note 1)					As of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt to Asset Ratio	58.67	59.19	50.81	48.88	48.98	Not applicable
	Proportion of long-term capitals to property, plant, and equipment	229.85	247.77	276.66	248.28	239.02	
Debt service ability (%)	Current ratio	168.06	184.15	176.28	193.56	201.58	
	Quick ratio	133.37	150.97	145.08	139.30	155.72	
	Interest coverage ratio	8.10	13.77	27.01	16.14	6.74	
Operate	Receivables turnover (cycle)	2.62	2.87	3.25	3.14	3.24	
	Average collection days	139	127	112	116	113	
	Inventory turnover ratio (cycle)	3.95	4.94	4.69	2.98	2.80	
	Payables turnover (cycle)	4.45	4.21	3.75	3.64	4.61	
	Average days of sales	92	74	78	122	130	
	Property, plant, and equipment turnover (cycle)	1.87	2.19	2.37	1.72	1.43	
	Total assets turnover (cycle)	0.59	0.63	0.62	0.47	0.44	
Profitability	Return on asset (%)	3.66	5.82	9.26	6.69	4.06	
	Return on equity (%)	7.71	13.22	19.43	12.55	6.86	
	Ratio of net income before tax to paid-in capital (%) (Note 7)	18.05	30.98	65.69	54.63	30.49	
	Profit margin (%)	5.50	8.59	14.27	13.29	7.97	
	Earnings per share (NT$)	1.50	2.70	5.66	4.60	2.15	
Cash flow	Cash flow ratio (%)	14.71	33.71	12.57	23.59	28.77	
	Allowable cash flow ratio (%)	151.20	155.44	89.76	63.06	58.81	
	Cash reinvestment ratio (%)	3.18	7.09	2.04	2.22	3.14	
Leverage	Operating leverage	5.20	3.59	2.24	3.21	5.24	
	Financial leverage	1.16	1.09	1.04	1.09	1.32	

Please explain the reasons for changes in various financial ratios in the last two years. (If the changes does not reach 20%, the analysis can be exempted)

1. The interest coverage ratio decreased over the same period last year, mainly because the central bank continued to raise interest rates, the cost of funds increased and the company's profits were not as good as the previous period.

2. The payable turnover rate increased over the same period last year, mainly due to the increase in the operating cost in this period compared with the previous period.
3. The various financial ratios of profitability decreased over the same period last year. This was due to the fact that this year was affected by factors such as weak demand in the electronic terminal application market, long time to deplete inventory levels, insufficient utilization rate, etc., and the overall revenue and profit decreased compared with the previous period.
4. Both cash flow ratio and cash reinvestment ratio increased over the same period last year, mainly due to the increase in net cash inflow from operating activities in this period compared with the previous period.
5. Operating leverage increased over the same period last year was mainly due to the decrease in operating revenues, which resulted in an increase in the burden of fixed costs and expenses compared to the previous period.
6. Financial leverage increased over the same period last year, mainly due to the decrease in operating income in this period compared with last year, and the cost of funds is still high.

* If a company prepares an individual financial report, it shall also prepare an analysis of the individual financial ratio of the Company.

Note 1: The financial information of each year has been verified and certified by an accountant.

Note 2: As of the date of publication of the annual report, there is no recent financial information verified by CPAs.

Note 3: Calculation formula:

1. Financial structure
   (1) Debt ratio = Total liabilities/Total assets
   (2) Ratio of long-term funds to property, plant, and equipment = (Total equity + Non-current liabilities)/Net property, plant, and equipment
2. Debt service ability
   (1) Current ratio = Current assets/Current liabilities
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities
   (3) Times interest earned ratio = Earnings before interest and taxes/Interest expenses
3. Operating ability
   (1) Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities)
   (2) Average days for cash receipts = 365/Accounts receivable turnover
   (3) Inventory turnover rate= Cost of sales/Average inventory
   (4) Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and bills payable from business activities)
   (5) Average days for sale of goods = 365/Inventory turnover
   (6) Turnover rate for property, plant and equipment = Net sales/Average net property, plant, and equipment
   (7) Total asset turnover rate = Net sales/Average total assets
4. Profitability
   (1) Asset return ratio = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets
   (2) Equity return ratio = Profit or loss after tax/Average total equity
   (3) Net profit ratio = Profit or loss after tax/Net sales
   (4) Earnings per share = (Income attributable to owners of parent company - Preferred shares dividends)/Weighted average number of shares issued (Note 4)
5. Cash flow
   (1) Cash flow ratio = Net Cash flow from operating activities/Current liabilities
   (2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increment + Cash dividends) for the most recent five years
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross property, plant, and equipment + Long-term investment + Other non-current assets + Working capital) (Note 5)
6. Leverage:
   (1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income (Note 6)
   (2) Financial leverage = Operating income/(Operating income - Interest expenses)

Note 4: The financial information of each year has been verified and certified by an accountant.

1. Based on the weighted average number of ordinary shares, not the number of outstanding shares at the end of the

year.

2. Where there is a cash capital increase or treasury stock trading, the weighted average number of shares shall be calculated considering its circulation period.
3. Where there is a capital increase from surplus or capital reserve, when calculating the earnings per share in previous years and half-years, retrospective adjustments should be made according to the capital increase ratio, regardless of the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends for the current year (whether issued or not) should be deducted from the after-tax net profit or increased by the after-tax net loss. If the preferred stock is of a non-cumulative nature, if there is a net profit after tax, the preferred stock dividend shall be deducted from the net profit after tax; if it is a loss, there is no need to adjust it.

Note 5: Cash flow analysis should pay special attention to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow for capital investment.
3. The increase in inventory is only included when the closing balance is greater than the opening balance. If the inventory at the end of the year decreases, it will be calculated as zero.
4. Cash dividends include cash dividends on ordinary shares and preferred shares.
5. Gross property, plant and equipment refers to the total property, plant and equipment before deduction of accumulated depreciation.

Note 6: The issuer should classify various operating costs and operating expenses into fixed and variable according to their nature. If there are estimates or subjective judgments involved, they should pay attention to their rationality and maintain consistency.

Note 7: The Company's stocks have no denomination or the denomination per share is not NT$10. The calculation of the ratio of paid-in capital in the previous issue will be calculated based on the equity ratio attributable to the owner of the parent company on the balance sheet.

(2) Financial analysis (parent company only) - International Financial Reporting Standards (IFRS)

Items of analysis	Year	Financial analysis of the recent five years (Note 1)					As of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt to Asset Ratio	48.32	51.46	42.63	45.66	45.57	Not applicable
	Proportion of long-term capitals to property, plant, and equipment	468.70	423.93	430.46	416.37	369.91	
Debt service ability (%)	Current ratio	92.83	98.37	102.21	119.24	100.17	
	Quick ratio	62.22	73.30	73.54	79.01	65.78	
	Interest coverage ratio	11.97	18.26	33.45	19.00	6.51	
Operate	Receivables turnover (cycle)	3.33	3.69	3.88	3.97	3.80	
	Average collection days	110	99	94	92	96	
	Inventory turnover ratio (cycle)	4.67	5.99	5.25	3.63	3.33	
	Payables turnover (cycle)	5.50	7.55	6.46	6.13	6.02	
	Average days of sales	78	61	70	101	110	
	Property, plant, and equipment turnover (cycle)	3.21	3.01	2.67	2.03	1.58	
	Total assets turnover (cycle)	0.49	0.50	0.47	0.37	0.32	
Profitability	Return on asset (%)	4.75	7.05	10.68	7.76	3.85	
	Return on equity (%)	8.31	13.45	19.27	13.26	6.11	
	Ratio of net income before tax to paid-in capital (%) (Note 7)	18.35	28.35	58.30	50.71	23.42	
	Profit margin (%)	8.92	13.37	22.13	19.85	10.40	
	Earnings per share (NT$)	1.50	2.70	5.66	4.60	2.15	
Cash flow	Cash flow ratio (%)	28.33	16.43	6.28	3.91	29.44	
	Allowable cash flow ratio (%)	59.76	56.61	38.07	24.84	28.48	
	Cash reinvestment ratio (%)	5.59	1.81	(0.75)	(3.84)	1.40	
Leverage	Operating leverage	3.62	3.97	2.46	3.19	7.37	
	Financial leverage	1.11	1.12	1.06	1.12	2.13	

Please explain the reasons for changes in various financial ratios in the last two years. (If the changes does not reach 20%, the analysis can be exempted)

1. The interest coverage ratio decreased over the same period last year, mainly because the central bank continued to raise interest rates, the cost of funds increased and the company's profits were not as good as the previous period.
2. Turnover of property, plant and equipment decreased over the same period last year, mainly due to the fact that the company's operating revenue in this period was not as good as the previous period.
3. The various financial ratios of profitability decreased over with the same period last year. This was due to the fact that this year was affected by factors such as weak demand in the electronic terminal application market, long time to deplete inventory levels, insufficient utilization, etc., and the overall revenue and profit compared with the previous period.
4. Both cash flow ratio and cash reinvestment ratio increased over the same period last year, mainly due to the increase in net cash inflow from operating activities in this period compared with the previous period.
5. Operating leverage increased over the same period last year was mainly due to the decrease in operating revenues, which resulted in an increase in the burden of fixed costs and expenses compared to the previous period.
6. Financial leverage increased over the same period last year, mainly due to the decrease in operating income in this period compared with last year, but the cost of funds is still high.

Note 1: The financial information of each year has been verified and certified by an accountant.

Note 2: As of the date of publication of the annual report, there is no recent financial information verified by CPAs.

Note 3: Calculation formula:

1. Financial structure
   (1) Debt ratio = Total liabilities/Total assets
   (2) Ratio of long-term funds to property, plant, and equipment = (Total equity + Non-current liabilities)/Net property, plant, and equipment
2. Debt service ability
   (1) Current ratio = Current assets/Current liabilities
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities
   (3) Times interest earned ratio = Earnings before interest and taxes/Interest expenses
3. Operating ability
   (1) Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities)
   (2) Average days for cash receipts = 365/Accounts receivable turnover
   (3) Inventory turnover rate= Cost of sales/Average inventory
   (4) Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and bills payable from business activities)
   (5) Average days for sale of goods = 365/Inventory turnover
   (6) Turnover rate for property, plant and equipment = Net sales/Average net property, plant, and equipment
   (7) Total asset turnover rate = Net sales/Average total assets
4. Profitability
   (1) Asset return ratio = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets
   (2) Equity return ratio = Profit or loss after tax/Average total equity
   (3) Net profit ratio = Profit or loss after tax/Net sales
   (4) Earnings per share = (Income attributable to owners of parent company - Preferred shares dividends)/Weighted average number of shares issued (Note 4)
5. Cash flow

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

(2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increment + Cash dividends) for the most recent five years

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross property, plant, and equipment + Long-term investment + Other non-current assets + Working capital) (Note 5)

6. Leverage:

(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income (Note 6)

(2) Financial leverage = Operating income/(Operating income - Interest expenses)

Note 4: The financial information of each year has been verified and certified by an accountant.

1. Based on the weighted average number of ordinary shares, not the number of outstanding shares at the end of the year.
2. Where there is a cash capital increase or treasury stock trading, the weighted average number of shares shall be calculated considering its circulation period.
3. Where there is a capital increase from surplus or capital reserve, when calculating the earnings per share in previous years and half-years, retrospective adjustments should be made according to the capital increase ratio, regardless of the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends for the current year (whether issued or not) should be deducted from the after-tax net profit or increased by the after-tax net loss. If the preferred stock is of a non-cumulative nature, if there is a net profit after tax, the preferred stock dividend shall be deducted from the net profit after tax; if it is a loss, there is no need to adjust it.

Note 5: Cash flow analysis should pay special attention to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow for capital investment.
3. The increase in inventory is only included when the closing balance is greater than the opening balance. If the inventory at the end of the year decreases, it will be calculated as zero.
4. Cash dividends include cash dividends on ordinary shares and preferred shares.
5. Gross property, plant and equipment refers to the total property, plant and equipment before deduction of accumulated depreciation.

Note 6: The issuer should classify various operating costs and operating expenses into fixed and variable according to their nature. If there are estimates or subjective judgments involved, they should pay attention to their rationality and maintain consistency.

Note 7: The Company's stocks have no denomination or the denomination per share is not NT$10. The calculation of the ratio of paid-in capital in the previous issue will be calculated based on the equity ratio attributable to the owner of the parent company on the balance sheet.

III. Audit Committee Report for the most recent year's financial statemen

Detailed in Appendix I

IV. Financial statements in the most recent year (consolidated)

Detailed in Appendix II.

V. The Company's parent company only financial statements audited and attested by CPAs in the most recent year

Detailed in Appendix III.

VI. In the most recent year and up to the date of publication of the annual report, any financial difficulties experienced by the Company or its affiliates and how said difficulties will affect the Company's financial situation

None.

Chapter 7. Review and Analysis of Financial Condition and Performance and Relevant Risk Events

I. Financial Position:

The main reasons for the significant changes in assets, liabilities and shareholders' equity in the last two years and their effects

Units: NT$ thousands

Items \ Year	2023	2022	Variance	
			Amount	%
Current asset	14,332,321	14,609,804	(277,483)	(1.90)
Property, plant, and equipment	7,801,152	7,411,293	389,859	5.26
Right-of-use assets	1,224,334	1,296,176	(71,842)	(5.54)
Intangible assets	1,649,469	1,661,358	(11,889)	(0.72)
Other assets	3,675,459	4,188,215	(512,756)	(12.24)
Total assets	28,682,735	29,166,846	(484,111)	(1.66)
Current Liabilities	7,110,064	7,547,887	(437,823)	(5.80)
Non-current Liabilities	6,938,132	6,709,724	228,408	3.40
Total Liabilities	14,048,196	14,257,611	(209,415)	(1.47)
Equity attributable to the parent company	13,248,598	13,615,577	(366,979)	(2.70)
Capital stock	3,821,149	3,828,149	(7,000)	(0.18)
Capital surplus	6,007,138	6,016,861	(9,723)	(0.16)
Retained earnings	4,026,560	4,339,691	(313,131)	(7.22)
Other equities	(606,249)	(552,617)	(53,632)	(9.71)
Treasury stock	-	(16,507)	(16,507)	(100.00)
Non-controlling interests	1,385,941	1,293,658	92,283	7.13
Total equity	14,634,539	14,909,235	(274,696)	(1.84)

1. Analysis and explanation of the increase and decrease ratio:

   The treasury stock decreased over the same period last year was due to the cancellation of treasury stock during the year.

2. Influence: no significant influence.

3. Future countermeasures: none.

II. Financial Performance

(1) The main reasons for the major changes in operating revenues, operating income and pretax income from continuing operations in the last two years

Units: NT$ thousands

Items / Year	2023	2022	Increase (decrease) amount	Variable proportion
Operating revenues	12,707,319	13,227,847	(520,528)	(3.94)
Operating cost	9,499,258	9,232,010	267,248	2.89
Gross profit	3,208,061	3,995,837	(787,776)	(19.71)
Operating expenses	2,374,327	2,364,764	9,563	0.40
Operating income (loss)	833,734	1,631,073	(797,339)	(48.88)
Non-operating income and expenses	331,362	460,269	(128,907)	(28.01)
Pretax income from continuing operations	1,165,096	2,091,342	(926,246)	(44.29)
Profit from continuing operations	1,012,951	1,757,904	(744,953)	(42.38)
Net income (Loss)	1,012,951	1,757,904	(744,953)	(42.38)
Total other comprehensive income (loss) (net of tax)	(31,264)	216,970	(248,234)	(114.41)
Total comprehensive income (loss)	981,687	1,974,874	(993,187)	(50.29)
Net income (loss) attributable to stockholders of the parent	820,782	1,757,631	(936,849)	(53.30)
Net income (loss) attributable to non-controlling interests	192,169	273	191,896	70,291.58
Comprehensive income (loss) attributable to stockholders of the parent	779,584	1,898,561	(1,118,977)	(58.94)
Comprehensive income (loss) attributable to non-controlling interests	202,103	76,313	125,790	164.83
Earnings per share	2.15	4.60	(2.45)	(53.26)

Analysis and explanation of the increase and decrease ratio:

1. Operating income decreased over the same period last year, due to the impact of weak demand in the electronic terminal application market, long time to deplete inventory levels, insufficient utilization rate, which resulted in a decrease in overall net operating income compared to last year.
2. The non-operating income and expenses decreased over the sample period last year, mainly due to fluctuation in foreign exchange rates and interest rate hikes resulting in the increase in net foreign currency exchange loss of $174,036 thousand, as well as the increase in gain of $61,908 thousand on valuation of financial assets and liabilities at fair value through profit or loss.
3. The profit before tax, net income of continuing operations and net income decreased over the same period last year, mainly due to the influence of items 1 and 2 above.
4. Other comprehensive profits and losses (net after tax) for the current period decreased compared

with last year, mainly due to the impact of the depreciation of the Taiwan dollar and RMB in the past two years, which caused an increase of 629,794 thousand in exchange differences arising on translation of foreign operations compared with last year and the stock market rose in 2023, which resulted in an increase of 303,277 thousand in unrealized gains on financial assets measured at fair value through other comprehensive income compared with last year. 5. The total comprehensive income, net income (loss) attributable to stockholders of the parent, Comprehensive income (loss) attributable to stockholders of the parent, and earnings per share of the current period decreased over the previous year, the reasons for which are the same as the above items 1, 2 and 4. 6. The increase in net income (loss) attributable to non-controlling interests compared to last year was mainly due to an increase in net income attributable to non-controlling interests in the Power ICs and Components segment. 7. The Comprehensive income (loss) attributable to non-controlling interests increased compared to last year, the reason is the same as items 4 and 6 above.

(II) The expected sales volume and its basis, as well as the possible impact on the Company's future financial business and its response plan:

The expected sales volume is mainly based on the consideration of the future and the estimated market demand will grow. For relevant market research and analysis, please refer to the future supply and demand situation and growth potential of the market (see pages 147 - 150 of this annual report for details).

III. Cash flow

(I) Analysis and explanation of changes in cash flow in recent years

Units: NT$ thousands

Open cash balance	Annual net cash inflow (out flow) from operating activities	Net cash inflow (outflow)	Effect of Exchange Rate Changes	Cash surplus (insufficient) amount	Remedial measures for the shortfall in cash	
					Investment Program	Financial Planning
3,033,568	2,045,392	(2,000,433)	(1,650)	3,076,877	None	None

Analysis of changes in cash flow this year: 1. Net cash inflow from operating activities was NT$2,045,392 thousand, which mainly includes after-tax net profit and depreciation expenses. 2. Net cash outflow from investing activities amounted to $749,551 thousand, which was mainly due to cash outflow of $830,021 thousand from acquisition of property, plant and equipment, cash outflow of $206,770 thousand from prepayment of equipment, cash inflow of $168,785 thousand from recovery of refund of deposits, and cash inflow of $129,210 thousand from receipt of dividends. 3. The net cash outflow from financing activities was NT$1,250,882 thousand, mainly due to the cash outflow from cash dividends of NT$1,146,345 thousand. To sum up, after the cash flow (outflow) of the current period is added to the Effect of exchange rate changes, the net cash inflow for the year is NT$43,309 thousands.

(II) Improvement plan for insufficient liquidity: None

(III) Cash flow analysis

Units: NT$ thousands

Beginning of the period cash balance	Estimated full-year net cash flow from operating activities	Estimated full-year net cash flow	(Insufficient) quantity of estimated balance of cash	Remedial measures for the anticipated shortfall in cash	
				Investment Program	Funding Program
3,076,877	2,348,000	(1,700,000)	3,724,877	None	None
Estimated future Cash flow Cash inflow from operating activities for the coming year is expected to be approximately NT$2,348,000 thousand, while cash outflow from the purchase of machinery and equipment and cash dividend for the coming year is expected to increase by approximately NT$1,700,000 thousand, leaving a cash balance of NT$3,724,877thousand at the end of the period. There was no cash shortage.					

IV. Impact of material expenditures on the Company's finances and operations in the most recent year

The source of funds for the capital expenditures of the Company and its subsidiaries in the most recent year is mainly the net cash inflows from operating activities, which are matched with some bank borrowings; and the benefits of capital expenditures have been shown in the growth of operating profits, so the overall financial impact of the Company is the business has a positive impact.

V. Investment policies in other companies, the main reasons for profit/losses, improvement plan, and investment plans for the upcoming year

Items \ Description	Investment policy	Reason for Profit or loss	Improvement Plan	Investment plan in the coming year
Diode business group Including: Pynmax Technology Co., Ltd.; JOYSTAR INTERNATIONAL CO., LTD.; PAN-JIT ASIA INTERNATIONAL INC.; PAN JIT AMERICAS, INC.; Pan Jit Electronics (Wuxi) Co., Ltd.; Pan Jit Electronics (Beijing) Co., Ltd; Panjit Electronics (Shandong) Co., Ltd.; Panjit Electronics (Qufu) Co.,Ltd; PAN-JIT INTERNATIONAL (H.K.) LTD.; Director of Suzhou Grande Electronics Co., LTD.; CONTINENTAL LIMITED; PANJIT EUROPE GMBH; PANJIT KOREA CO.,LTD; DYNAMIC TECH GROUP LIMITED; Shenzhen Weiquan Electronics Co.,Ltd; Pan Jit Semiconductor (Xuzhou) Co., Ltd., PANJIT JAPAN Co., Ltd., and Panstar Semiconductor Co., Ltd.	Continue brand cultivation and cost saving, strengthen investment resources, improve the speed of new product development and product quality, and take advantage of packaging production capacity and quality advantages to win international manufacturers of first-line brands in Europe, the United States, Japan and China.	The profit was mainly due to the steady growth of market demand for discrete components.	None	Will depend on the Company's operating conditions
Power integrated circuits and components Including: Champion Microelectronic Corp., Wisdom Mega Corp., Wisdom Bright Inc., Wisdom Toprich Technology Limited., Great Power Microelectronics Corp. (Great Power), and Golden Champion Digital Power Corporation	Continue to develop our core technologies and actively expand the application of next-generation semiconductor products.	The profit was mainly due to the growth in demand for personal computers and the increased adoption of related products such as servers, workstations, TVs and game consoles.	None	Will depend on the Company's operating conditions
Solar energy business group Including: AIDE Energy Europe Coöperatie U.A.、 AIDE Energy Europe B.V.、 EC Solar C1 SRL、Aide Energy (CAYMAN)Holding Co.,Ltd, and Aide Solar Technology Co., Ltd.	The business group only solar power plant - EC Solar C1 SRL is still in operation. Its primary manufacturing plant- Aide Solar Technology Co., Ltd., has been shut down.	The profit was mainly due to the stable profit of the solar power plant - EC Solar C1 SRL.	None	No further investment plans

VI. Risk

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

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

Units: NT$ thousand

Items	Profit and loss influence		Future countermeasures
	Subject	2023	
Interest	Financial costs	202,803	Regularly evaluate bank borrowing rates, in addition to closely contacting banks to obtain more favorable borrowing rates, and adopting forward rate contracts for hedging risks as needed.
Exchange rate	Net foreign exchange (loss) gain	(14,026)	Pay close attention to the exchange rate trend, take the risk aversion plan as much as possible for the net position of foreign currency assets and liabilities, and control the exchange profit and loss within a reasonable range

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

   Under the government's policy of stabilizing the financial market order and prices, as of the disclosure date of the annual report, the operation and profit and loss of the company and its subsidiaries have been limited by the impact of inflation.

   In the future, we will continue to pay close attention to the development of the economic situation, increase the Company's revenue and reduce the impact of inflation.

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future：

1. The Company and its subsidiaries do not engage in high-risk and high-leverage investments.
2. The Company's and its subsidiary's policy on capital loan to others and endorsement guarantee is handled in accordance with the Company's capital loan to others operating procedures and the relevant regulations of the endorsement

guarantee method.

3. The Company and its subsidiaries' policies on derivative transactions are implemented in accordance with the procedures for handling derivative transactions set forth in the Procedures for Acquisition or Disposal of Assets, with hedging transactions as the primary transaction method.

(III) Future R&D plans and estimated R&D expenses for the most recent year and as of the publication date of the annual report:

Through forward-looking thinking, combined with industry trends and market trends, the Company will invest more in research and development in the next few years to enhance the advantages and market competitiveness of various products. The following is a description of the future R&D plan and estimated R&D expenses for the main sales product –discrete device:

1. Future R&D plan:

(1) HV MOSFETs:

In order to improve device efficiency, RDS-ON and Capacity are reduced by techniques such as trench structure design, such as Ciss, Coss, Crss., to speed up the switching speed. In addition, due to such high-voltage power components, it will be applied to power systems or charging facilities. The design of component structure, packaging materials, heat conduction path design, and enhancing thermal conductivity/reducing thermal dissipation within the component are also the focus of research and development.

(2) MV MOSFETs:

The main research and development direction of such medium-voltage power application components is the same as that of HV MOSFETs. In addition, due to the increasing demand for automotive /EVs applications, the development of automotive-grade MV MOSFETs is also a key R&D target. In addition, emphasis will be placed on further reducing Rsp and improving Switch Performance (FOM).

(3) IGBTs:

This device is a high-speed power device that integrates the advantages of MOSFET and Bipolar Junction Transistor (BJT), mainly using Field-stop Trench technology. Designed with High Density Trench Cells and Optimization Of Field-Stop Layer. The purpose is to obtain a higher power gain than the current BJT and minimize its switching loss minimization at very high switching frequencies.

(4) FREDs:

The Second-generation product development further optimizes switching speed and forward conduction voltage, and the development of IGBT Co-Package FREDs expand the scale of existing FRED products.

(5) SiC SBDs:

Under high frequency switching, the key goal of research and development is to minimize its switching loss.

(6) SiC MOSFETs:

Silicon carbide (SiC) is a semiconductor material with wide Bandgap Semiconductors, which is resistant to high pressure and has High Electron Mobility. It often comes out top in high frequency, high pressure, high temperature, such as electric vehicles, green energy and other high-level applications. Its component structure design and exclusive process development are the focus of research and development.

(7) GaN HEMTs:

Gallium Nitride (GaN) is a wide-gap Compound Semiconductor material. It has a special polarization effect, with piezoelectric polarization and spontaneous polarization. In the absence of dopants, the polarization effect can make the AlGaN/GaN hetero structures near the interface will be formed Two Dimensional Electron Gases (2DEG). Taking advantage of 2 DEG to manufacture electron mobility transistor Enhancement-Mode High Electron Mobility Transistor (HEMT), which speed is much higher than that of MOSFET. Currently cooperating with GaN HEMTs professional units, PANJIT will design its component structure and apply for an invention patent to pave the way for the future development of near-term products.

2. Estimated R&D expenses:

Unit: NT$ thousands

Product line	Planned development items	Estimated investment in R&D expenses
HV MOSFETs (Super Junction Technology)	HV SJ MOSFET 600V Gen.2-Easy	5,111
	HV SJ MOSFET 600V Gen.2-FR	3,140
MV MOSFETs (Shielded-Gate Technology)	MV SGT MOSFET 100V Gen.2-SL, LL	5,579
	MV SGT MOSFET 80V Gen.2- SL, LL	9,046
	MV SGT MOSFET 60V Gen.2	54,368
	MV SGT MOSFET 40V Gen.2	9,383
FREDs	FRED 1200V/650V Gen.2	18,675

IGBTs (Field-stop Trench Technology)	FST- IGBT 1200V Gen.1	21,189
	FST-IGBT 650V Gen.1	21,995
SiC SDBs	SiC SDBs 1200V/650V G2	8,007
SiC MOSFETs	SiC MOS 1200V/650V G1	30,080

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

In addition to complying with relevant laws and regulations, the Company and its subsidiaries also pay attention to important domestic and foreign policies and changes in laws. Therefore, the Company and its subsidiaries have not been affected by any significant changes in domestic and foreign policies and laws that would have a material impact on the Company's financial operations.

(V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response

This is to explain the impact of technological changes and industrial changes on the Company’s financial business and corresponding measures with regard to the main product -discrete device

Discrete devices are widely used in various electronic devices. Their main uses include frequency conversion, rectification, voltage transformation, power amplification, power control, etc. discrete devices can be regarded as the cornerstone of the electronics industry. Therefore, with the change of technology and industry, the market demand for discrete devices is increasing day by day. In addition, the Company has a completed product line and actively invests in research and development to develop various high-performance high-power discrete devices to meet market trends and improve the Company's competitiveness. Thus, technological changes and industry changes will have a positive impact on the financial business.

(VI) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response

The Company and its subsidiaries have always adhered to the business philosophy of integrity, law-abiding and fulfilling social responsibilities. Therefore, the Company's corporate image has always been good. In the recent year and up to the date of publication of the annual report, there has been no major event affecting the change of the Company's corporate image.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

The Company and its subsidiaries have not carried out merger and acquisition plans in the most recent year and as of the date of publication of the annual report.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

The expansion of the plant of the Company and its subsidiaries is based on a prudent assessment of existing production capacity and future operational growth. Significant capital expenditures are submitted to the board of directors for deliberation, and investment benefits and possible risks have been duly considered.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

This is to explain the risks and countermeasures faced by the purchase or sales concentration of the main product-discrete device

There is no excessive concentration of sales. The purchases are concentrated in the subsidiaries within the group, mainly because the Company is committed to the vertical integration of upstream and downstream. The companies in the group adopt the method of division of labor and cooperation, specialize in the production of different product lines, and provide them to the companies in the group for sales. In order to achieve the maximum complementary effect of product lines between Group companies, and then enhance product competitiveness and company profitability. In addition, if the product scheduling between groups is excluded, the Company's purchase customers are not excessively concentrated, so the risk of purchase concentration should be small.

(X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

In the most recent year and as of the publication date of the annual report, the Company and its subsidiaries did not have directors or major shareholders holding more than 10% of the shares transferred or replaced in large quantities.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

In the most recent year and as of the date of publication of the annual report, there has been no change in the management rights of the Company.

(XII) In the most recent year and as of the date of publication of the annual report, the Company and its directors, general managers, substantive persons in charge, major shareholders holding more than 10% of the shares, and affiliated companies have been judged to determine or not in respect of litigation or non-litigation events. In the case of a major lawsuit, non-litigation or administrative dispute, the result of which may have a significant impact on shareholders' rights and interests or securities prices, the facts of the dispute, the amount of the subject matter, the start date of the lawsuit, the main parties involved in the lawsuit and the handling situation shall be disclosed: None

(XIII) Other important risks, and mitigation measures being or to be taken: None.

VII. Other important matters

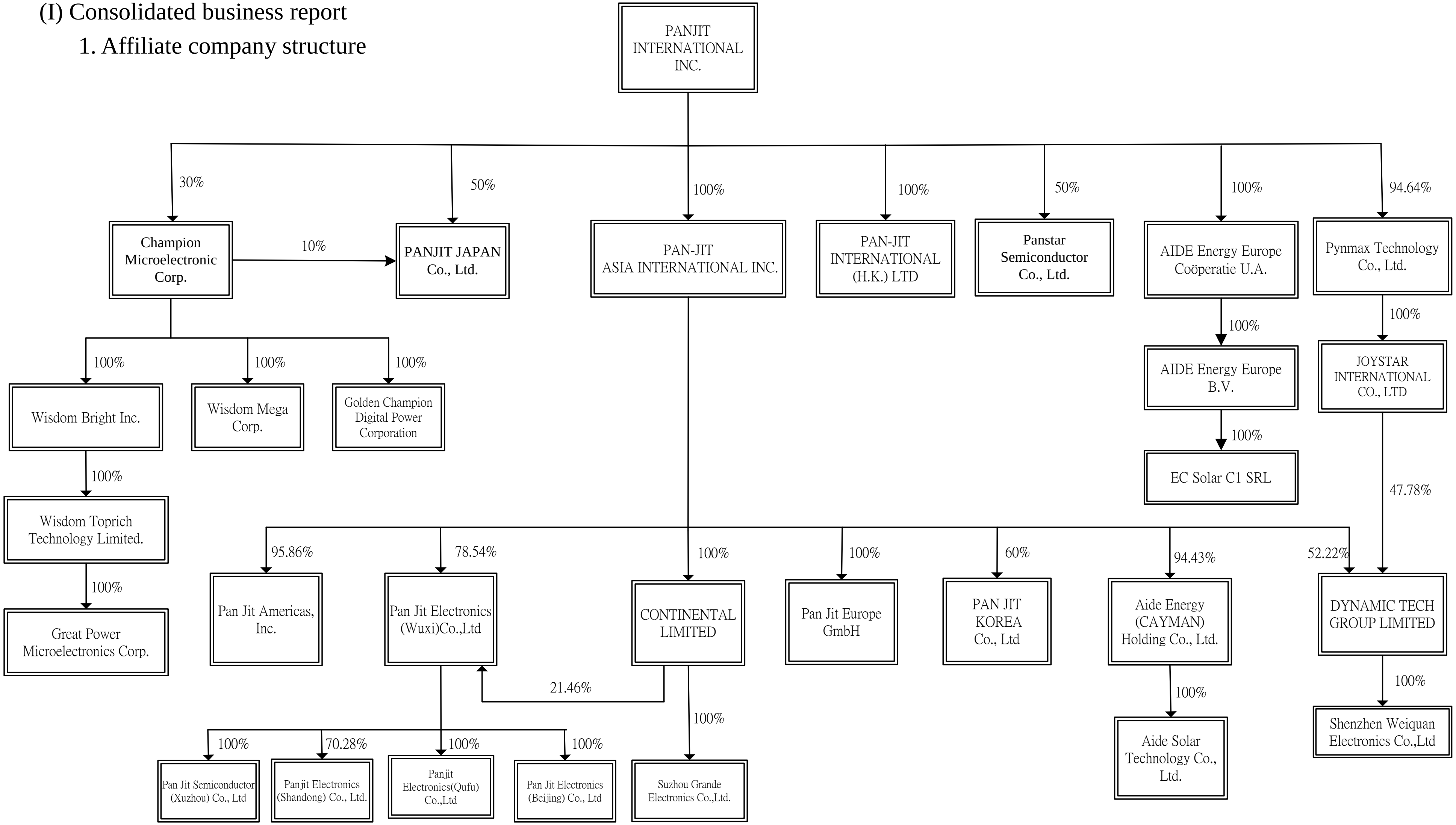
None.

Chapter 8. Special Notes

I. Information on associates

(I) Consolidated business report

1. Affiliate company structure



2. Basic information of each affiliated enterprises

Units: NT$ thousands

Company name	Date of founding	Address	Paid-in capital		Main business or production items
Pynmax Technology Co., Ltd.	2000.02.25	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	NTD	892,800	Electronic component manufacturing and international trade
JOYSTAR INTERNATIONAL CO., LTD.	2006.06.06	4th Floor,Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	USD	21,522	Investing
PAN-JIT ASIA INTERNATIONAL INC.	1998.01.06	Vistra Corporate Services Centre Wickhams Cay II Road Town,Tortola,Vg1110 Virgin Islands,British	USD	224,724	Investing
PAN JIT AMERICAS, INC.	2000.08.08	2507 W ERIE DR #101, TEMPE, AZ 85282, USA	USD	19,050	Electronics trade
Pan Jit Electronics (Wuxi) Co., Ltd.	1999.12.21	No.8, Hanjiang Road, Wuxi Xinwu District, Wuxi City, Jiangsu Province, China	RMB	213,153	Rectifier processing and manufacutring
Pan Jit Electronics (Beijing) Co., Ltd	2014.09.03	Room 3315, 3rd Floor, Building 425, Wangjing West Park, Chaoyang District, Beijing	RMB	1,000	Sales of new types of electronic components, semiconductor rectifiers
Panjit Electronics (Shandong) Co., Ltd.	2010.07.09	No. 186, Zhongrun Avenue, High-tech Zone, Zibo City, Shandong Province	RMB	76,720	Manufacturing of semiconductor wafers for automobiles and protection of discrete devices, integrated circuit chips and packaging products
Panjit Electronics (Qufu) Co., Ltd	2018.05.02	North Chunqiu Road, Taiwan Industrial Park, Qufu City, Jining City, Shandong Province	RMB	500	Sales of new types of electronic components, semiconductor rectifiers
PAN-JIT INTERNATIONAL	1993.09.14	Unit 1-5 ,18/F., Wah Wai Centre,No.	HKD	9,711	Electronics trade

Company name	Date of founding	Address	Paid-in capital		Main business or production items
(H.K.) LTD.		38-40 Au Pui Wan Street,Fotan,Shatin, New Territories			
Suzhou Grande Electronics Co., LTD.	1992.06.08	Room 903, Building 1, No. 88, Shishan Road, Suzhou New District, Jiangsu Province	RMB	93,169	Chip diodes, triodes, other new types of electronic semiconductor components and related products, as well as providing technology and after-sales service
CONTINENTAL LIMITED	2003.03.20	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	USD	19,726	Investing
PAN JIT EUROPE GMBH	2002.11.13	Otto-Hahn-Str. 285609 Aschheim Germany	EUR	700	Electronics trade
PANJIT KOREA Co., LTD.	2008.01.29	Tower A dong 3601 Ho, Heung Deuk IT Valey, Heung Deuk 1ro 13 Gi Heung-Gu, Yong In City GyungGi-Do, Korea	KRW	450,000	Electronics trade
DYNAMIC TECH GROUP LIMITED	2002.04.12	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	USD	2,156	Investing
Shenzhen Weiquan Electronics Co., Ltd	2002.09.30	Room 708, Building 11, Tiedong Logistics, No. 3 Ping'an Avenue, Pinghu Community, Pinghu Street, Longgang District, Shenzhen	RMB	15,183	New types of electronic components, semiconductor rectifiers
Pan Jit Semiconductor (Xuzhou) Co., Ltd.	2021.07.30	No.10, Fenghuang Avenue, Xuzhou Economic Development Zone, Jiangsu Province	RMB	252,640	Sales of new types of electronic components, semiconductor rectifiers
Aide Energy (CAYMAN)Holding Co., Ltd	2009.11.04	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	USD	83,263	Reinvestment business and solar energy products

Company name	Date of founding	Address	Paid-in capital		Main business or production items
AIDE Energy Europe Coöperatie U.A.	2012.01.17	Corkstraat 46 ,3047 AC Rotterdam Nederland	EUR	18,625	Investing
AIDE ENERGY EUROPE B.V.	2012.01.17	Corkstraat 46 ,3047 AC Rotterdam Nederland	EUR	18,620	Investing and trade
EC SOLAR C1 SRL	2009.02.17	Viale Andrea Doria 7 Cap 20124	EUR	100	Electricity sales from solar power plants
Aide Solar Technology Co., Ltd.	2006.12.28	No.10, Fenghuang Avenue, Xuzhou Economic Development Zone, Jiangsu Province	RMB	54,886	Development, manufacturing and sales of solar energy products and self-acting agents of various commodities and technologies, import and export
PANJIT JAPAN Co., Ltd.	2023.03.23	6F606 KS Building, 1-31-11 Kichijoji Hon-cho, Musashino-shi, Tokyo, Japan	Yen	99,000	Electronics trade
Champion Microelectronic Corp.	1998.12.30	Floor 5, No. 11, Park 2nd Road, Science Park District, Hsinchu City, Taiwan	NTD	799,866	Electronic component manufacturing and international trade
Wisdom Mega Corp.	2017.01.24	P. O. Box 1239, Offshore Incorporations Centre, Victoria,Mahe', Republic of Seychelles	USD	4,000	Investment holdings
Wisdom Bright Inc.	2009.11.20	Suite 15, 1st Floor Oliaji Trade Centre, Francis, Rachel Sreet,Victoria, Mahe, Seychelles	USD	2,504	Investment holdings
Wisdom Toprich Technology Limited	2009.11.20	Suite 15, 1st Floor Oliaji Trade Centre, Francis, Rachel Street,Victoria, Mahe, Seychelles	USD	2,504	Investment holdings
Great Power Microelectronics Corp.	2010.07.26	Room 419, Buildings A, B, C, Zone B, Yuanfen Industrial Zone, Gaofeng Community, Dalang Street, Longhua	USD	2,750	Technical development of electronic products and import, export and wholesale of related

Company name	Date of founding	Address	Paid-in capital	Main business or production items
		District, Shenzhen		products
Golden Champion Digital Power Corporation	2023.12.26	21st Floor, No. 96, Section 1, Xintai 5th Road, Xizhi District, New Taipei City	NTD 1,000	Electronic component manufacturing and product design industry
PANSTAR SEMICONDUCTOR CO., LTD.	2022.09.27	21st Floor, No. 96, Section 1, Xintai 5th Road, Xizhi District, New Taipei City	NTD 20,000	IC Design Industry

3. Where there is considered to be a controlled and subordinate relation, the information of the same shareholders:

Units: NT$ thousands; Share: %

Presumed cause	Company (or Name)	Shares Held		Date of founding	Address	Paid-up capital Registered capital	Main business or production items
		Number of shares	Shareholding ratio				
Not applicable							

4. Industries covered by the operation of the overall affiliated enterprise

Segment	Related enterprise name	Relationship with other related companies operating business
Investment	JOYSTAR INTERNATIONAL CO., LTD.	Invested in DYNAMIC TECH GROUP LIMITED
	PAN-JIT ASIA INTERNATIONAL INC.	Invested in PAN JIT AMERICAS, INC.; Pan Jit Electronics (Wuxi) Co., Ltd.; CONTINENTAL LIMITED; PANJIT EUROPE GMBH; PANJIT KOREA Co., LTD.; Aide Energy (Cayman) Holding Co., LTD.; DYNAMIC TECH GROUP LIMITED
	CONTINENTAL LIMITED	Invested Suzhou Grande Electronics Co., LTD. and Pan Jit Electronics (Wuxi) Co., Ltd.
	DYNAMIC TECH GROUP LIMITED	Invested Shenzhen Weiquan Electronics Co.,Ltd
	Aide Energy (Cayman)Holding Co., LTD.	Invested in Jiangsu Aide Solar Technology Co., LTD.; sales of solar energy products
	AIDE Energy Europe Coöperatie U.A.	Invested AIDE Energy Europe B.V.
	AIDE ENERGY EUROPE B.V.	Invested in EC SOLAR C1 SRL and trading
	Wisdom Mega Corp.	Investment holdings
	Wisdom Bright Inc.	Invested in Wisdom Toprich Technology Limited
	Wisdom Toprich Technology Limited	Invested in Great Power Microelectronics Corp. (Great Power)
Manufacturing industry	Pynmax Technology Co., Ltd.	Electronic component manufacturing and international trade
	Pan Jit Electronics (Wuxi) Co., Ltd.	Rectifier processing and manufacutring
	Panjit Electronics (Shandong) Co., Ltd.	Manufacturing of semiconductor wafers for automobiles and protection

Segment	Related enterprise name	Relationship with other related companies operating business
		of discrete devices, integrated circuit chips and packaging products
	Shenzhen Weiquan Electronics Co.,Ltd	New types of electronic components, semiconductor rectifiers
	Aide Solar Technology Co., Ltd.	Development, manufacturing and sales of solar energy products and self-acting import agents of various commodities and technologies
	Pan Jit Semiconductor (Xuzhou) Co., Ltd.	Sales of new types of electronic components, semiconductor rectifiers
	Champion Microelectronic Corp.	Electronic component manufacturing and international trade
	Golden Champion Digital Power Corporation	Electronic component manufacturing and product design industry
Merchandising	PAN JIT AMERICAS, INC.	Electronics trade
	PANJIT JAPAN Co., Ltd.	Electronics trade
	Suzhou Grande Electronics Co., LTD.	Chip diodes, triodes, other new types of electronic semiconductor components and related products, as well as providing technology and after-sales service
	Pan Jit Electronics (Beijing) Co., Ltd	Sales of new types of electronic components, semiconductor rectifiers
	Panjit Electronics (Qufu) Co., Ltd	Sales of new types of electronic components, semiconductor rectifiers
	PAN-JIT INTERNATIONAL (H.K.) LTD.	Electronics trade
	PAN JIT EUROPE GMBH	Electronics trade
	PANJIT KOREA Co., LTD.	Electronics trade
	Great Power Microelectronics Corp.	Technical development of electronic products and import, export and wholesale of related products
Electrisity supply	EC SOLAR C1 SRL	Electricity sales from solar power plants
IC Design Industry	PANSTAR SEMICONDUCTOR CO., LTD.	IC Design Industry

5. Information on directors, supervisors, and presidents of affiliates

Unit: thousand shares

Company name	Title	Name or representative	Shares Held	
			Number of shares	Shareholding ratio
Pynmax Technology Co., Ltd.	Chairman	PANJIT INTERNATIONAL INC. Representative: Fang, Ming-Ching	84,493	94.64
	Director	PANJIT INTERNATIONAL INC. Representative: Fang, Ming-Tsung	84, 493	94.64
	Director	PANJIT INTERNATIONAL INC. Representative: LI, XUE-HAN	84, 493	94.64
	Director	Eddy Fang	0	0.00
	Director	FANG, SHU-JUAN	135	0.15
	Supervisor	Hsieh, Pai-Cheng	0	0.00
	Supervisor	Shen, Ying-Hsiu	8	0.01
	President	Fang, Ming-Ching	0	0.00
JOYSTAR INTERNATIONAL CO., LTD.	Director	Pynmax Technology Co., Ltd. Representative: Fang, Ming-Ching	21,522	100.00
PAN-JIT ASIA INTERNATIONAL INC.	Director	PANJIT INTERNATIONAL INC. Representative: Fang, Ming-Ching	224,724	100.00
PAN JIT AMERICAS, INC.	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Ming-Ching	2,431	95.86
	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Ming-Tsung	2,431	95.86
	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Yen-Chiou	2,431	95.86
	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Eddy Fang	2,431	95.86
	President	Mike Coates	0	0.00
Pan Jit Electronics (Wuxi) Co., Ltd.	Chairman	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Ming-Ching	Note 1	78.54
	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Ming-Tsung		78.54
	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Zhuang, Guo-Chen		78.54
	Supervisor	PAN-JIT ASIA INTERNATIONAL INC.		78.54

Company name	Title	Name or representative	Shares Held	
			Number of shares	Shareholding ratio
	President	Representative: Hsieh, Pai-Cheng Fang, Ming-Ching		0.00
Pan Jit Electronics (Beijing) Co., Ltd	Chairman Director Director Supervisor	Tian, Li Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Fang, Ming-Tsung Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Fang, Ming-Ching Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Hsieh, Pai-Cheng	Note 1	0.00 100.00 100.00 100.00
Panjit Electronics (Shandong) Co., Ltd.	Chairman Director Director Supervisor Supervisor President	Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Fang, Ming-Ching Zibo Micro Commercial Components Corp. Representative: Li, An Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Fang, Ting-Yu Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Hsieh, Pai-Cheng Zibo Micro Commercial Components Corp. Representative: Zhang, Qun Li, An	Note 1	70.28 29.72 70.28 70.28 29.72 0.00
Panjit Electronics (Qufu) Co.,Ltd	Executive Director Supervisor President	Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Chen, Meng-Shun Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Hsieh, Pai-Cheng Chen, Meng-Shun	Note 1	100.00 100.00 0.00
PAN-JIT INTERNATIONAL (H.K.) LTD.	Chairman President	PANJIT INTERNATIONAL INC. Representative: Fang, Ming-Ching Fang, Ming-Ching	9,711 0	100.00 0.00
Suzhou Grande Electronics Co., LTD.	Chairman Director Director Supervisor President	CONTINENTAL LIMITED Representative: Chen, Meng-Shun CONTINENTAL LIMITED Representative: Fang, Ming-Tsung CONTINENTAL LIMITED Representative: Fang, Ming-Ching CONTINENTAL LIMITED Representative: Hsieh, Pai-Cheng Chen, Meng-Shun	Note 1	100.00 100.00 100.00 100.00 0.00
CONTINENTAL LIMITED	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Ming-Ching	17,360	100.00

Company name	Title	Name or representative	Shares Held	
			Number of shares	Shareholding ratio
PAN JIT EUROPE GMBH	Chairman	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Ming-Ching	Note 1	100.00
	President	Li, Jia-Hui		0.00
PANJIT KOREA Co., LTD	Master trustee	KIM YONG TAE	0	0.00
	Supervisor	LEE CHUN YEON	0	0.00
	President	KIM YONG TAE	0	0.00
DYNAMIC TECH GROUP LIMITED	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Ming-Ching	1,126	52.22
Shenzhen Weiquan Electronics Co.,Ltd	Chairman	DYNAMIC TECH GROUP LIMITED Representative: Zhong, Yun-Hui	Note 1	100.00
	Vice Chairman	DYNAMIC TECH GROUP LIMITED Representative: Fang, Ming-Tsung		100.00
	Director	DYNAMIC TECH GROUP LIMITED Representative: Zhuang, Guo-Chen		100.00
	President	Fang, Ming-Ching		0.00
Pan Jit Semiconductor (Xuzhou) Co., Ltd.	Chairman	Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Fang, Ming-Ching	Note 1	100.00
	Director	Pan Jit Electronics (Wuxi) Co., Ltd. Representative: Fang, Ming-Tsung		100.00
	Director	Pan Jit Electronics (Wuxi) Co., Ltd. Representative Zhong, Yun-Hui		100.00
	Supervisor	Pan Jit Electronics (Wuxi) Co., Ltd. Representative Shao, Yong-Hong		100.00
	President	Chen, Tso- Ming		0.00
PANJIT JAPAN Co., Ltd.	Chairman	Fang, Ming-Tsung	0	0.00
	Representative Director	Lin, Kang-Hong	1.980	20.00
	Director	Tomohiro Yamadera	0.990	10.00
	President	Lin, Kang-Hong	1.980	20.00
Aide Energy (CAYMAN) Holding Co., Ltd	Chairman	PAN-JIT ASIA INTERNATIONAL INC. Representative: Fang, Ming-Tsung	246,249	94.43
	Director	PAN-JIT ASIA INTERNATIONAL INC. Representative: Hsieh, Pai-Cheng	246,249	94.43

Company name	Title	Name or representative	Shares Held	
			Number of shares	Shareholding ratio
	President	Fang, Ming-Tsung	895	0.34
AIDE Energy Europe Coöperatie U.A.	partners	PANJIT INTERNATIONAL INC. Representative: Fang, Ming-Tsung	Note 2	100.00
AIDE ENERGY EUROPE B.V.	Directors Executive Director	PANJIT INTERNATIONAL INC. Representative: Fang, Ming-Tsung Eddy Fang	0 0	0.00 0.00
EC SOLAR C1 SRL	Chairman Executive Director	AIDE ENERGY EUROPE B.V. Representative: Fang, Ming-Tsung Eddy Fang	Note 1	100.00 0.00
Aide Solar Technology Co., Ltd.	Executive Director Supervisor President	Aide Energy (CAYMAN) Holding Co., Ltd Representative: Li, Jin-Jie Aide Energy (CAYMAN) Holding Co., Ltd Representative: Zhang, Zhong-Bin Li, Jin-Jie	Note 1	100.00 100.00 0.00
Champion Microelectronic Corp.	Chairman Vice Chairman Director Director Independent director Independent director Independent director President	PANJIT INTERNATIONAL INC. Representative: Fang, Ming-Tsung Sonix Technology Co., Ltd. Representative: Cai, Gao-Zhong PANJIT INTERNATIONAL INC. Representative: Chen, Tso- Ming Lin, Pao-Wei Zhan, Wen-Xiong Fu, Hsin-Pin Chang, Tao-Lin Lin, Pao-Wei	23,996 4,071 23,996 921 0 0 0 921	30.00 5.09 30.00 1.15 0 0 0 1.15
Wisdom Mega Corp.	Director	Champion Microelectronic Corp. Representative: Fang, Ming-Tsung	4,000	100.00
Wisdom Bright Inc.	Director	Champion Microelectronic Corp. Representative: Fang, Ming-Tsung	2,504	100.00
Wisdom Toprich Technology Limited	Director	Wisdom Bright Inc. Representative: Fang, Ming-Tsung	2,504	100.00
Great Power Microelectronics Corp.	Chairman Director Director	Wisdom Toprich Technology Limited Representative: Cai, Gao-Zhong Wisdom Toprich Technology Limited Representative: Fang, Ming-Tsung Wisdom Toprich Technology Limited	Note 1	100.00 100.00 100.00

Company name	Title	Name or representative	Shares Held	
			Number of shares	Shareholding ratio
	 Supervisor President	Representative: Chen, Tso- Ming Wisdom Toprich Technology Limited Representative: Zhang, Li-Ru Lin, Pao-Wei		 100.00 0
Golden Champion Digital Power Corporation	Chairman	Champion Microelectronic Corp. Representative: Fang, Ming-Tsung	1,000	100.00
PANSTAR SEMICONDUCTOR CO., LTD.	Chairman Director Director Supervisor	PANJIT INTERNATIONAL INC. Representative: Zhuang, Guo-Chen PANJIT INTERNATIONAL INC. Representative: Chen, Tso- Ming Li, Jin-Jie Hsieh, Pai-Cheng	1,000 1,000 500 0	50.00 50.00 25.00 0.00

(Note 1): It is a limited company, so there is no number of shares.

(Note 2): It is a merged company, so there is no number of shares.

6. Financial status and operating results of each affiliated enterprise:

Units: NT$ thousands

Company name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Net income (After tax)	EPS (NT$) (After tax)
Pynmax Technology Co., Ltd.	892,800	2,174,472	661,448	1,513,024	765,868	(59,561)	7,097	0.08
JOYSTAR INTERNATIONAL CO., LTD.	660,835	638,151	83	638,068	0	(920)	37,370	1.74
PAN-JIT ASIA INTERNATIONAL INC.	6,900,160	7,484,932	117,101	7,367,831	0	(2,160)	399,346	1.78
PAN JIT AMERICAS, INC.	584,930	287,644	27,261	260,383	267,460	(26,872)	41,357	16.30
Pan Jit Electronics (Wuxi) Co., Ltd.	922,312	5,926,408	2,461,278	3,465,130	6,232,271	298,032	157,228	(Note 1)
Pan Jit Electronics (Beijing) Co., Ltd	4,327	5,392	316	5,076	4,816	630	(215)	(Note 1)
Panjit Electronics (Shandong) Co., Ltd.	331,967	414,643	57,706	356,937	176,522	20,742	25,906	(Note 1)
Panjit Electronics (Qufu) Co., Ltd	2,164	1,525	0	1,525	1,997	474	468	(Note 1)
PAN-JIT INTERNATIONAL (H.K.) LTD.	38,155	139,316	31,137	108,179	217,406	12,458	26,553	2.73
Suzhou Grande Electronics Co., LTD.	403,144	818,511	40,232	778,279	93,710	(12,913)	(10,073)	(Note 1)
CONTINENTAL LIMITED	605,698	1,867,020	9,618	1,857,402	0	(17,012)	12,152	0.70
PAN JIT EUROPE GMBH	23,786	87,391	9,966	77,425	54,295	17,110	11,429	(Note 1)
PANJIT KOREA Co., LTD.	10,755	77,435	3,181	74,254	57,578	15,337	13,102	145.57
DYNAMIC TECH GROUP LIMITED	66,190	17,156	0	17,156	0	(705)	(812)	(0.38)
Shenzhen Weiquan Electronics Co., Ltd	65,695	14,823	707	14,116	52	(253)	(255)	(Note 1)
Pan Jit Semiconductor (Xuzhou) Co., Ltd.	1,093,174	1,229,770	441,801	787,969	230,764	(145,307)	(150,890)	(Note 1)
Aide Energy (Cayman) Holding Co., LTD.	2,556,591	1,130,198	1,823,883	(693,685)	0	(19,794)	47,292	0.18
Aide Solar Energy (HK) Holding Limited (liquidation and cancellation completed in September 2023)	0	0	0	0	0	0	0	0
AIDE Energy Europe Coöperatie U.A.	632,878	809,915	0	809,915	0	(21)	49,992	(Note 1)
AIDE ENERGY EUROPE B.V.	632,708	830,655	20,750	809,905	0	(530)	50,012	2.6859.50

Company name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Net income (After tax)	EPS (NT$) (After tax)
EC SOLAR C1 SRL	3,398	1,218,079	508,224	709,855	200,611	71,261	53,807	(Note 1)
Aide Solar Technology Co., Ltd.	237,493	165,750	1,980,645	(1,814,895)	1,970	(4,442)	9,741	(Note 1)
PANJIT JAPAN Co., Ltd.	21,503	18,701	150	18,551	0	(2,943)	(2,943)	(297.24)
Champion Microelectronic Corp.	799,866	1,873,661	216,431	1,657,230	1,071,494	284,198	249,410	3.12
Wisdom Mega Corp.	122,820	123,130	0	123,130	0	0	0	0
Champion Microelectronic Corp. (liquidated and canceled on August, 2023)	0	0	0	0	0	0	4,105	0.91
Wisdom Bright Inc.	76,875	77,457	0	77,457	0	0	(8,286)	(3.31)
Wisdom Toprich Technology Limited	76,875	77,457	0	77,457	0	0	(8,286)	(3.31)
Great Power Microelectronics Corp.	84,439	77,717	260	77,457	2,396	(4,635)	(8,286)	(Note 1)
Golden Champion Digital Power Corporation	1,000	1,000	0	1,000	0	0	0	0
PANSTAR SEMICONDUCTOR CO., LTD.	20,000	13,789	3,051	10,738	0	0	0	0

Note: LIFETECH ENERGY INC held its third shareholders' meeting in November 2022 to recognize the liquidation statement and has applied for cancellation of registration and received a letter from Ciaotou District Court on May 23, 2023 and the liquidation process was fully completed.

(Note 1) It is a limited company and therefore there is no share number.
(Note 2) It is a merged company and therefore there is no share number.

(II) Consolidated Financial Statements of Related Companies

For 2023 (from January 01 to December 31, 2023), the Company's entities that are required to be included in the consolidated financial statements of associates under the "Criteria Governing Preparation of Consolidated Business Report of associates, Consolidated Financial Statements of associates, and Affiliation Reports" are the same as those required to be included in the parent-subsidiary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of associates has been fully disclosed in the aforementioned parent-subsidiary consolidated financial statements. Consequently, a separate set of consolidated financial statements of associates is not prepared.

(III) Relationship Report: None

II. Where the Company has carried out a private placement of securities during the most recent year or during the current year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the Company, participation in the operations of the Company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan.

The Company did not issue private placement of securities during the most recent year or the current year up to the date of publication of the annual report.

III. Holding or Disposal of Shares in the Company by the Company's Subsidiaries during the Most Recent Year or the Current Year up to the Date of Publication of the Annual Report

None.

IV. Other Supplementary Information

None.

X. Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring during the Most Recent l Year or the Current Year up to the Date of Publication of the Annual Report

None.

Appendix I

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and proposal for allocation of earnings. The CPA firm of Ernst & Young Taiwan was retained to audit the Parent Company Only Financial Statements and Consolidated Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and proposal for allocation of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Please approve.

Yours sincerely

FY 2024 Annual General Meeting of PANJIT INTERNATIONAL INC.

PANJIT INTERNATIONAL INC.

Audit Committee convener: Chen, Yi- Chen

March 8, 2024

Appendix II

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

Address: No.24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City, Taiwan, R.O.C.
Telephone: 886-7-621-3121

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as those included in the consolidated financial statements of PANJIT International Inc. and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of PANJIT International Inc. and its subsidiaries. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

PANJIT International Inc.

By

FANG, MING-CHING

Chairman

March 08 2024

Independent Auditor's Report

To: PANJIT International Inc.

Opinion

We have audited the accompanying consolidated balance sheets of PANJIT INTERNATIONAL INC. (the "Company") and its subsidiaries as of 31 December 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other independent accountants (please refer to the Other Matter – Making Reference to the Audits of Other Independent Accountants section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2023 and 2022, and their consolidated financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition

The consolidated operating revenues of the Company and its subsidiaries amounted to NT$12,707,319 thousand for the year ended 31 December 2023. The main source of revenue is manufacturing and selling diodes. As the operation spanned globally and the product combination and pricing methods were diverse, judgment of the performance obligation and when it is satisfied was required. Therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of revenue recognition; testing the design and operating effectiveness of internal controls around revenue recognition by management, including identifying completeness of performance obligation of client contracts and the accounting treatment of the timing of revenue recognition; performing analytical procedures on gross margin by products and departments; selecting samples to perform test of details and reviewing significant terms and conditions of contracts; performing cutoff procedures, testing general journal entry, reviewing sales transaction certificates before and after the balance sheet date to verify that revenue has been recorded in the correct accounting period. Accordingly, evaluating the appropriateness of significant sales returns and rebates. In addition, we also considered the appropriateness of the disclosures of sales. Please refer to Notes 4 and 6 to the Company’s consolidated financial statements.

2. Evaluation of Inventories

As of 31 December 2023, the Company and its subsidiaries’ net inventories amounted to NT$3,006,980 thousand, constituting 10% of consolidated total assets which was then identified as material to financial statement. The status of inventory was difficult to manage due to various types of stocks stored across various locations including outsourced warehouses. Such inventories are stated at the lower of cost and net realizable value. Evaluation involves management’s significant accounting estimation and judgement, and the carrying amount of inventories is material to consolidated financial statements. Therefore we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of inventories evaluation; testing the design and operating effectiveness of internal controls around inventories by management, including assessing the transfer of inventory cost, selecting major warehouse to observe physical stock taking to verify inventory quantity and status; and assessing the management's estimates of net realizable value by inventories evaluation, and selecting samples to verify related certificates to test the correctness of inventories aging interval; review whether obsolescence loss allowance was sufficient according to policy and assess the appropriateness of the provision policy. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company’s consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of NT$1,567,662 thousand and NT$1,575,688 thousand, constituting 5% and 5% of consolidated total assets as of 31 December 2023 and 2022, respectively. The related shares of profits from the associates and joint ventures under the equity method of NT$107,503 thousand and NT$81,531 thousand, constituting 9% and 4% of consolidated pretax income, and the related shares of other comprehensive income from the associates and joint ventures under the equity method of (NT$9,948) thousand and NT$5,985 thousand, constituting 1% and 3% of consolidated other comprehensive income for the year ended 31 December 2023 and 2022, respectively. Those financial statements were audited by other independent accountants, whose reports there on have been furnished to us, and our audit results are based solely on the reports of the other independent accountants.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor’s Responsibilities for the Audit of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended 31 December 2023 and 2022.

Chen, Cheng-Chu

Fuh, Wen-Fun

Ernst & Young, Taiwan
8 March 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.
Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of Republic of China, and their applications in practice.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6(1)	$3,076,877	11	$3,033,568	10
Financial assets at fair value through profit or loss - current	6(2)	3,325,793	11	2,993,980	10
Notes receivable, net	6(5),(20)	590,324	2	352,859	1
Trade receivable, net	6(6),(20)	3,443,023	12	3,360,160	12
Trade receivable-related parties, net	6(6), (20)/7	39,589	-	56,700	-
Other receivables, net		150,301	1	146,057	-
Other receivables-related parties, net	7	2,760	-	3,352	-
Inventories, net	6(7)	3,006,980	10	3,754,265	13
Prepayments		538,418	2	758,487	3
Other current assets	8	158,256	1	150,376	1
Total current assets		14,332,321	50	14,609,804	50
Non-current assets					
Financial assets at fair value through profit or loss-non-current	6(2)	61,989	-	37,485	-
Financial assets at fair value through other comprehensive income-non-current	6(3)	493,248	2	521,889	2
Financial assets measured at amortized cost-non-current	6(4)	27,511	-	26,622	-
Investments accounted for using the equity method	6(8)	2,018,480	7	2,038,347	7
Property, plant and equipment	6(9)/7	7,801,152	27	7,411,293	25
Right-of-use assets	6(21)	1,224,334	4	1,296,176	5
Intangible assets	6(10),(11)	1,649,469	6	1,661,358	6
Deferred tax assets	6(25)	379,346	1	350,643	1
Prepayment for equipments		78,260	-	443,341	2
Refundable deposits	8	468,708	2	637,470	2
Other non-current assets	8	147,917	1	132,418	-
Total non-current assets		14,350,414	50	14,557,042	50
Total assets		$28,682,735	100	$29,166,846	100

Liabilities and equity	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current Liabilities					
Short-term borrowings	6(12)	$2,689,193	9	$2,769,949	10
Contract liabilities-current	6(19)	9,744	-	10,041	-
Notes payable	6(13)	636,740	2	605,905	2
Trade payable		1,350,821	5	1,417,681	5
Trade payable-related parties	7	54,277	-	59,068	-
Other payables		1,368,002	5	1,742,971	6
Other payables - related parties	7	37,190	-	37,903	-
Current tax liabilities		288,522	1	295,814	1
Lease liabilities - current	6(21),7	51,245	-	52,735	-
Long-term borrowings, current portion	6(15),8	507,000	2	478,875	2
Other current liabilities - other		117,330	1	76,945	-
Total current liabilities		7,110,064	25	7,547,887	26
Non-current Liabilities					
Long-term borrowings	6(15),8	6,342,653	22	6,033,741	21
Deferred tax liabilities	6(25)	82,889	-	91,895	-
Lease liabilities - non-current	6(21),7	281,270	1	321,641	1
Long-term deferred revenue	6(14)	61,566	-	98,807	-
Defined benefit liabilities - non-current	6(16)	66,579	-	66,945	-
Other non-current liabilities		103,175	1	96,695	-
Total non-current liabilities		6,938,132	24	6,709,724	22
Total liabilities		14,048,196	49	14,257,611	48
Equity attributable to the parent company					
Capital					
Common stock	6(17)	3,821,149	13	3,828,149	13
Capital surplus	6(17)	6,007,138	21	6,016,861	21
Retained earnings	6(17)				
Legal reserve		729,336	3	505,733	2
Special reserve		717,237	2	717,237	2
Unappropriated retained earnings		2,579,987	9	3,116,721	11
Total retained earnings		4,026,560	14	4,339,691	15
Other components of equity		(606,249)	(2)	(552,617)	(2)
Treasury stock	6(17)	-	-	(16,507)	-
Total equity attributable to the parent company		13,248,598	46	13,615,577	47
Non-controlling interests	6(17)	1,385,941	5	1,293,658	5
Total equity		14,634,539	51	14,909,235	52
Total liabilities and equity		$28,682,735	100	$29,166,846	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars, Expect for Earnings per share)

Items	Notes	2023		2022	
		Amount	%	Amount	%
Operating revenues	6(19),7	$12,707,319	100	$13,227,847	100
Operating costs	6(7).(22),7	(9,499,258)	(75)	(9,232,010)	(70)
Gross profit		3,208,061	25	3,995,837	30
Operating expense	6(20).(21).(22),7				
Selling expense		(676,346)	(5)	(681,383)	(5)
Administrative expenses		(860,584)	(7)	(973,484)	(7)
Research and development expenses		(832,674)	(6)	(719,208)	(6)
Expected credit impairment (losses) gains	6(20)	(4,723)	-	9,311	-
Total operating expense		(2,374,327)	(18)	(2,364,764)	(18)
Operating income		833,734	7	1,631,073	12
Non-operating income and expenses	6(21).(23),7				
Interest income		171,995	1	133,842	1
Other income	7	148,447	1	108,782	1
Other gains or losses	7	134,241	1	241,339	2
Finance costs		(202,803)	(2)	(138,090)	(1)
Impairment loss determined in accordance with IFRS 9, net	6(20)	(25,367)	-	-	-
Share of profit or loss of associates under equity method	6(8)	104,849	1	114,396	1
Total non-operating income and expenses		331,362	2	460,269	4
Pretax income from continuing operations		1,165,096	9	2,091,342	16
Income tax expenses	6(25)	(152,145)	(1)	(333,438)	(3)
Profit from continuing operations		1,012,951	8	1,757,904	13
Net income		1,012,951	8	1,757,904	13
Other comprehensive income (loss)	6(24)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		(4,446)	-	26,842	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		9,991	-	(293,286)	(2)
Income tax related to items that will not be reclassified	6(24).(25)	291	-	(6,948)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(46,247)	-	583,547	5
Income tax related to items that may be reclassified	6(24).(25)	9,147	-	(93,185)	(1)
Other comprehensive income of the current period (net after tax)		(31,264)	-	216,970	2
Total comprehensive income		$981,687	8	$1,974,874	15
Profit (loss), attributable to:					
Profit (loss), attributable to owners of parent		$820,782	6	$1,757,631	13
Profit (loss), attributable to non-controlling interests		192,169	2	273	-
		$1,012,951	8	$1,757,904	13
Comprehensive income attributable to:					
Comprehensive income, attributable to owners of parent		$779,584	6	$1,898,561	14
Comprehensive income, attributable to non-controlling interests		202,103	2	76,313	1
		$981,687	8	$1,974,874	15
Earnings per share (NTD)	6(26)				
Basic earnings per share		$2.15		$4.60	
Diluted earnings per share		$2.14		$4.57	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

	Equity Attributable to Parent Company											
	Capital		Retained Earnings			Other Components of Equity						
Items	Common stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others	Treasury stock	Total	Non-Controlling interests	Total Equity
Balance as of 1 January, 2022	$3,828,149	$6,086,155	$328,134	$717,237	$2,204,637	($821,558)	$570,034	($413)	($16,507)	$12,895,868	$215,134	$13,111,002
Appropriation and distribution of 2021 retained earnings												
Legal reserve	-	-	177,599	-	(177,599)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(1,146,345)	-	-	-	-	(1,146,345)	-	(1,146,345)
Changes in equity of associates accounted for using equity method	-	116	-	-	-	-	-	-	-	116	(354)	(238)
Net income in 2022	-	-	-	-	1,757,631	-	-	-	-	1,757,631	273	1,757,904
Other comprehensive income (loss) in 2022	-	-	-	-	21,175	402,712	(282,957)	-	-	140,930	76,040	216,970
Total comprehensive income (loss)	-	-	-	-	1,778,806	402,712	(282,957)	-	-	1,898,561	76,313	1,974,874
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	(69,414)	-	-	36,787	-	-	-	-	(32,627)	120,672	88,045
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4	(165,271)	(165,267)
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,047,164	1,047,164
Disposal of euqity instrument investments measured at fair value through other comprehensive income	-	-	-	-	420,435	-	(420,435)	-	-	-	-	-
Balance as of 31 December, 2022	$3,828,149	$6,016,861	$505,733	$717,237	$3,116,721	($418,846)	($133,358)	($413)	($16,507)	$13,615,577	$1,293,658	$14,909,235
Balance as of 1 January, 2023	$3,828,149	$6,016,861	$505,733	$717,237	$3,116,721	($418,846)	($133,358)	($413)	($16,507)	$13,615,577	$1,293,658	$14,909,235
Appropriation and distribution of 2022 retained earnings												
Legal reserve	-	-	223,603	-	(223,603)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(1,146,345)	-	-	-	-	(1,146,345)	-	(1,146,345)
Changes in equity of associates accounted for using equity method	-	(663)	-	-	-	-	-	-	-	(663)	-	(663)
Net income in 2023	-	-	-	-	820,782	-	-	-	-	820,782	192,169	1,012,951
Other comprehensive income (loss) in 2023	-	-	-	-	(3,549)	(46,338)	8,689	-	-	(41,198)	9,934	(31,264)
Total comprehensive income (loss)	-	-	-	-	817,233	(46,338)	8,689	-	-	779,584	202,103	981,687
Retirement of treasury share	(7,000)	(9,507)	-	-	-	-	-	-	16,507	-	-	-
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	-	-	-	-	-	-	-	-	-	8,674	8,674
Increase (decrease) through changes in ownership interests in subsidiaries	-	447	-	-	(2)	-	-	-	-	445	(385)	60
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(118,109)	(118,109)
Disposal of euqity instrument investments measured at fair value through other comprehensive income	-	-	-	-	15,983	-	(15,983)	-	-	-	-	-
Balance as of 31 December, 2023	$3,821,149	$6,007,138	$729,336	$717,237	$2,579,987	($465,184)	($140,652)	($413)	$-	$13,248,598	$1,385,941	$14,634,539

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

Items	2023 Amount	2022 Amount
Cash flows from operating activities:		
Net income before tax	$1,165,096	$2,091,342
Adjustments to reconcile net income (loss) before tax to net cash provided by operating activities:		
Revenue and expenses		
Depreciation	857,325	723,387
Amortization	41,120	48,317
Expected credit losses (gains)	30,090	(9,311)
Net (gain) of financial assets and liabilities at fair value through profit or loss	(132,139)	(70,231)
Interest expense	202,803	138,090
Interest revenue	(171,995)	(133,842)
Dividend revenue	(8,231)	(15,555)
Share of (profit) loss of associates accounted for using equity method	(104,849)	(114,396)
(Gain) on disposal of property, plant and equipment	(26,683)	(73)
Loss on disposal of investments	7,955	-
(Gain) on disposal of investments accounted for under the equity method	-	(72,787)
Reversal of impairment loss on non-financial assets	(692)	(5,271)
Others-Loss on inventory valuation	264,180	332,083
Others-other	(27,789)	(10,537)
Subtotal	931,095	809,874
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(240,422)	697,064
Notes receivable	(237,465)	226,590
Trade receivable	(85,520)	597,172
Trade receivable-related parties	17,111	83,989
Other receivables	(29,137)	6,159
Other receivables-related parties	592	3,172
Inventories	486,944	(1,375,857)
Prepayments	235,995	(164,551)
Other current assets	(7,880)	152,577
Changes in operating liabilities:		
Contract liabilities	(297)	(6,809)
Notes payable	30,835	(149,679)
Trade payable	(67,460)	(685,919)
Trade payable-related parties	(4,791)	(127,182)
Other payables	(160,421)	(122,875)
Other payables-related parties	(713)	(2,653)
Other current liabilities	40,351	53,472
Net defined benefit liabilities-non-current	(6,966)	(14,977)
Total changes in operating assets and liabilities	(29,244)	(830,307)
Cash inflow generated from operations	2,066,947	2,070,909
Interest received	171,995	133,842
Income tax (paid)	(193,550)	(424,322)
Net cash provided by operating activities	2,045,392	1,780,429
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	21,361	734,294
Acquisition of financial assets at fair value through profit or loss	(25,131)	(39,074)
Acquisition of investments accounted for under the equity method	-	(27,151)
Proceeds from disposal of investments accounted for using equity method	-	97,750
Net cash flow from acquisition of subsidiaries	1,143	(997,574)
Acquisition of property, plant, and equipment	(830,021)	(1,248,453)
Proceeds from disposal of property, plant and equipments	30,635	10,920
Increase in refundable deposits	-	(96,196)
Decrease in refundable deposits	168,785	-
Acquisition of intangible assets	(23,263)	(32,051)
Increase in other financial assets	(2,065)	-
Decrease in other financial assets	-	9,325
Increase in other non-current assets	(13,435)	(37,507)
Increase in prepayments for equipments	(206,770)	(694,560)
Dividends received	129,210	143,846
Net cash flows (used in) by investing activities	(749,551)	(2,176,431)
Cash flows from financing activities:		
Decrease in short-term loans	(71,369)	(452,310)
Proceeds from long-term debt	333,059	1,884,954
Payments of lease liabilities	(72,726)	(67,375)
Increase in other non-current liabilities	6,481	-
Decrease in other non-current liabilities	-	(10,801)
Cash dividends paid	(1,146,345)	(1,146,345)
Acquisition of ownership interests in subsidiaries	-	(753)
Interest paid	(185,178)	(123,906)
Change in non-controlling interests	(114,804)	(293,517)
Net cash flows (used in) by financing activities	(1,250,882)	(210,053)
Effect of exchange rate changes on cash and cash equivalents	(1,650)	225,916
Net increase (decrease) in cash and cash equivalents	43,309	(380,139)
Cash and cash equivalents at beginning of period	3,033,568	3,413,707
Cash and cash equivalents at end of period	$3,076,877	$3,033,568

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

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

PANJIT INTERNATIONAL INC. (the Company) was incorporated on 20 May 1986, under the Company Act of the Republic of China on Taiwan. The Company's registered address is No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City. The principal activities of the Company are to manufacture, process, assemble and to import and export semiconductors. The Company also assembles, trades and transfers technological advancements of machinery parts. The Company also trades resins and paints for semiconductors.

The Company's stock was officially listed for trading on the OTC market on December 22, 1999, and then listed on the Taiwan Stock Exchange on September 17, 2001.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended 31 December 2023 and 2022 were authorized for issue by the Board of Directors on 8 March 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2023. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current Liabilities – Amendments to IAS 1	January 1, 2024
b	Lease Liabilities in a Sale and Leasebacks – Amendment to IFRS 16	January 1, 2024
c	Non–current Liabilities with Contracts – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(a) Classification of Liabilities as Current or Non-current Liabilities - Amendments to IAS 1
This is based on the amendments to IAS 1 "Presentation of Financial Statements" The classification of liabilities in paragraphs 69 to 76 as current or non-current shall be corrected.

(b) Lease Liabilities in a Sale and Leasebacks – Amendment to IFRS 16

The amendments add seller-lessee additional requirements for the sale and leaseback transactions in IFRS 16 “Leases”, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Contracts – Amendments to IAS 1

The amendment improved the information companies provide about long-erm debt with covenants. The amendment specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023. Have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 17 “Insurance Contracts”	1 January 2023
3	Lack of Exchangeability—Amendments to IAS 21	1 January 2025

(a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation, and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021), provide additional transition reliefs, simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard - IFRS 4 Insurance Contracts - from annual reporting periods beginning on or after January 1, 2023.

(c) Lack of Exchangeability-Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, and the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under (c), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of Compliance

The consolidated financial statements of the Group for the years ended 31 December 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations"), IFRSs, IASs, IFRIC and SIC, which are endorsed by FSC (TIFRSs).

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“$”) unless otherwise stated.

(3) Basis of consolidation

<u>Preparation principle of consolidated financial statements</u>

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Group’s voting rights and potential voting rights

The Group re–assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed 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.

If the Company loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;
(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) recognizes any surplus or deficit in profit or loss; and
(f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)	
Investor	Subsidiary	Main businesses	31 Dec. 2023	31 Dec. 2022
The Company	PAN–JIT ASIA INTERNATIONAL INC.	Investment holding	100.00%	100.00%
The Company	Pynmax Technology Co., Ltd.	Manufacture of electronic components and international trade business	94.64%	94.64%
The Company	AIDE ENERGY EUROPE COÖPERATIE U.A.	Investment holding	100.00%	100.00%
The Company	Champion Microelectronic Corp. ("CMC")	Research and development, design and manufacture and technology consultation of power IC, field effect transistors and fast recovery diodes, international trade	30.00%	30.00%
The Company	PANJIT JAPAN Inc.	Sale of electronic products	50.00% (Note 2)	–
The Company	PAN–JIT INTERNATIONAL (H.K.) LTD.	Sale of electronic products	100.00% (Note 3)	–
The Company	PANSTAR SEMICONDUCTOR CO., LTD.	Manufacture of electronic components and international trade business	50.00% (Note 4)	–
PAN–JIT ASIA INTERNATIONAL INC.	PAN–JIT INTERNATIONAL (H.K.) LTD.	Sale of electronic products	– (Note 3)	100.00%
PAN–JIT ASIA INTERNATIONAL INC.	PAN JIT EUROPE GMBH	Sale of electronic products	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%) 31 Dec. 2023	31 Dec. 2022
PAN–JIT ASIA INTERNATIONAL INC.	PAN JIT AMERICAS, INC.	Sale of electronic products	95.86%	95.86%
PAN–JIT ASIA INTERNATIONAL INC.	Pan Jit Electronics (Wuxi) Co., Ltd.	Manufacture, and process of rectifier	100.00% (Note 1)	100.00% (Note 1)
PAN–JIT ASIA INTERNATIONAL INC.	CONTINENTAL LIMITED	Investment holding	100.00%	100.00%
PAN–JIT ASIA INTERNATIONAL INC.	DYNAMIC TECH GROUP LIMITED	Investment holding	100.00% (Note 1)	100.00% (Note 1)
PAN–JIT ASIA INTERNATIONAL INC.	PAN JIT KOREA CO., LTD.	Sale of electronic products	60.00%	60.00%
PAN–JIT ASIA INTERNATIONAL INC.	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Investment holding and sale of photovoltaic products	94.43%	94.43%
Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD.	Investment holding	100.00%	100.00%
DYNAMIC TECH GROUP LIMITED	MAX–DIODE ELECTRONIC., LTD.(SHENZHEN)	New types of electronics components and semiconductor controlled rectifier sales	100.00%	100.00%
CONTINENTAL LIMITED	Suzhou Grande Electronics Co. Ltd.	Chip diodes, transistors and other new electronic semiconductor components and related products, sales of products and provide technical and after-sales service	100.00%	100.00%
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT ELECTRONIC (BEIJING) CO., LTD	New types of electronic components, Semiconductor controlled rectifier sales	100.00%	100.00%
Pan Jit Electronics (Wuxi) CO., LTD	PANJIT ELECTRONICS (SHANDONG) CO., LTD.	Manufacture semiconductor wafer for automobile, protection of discrete devices, integrated circuit chip packaged product	70.28%	70.28%
Pan Jit Electronics (Wuxi) CO., LTD	PANJIT ELECTRONIC (QUFU) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	100.00%	100.00%
Pan Jit Electronics (Wuxi) CO., LTD	PANJIT Semiconductor (Xuzhou) Co., Ltd.	New types of electronic components, Semiconductor controlled rectifier sales	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			31 Dec. 2023	31 Dec. 2022
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	AIDE SOLAR ENERGY (HK) HOLDING LIMITED	Investment holding and sales	− (Note 5)	100.00%
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	JIANGSU AIDE SOLAR ENERGY TECHNOLOGY CO., LTD.	Solar photovoltaic product development, manufacturing, sales, self-agency of goods and technology import and export business	100.00%	100.00%
AIDE ENEREGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Investment holding and sales	100.00%	100.00%
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Solar power generation and sales of electricity	100.00%	100.00%
Champion Microelectronic Corp.	Wisdom Bright Inc.	Investment holding	100.00%	100.00%
Champion Microelectronic Corp.	Champion Microelectronic Corp.	International trade business, investment holding and electronic commerce	− (Note 6)	100.00%
Champion Microelectronic Corp.	Wisdom Mega Corp.	Investment holding	100.00%	100.00%
Champion Microelectronic Corp.	PANJIT JAPAN Inc.	Sale of electronic products	10.00% (Note 7)	−
Champion Microelectronic Corp.	Golden Champion Digital Power Corporation	Manufacture of electronic components and Product design	100.00% (Note 8)	−
Wisdom Bright Inc.	Wisdom Toprich Technology Limited	Investment holding	100.00%	100.00%
Wisdom Toprich Technology Limited	Great Power Microelectronics Corp.	Electronic products development, product import, export, and wholesale business	100.00%	100.00%

(Note 1)： PAN−JIT ASIA INTERNATIONAL INC. owned 100.00% of the shares with other subsidiaries, which are consolidated into the Company’s financial statements.

(Note 2)： The company established PANJIT JAPAN Inc. in Japan in March 2023. Panjit Japan Inc. increased its capital in October 2023, and the Company's shareholding ratio was reduced from 100% to 50%.

(Note 3)： The company acquired 100% equity of PAN−JIT INTERNATIONAL (H.K.) LTD. from PAN−JIT ASIA INTERNATIONAL INC. in October 2023.

(Note 4)： The company acquired a 50% equity in PANSTAR SEMICONDUCTOR CO., LTD. in December 2023.

(Note 5)： AIDE SOLAR ENERGY (HK) HOLDING LIMITED has completed liquidation and deregistration in September 2023.

(Note 6)： Champion Microelectronic Corp. has completed its dissolution and liquidation in August 2023.

(Note 7)： CMC. acquired 10% of the shares of PANJIT JAPAN Inc. in October 2023.

(Note 8)： CMC. established Golden Champion Digital Power Corporation. in December 2023.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
(b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Group holds the asset primarily for the purpose of trading
(c) The Group expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle
(b)The Group holds the liability primarily for the purpose of trading

(c) The liability is due to be settled within twelve months after the reporting period
(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including fixed-term deposits that have maturity within three months from the date of acquisition) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Group’s business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

<u>Financial asset measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

<u>Financial asset measured at fair value through profit or loss</u>

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

i. The rights to receive cash flows from the asset have expired
ii. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
iii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. A financial liability is classified as held for trading if:

i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
ii. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are separated from the host contract and accounted for as a derivative.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials –Purchase cost on weighted average cost basis
Finished goods and work in progress – Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal the groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(13) Investments accounted for using the equity method

The Group’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group’s share of net assets of the associate. After the interest in the associate 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. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group’s related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group’s percentage of ownership interests in the associate, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a pro-rata basis.

When the associate issues new stock, and the Group’s interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro-rata basis when the Group disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, 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 entity continues to apply the equity method and does not remeasure the retained interest.

(14) Property, plant, and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Assets	Useful life
Buildings	1~52 years
Machinery and equipment	1~15 years
Utilities equipment	1~13 years
Transportation equipment	1~10 years
Office equipment	1~10 years
Leasehold improvements	1~20 years
Other equipment	1~25 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. These changes are treated as accounting estimates.

(15) Leases

The Group assesses whether the 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. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset 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.

The Group applies IAS 36 "*Impairment of Assets*" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software	Technical skills	Other intangible assets	Patents
Useful lives	Finite (1~10 years)	Finite (3 years)	Finite (1~10 years)	Finite (14 years)
Amortization method used	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight - line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro-rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(19) Treasury stock

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(20) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follows:

Sales of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is diode and rectifier and revenue is recognized based on the consideration stated in the contract.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to transfers the goods subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, no significant financing component has arisen.

In contracts between the Group and its customers, the period during which the promised goods are delivered to the customer and the customer paid was not more than one year. Therefore, the Group didn’t adjust the transaction price for the time value of money.

(21) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(22) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(23) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and

(b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(24) Share-based payment transactions

The cost of equity-settled transactions between the Group and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it fully vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substitutes for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted shares issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(25) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12 "Income Taxes"), deferred tax assets and liabilities related to Pillar Two income tax will not be recognized nor disclosed.

(26) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired, and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

(c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases.

(d) Revenue recognition - sales return and discount

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

(e) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(f) Receivable payment - impairment loss estimation

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(g) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices may decline. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Notes 6 for more details.

6. Description of major accounting subjects

(1) Cash and cash equivalents

	2023.12.31	2022.12.31
Cash in hand	$1,229	$1,020
Checking, demand deposit, and time deposit, etc.	3,075,648	3,032,548
Total	$3,076,877	$3,033,568

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

	2023.12.31	2022.12.31
Mandatorily measured at fair value through profit or loss:		
Funds	$2,021,951	$2,550,358
Stocks	1,400	957
Notes and bills	1,341,809	460,650
Convertible bonds	18,397	19,500
Derivatives not designated as hedging instruments		
Forward exchange agreement and cross currency swap contracts	4,225	–
Total	$3,387,782	$3,031,465
Current	$3,325,793	$2,993,980
Non-current	61,989	37,485
Total	$3,387,782	$3,031,465

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income-Non-current

	2023.12.31	2022.12.31
Equity instrument investments measured at fair value through other comprehensive income - Non-current:		
Listed companies stocks	$155,411	$157,684
Unlisted companies stocks	337,837	364,205
Total	$493,248	$521,889

Financial assets at fair value through other comprehensive income were not pledged.

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended 31 December 2023 and 2022 are as follow:

	FY 2023	FY 2022
Dividend recognized during the period	$8,204	$14,727

In consideration of the Group's investment strategy, the Group disposed, and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended 31 December 2023 and 2022 are as follow:

	FY 2023	FY 2022
The fair value of the investments at the date of derecognition	$21,362	$734,294
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	$205	$420,435

(4) Financial assets measured at amortized cost - Non-current

	2023.12.31	2022.12.31
Financial products	$27,511	$26,622

Financial assets measured at amortized cost were not pledged.

(5) Notes receivable

	2023.12.31	2022.12.31
Notes receivables arising from operating activities	$590,324	$352,859
Less: loss allowance	–	–
Total	$590,324	$352,859

Notes receivable of the Group were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(20) for more details on loss allowance and Note 12 for details on credit risk management.

(6) Trade receivable and Trade receivable - related parties

	2023.12.31	2022.12.31
Trade receivables	$4,952,624	$4,866,504
Less: loss allowance	(1,509,601)	(1,506,344)
Subtotal	3,443,023	3,360,160
Trade receivables-related parties	39,589	56,700
Total	$3,482,612	$3,416,860

Trade receivables of the Group were not pledged.

Trade receivables are generally on 30 to 120 day terms. The total carrying amount as of 31 December 2023 and 31 December 2022 were NT$4,992,213 thousand and NT$4,923,204 thousand, respectively. Please refer to Note 6.(20) for more details on loss allowance of trade receivables for the years ended 31 December 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	2023.12.31	2022.12.31
Raw material	$1,405,539	$1,605,552
Work in process	402,994	459,375
Finished goods	1,198,447	1,689,338
Total	$3,006,980	$3,754,265

The cost of inventories recognized in expenses amounted to $9,499,258 thousand and $9,232,010 thousand for the years ended 31 December 2023 and 2022, respectively, including the valuation loss of inventories of $264,180 thousand and $332,083 thousand for the years ended 31 December 2023 and 2022, respectively.

No inventories were pledged.

(8) Investments accounted for using the equity method

	2023.12.31		2022.12.31	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Zibo Micro Commercial Component Corp.	$133,044	18.86%	$147,300	18.86%
MILDEX OPTICAL INC.	317,774	29.28%	315,359	29.28%
Alltop Technology Co., Ltd.	1,567,662	19.13%	1,575,688	19.18%
	$2,018,480		$2,038,347	

Information on material related enterprises to the Group:

Company Name: Alltop Technology Co., Ltd.

Nature of the relationship with the associate: ALLTOP TECHNOLOGY CO., LTD. is in the business of research and development, manufacturing and sale of connectors, primarily for servers, automotive and industrial application. Alltop's future development strategy aligns with the Company's targeted business areas. The Company invests in the company with an aim to integrate the resources of both companies, and expand business areas including servers, laptops, automotive, industrial and networking equipment. This is to create synergies between the two firms and to provide customers with more full-range products and services.

Fair value of the investment in the associate when there is a quoted market price for the investment: ALLTOP TECHNOLOGY CO., LTD. is a listed entity on the Taipei Exchange (TPEx). The fair value of the investment in ALLTOP TECHNOLOGY CO., LTD. accounted for using the equity method amounted to NT$2,172,482 thousand as of 31 December 2023.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Company's interest in the associate:

	2023.12.31
Assets	$4,199,607
Liabilities	(1,589,754)
Equity	2,609,853
Proportion of the Company's ownership	19.13%
Subtotal	499,265
Goodwill	988,226
Patents	53,418
Others (Note)	26,753
Carrying amount of investment	$1,567,662

(Note): The variance was because the conversion of the convertible bonds into common shares occurred after acquisition date.

	FY 2023	FY 2022
Operating revenue	$2,394,974	$2,309,878
Profit of continuing operations	$689,697	$554,086
Other comprehensive income (post-tax)	($139,042)	$32,613
Total comprehensive income	$550,655	$586,699

The Group's investments in ZIBO MICRO COMMERCIAL COMPONENT CORP. are not individually material. The aggregate carrying amount of the Group's interests in ZIBO MICRO COMMERCIAL COMPONENT CORP. is $133,044 thousand and $147,300 thousand as at ended 31 December 2023 and 2022, respectively. The aggregate financial information of the Group's investments in associates is as follows:

	FY 2023	FY 2022
Profit (Loss) from continuing operations	($10,403)	$899
Other comprehensive income (post-tax)	$–	$–
Total comprehensive income	($10,403)	$899

The Group's investments in MILDEX OPTICAL INC. are not individually material. The aggregate carrying amount of the Group's interests in MILDEX OPTICAL INC. is $317,774 thousand and $315,359 thousand as at 31 December 2023 and 2022, respectively. The aggregate financial information of the Group's investments in associates is as follows:

	FY 2023	FY 2022
Profit from continuing operations	$7,749	$18,892
Other comprehensive income (post-tax)	$6,045	$47,164
Total comprehensive income	$13,794	$66,056

The associates had no contingent liabilities or capital commitments as at 31 December 2023 and 2022.

(9) Property, plant, and equipment

	2023.12.31	2022.12.31
Owner occupied property, plant and equipment	$7,736,079	$7,329,947
Property, plant and equipment leased out under operating leases	65,073	81,346
Total	$7,801,152	$7,411,293

I. Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Utilities equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:										
As at 1 Jan. 2023	$581,768	$1,678,591	$10,114,852	$17,920	$185,702	$157,386	$67,078	$1,613,863	$1,964,143	$16,381,303
Additions	–	16,364	250,368	–	2,335	5,016	852	64,830	273,040	612,805
Disposals	–	(390)	(545,118)	(38)	(721)	(11,458)	(5,104)	(33,938)	–	(596,767)
Transfers	–	46,387	426,443	1,474	–	2,506	5,156	46,938	54,483	583,387
Effect of changes in consolidated	–	–	–	–	–	–	–	907	–	907
Exchange differences	(146)	(15,805)	(57,247)	(270)	–	(665)	2,381	(10,126)	(601)	(82,479)
As at 31 Dec. 2023	$581,622	$1,725,147	$10,189,298	$19,086	$187,316	$152,785	$70,363	$1,682,474	$2,291,065	$16,899,156
Depreciation and impairment:										
As at 1 Jan. 2023	$–	($741,757)	($6,787,961)	($12,624)	($165,538)	($111,713)	($41,516)	($1,190,247)	$–	($9,051,356)
Depreciation	–	(52,144)	(557,518)	(1,621)	(4,029)	(15,138)	(3,534)	(105,199)	–	(739,183)
Disposals	–	390	542,071	23	721	11,301	5,004	33,305	–	592,815
Impairment losses (reversal)	–	–	692	–	–	–	–	–	–	692
Transfers	–	(2,042)	(1,857)	(665)	(21)	–	(4,669)	(116)	–	(9,370)
Effect of changes in consolidated	–	–	–	–	–	–	–	(33)	–	(33)
Exchange differences	–	8,964	26,872	213	–	462	(1,424)	8,271	–	43,358
As at 31 Dec. 2023	$–	($786,589)	($6,777,701)	($14,674)	($168,867)	($115,088)	($46,139)	($1,254,019)	$–	($9,163,077)
Net carrying amount:										
December 31, 2023	$581,622	$938,558	$3,411,597	$4,412	$18,449	$37,697	$24,224	$428,455	$2,291,065	$7,736,079

	Land	Buildings	Machinery and equipment	Transportation equipment	Utilities equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:										
As at 1 Jan. 2022	$576,743	$1,435,766	$8,561,243	$14,720	$173,271	$126,832	$88,588	$1,459,110	$1,423,209	$13,859,482
Additions	–	79,505	750,780	4,353	2,865	20,227	626	93,271	502,388	1,454,015
Disposals	–	–	(220,862)	(1,378)	(199)	(3,352)	(25,451)	(22,524)	–	(273,766)
Transfers	–	62,900	899,767	–	9,765	7,549	–	52,873	38,205	1,071,059
Effect of changes in consolidated	4,784	90,671	95,679	–	–	4,657	(85)	24,226	–	219,932
Exchange differences	241	9,749	28,245	225	–	1,473	3,400	6,907	341	50,581
As at 31 Dec. 2022	$581,768	$1,678,591	$10,114,852	$17,920	$185,702	$157,386	$67,078	$1,613,863	$1,964,143	$16,381,303
Depreciation and impairment:										
As at 1 Jan. 2022	$–	($656,881)	($6,482,618)	($10,891)	($162,440)	($96,438)	($60,504)	($1,083,666)	$–	($8,553,438)
Depreciation	–	(42,021)	(442,241)	(1,839)	(3,297)	(14,286)	(4,116)	(102,955)	–	(610,755)
Disposals	–	–	211,788	240	199	3,244	25,451	22,002	–	262,924
Impairment losses (reversal)	–	–	5,271	–	–	–	–	–	–	5,271
Transfers	–	–	(1,593)	–	–	125	–	–	–	(1,468)
Effect of changes in consolidated	–	(36,560)	(61,450)	–	–	(2,994)	(166)	(20,200)	–	(121,370)
Exchange differences	–	(6,295)	(17,118)	(134)	–	(1,364)	(2,181)	(5,428)	–	(32,520)
As at 31 Dec. 2022	$–	($741,757)	($6,787,961)	($12,624)	($165,538)	($111,713)	($41,516)	($1,190,247)	$–	($9,051,356)
Net carrying amount:										
December 31, 2022	$581,768	$936,834	$3,326,891	$5,296	$20,164	$45,673	$25,562	$423,616	$1,964,143	$7,329,947

II. Property, plant and equipment leased out under operating leases

	Land	Buildings	Total
Cost:			
January 1, 2023	$50,515	$43,859	$94,374
Transfers	–	(21,173)	(21,173)
Exchange differences	–	(133)	(133)
December 31, 2023	$50,515	$22,553	$73,068
Depreciation and impairment:			
January 1, 2023	$–	($13,028)	($13,028)
Depreciation	–	(1,602)	(1,602)
Transfers	–	6,594	6,594
Exchange differences	–	41	41
December 31, 2023	$–	($7,995)	($7,995)
Cost:			
January 1, 2022	$–	$–	$–
Effect of changes in consolidated	50,515	43,588	94,103
Exchange differences	–	271	271
December 31, 2022	$50,515	$43,859	$94,374
Depreciation and impairment:			
January 1, 2022	$–	$–	$–
Depreciation	–	(937)	(937)
Effect of changes in consolidated	–	(12,025)	(12,025)
Exchange differences	–	(66)	(66)
December 31, 2022	$–	($13,028)	($13,028)
Net carrying amount:			
December 31, 2023	$50,515	$14,558	$65,073
December 31, 2022	$50,515	$30,831	$81,346

Capitalized borrowing costs of construction in progress for the years ended 31 December 2023 and 2022 are both $0.

There are no property, plant and equipment under pledge.

(10) Intangible assets

	Computer software	Technical skills	Other intangible assets	Goodwill	Patents	Total
Cost:						
As at 1 Jan. 2023	$174,304	$445	$167,102	$1,946,341	$62,227	$2,350,419
Addition-acquired separately	11,333	–	11,930	4,631	–	27,894
Disposals	(49,666)	–	–	–	(300)	(49,966)
Exchange differences	(267)	(8)	3,831	(712)	–	2,844
As at 31 Dec. 2023	$135,704	$437	$182,863	$1,950,260	$61,927	$2,331,191
As at 1 Jan. 2022	$156,146	$–	$156,725	$576,744	$–	$889,615
Addition-acquired separately	25,619	444	5,988	1,385,480	61,927	1,479,458
Disposals	(23,803)	–	(1,645)	(73,774)	–	(99,222)
Transfers	–	–	514	–	–	514
Effect of changes in consolidated	15,510	–	–	–	300	15,810
Exchange differences	832	1	5,520	57, 891	–	64,244
As at 31 Dec. 2022	$174,304	$445	$167,102	$1,946,341	$62,227	$2,350,419
Amortization and impairment:						
As at 1 Jan. 2023	($129,248)	($107)	($95,504)	($458,430)	($5,772)	($689,061)
Amortisation	(25,303)	(147)	(12,043)	–	(3,627)	(41,120)
Disposals	49,666	–	–	–	300	49,966
Exchange differences	266	4	(1,852)	75	–	(1,507)
As at 31 Dec. 2023	($104,619)	($250)	($109,399)	($458,355)	($9,099)	($681,722)
As at 1 Jan. 2022	($107,113)	$–	($82,573)	($481,551)	$–	($671,237)
Amortisation	(31,065)	(107)	(11,673)	–	(5,472)	(48,317)
Derecognition	23,803	–	1,645	73,774	–	99,222
Effect of changes in consolidated	(14,050)	–	–	–	(300)	(14,350)
Exchange differences	(823)	–	(2,903)	(50,653)	–	(54,379)
As at 31 Dec. 2022	($129,248)	($107)	($95,504)	($458,430)	($5,772)	($689,061)
Net Carrying Amount:						
2023.12.31	$31,085	$187	$73,464	$1,491,905	$52,828	$1,649,469
2022.12.31	$45,056	$338	$71,598	$1,487,911	$56,455	$1,661,358

Amortization expense of intangible assets under the statement of comprehensive income:

	FY 2023	FY 2022
Operating costs	$12,288	$14,551
Operating expenses	$28,832	$33,766

(11) Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to two cash-generating units, which are also reportable and operating segments, for impairment testing as follows:

(a) Diodes
(b) Power IC and components

Carrying amount of goodwill allocated to each of the cash-generating units:

	2023.12.31	2022.12.31
Diode	$106,425	$102,431
Power IC and components	1,385,480	1,385,480
Goodwill	$1,491,905	$1,487,911

Diodes

The impairment testing of goodwill was conducted for the cash-generating unit of diodes on 31 December 2023. This recoverable amount is $673,191 thousand, which has been determined based on a value in use calculation using cash flow projections from five-year financial budgets approved by management. The projected cash flows have been updated to reflect the change in demand for products. The pre-tax discount rate applied to cash flow projections in 2023 was between 12.60% and 13.08%, and the growth rate was the same as the long-term average growth rate for the industry. Based on the result of this analysis, management did not identify an impairment of goodwill which was allocated to this cash-generating unit.

Power IC and Components

The impairment testing of goodwill was conducted for the cash-generating unit of Power IC and components on 31 December 2023. This recoverable amount is $1,380,051 thousand, which has been determined based on a value in use calculation using cash flow projections from five-year financial budgets approved by management. The projected cash flows have been updated to reflect the change in demand for products. The pre-tax discount rate applied to cash flow projections in 2023 was 13.76%, and the growth rate was the same as the long-term average growth rate for the industry. Based on the result of this analysis, management did not identify an impairment of goodwill which was allocated to this cash-generating unit.

Key assumptions used in value-in-use calculations

Gross margins – Gross margins are based on operating results and further average values achieved in the years preceding the start of the budget period.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Group has obligation to settle. Specific risk relating to the operating segments is accounted for by considering the individual beta factor which is evaluated annually and based on publicly available market information.

Growth rate estimates – Rates are based on published industry research.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the diodes, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(12) Short-term borrowings

Details of the short-term borrowings are as follows:

	2023.12.31	2022.12.31
Unsecured bank loans	$2,689,193	$2,769,949
Interest rates	1.60% ~ 6.51%	1.10% ~ 5.67%
Due date	2024.01.12–2024.04.15	2023.01.14–2023.09.22

The Group's unused short-term lines of credits amount to NT$13,362,981 thousand and NT$10,916,631 thousand, as at 31 December 2023 and 2022, respectively.

(13) Notes payable − current

	2023.12.31	2022.12.31
Notes payables rising from operating activities	$636,740	$605,905

(14) Long−term deferred revenue

	FY 2023	FY 2022
Beginning balance	$98,807	$102,150
Addition	−	11,718
Recognized to the statement of comprehensive income	(36,247)	(16,299)
Reclassification	−	88
Exchange differences	(994)	1,150
Ending Balance	$61,566	$98,807

	2023.12.31	2022.12.31
Asset related deferred income − non−current	$61,566	$98,807

Government grants have been received for the purchase of certain items of property, plant and equipment and land use right. There are no unfulfilled conditions or contingencies attached to these grants recognized to the statement of comprehensive income.

(15) Long−term borrowings

Details of long-term borrowings are as follows:

Lenders	2023.12.31	2022.12.31
Syndicated loans (A)	$2,900,000	$3,700,000
Syndicated loans (B)	33,980	32,720
Project finance (C)	436,042	585,541
Project finance (D)	831,250	900,000
Project finance (E)	809,375	1,050,000
Project finance (F)	58,333	78,333
Unsecured bank loans	1,800,000	200,000
Subtotal	6,868,980	6,546,594
(Less): Due within one year	(507,000)	(478,875)
(Less): Unamortized cost of syndicated loan	(3,558)	(7,552)
(Less): Deferred government grants	(15,769)	(26,426)
Total	$6,342,653	$6,033,741
Interest rates	1.40% ~ 4.74%	1.27% ~ 2.84%

(A)On 17 August 2021, the Company entered into a syndicated loan contract with 10 financial institutions and the amount of the loan facility was $4,200,000 thousand for a period of five years starting from the first day the facility is drawn. The facility must be drawn within three months from the execution date of the contract, otherwise the maturity of the said three-month period shall be deemed the first drawdown day. The extract of terms of the contract as following:

a. The total amount of the syndicated loan is NT$4,200,000 thousand.

b. Terms of the syndicated loan agreement:
   i. Category 1: Medium-term loan up to $4,200,000 thousand, which can be used cyclically in accordance with this contract.
   ii. Category 2: Commercial paper of $2,940,000 thousand, which can be used cyclically in accordance with this contract.

c. The total amount of category 1 and category 2 shall not exceed the total amount of the syndicated loan.

d. Terms of financial ratios

Within the contract period, the Company is required to calculate annually the financial ratios and agree with assigned threshold based on the figures from audited consolidated financial report.
   i. Current ratio (current asset / current liability): higher than 100%.
   ii. Debt ratio (liability / equity): lower than 200%.
   iii. Interest coverage ratio【（net profit before tax + interest expense + depreciation + amortization）/ interest expense】: higher than 2.5 times.
   iv. Net worth: higher than NT$5,300,000 thousand or USD equivalent.

(B) On 16 June 2022, the subsidiary, PAN-JIT ASIA INTERNATIONAL INC., entered into a syndicated loan contract with 11 financial institutions and the amount of the loan facility was US$80,000 thousand for a period of five years starting from the first day the facility is drawn. The facility must be drawn within three months from the execution date of the contract, otherwise the maturity of the said three-month period shall be deemed the first drawdown day. The extract of terms of the contract are as followings:

a. Terms of the syndicated loan agreement:

The line of credit of the medium-term loan is US $80,000 thousand, which can be used as a revolving loan within the credit period.

Terms of financial ratios: Within the contract period, the Company should annually calculate the financial ratios and agree with the assigned figures based on the data from audited consolidated financial report.

   i. Current ratio (current asset / current liability): higher than 100%.
   ii. Debt ratio (liability / equity): lower than 200%.
   iii. Interest coverage ratio【（net profit before tax + interest expense + depreciation +amortization）/ interest expense】: higher than 2.5 times.
   iv. Total Equity: higher than $5,300,000 thousand.

Certain other non-current assets are pledged as first priority security for the secured syndicated loans, please refer to Notes 8 for more details.

(C) On 9 September 2019, the Company entered into a credit agreement with Taishin International Bank in the amount of NT$600,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
$400,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$200,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(D) On 25 October 2019, the Company entered into a credit agreement with Chang HWA Bank in the amount of NT$900,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
$600,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$300,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(E) On 1 November 2019, the Company entered into a credit agreement with First Commercial Bank in the amount of NT$1,500,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
$1,000,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$500,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(F) On 21 November 2021, the Company entered into a credit agreement with Land Bank in the amount of NT$1,000,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
$700,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Sole interests will be paid per month in the first two years. The principal shall be paid back in monthly equal installments, from the third year, and interest calculated based on the amount of principal monthly.
$300,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Sole interests will be paid per month in the first two years. The principal shall be paid back in monthly equal installments, from the third year, and interest calculated based on the amount of principal monthly.

(16) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees’ monthly wages to the employees’ individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee’s salaries or wages to employees’ pension accounts.

Subsidiaries located in the People’s Republic of China will contribute a certain percentage of employees’ salaries or wages as national pension insurance to the employees’ individual pension accounts in accordance with local regulations.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were $51,721 thousand and $50,801 thousand, respectively.

Defined benefit plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees’ total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March in the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute $2,469 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

The average duration of the defined benefits plan obligation as at 31 December 2023 and 2022, are 7 to 15 and 8 to 16 years, respectively.

The pension costs recognized in profit or loss for the years ended 31 December 2023 and 2022 are as follows:

	FY 2023	FY 2022
Current period service costs	$1,449	$1,793
Interest expense	856	753
Total	$2,305	$2,546

The current value of the defined benefit obligations and the fair value of the planned assets are adjusted as follows:

	2023.12.31	2022.12.31	2022.01.01
Defined benefit obligation	$166,978	$161,469	$193,097
Plan assets at fair value	(100,399)	(94,524)	(87,536)
Other non-current liabilities – Defined benefit liabilities recognized on the consolidated balance sheets	$66,579	$66,945	$105,561

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset)
As at 1 Jan. 2022	$193,097	($87,536)	$105,561
Current period service costs	1,793	–	1,793
Net interest expense (income)	1,379	(626)	753
Past service cost and gains and losses arising from settlements	–	–	–
Subtotal	196,269	(88,162)	108,107
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	682	–	682
Actuarial gains and losses arising from changes in financial assumptions	(10,819)	–	(10,819)
Experience adjustments	(9,542)	–	(9,542)
Remeasurements of the defined benefit asset	–	(6,506)	(6,506)
Subtotal	176,590	(94,668)	81,922
Payments from the plan	(15,121)	15,121	–
Contributions by employer	–	(14,977)	(14,977)
Effect of changes in foreign exchange rates	–	–	–
As at 31 Dec. 2022	$161,469	($94,524)	$66,945
Current period service costs	1,449	–	1,449
Net interest expense (income)	2,101	(1,245)	856
Past service cost and gains and losses arising from settlements	–	–	–
Subtotal	165,019	(95,769)	69,250
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	9,498	–	9,498
Actuarial gains and losses arising from changes in financial assumptions	19,439	–	19,439
Experience adjustments	(24,231)	–	(24,231)
Remeasurements of the defined benefit asset	–	(411)	(411)
Subtotal	169,725	(96,180)	73,545
Payments from the plan	(2,747)	2,747	–
Contributions by employer	–	(6,966)	(6,966)
Effect of changes in foreign exchange rates	–	–	–
As at 31 Dec. 2023	$166,978	($100,399)	$66,579

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	2023.12.31	2022.12.31
Discount rate	1.18% ~ 1.31%	1.26% ~ 1.49%
Expected rate of salary increases	1.50% ~ 3.00%	1.50% ~ 3.00%

The sensitive analysis of each major actuarial assumption:

	Effect on the defined benefit obligation			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	$−	$4,716	$−	$5,961
Discount rate decrease by 0.5%	$8,882	$−	$8,857	$−
Future salary increase by 0.5%	$8,772	$−	$8,752	$−
Future salary decrease by 0.5%	$−	$4,698	$−	$5,949

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(17)Equities

A. Common stock

As at 31 December 2023 and 2022, the Company’s authorized capital were $6,000,000 thousand, and issued capital were $3,821,149 thousand and $3,828,149 thousand, respectively each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

On 25 October 2021, the Company issued 50,000 thousand units of Global Depository Shares ("GDS") on the Luxembourg Stock Exchange, each representing a unit of ordinary shares of the Company. And totals in new issuance of 50,000 thousand common stock shares, each unit of GDS was priced at USD3.02, equivalent to NT$84.5. Totals shares amounted to USD151,000 thousand. The rights and obligations of the new shares issued are the same as the original shares. As of December 31, 2023, there were no outstanding shares.

B.Capital surplus

Items	2023.12.31	2022.12.31
Additional paid-in capital	$4,603,539	$4,611,840
Premium on convertible bonds	1,082,212	1,083,418
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	95,779	95,779
Increase through changes in ownership interests in subsidiaries	455	8
Share of changes in net assets of associates accounted and joint ventures for using the equity method	112,781	113,444
Employee stock option	24,527	24,527
Restricted stocks for employees	694	694
Others	87,151	87,151
Total	$6,007,138	$6,016,861

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

On 09 May, 2023, the Company's Board of Directors approved the cancellation of treasury shares and the record date on 22 May, 2023. The change of paid-in capital registration of 700 thousand treasury shares was on June 13, 2023.

As at 31 December, 2023 and 2022, the treasury stock held by the Company were $0 thousand and $16,507 thousand, and the number of treasury stock held by the Company were 0 thousand and 700 thousand shares, respectively.

D. Earnings distribution and dividend policy

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues
b. Offset prior years' operation losses
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve
d. Set aside or reverse special reserve in accordance with law and regulations
e. The distribution of the remaining portion, if any, will be recommended by the board of directors and resolved in the shareholders' meeting.

According to the provision of Article 240-5 of the Company Act, the Company should authorize the distributable dividends and bonuses in whole or in part are paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution is submitted to the shareholders' meeting.

The policy of dividend distribution approved by the Board should reflect factors such as the operating planning, investment plan, capital budgets, the changes of inner and outer environment. The Company in capital-intensive industries are currently in the stage of expansion. Considering the Company's need for future capital and the long-term financial planning; as well as the shareholders' need for cash inflow, the principle of earning distribution:

The dividend to shareholders should be paid in the form of cash as priority, or in the form of share dividend. Additionally, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to the provision of Article 241 of the Company Act, the Company shall distribute the whole or a part of the statutory surplus reserve and capital surplus to shareholders in new shares or cash according to their shareholding percentage. When cash is distributed, a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company shall be required and reported to the shareholders meeting. When new shares are issued, it shall be submitted to the shareholders' meeting for approval before distribution.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate 1090150022, which sets out the following provisions for compliance:
On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The special reserve upon first adoption amounted to $200,400 thousand as of 1 January 2023 and 2022. Because of unused, disposal or reclassification of related assets, there was no reversal from special reserve to unappropriated earnings during the years ended of 2023 and 2022. As of 31 December 2023 and 2022, the special reverse upon first adoption amounted to $200,400 thousand.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the board of directors meeting on 8 March 2024 and shareholders' meeting on 14 June 2023, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$83,321	$223,603	$–	$–
Common stock -cash dividend (Note)	$458,538	$1,146,345	$1.20	$3.00

(Note)The Company resolved at the board of directors' meeting held on 8 March 2024 and 10 March 2023 to distribute the dividends of 2023 and 2022 in form of cash.

Please refer to Note 6.(22) for further details on employees' compensation and remuneration to directors.

E. Non-controlling interests

	FY 2023	FY 2022
Beginning balance	1,293,658	$215,134
Profit (loss) attributable to non-controlling interests	192,169	273
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of a foreign operation	9,239	87,649
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	734	(12,040)
Remeasurements of defined benefits plans	(39)	431
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	8,674	121,425
Share of changes of associates and joint ventures accounted for using the equity method	–	(354)
Adjustments arising from changes in ownerships in subsidiaries	(385)	(165,271)
Acquisition of additional interest in a subsidiary	–	(753)
Cash dividends from subsidiaries	(84,550)	(293,517)
Changes of non-controlling interests	(33,559)	1,340,681
Ending balance	$1,385,941	$1,293,658

(18) Share–based payment plan

Share-based payment plan for employees of the subsidiary

The subsidiary transferred 163 thousand treasury shares according to the Company's rules of treasury share transfer for the years ended 31 December 2022, which were estimated at $2.72 per unit cost of compensation by using the Black-Scholes option valuation model. The cost of compensation recognized for the one-year period ended 31 December 2022 amounted to $444 thousand.

On 13 April 2022, the subsidiary was authorized by the board of directors to issue employee share options with a total number of 163 thousand units. Each unit entitles an optionee to subscribe for one share of the subsidiary's common shares. Settlement upon the exercise of the options will be made through the transference of treasury shares by the subsidiary. The shares transferred by the subsidiary are not transferrable within the vesting period of two years since the delivery date.

The fair value of the share options is estimated at the grant date using Black-Scholes option valuation model, taking into account the terms and conditions upon which the share options were granted.

Details of the Group subsidiaries' employee stock option plan are as follows:

	2023.01.01~2023.12.31		2022.01.01~2022.12.31	
	Quantity outstanding (Unit: thousand)	Weighted average Exercise price (NT$)	Quantity outstanding (Unit: thousand)	Weighted average Exercise price (NT$)
Outstanding options as of 01 January	–	$–	–	$–
Stock option granted in the current period	–	$–	163	$56.72
Exercise of stock options in the current period	–	$–	–	$–
Overdue and expired stock options in the current period	–		(163)	
Outstanding options as of December 31	–		–	
Exercisable stock options on December 31	–		–	
Weighted average fair value ($) of stock option granted in the current period	$–		$9,245,360	

Outstanding Information on the aforementioned share-based payment plans as of December 31, 2023 is shown in the table below:

	Range of exercise price	Weighted average remaining duration (years)
Outstanding stock options as of December 31, 2023	$–	–
Outstanding stock options as of December 31, 2022	$56.72	–

(19) Operating revenue

Revenue from contracts with customers	FY 2023	FY 2022
Sale of goods	$12,704,188	$13,224,258
Other operating revenue	3,131	3,589
Total	$12,707,319	$13,227,847

Analysis of revenue from contracts with customers during the years ended 31 December 2023 and 2022 are as follows:

A. Disaggregation of revenue

For the year ended 31 December 2023:

	Diodes	Power IC and components	Solar	Other	Total
Sales of goods	$11,432,853	$1,071,885	$202,581	$–	$12,707,319

For the year ended 31 December 2022:

	Diodes	Power IC and components	Solar	Other	Total
Sales of goods	$12,811,874	$227,627	$188,287	$59	$13,227,847

B. Contract balances

Contract liabilities − current

	2023.12.31	2022.12.31
Sales of goods	$9,744	$10,041

The changes in the balance of contract liabilities of the Group in 2023 and 2022 were due to the fact that some of the performance obligations have been satisfied to be reclassified to increase in revenue or increase in advance receipts.

(20) Expected credit impairment gains (losses)

	FY 2023	FY 2022
Operation expense－Expected credit gains (losses)		
Trade receivables	($4,723)	$9,311
Non−operating income and expenses − Expected credit gains (losses)		
Other receivables	(25,367)	−
Total	($30,090)	$9,311

Please refer to Note 12 for more details on credit risk management.

The Group measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at 31 December 2023 and 2022 are as follows:

The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector, and its loss allowance is measure by using a provision matrix, details as follows:

As at 31 Dec. 2023

	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$3,675,613	$417,337	$18,792	$289	$1,470,506	$5,582,537
Loss rate	−	8.43%	20.00%	50.17%	100.00%	
Lifetime expected credit losses	−	(35,192)	(3,758)	(145)	(1,470,506)	(1,509,601)
Total	$3,675,613	$382,145	$15,034	$144	$−	$4,072,936

As at 31 Dec. 2022

	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$3,383,699	$410,581	$10,566	$130	$1,471,087	$5,276,063
Loss rate	−	8.20%	14.19%	62.31%	100.00%	
Lifetime expected credit losses	−	(33,677)	(1,499)	(81)	(1,471,087)	(1,506,344)
Total	$3,383,699	$376,904	$9,067	$49	$−	$3,769,719

(Note) The Group's note receivables are not overdue.

The movement in the provision of impairment of trade receivables and other receivables during the years ended 31 Dec. 2023 and 2022 are as follows:

	Trade receivable	Other receivables
As at 1 Jan. 2023	$1,506,344	$1,146
Additional/(reversal) for the current period	4,723	25,367
Effect of changes in exchange rate	(1,466)	(331)
As at 31 Dec. 2023	$1,509,601	$26,182
As at 1 Jan. 2022	$1,413,581	$1,129
Additional/(reversal) for the current period	(9,311)	−
Write off	(4,540)	−
Effect of changes in consolidated	(34,664)	−
Effect of changes in exchange rate	141,278	17
As at 31 Dec. 2022	$1,506,344	$1,146

(21) Lease

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment and other equipment. The lease terms range from 2 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(A) Amounts recognized in the balance sheet

a.Right-of-use assets

The carrying amount of right-of-use assets

	2023.12.31	2022.12.31
Land	$76,826	$81,273
Buildings	193,585	225,467
Transportation equipment	1,775	3,230
Other equipment	952,148	986,206
Total	$1,224,334	$1,296,176

b. Lease liabilities

	2023.12.31	2022.12.31
Current	$51,245	$52,735
Non–current	281,270	321,641
Total	$332,515	$374,376

Please refer to Note 6.(23)(D) for the interest on lease liabilities recognized during the years ended 31 December 2023 and 2022 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of 31 December 2023 and 2022.

(B) Amounts recognized in the statement of profit or loss

Depreciation of right–of–use assets

	For the years ended 31 December	
	2023	2022
Land	$3,211	$3,003
Buildings	40,528	41,204
Transportation equipment	1,374	1,013
Other equipment	71,427	66,475
Total	$116,540	$111,695

(C) Income and costs relating to leasing activities

	For the years ended 31 December	
	2023	2022
The expenses relating to short-term leases	$13,691	$11,105
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	$372	$564
The expenses relating to variable lease payments not included in the measurement of lease liabilities	$18	$108
Income from subleasing right-of-use assets	$1,816	$1,548

(D) Cash outflow relating to leasing activities

During the years ended 31 December 2023 and 2022, the Group's total cash outflows for leases amounting to $72,726 thousand and $67,375 thousand, respectively.

(E) Other information relating to leasing activities

Extension and termination options

Some of the Group's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(22) Summary statement of employee benefits, depreciation and amortization expenses by function:

Function / Nature	For the year ended 31 December 2023			For the year ended 31 December 2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefit expense						
Salaries	$959,425	$1,108,452	$2,067,877	$1,029,235	$1,206,231	$2,235,466
Labor and health insurance	$133,124	$91,600	$224,724	$141,289	$80,859	$222,148
Pension	$28,385	$25,641	$54,026	$30,641	$22,706	$53,347
Other employee benefit expense	$67,311	$42,470	$109,781	$76,412	$44,644	$121,056
Depreciation	$685,084	$172,241	$857,325	$573,715	$149,672	$723,387
Amortization	$12,288	$28,832	$41,120	$14,551	$33,766	$48,317

According to the Company's Articles of Incorporation, at least 6% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered.

According to Article 235-1 of the Company Act, the Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the year ended 31 Dec. 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors for the year ended 31 December 2023 to be 6.5% of profit of current year and 1.69% of profit of current year, respectively, recognized the amount of $63,400 thousand and $16,495 thousand. Employees' compensation and remuneration to directors for the years ended 31 Dec. 2022 amount of $137,375 thousand and $35,000 thousand, respectively, recognized as employee benefits expense. If the Board of Directors resolves to distribute employee compensation through stock, the number of stocks distributed is calculated based on total employee compensation divided by the closing price of the day before the Board of Directors meeting. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the Company will recognize the change as an adjustment in the profit of loss in the subsequent period.

A resolution was passed at the board meeting on 8 March 2024 to distribute dividend in cash in the amount of $63,400 thousand and $16,495 thousand for the year ended 2023, and of $137,375 thousand and $35,000 thousand for the year ended 2022 as employees' compensation and remuneration to directors and supervisors, respectively. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the years ended 2023 and 2022.

(23) Non−operating income and expenses

A. Interest income

	For the years ended 31 December	
	2023	2022
Financial asset measured at amortized cost	$171,995	$133,842

B. Other income

	For the years ended 31 December	
	2023	2022
Rental income	$5,107	$3,692
Dividend income	8,231	15,555
Others	135,109	89,535
Total	$148,447	$108,782

C. Other gains and losses

	For the years ended 31 December	
	2023	2022
Gains(Losses) on disposal of property, plant and equipment	$26,683	$73
Gains (Losses) on disposal of investments	(7,955)	72,787
Gains on lease modification	176	49
Foreign exchange gains, net	(14,026)	160,010
Impairment gains(losses)	692	5,271
Gains on financial assets / financial liabilities at fair value through profit or loss (Note)	132,139	70,231
Others	(3,468)	(67,082)
Total	$134,241	$241,339

(Note) Balances were arising from financial assets and financial liabilities mandatorily measured at fair value through profit or loss.

D. Financial costs

	For the years ended 31 December	
	2023	2022
Interest on borrowings from bank	($183,206)	($121,572)
Interest on lease liabilities	(19,597)	(16,518)
Total	($202,803)	($138,090)

(24) Other comprehensive income components

	For the year ended 31 December 2023				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	($4,446)	$−	($4,446)	$859	($3,587)
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	9,991	−	9,991	(568)	9,423
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(46,247)	−	(46,247)	9,147	(37,100)
Total of other comprehensive income	($40,702)	$−	($40,702)	$9,438	($31,264)

	For the year ended 31 December 2022				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$26,842	$−	$26,842	($5,237)	$21,605
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	(293,286)	−	(293,286)	(1,711)	(294,997)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	583,547	−	583,547	(93,185)	490,362
Total of other comprehensive income	$317,103	$−	$317,103	($100,133)	$216,970

(25) Income tax

A. Income tax expense (income) recognized in profit or loss

	For the years ended 31 December	
	2023	2022
Current income tax expense:		
Current income tax charge	$204,217	$366,380
Adjustments in respect of current income tax of prior periods	(24,117)	(15,476)
Deferred tax (income) expense:		
Deferred tax (income) expense relating to origination and reversal of temporary differences	(28,391)	(17,177)
Others	436	(289)
Total income tax expense	$152,145	$333,438

B. Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2023	2022
Deferred tax expense (income):		
Remeasurements of defined benefit plans	($859)	$5,237
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	568	1,711
Exchange differences resulting from translating the financial statements of a foreign operation	(9,147)	93,185
Income tax expense(income) relating to components of other comprehensive income	($9,438)	$100,133

C. Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2023	2023
Accounting profit before tax from continuing operations	$1,165,096	$2,091,342
Tax at the domestic rates applicable to profits in the country concerned	$286,931	$492,932
Tax effect of revenues exempt from taxation	(33,889)	(79,999)
Tax effect of expenses not deductible for tax purposes	1,910	17,803
Tax effect of deferred tax assets/liabilities	(67,797)	(130,543)
Income tax on undistributed surplus	19,254	269
Minimum tax amount to be levied	2	−
Adjustments in respect of current income tax of prior periods	(24,117)	(15,476)
Others	(30,149)	48,452
Total income tax expense recognized in profit or loss	$152,145	$333,438

D. Deferred tax assets (liabilities) relate to the following:

For the year ended 31 December 2023:

	Beginning balance as at 1 Jan. 2023	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Effect of changes in consolidated	Exchange differences	Ending balance as at 31 Dec. 2023
Temporary difference						
Allowance for bad debts	$1,313	$193	$–	$–	($25)	$1,481
Allowance for losses on inventory	107,757	44,648	–	–	(161)	152,244
Unrealized exchange gains (losses)	(4,916)	10,296	–	–	1	5,381
Share of profit (loss) of subsidiaries accounted for using the equity method	58,771	(13,935)	–	–	1	44,837
Changes in ownership interests of subsidiaries for using equity method	(71,015)	–	–	–	–	(71,015)
Exchange differences resulting from translating the financial statements of a foreign operation	64,580	–	9,147	–	1	73,728
Depreciation difference for tax purpose	(3,426)	603	–	–	55	(2,768)
Pension cost	13,142	(686)	859	–	1	13,316
Impairment losses	57,920	(51)	15	–	(63)	57,821
Financial assets measured at fair value through other comprehensive income	1,573	–	(583)	–	71	1,061
Others	33,049	(12,677)	–	(189)	188	20,371
Deferred tax (expense)/ income		$28,391	$9,438	($189)	$69	
Net deferred tax assets/(liabilities)	$258,748					$296,457
Reflected in balance sheet as follows:						
Deferred tax assets	$350,643					$379,346
Deferred tax liabilities	($91,895)					($82,889)

For the year ended 31 December 2022:

	Beginning balance as at 1 Jan. 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Effect of changes in consolidated	Exchange differences	Ending balance as at 31 Dec. 2022
Temporary differences						
Allowance for bad debts	$1,436	($144)	$−	$−	$21	$1,313
Allowance for losses on inventory	47,416	60,302	−	−	39	107,757
Unrealized exchange gains (losses)	(6,610)	1,694	−	−	−	(4,916)
Share of profit (loss) of subsidiaries accounted for using the equity method	73,265	(14,494)	−	−	−	58,771
Changes in ownership interests of subsidiaries for using equity method	(71,015)	−	−	−	−	(71,015)
Exchange differences resulting from translating the financial statements of a foreign operation	154,135	3,631	(93,185)	−	(1)	64,580
Depreciation difference for tax purpose	(472)	(2,956)	−	−	2	(3,426)
Pension cost	21,112	(2,733)	(5,237)	−	−	13,142
Impairment losses	10,246	(3,927)	−	51,553	48	57,920
Financial assets measured at fair value through other comprehensive income	4,920	(1,637)	(1,711)	−	1	1,573
Others	55,052	(22,559)	−	(1,113)	1,669	33,049
Deferred tax (expense)/ income		($17,177)	($100,133)	$50,440	$1,779	
Net deferred tax assets/(liabilities)	$289,485					$258,748
Reflected in balance sheet as follows:						
Deferred tax assets	$367,714					$350,643
Deferred tax liabilities	($78,229)					($91,895)

E. The following table contains information of the unused tax losses of the Group:

(i). Aide Energy (Cayman) Holding Co., Ltd. Taiwan Branch

		Unused tax losses as at		
Year	Tax losses for the period	31 Dec. 2023	31 Dec. 2022	Expiration year
2012	42,967	$−	$42,967	2022
2013	15,965	15,965	15,965	2023
2014	30,253	30,253	30,253	2024
2015	25,606	25,606	25,606	2025
2016	680	680	680	2026
2017	4,705	4,705	4,705	2027
2022	1,037	1,037	−	2032
		$78,246	$120,176	

(ii).Jiangsu Aide Solar Energy Technology Co., Ltd.

Year	Tax losses for the period(in RMB$)	Unused tax losses as at 31 Dec. 2023	Unused tax losses as at 31 Dec. 2022	Expiration year
2018	20,249	$87,616	$89,256	2023
2019	165,678	716,887	730,307	2024
2020	797	3,450	3,514	2025
2021	12,827	55,504	56,543	2026
2022	3,039	13,151	−	2027
		$876,608	$879,620	

F. Unrecognized deferred tax assets

As of 31 December 2023 and 2022, deferred tax assets that have not been recognized amounted to $349,159 thousand and $205,928 thousand, respectively.

G. The assessment of income tax returns

As of 31 December 2023, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2019
Pynmax Technology Co., Ltd.	Assessed and approved up to 2021
Aide Energy (Cayman) Holding Co., Ltd. Taiwan Branch	Assessed and approved up to 2021
Champion Microelectronic Corp.	Assessed and approved up to 2021

(26) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December 2023	For the years ended 31 December 2022
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$820,782	$1,757,631
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	382,115	382,115
Basic earnings per share (NT$)	$2.15	$4.60

	For the years ended 31 December	
	2023	2022
B.Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company and effect of potential common shares (in thousand NT$)	$820,782	$1,757,631
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	382,115	382,115
Effect of dilution		
Employee compensation－stock (in thousands)	1,316	2,737
Weighted average number of ordinary shares outstanding after dilution (in thousand)	383,431	384,852
Diluted earnings per share (NT$)	$2.14	$4.57

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements authorized for issue.

(27) Business combinations

Acquisition of PANSTAR SEMICONDUCTOR CO., LTD.

Panstar Semiconductor Co., Ltd.'s main business is IC design and development. The Group acquired Panstar Semiconductor for reasons of resource integration and strategic cooperation.

The Group has elected to measure the non–controlling interest in Panstar Semiconductor Co., Ltd. at the relative share of the recognized amount of identifiable net assets.

The fair values of the identifiable assets and liabilities of Panstar Semiconductor Co., Ltd. at the acquisition date were as follows:

	Fair value recognized on the acquisition date
Assets	$13,789
Liabilities	(3,051)
Equity	10,738
Percentage of ownership	50%
Subtotal	5,369
Goodwill	4,631
Purchase consideration	$10,000

The goodwill of $4,631 thousand comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognized. Due to the contractual terms imposed on acquisition, the customer list is not separable and therefore does not meet the criteria for recognition as an intangible asset under IAS 38 Intangible Assets. The goodwill recognized is expected to be fully deductible for income tax purposes.

Acquisition of Champion Microelectronic Corp.

CMC is a power management IC supplier. Its products include power IC, power modules, field effect transistors, and fast recovery diodes. The Group acquired CMC based on expansion of product portfolio, resource integration, and other strategic alliance reasons.

The Group has elected to measure the non-controlling interest in the acquiree at the related shares of the recognized amount of identifiable assets.

The fair value of the identifiable assets and liabilities of Champion Microelectronic Corp. as at the date of acquisition were

	Fair value recognized on the acquisition date
Assets	$2,264,896
Liabilities	(597,239)
Equity	1,667,657
Percentage of ownership	30%
Subtotal	500,297
Goodwill	1,385,480
Patents	61,927
Purchase consideration	$1,947,704

Cash flow on acquisition	
Net cash acquired with the subsidiary	$950,130
Cash paid	(1,947,704)
Net cash flow on acquisition	($997,574)

The goodwill of $1,385,480 thousand comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognized. Due to the contractual terms imposed on acquisition, the customer list is not separable and therefore does not meet the criteria for recognition as an intangible asset under IAS 38 Intangible Assets. The goodwill recognized is expected to be fully deductible for income tax purposes.

For the period from the acquisition of control of Champion Microelectronic to December 31, 2022, the Company generated revenues of NT$227,627 thousand and net income of NT$11,266 thousand before income tax for the Group. Had the merger occurred at the beginning of 2022, the Group's revenue for the year ended 31 December 2022 would have been NT$13,542,452 thousand and net income before tax would have been NT$2,204,457 thousand.

7. Related party transactions

The following is a summary of transactions between the Group and related parties during the reporting periods:

Names and relationship of related parties

Name of related parties	Relationship with the Group
ZIBO MICRO COMMERCIAL COMPONENT CORP.	Associated Enterprises
MILDEX OPTICAL INC.	Associated Enterprises
MILDEX OPTOELECTRONICS(XUZHOU) CO., LTD.	Associated Enterprises
MILDEX OPTICAL USA, INC.	Associated Enterprises
Fang Minqing and other 18 people	The management level above Deputy general manager of the Group

(1) Sales

	For the years ended 31 December	
	2023	2022
Zibo Micro Commercial Component Corp.	$168,280	$305,984
Others	62	14
Total	$168,342	$305,998

The sales price to the related parties was determined through mutual agreement in reference to market conditions. The collection periods to related parties were month-end 90 days, and non-related parties were month-end 30~120 days. The outstanding payment at the end of the year were not pledged, interest-free and subject to pay in cash.

(2) Purchase

	For the years ended 31 December	
	2023	2022
Zibo Micro Commercial Component Corp.	$288,048	$534,780

The purchase price from the related parties was determined through mutual agreement in reference to market conditions. The payment periods to related parties were the same with other company, and were 30~90 days.

(3) Trade receivable − related parties

	2023.12.31	2022.12.31
Zibo Micro Commercial Component Corp.	$39,567	$56,700
Others	22	−
Total	$39,589	$56,700

(4) Other receivable − related parties (not loans)

	2023.12.31	2022.12.31
MILDEX OPTICAL USA, INC.	$2,760	$2,299
MILDEX OPTICAL INC.	−	1,053
Total	$2,760	$3,352

(5) Trade Payable − Related Parties

	2023.12.31	2022.12.31
Zibo Micro Commercial Component Corp.	$54,277	$59,068

(6) Other payables − related parties (not loans)

	2023.12.31	2022.12.31
MILDEX OPTOELECTRONICS(XUZHOU) CO., LTD.	$37,161	$37,856
Others	29	47
Total	$37,190	$37,903

(7) Lease liabilities − related parties

	2023.12.31	2022.12.31
MILDEX OPTOELECTRONICS(XUZHOU) CO., LTD.	$177,559	$200,121

(8) Rental income

	For the years ended 31 December	
	FY 2023	FY 2022
MILDEX OPTICAL USA, INC.	$1,816	$1,548

The rental price to the related parties was determined through mutual agreements in reference to market conditions.

(9) Disposal of property, plant and equipment:

FY 2023: None.

FY 2022:

	Asset Name	Sales price	Book value	Gain (Losses)
Zibo Micro Commercial Components Corp.	Machinery	$18	$14	$4

(10) Key management personnel compensation

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	$118,169	$142,191
Post-employment benefits	816	712
Total	$118,985	$142,903

As at 31 December 2023 and 2022, certain key management personnel were joint guarantors for the Group's borrowings from financial institutions.

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

	Carrying amount		
Items	2023.12.31	2022.12.31	Secured liabilities details
Other current assets	$43,825	$24,184	Financial products trade
Other non–current assets	1,098	1,024	Long-term borrowings, performance guarantee
Refundable deposits	425	834	Performance guarantee
Total	$45,348	$26,042	

9. Significant contingencies and unrecognized contractual commitments

As at 31 December 2023 and 2022, the Group guaranteed the deposit for customs in the amount of NT$12,565 thousand and NT$12,560 thousand, respectively.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	31 Dec. 2023	31 Dec. 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	$3,387,782	$3,031,465
Financial assets at fair value through other comprehensive income	493,248	521,889
Financial assets measured at amortized cost	7,980,384	7,776,583
Total	$11,861,414	$11,329,937

Financial liabilities

	31 Dec. 2023	31 Dec. 2022
Financial liabilities at amortized cost:		
Short-term borrowings	$2,689,193	$2,769,949
Trade and other payables	3,538,857	3,946,538
Long-term borrowings (including current portion)	6,849,653	6,512,616
Lease liabilities	332,515	374,376
Total	$13,410,218	$13,603,479

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD, EUR, CNY, and JPY.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps.

Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

The sensitivity analysis of the changes in the risk of exposure:

For the year ended 31 December 2023

Risk	Change		Profit (thousand)	Equity attribute (thousand)
Foreign currency	NTD/USD exchange rate +/− 1%	+/−	$18,093	$−
	NTD/EUR exchange rate +/− 1%	−/+	$489	$−
	NTD/CNY exchange rate +/− 1 %	+/−	$162	$−
	NTD/JPY exchange rate +/− 1 %	+/−	$88	$−
Interest Rate	NTD market interest rate +/− 100 basis points	−/+	$64,826	$−
Equity Price	Equity price +/−10%	+/−	$338,216	$49,465

For the year ended 31 December 2022

Risk	Change		Profit (thousand)	Equity attribute (thousand)
Foreign currency	NTD/USD exchange rate +/− 1%	+/−	$13,666	$−
	NTD/EUR exchange rate +/− 1%	−/+	$2,382	$−
	NTD/CNY exchange rate +/− 1 %	+/−	$1,270	$−
Interest Rate	NTD market interest rate +/− 100 basis points	−/+	$62,840	$−
Equity Price	Equity price +/−10%	+/−	$303,051	$52,285

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group’s internal rating criteria etc. Certain counter parties credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2023 and 2022, trade receivables from top ten customers represent 17% and 14% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group’s treasury in accordance with the Group’s policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non-derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 December 2023					
Loans	$3,234,720	$4,764,414	$1,648,118	$–	$9,647,252
Trade and other payables	$3,538,857	$–	$–	$–	$3,538,857
Lease liabilities	$62,713	$102,779	$91,677	$122,698	$379,867
As at 31 December 2022					
Loans	$3,308,611	$271,007	$5,877,837	$–	$9,457,455
Trade and other payables	$3,946,538	$–	$–	$–	$3,946,538
Lease liabilities	$65,651	$108,789	$91,338	$168,317	$434,095

Derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 December 2023					
Forward foreign exchange contracts－Inflows	$74,101	$–	$–	$–	$74,101
Forward foreign exchange contracts－Outflows	($72,771)	$–	$–	$–	($72,771)
Exchange rate swap contract －Inflows	$273,099	$–	$–	$–	$273,099
Exchange rate swap contract －Outflows	($270,204)	$–	$–	$–	($270,204)

As at 31 December 2022: None.

The table above contains the undiscounted cash flows of derivative financial liabilities.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
As at 1 Jan. 2023	$2,769,949	$6,512,616	$374,376	$9,656,941
Cash flows	(71,369)	333,059	(72,726)	188,964
Non-cash changes	–	4,016	31,998	36,014
Foreign exchange movement	(9,387)	(38)	(1,133)	(10,558)
As at 31 Dec. 2023	$2,689,193	$6,849,653	$332,515	$9,871,361

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
As at 1 Jan. 2022	$3,219,218	$4,584,252	$403,903	$8,207,373
Cash flows	(452,310)	1,884,954	(67,375)	1,365,269
Non-cash changes	−	(8,426)	26,633	18,207
Foreign exchange movement	3,041	51,836	11,215	66,092
As at 31 Dec. 2022	$2,769,949	$6,512,616	$374,376	$9,656,941

(7) Fair value of financial instruments

(A) The methods and assumptions applied in determining the fair value of financial instruments:

The fair value of the financial assets and liabilities is determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a. The carrying amount of cash and cash equivalents, financial assets measured at amortized cost, trade receivables, trade payable and other current liabilities approximate their fair value due to their short maturities.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures, etc.) at the reporting date.

c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(B) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

(C) Information about the fair value level of financial instruments

Please refer to Note 12.(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information for the Group's derivative financial instruments not qualified for hedge accounting and not yet settled as of 31 December 2023 and 2022 is as follows:

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments.

Exchange rate swap contract

The Group entered into exchange rate swap contract to manage its exposure to financial risk, but these contracts are not designated as hedging instruments.

The paragraphs below lists the information related to forward currency contracts and exchange rate swap contract:

As at 31 Dec. 2023:	Items (by contract)	Notional Amount (thousand)	Contract Period
The Company	Forward exchange contract	Sell USD 2,370	2024.01.03–2024.01.08
The Company	Exchange rate swap contract	Sell USD 8,800	2024.01.12

As at 31 Dec. 2022:
None.

The counterparties of aforementioned derivatives are well-known banks at domestic and abroad, with good credit, so the credit risk is low.

With regard to the forward foreign exchange contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

(9) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(B) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 31 December 2023:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$–	$2,021,951	$–	$2,021,951
Notes and bills	$–	$1,341,809	$–	$1,341,809
Stocks	$716	$–	$684	$1,400
Convertible Bond	$–	$–	$18,397	$18,397
Forward foreign exchange contracts	$–	$1,330	$–	$1,330
Exchange rate swap contract	$–	$2,895	$–	$2,895
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$155,411	$–	$337,837	$493,248

As at 31 December 2022:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$–	$2,550,358	$–	$2,550,358
Notes and bills	$–	$460,650	$–	$460,650
Stocks	$–	$–	$957	$957
Convertible Bond	$–	$–	$19,500	$19,500
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$157,684	$–	$364,205	$521,889

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Changes in recurring fair value at level 3

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Financial assets measured at fair value through profit or loss			Measured at fair value through other comprehensive income
	Stock	Structured deposits	Convertible bonds	Stock
2023.01.01	$957	$–	$19,500	$364,205
Total recognized gains (loss) of the current period				
Recognized in gain or loss (presented in “Other gain or loss”)	–	–	3,993	–
Acquisition for the period	–	283,040	7,474	–
Disposal in current period	–	(280,158)	(12,570)	(21,139)
Capital reduction during the period	(273)	–	–	(5,229)
Influence of exchange rate change	–	(2,882)	–	–
2023.12.31	$684	$–	$18,397	$337,837

	Financial assets measured at fair value through profit or loss			Measured at fair value through other comprehensive income
	Stock	Structured deposits	Convertible bonds	Stock
2022.01.01	$–	$–	$–	$271,858
Total recognized gains (loss) of the current period				
Recognized in gain or loss (presented in "Other gain or loss")	–	–	–	–
Recognized in other comprehensive income (Presented under "Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income")	–	–	–	(11,153)
Acquisition for the period	–	1,592,731	19,500	–
Disposal in current period	–	(1,601,177)	–	(29,900)
Transfer to Level 3	–	–	–	2,647
The effects of changes in the consolidated and parent company only financial statements	957	–	–	127,837
Influence of exchange rate change	–	8,446	–	2,916
2022.12.31	$957	$–	$19,500	$364,205

Significant unobservable input value information for Level 3 of the fair value hierarchy

For the Group's assets measured in Level 3 at fair value hierarchy for recurring fair value measurement, its significant unobservable inputs used in measuring the fair value are presented in the table below:

December 31, 2023:

	Evaluation techniques	Significant unobservable input value	Quantitative Information	Interrelationship between inputs and fair value	Sensitivity analysis of interrelationship between inputs and fair value
Financial assets at fair value					
Financial assets at fair value through profit or loss					
Stock	Net asset value method	Not applicable	−	Not applicable	Not applicable
Financial products-structured deposit	Net asset value method	Not applicable	−	Not applicable	Not applicable
Convertible bonds	Option Pricing model	Not applicable	−	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income					
Stock	Market approach	Lack of liquidity discount	4.09%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Group's equity will decrease/increase by NT$6,831 thousand if the percentage of illiquidity increases (decreases) by 1%.
Stock	Income approach	Discount rate	18.12%	The higher the discount rate, the lower the estimate of fair value	When the discount rate increases/decreases by 1%, the profit or loss of the Group will increase by NT$9,958 thousand/decrease by NT$8,697 thousand.

December 31, 2022:

	Evaluation techniques	Significant unobservable input value	Quantitative Information	Interrelationship between inputs and fair value	Sensitivity analysis of interrelationship between inputs and fair value
Assets measured at fair value					
Financial assets measured at fair value through profit or loss					
Stock	Net asset value method	Not applicable	−	Not applicable	Not applicable
Wealth Management Products − Structured Deposits	Net asset value method	Not applicable	−	Not applicable	Not applicable
Convertible bonds	Option Pricing model	Not applicable	−	Not applicable	Not applicable
Financial assets measured at fair value through other comprehensive income					
Stock	Market approach	Lack of liquidity discount	5.43%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Group's equity will decrease/increase by NT$6,907 thousand if the percentage of illiquidity increases (decreases) by 1%.
Stock	Income approach	Discount rate	13.45%	The higher the discount rate, the lower the estimate of fair value	When the discount rate increases/decreases by 1%, the profit or loss of the Group will increase by NT$10,576 thousand/decrease by NT$9,691 thousand.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	31 December 2023		
	Foreign currency (thousand)	Foreign exchange rate	NTD (thousand)
Financial assets			
Monetary items:			
USD	$90,443	30.7050	$2,777,060
EUR	$3,326	33.9800	$113,016
RMB	$3,735	4.3270	$16,161
JPY	$48,616	0.2172	$10,559
Financial liabilities			
Monetary items:			
USD	$32,332	30.7050	$992,754
EUR	$4,766	33.9800	$161,937
RMB	$−	4.3270	$−
JPY	$8,453	0.2172	$1,836

	31 December 2022		
	Foreign currency (thousand)	Foreign exchange rate	NTD (thousand)
Financial assets			
Monetary items:			
USD	$82,130	30.7100	$2,522,204
EUR	$4,169	32.7200	$136,397
RMB	$29,963	4.4080	$132,076
Financial liabilities			
Monetary items:			
USD	$37,631	30.7100	$1,155,645
EUR	$11,449	32.7200	$374,619
RMB	$1,159	4.4080	$5,110

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The Group’s functional currency are various, and hence is not able to disclose the information of exchange gains and losses by each significant assets and liabilities denominated in foreign currencies. The exchange (losses) gains of monetary financial assets and liabilities was ($14,026) thousand and $160,010 thousand for the years ended 31 December 2023 and 2022, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosures

(1) Information about Significant Transitions

a. Financing provided to others: Please refer to Attachment 1.
b. Endorsement/Guarantee for others: Please refer to Attachment 2.
c. Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures): Please refer to Attachment 3.
d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
e. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
f. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
g. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock: Please refer to Attachment 4.
h. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock: Please refer to Attachment 5.
i. Financial instruments and derivative transactions: Please refer to Note 12(8).
j. Business relationships and significant transactions and amount between parent company and subsidiaries and among subsidiaries: Please refer to Attachment 8.

(2) Information of investees：

If the issuer directly or indirectly exercises significant influence or control over, or has a joint venture interest in, an investee company not in the Mainland Area, it shall disclose information on the investee company, showing the name, location, principal business activities, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss: Please refer to Attachment 6.

(3) Information on investment in Mainland China:

a. Information on investment in Mainland China: Please refer to Attachment 7.

b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss:
   i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Attachment 4.
   ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please refer to Attachment 4~5.
   iii. The amount of property transactions and the amount of the resultant gains or losses: None.
   iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes:None.
   v. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Please refer to Attachment 1.
   vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position: None.

(4) Information on major shareholders: Please refer to Attachment 9.

14. Segment Information

(1) For management purposes, the Group is consisted of business units on the basis of product characteristics and services, and has four reportable operating segments as follows:

a. Diodes: Manufacture and sale the wafers, power components and control module.
b. Power IC and components: research and development, design and manufacture and technology consultation of power IC, field effect transistors and fast recovery diodes.
c. Solar: Sales of electricity.
d. Others: Lithium battery management system designed and manufactured.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured on the same basis with those in the consolidated financial statements. However financial cost, financial income and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

	For the years ended 31 December 2023					
	Diodes	Power IC and components	Solar	Others	Adjustment	Total
Revenue						
External customers	$11,432,853	$1,071,885	$202,581	$–	$–	$12,707,319
Inter-segment	588	2,005	–	–	(2,593)	–
Total revenue	$11,433,441	$1,073,890	$202,581	$–	($2,593)	$12,707,319
Segment profit	$508,450	$277,558	$47,726	$–	$331,362	$1,165,096

(a) Inter-segment revenues were eliminated on consolidation.

(b) The profit for each operating segment did not include non-operating income and expenses in the amount of $331,362 thousand and income tax expense in the amount of $152,145 thousand. Segment profit included inter-segment sales of $0 thousand and non-operating income and expenses of $331,362 thousand.

	For the years ended 31 December 2022					
	Diodes	Power IC and components	Solar	Others	Adjustment	Total
Revenue						
External customers	$12,811,874	$227,627	$188,287	$59	$–	$13,227,847
Inter-segment	–	–	–	–	–	–
Total revenue	$12,811,874	$227,627	$188,287	$59	$–	$13,227,847
Segment profit	$1,604,889	($9,433)	$44,089	($8,472)	$460,269	$2,091,342

(a) Inter-segment revenues were eliminated on consolidation.

(b) The profit for each operating segment did not include non-operating income and expenses in the amount of $460,269 thousand and income tax expense in the amount of $333,438 thousand. Segment profit included inter-segment sales of $0 thousand and non-operating income and expenses of $460,269 thousand.

The following table lists the information related to the assets and liabilities of the Group's operating segments as of December 31, 2023, and 2022

Assets by Operating Segments

	Diodes	Power IC and components	Solar	Others	Adjustment	Total
2023.12.31						
Assets	$16,307,133	$696,752	$1,119,996	$–	$10,558,854	$28,682,735
2022.12.31						
Assets	$16,426,178	$673,084	$1,170,538	$–	$10,897,046	$29,166,846

Liabilities by Operating Segmer

	Diodes	Power IC and components	Solar	Others	Adjustment	Total
2023.12.31						
Liabilities	$11,690,186	$86,473	$136,540	$–	$2,134,997	$14,048,196
2022.12.31						
Liabilities	$11,501,440	$38,572	$199,583	$–	$2,518,016	$14,257,611

(2) Geographic area information

A. Revenue from external customers: (Summarized by country)

	For the years ended 31 December	
Country	2023	2022
Taiwan	$1,383,519	$1,000,231
China (including Hong Kong)	8,048,946	8,879,409
Korea	683,777	573,941
U.S.A.	201,215	263,050
Japan	57,834	127,255
Germany	496,897	589,437
Italy	220,957	210,173
Others	1,614,174	1,584,351
Total	$12,707,319	$13,227,847

B. Non−current assets:

Area	31 Dec. 2023	31 Dec. 2022
Taiwan	$8,572,016	$8,575,511
China	2,712,519	2,913,403
Others	2,686,533	2,717,484
Total	$13,971,068	$14,206,398

(3) Important Customer Information

Individual customer accounting for at least 10% of net sales for the years ended 31 December 2023 and 2022: None.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)
(Unit: NT$ thousand, unless otherwise indicated)
Financing provided to others

Attachment 1

No. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum balance for the period	Ending balance (Note 6)	Actual amount provided	Interest rate	Nature of Financing (Note 3)	Amount of sales to (purchases from) counter-party (Note 4)	Reason for Financing (Note 5)	Allowance for Loss	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount	Note
													Name	Value			
0	PANJIT INTERNATIONAL INC.	EC SOLAR C1 SRL	Other receivables	Yes	$366,555	$203,880	$152,910	6.00%	Short-term financing	-	Operating turnover	-	-	-	$5,299,439	$5,299,439	(Note 7, 11)
1	PAN-JIT ASIA INTERNATIONAL INC.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	1,812,009	906,743	906,743	0.00%	Short-term financing	-	Operating turnover	-	-	-	3,683,909	8,104,600	(Note 8, 11)
1	PAN-JIT ASIA INTERNATIONAL INC.	PANJIT INTERNATIONAL INC.	Other receivables	Yes	1,158,488	552,690	—	0.00%	Short-term financing	-	Operating turnover	-	-	-	3,683,909	8,104,600	(Note 8, 11)
2	Suzhou Grande Electronics Co. Ltd.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	427,620	404,077	404,077	3.00%	Short-term financing	-	Operating turnover	-	-	-	1,167,420	1,167,420	(Note 9, 11)
3	PAN-JIT AMERICAS INC.	PAN-JIT ASIA INTERNATIONAL INC.	Other receivables	Yes	87,710	82,904	82,904	4.30%	Short-term financing	-	Operating turnover	-	-	-	104,151	104,151	(Note 10, 11)
Total						$2,150,294	$1,546,634										

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): Accounts receivable from associates, accounts receivable from related parties, shareholder transactions, advance payments, temporary payments... and other items, if they are in the nature of capital loans, must be filled in this form.

(Note 3): The nature of the fund loan should be listed as a business transaction or a short-run financing need.

(Note 4): If the nature of the fund loan is a business transaction, the business transaction amount should be filled in. The business transaction amount refers to the amount of business transactions between the Company that lent the fund and the counterparty in the most recent year.

(Note 5): If the nature of the fund loan is short-run financing, the counterparty's reasons and the purpose for the loan should be specified, such as repayment of borrowings, purchase of equipment, business turnover... etc.

(Note 6): Pursuant to Article 14 Item 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, if a public company submits a capital loan to the Board of Directors for resolutions one by one, although the funds have not yet been allocated, the amount of the board of directors' resolutions should be included in the balance declared to expose the risk; however, if the funds are subsequently repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. Pursuant to Article 14 Item 2 of the Regulations, if a public company, through the resolution by the board of directors, authorizes the chairman of the board to allocate loans in installments or revolve them within a certain amount and within a one-year period, the capital loan and quota approved by the board of directors should still be used as the balance declared. Although the funds will be repaid thereafter, it is still possible to allocate the loan again, so the capital loan and quota approved by the board of directors should still be used as the balance declared.

(Note 7): For companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others by the Company shall not exceed 40% of the Company's net worth.

(1) PANJIT International Inc.: The net worth is NT$13,248,598 thousand.

(Note 8): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending, it is not subject to the above restrictions. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 50% and 110% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT ASIA INTERNATIONAL INC.: The net worth is USD239,955 thousand, which is converted into NT$7,367,818 thousand.

(Note 9): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the directly and indirectly, hold 100% of the voting shares engage in fund lending,It is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 150% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) Suzhou Grande Electronics Co., Ltd.: The net worth is RMB179,866 thousand, which is converted into NT$778,280 thousand.

(Note 10): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of financing loans to others shall not exceed 40% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT AMERICAS INC.: The net worth is USD8,480 thousand, which is converted into NT$260,378 thousand.

(Note 11): It had been written off in preparing the consolidated financial report.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Endorsement/guarantee for others

Attachment 2

No. (Note 1)	Endorsor/Guarantor	Receiving party		Limit of Endorsements/guarantees for receiving party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 3)	Guarantee provided by parent company (Note 7)	Guarantee provided by a subsidiary (Note 7)	Guarantee provided to subsidiaries in Mainland China (Note 7)	Note
		Company name	Relationship (Note 2)											
0	PANJIT INTERNATIONAL INC.	PAN-JIT ASIA INTERNATIONAL INC.	2	$13,248,598	$2,598,800	$2,456,400	$2,456,400	-	18.54%	$13,248,598	Y	N	N	(Note 8)

(Note 1): The numbering rule is as follows:
1. The parent company is coded "0"
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): The relationship between endorsement guarantor and the subject of endorsement or guarantee is as follows:
(1) A company with which the Company has business relationship.
(2) A subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) The investee company whose parent company and subsidiary hold more than 50% of the common stock.
(4) For the parent company that directly or indirectly holds more than 90% of its common stock equity through its subsidiaries.
(5) Mutually guaranteed companies among counterparts based on the need for undertaking projects.
(6) All capital contributing shareholders make endorsements/guarantees for their jointly invested Company in proportion to their shareholding percentages.
(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Note 3): Information to be filled out: According to the operating procedures of endorsement and guarantee for others, the Company's limit of endorsement/guarantee for individuals and the maximum amount of endorsement/guarantee. In the remarks column, explain the calculation method of the endorsement/guarantee for individuals and the total amount.

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

(Note 5): The amount approved by the Board of Directors should be filled. However, if according to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,the Board of Directors has authorized the chairman, it refers to the amount decided by the chairman.

(Note 6): The actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

(Note 7): Y is required only for those who are the listed parent company to endorse the subsidiary, those who are the subsidiary to endorse the listed parent company, and those who are located in the mainland area.

(Note 8): According to the Company’s “Procedures for Endorsement and Guarantee”, the limit of the endorsement and guarantee for a single enterprise shall not exceed 100% of the Company’s net worth (i.e, NT$13,248,598 thousand); the total amount of endorsement and guarantees for enterprises outside the Group shall not exceed 100% of the Company’s net worth.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)
(Unit: NT$ thousand, unless otherwise indicated)
Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

Attachment 3

Unit: USD, RMB, HKD, EUR thousand

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
PANJIT INTERNATIONAL INC.	Fund								
	Yuanta Japan Leaders Enterprise Fund	-	Financial assets at fair value through profit or loss - current	-	NTD	$15,075	-	$15,075	-
	Taishin Flexible Income Fund	-	Financial assets at fair value through profit or loss - current	-	NTD	3,013	-	3,013	-
	Notes and bills								
	VTeam Supply Chain Finance Limited (SCP4)	-	Financial assets at fair value through profit or loss - current	-	NTD	92,115	-	92,115	-
	Public shares								
	Jih Lin Technology Co., LTd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	717	NTD	51,616	0.70%	51,616	-
	OTC stock								
	Advanced Microelectronic Products,Inc.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,888	NTD	45,488	2.64%	45,488	-
	Sentelic Corporation	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	34	NTD	3,155	0.11%	3,155	-
	Unlisted stock								
	KAISON GREEN ENERGY TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	364	NTD	-	0.62%	-	-
	WELLAN SYSTEM CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	445	NTD	-	1.53%	-	-
	TAIDEVELOP INFORMATION CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	334	NTD	-	3.71%	-	-
	ENERGY MOANA TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,200	NTD	3,045	2.96%	3,045	-
	Neolink Capital Corp.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,995	NTD	16,602	4.28%	16,602	-
Pan Jit Electronics (Wuxi) Co., Ltd.	Unlisted stock(Note 5)								
	Siyang Grande Electronics Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	15,962	15.00%	15,962	-
	Wuxi Danchen Intelligent Technology Co., Ltd. (Formerly Wuxi One-Light-For-All Technology Development Co., Ltd.)	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	3	10.00%	3	-
Champion Microelectronic Corp.	OTC stock								
	Feature Integration Technology Inc.	-	Financial assets at fair value through profit or loss - current	10	NTD	716	0.03%	716	-
	Unlisted stock								
	HC PHOTONICS CORP.	-	Financial assets at fair value through profit or loss - non-current	109	NTD	684	0.54%	684	-
PAN-JIT ASIA INTERNATIONAL INC.	Fund								
	HYPERION CAPITAL MANAGEMENT LTD.	-	Financial assets at fair value through profit or loss - non-current	-	USD	-	-	-	-
	Vertex Growth Fund II	-	Financial assets at fair value through profit or loss - non-current	-	USD	272	-	272	-
	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets at fair value through profit or loss - current	-	USD	2,000	-	2,000	-
	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF-Series 1	-	Financial assets at fair value through profit or loss - current	-	USD	4,972	-	4,972	-
	VTEAM SIEGFRIED SUPPLY CHAIN FINANCE FUND	-	Financial assets at fair value through profit or loss - current	-	USD	20,787	-	20,787	-
	Siegfried GFT Fund SP I (SCP6-SP I)	-	Financial assets at fair value through profit or loss - current	-	USD	9,192	-	9,192	
	Notes and bills								
	VTeam Supply Chain Finance Limited	-	Financial assets at fair value through profit or loss - current	-	USD	24,000	-	24,000	-
	Wealth management products by financial institution								
	ERSTE GROUP BANK AG	-	Financial assets measured at amortized cost - Non-current	-	USD	447	-	447	-
	RAIFFEISEN BANK INTL	-	Financial assets measured at amortized cost - Non-current	-	USD	449	-	449	-

(continued in next page)

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)
(Unit: NT$ thousand, unless otherwise indicated)
Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

(continued from previous page)

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
Pynmax Technology Co., Ltd.	Public shares								
	Jih Lin Technology Co., LTd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	766	NTD	55,152	0.75%	55,152	-
	Unlisted stock								
	HI-VAWT TECHNOLOGY CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,000	NTD	-	6.67%	-	-
	Fund								
	Taichung Bank Taiwan Quantitative Fund	-	Financial assets at fair value through profit or loss - current	-	NTD	13,412	-	13,412	-
	Taishin Health Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	-	NTD	25,341	-	25,341	-
	Alliance Venture Capital Limited Partnership Fund	-	Financial assets at fair value through profit or loss - non-current	-	NTD	27,597	-	27,597	-
	Convertible bonds								
	The fifth domestic unsecured convertible corporate bond of Alltop	Associates	Financial assets at fair value through profit or loss - current	-	NTD	15,879	-	15,879	-
	The fifth domestic unsecured convertible corporate bond of Changhua	-	Financial assets at fair value through profit or loss - current	-	NTD	2,518	-	2,518	-
JOYSTAR INTERNATIONAL CO., LTD.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets at fair value through profit or loss - current	-	USD	4,850	-	4,850	-
	VTeam Siegfried Supply Chain Finance Fund	-	Financial assets at fair value through profit or loss - current	-	USD	8,948	-	8,948	-
	Siegfried Global Trade Finance Fund SPC-SP I	-	Financial assets at fair value through profit or loss - current	-	USD	3,579	-	3,579	-
CONTINENTAL LIMITED	Notes and bills								
	VTeam Supply Chain Finance Limited	-	Financial assets at fair value through profit or loss - current	-	USD	9,000	-	9,000	-
Wisdom Mega Corp.	Unlisted stock								
	SiFotonics Technologies Co., Ltd	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,040	NTD	123,130	2.31%	123,130	-
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Fund								
	Vteam Siegfried Supply Chain Finance Fund	-	Financial assets at fair value through profit or loss - current	-	USD	7,228	-	7,228	-
	Notes and bills								
	VTeam Supply Chain Finance Limited	-	Financial assets at fair value through profit or loss - current	-	USD	7,700	-	7,700	-
AIDE ENERGY EUROPE B.V.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets at fair value through profit or loss - current	-	EUR	1,150	-	1,150	-
Jiangsu Aide Solar Technology Co., Ltd.	Unlisted stock(Note 5)								
	MOTECH (Suzhou) New Energy Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	29,114	4.61%	29,114	Pledged to the subsidiary of the Company

(Note 1): The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 “Financial Instruments.”

(Note 2): If the securities issuer is not a related party, this column should be left blank.

(Note 3): If measured by fair value, for carrying amount in column B, please fill in the carrying balance after fair value evaluation adjustment and deduction of accumulated impairment;
If not measured by fair value, for carrying amount in column B, please fill in the carrying balance of the original acquisition cost or the amortized cost after deducting the accumulated impairment.

(Note 4): The listed securities have users who are restricted due to the provision of guarantees, pledged loans, or other agreed-upon. The remarks column should indicate the number of guarantees or pledged shares, the amount of guarantees or pledges, and status of restricted use.

(Note 5): It is a limited company, so the number of shares and net worth per share are not available.

(Unit: NT$ thousand, unless otherwise indicated)

Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock

Attachment 4

Purchaser (seller)	Counter-party	Relationship	Transactions				Transactions with Terms Different from Others		Notes and trade receivable(payable)		Note
			Purchases (Sales)	Amount (Note 2)	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Ending Balance (Note 2)	Percentage of total receivables (payable)	
PANJIT INTERNATIONAL INC.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	($1,160,909)	15%	General	Not applicable	Not applicable	$417,718	19%	(Note 2)
	PAN-JIT AMERICAS INC.	Subsidiaries	(Sales)	(194,063)	2%	General	Not applicable	Not applicable	10,109	0%	(Note 2)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	1,628,201	39%	General	Not applicable	Not applicable	(416,637)	38%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	330,280	8%	General	Not applicable	Not applicable	(122,208)	11%	(Note 2)
Pynmax Technology Co., Ltd.	PANJIT INTERNATIONAL INC.	The Company	(Sales)	(330,280)	43%	General	Not applicable	Not applicable	122,208	48%	(Note 2)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(366,216)	48%	General	Not applicable	Not applicable	101,116	40%	(Note 2)
Pan Jit Electronics (Shandong) Co. Ltd.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(146,862)	83%	General	Not applicable	Not applicable	56,277	86%	(Note 2)
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT INTERNATIONAL INC.	The Company	(Sales)	(1,628,201)	26%	General	Not applicable	Not applicable	416,637	17%	(Note 2)
	PAN-JIT INTERNATIONAL (H.K.) LTD.	Subsidiaries	(Sales)	(102,022)	2%	General	Not applicable	Not applicable	15,190	1%	(Note 2)
	Zibo Micro Commercial Components Corp.	Associates	(Sales)	(167,695)	3%	General	Not applicable	Not applicable	39,567	2%	-
	PANJIT INTERNATIONAL INC.	The Company	Purchase	1,160,909	22%	General	Not applicable	Not applicable	(417,718)	22%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	366,216	7%	General	Not applicable	Not applicable	(101,116)	5%	(Note 2)
	Pan Jit Electronics (Shandong) Co. Ltd.	Subsidiaries	Purchase	146,862	3%	General	Not applicable	Not applicable	(56,277)	3%	(Note 2)
	PANJIT Semiconductor (Xuzhou) Co., Ltd.,	Subsidiaries	Purchase	230,450	4%	General	Not applicable	Not applicable	(35,675)	2%	(Note 2)
	Zibo Micro Commercial Components Corp.	Associates	Purchase	286,535	5%	General	Not applicable	Not applicable	(54,277)	3%	-
PAN-JIT AMERICAS INC.	PANJIT INTERNATIONAL INC.	The Company	Purchase	194,063	97%	General	Not applicable	Not applicable	(10,109)	94%	(Note 2)
PANJIT Semiconductor (Xuzhou) Co., Ltd.,	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(230,450)	100%	General	Not applicable	Not applicable	35,675	99%	(Note 2)
PAN-JIT INTERNATIONAL (H.K.) LTD.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	102,022	64%	General	Not applicable	Not applicable	(15,190)	62%	(Note 2)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): It had been written off in preparing the consolidated financial report.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock

Attachment 5

Company Name	Counterparty	Relationship	Ending Balance of Notes Receivable from Related Party	Turnover ratio	Overdue receivables from related party		Amounts Received in Subsequent Period	Note
					Amount	Action Taken		
PANJIT INTERNATIONAL INC.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	$417,718	2.78	$62,413	Dunning as soon as possible	$188,414	(Note 2, 3)
Pynmax Technology Co., Ltd.	PANJIT INTERNATIONAL INC.	The Company	122,208	2.70	2,223	Dunning as soon as possible	29,994	(Note 3)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	101,116	3.62	-	-	68,242	(Note 3)
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT INTERNATIONAL INC.	The Company	416,637	3.91	-	-	265,626	(Note 2, 3)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): The consolidated financial report is prepared and the shareholding ratio is 100% and no allowance for loss is required.

(Note 3): All intercompany transactions have been eliminated in the consolidated financial statements.

Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

Attachment 6

Investing companies	Investee Companies (Note 1, Note 2)	Location	Main business items	Currency	Initial investment amount		Holding at the end of the period			Net income (loss) of investee company (Note 2(2))	IInvestment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
PANJIT INTERNATIONAL INC.	PAN-JIT ASIA INTERNATIONAL INC.	Vistra Corporate Services Centre Wickhams Cay II Road Town,Tortola,Vg1110 Virgin Islands,British	Investing	NTD	$7,286,295	$6,842,505	224,724	100.00%	$7,225,926	$399,346	$365,467	Subsidiaries (Note 4, 5)
	Pynmax Technology Co., Ltd.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	1,069,816	1,069,816	84,493	94.64%	1,304,959	7,097	62,490	Subsidiaries (Note 4, 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	259,523	259,523	16,328	21.01%	228,020	26,467	5,560	
	Alltop Technology Co., Ltd.	Floor 3, No. 102, Section 3, Zhongshan Road, Zhonghe District, New Taipei City, Taiwan	Electronic parts and components manufacturing and international trade	NTD	1,482,721	1,482,721	11,315	19.13%	1,567,662	689,697	107,503	(Note 6)
	Champion Microelectronic Corp.	Floor 5, No. 11, Park 2nd Road, Science Park District, Hsinchu City, Taiwan	Electronic parts and components manufacturing and international trade	NTD	1,947,704	1,947,704	23,996	30.00%	1,897,031	249,410	74,293	Subsidiaries (Note 5, 6)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investing	NTD	732,259	732,259	- (Note 3)	100.00%	809,915	49,992	49,992	Subsidiaries (Note 5)
	PANJIT JAPAN INC.	No. 1-31-11, Kichijoji Honmachi, Musashino City, Tokyo KSビル6F606	Electronics trade	NTD	11,286	-	5	50.00%	9,276	(2,943)	(1,783)	Subsidiaries (Note 5)
	PAN-JIT INTERNATIONAL (H.K.) LTD.	Unit 1-5 ,18/F., Wah Wai Centre, No.38-40 Au Pui Wan Street, Fotan,Shatin,New Territories	Electronics trade	NTD	108,991	-	9,711	100.00%	108,179	26,553	4,302	Subsidiaries (Note 5)
	PANSTAR SEMICONDUCTOR CO., LTD.	21st Floor, No. 96, Section 1, Xintai 5th Road, Xizhi District, New Taipei City	IC Design Industry	NTD	10,000	-	1,000	50.00%	10,000	-	-	Subsidiaries (Note 5)
PAN-JIT ASIA INTERNATIONAL INC.	PAN-JIT INTERNATIONAL (H.K.) LTD.	Unit 1-5 ,18/F., Wah Wai Centre, No.38-40 Au Pui Wan Street, Fotan,Shatin,New Territories	Electronics trade	USD	-	3,330	-	-	-	826	690	Subsidiaries (Note 5)
	PAN JIT AMERICAS, INC.	2507 W ERIE DR #101, TEMPE, AZ 85282, USA	Electronics trade	USD	16,626	16,626	2,431	95.86%	8,313	1,304	1,327	Sub-subsidiary (Note 4, 5)
	PAN JIT EUROPE GMBH	Otto-Hahn-Str. 285609 Aschheim Germany	Electronics trade	USD	770	770	- (Note 3)	100.00%	2,522	369	369	Sub-subsidiary (Note 5)
	CONTINENTAL LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	19,726	10,226	17,360	100.00%	60,492	376	376	Sub-subsidiary (Note 5)
	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	914	914	1,126	52.22%	292	(26)	(14)	Sub-subsidiary (Note 5)
	PAN JIT KOREA CO.,LTD.	Tower A dong 3601 Ho, Heung Deuk IT Valey, Heung Deuk 1ro 13 Gi Heung-Gu, Yong In City GyungGi-Do, Korea	Electronics trade	USD	288	288	54	60.00%	1,452	420	252	Sub-subsidiary (Note 5)
	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	Reinvestment business and solar energy Photoelectric products	USD	145,868	145,868	246,249	94.43%	(21,334)	1,514	1,429	Sub-subsidiary (Note 5)

(continued in next page)

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)
(Unit: NT$ thousand, unless otherwise indicated)
Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

(continued from previous page)

Investing companies	Investee Companies (Note 1, Note 2)	Location	Main business items	Currency	Initial investment amount		Holding at the end of the period			Net income (loss) of investee company (Note 2(2))	IInvestment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD.	4th Floor,Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	Investing	NTD	$665,266	$536,686	21,522	100.00%	$638,067	$37,369	$37,369	Sub-subsidiary (Note 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	288,852	288,852	6,429	8.27%	89,754	26,467	2,189	
Champion Microelectronic Corp.	Wisdom Bright Inc.(Wisdom Bright)	Seychelles	Investment holdings	NTD	79,505	157,658	2,504	100.00%	77,457	(8,286)	(8,286)	Sub-subsidiary (Note 5)
	Champion Microelectronic Corp.(CMC)	Seychelles	International trade, investment holding and e-commerce business	NTD	-	144,793	-	-	- (Note 8)	4,105	4,105	Sub-subsidiary (Note 5)
	Wisdom Mega Corp.(Wisdom Mega)	Seychelles	Investment holdings	NTD	125,250	125,250	4,000	100.00%	123,130	-	-	Sub-subsidiary (Note 5)
	PANJIT JAPAN INC.	No. 1-31-11, Kichijoji Honmachi, Musashino City, Tokyo KSビル6F606	Electronics trade	NTD	2,172	-	1	10.00%	1,855	(2,943)	(232)	Subsidiaries (Note 5)
	Golden Champion Digital Power Corporation	21st Floor, No. 96, Section 1, Xintai 5th Road, Xizhi District, New Taipei City	Electronic component manufacturing and Product design industry	NTD	1,000	-	1,000	100.00%	1,000	-	-	Sub-subsidiary (Note 5)
JOYSTAR INTERNATIONAL CO., LTD.	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	1,029	1,029	1,030	47.48%	267	(26)	(12)	Sub-subsidiary (Note 5)
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	AIDE SOLAR ENERGY (HK) HOLDING LIMITED	15/F, BOC Group Life Assurance Tower, No. 136 Des Voeux Road Central, Central, Hong Kong.	Investing and trade	USD	-	36,527	-	-	- (Note 7)	-	-	Sub-subsidiary (Note 5)

(continued in next page)

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

(continued from previous page)

Investing companies	Investee Companies (Note 1, Note 2)	Location	Main business items	Currency	Initial investment amount		Holding at the end of the period			Net income (loss) of investee company (Note 2(2))	IInvestment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
AIDE ENERGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investing and trade	EUR	18,620	18,620	2	100.00%	23,835	1,460	1,460	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Viale Andrea Doria 7 Cap 20124 MILANO (MI), Italy.	Sales of solar power plants Electricity produced	EUR	17,000	17,000	- (Note 3)	100.00%	22,415	1,573	1,394	Sub-subsidiary (Note 4, 5)
Wisdom Bright Inc.	Wisdom Toprich Technology Limited (Wisdom Toprich)	Seychelles	Investment holdings	NTD	79,505	157,658	2,504	100.00%	77,457	(8,286)	(8,286)	Sub-subsidiary (Note 5)

(Note 1): If a public offering company has a foreign holding company and uses a consolidated report as the main financial report in accordance with local laws and regulations, the disclosure of information about the foreign investee company may only disclose the relevant information to the holding company.

(Note 2): If it is not in the situation described in Note 1, fill in the information according to the following regulations:

(1) According to this (public offering) company's reinvestment and the reinvestment of each investee company directly or indirectly controlled, fill in the order of "Name of investee company", "location", "main business item", "original investment amount" and "end-of-term shareholding situation" and other fields. Indicate in the remarks column regarding the relationship between each investee company and the (public offering) company (if it is a subsidiary or a sub-subsidiary)

(2) In column B of "investee company's current gain or loss", the amount of current gain or loss of each investee company should be filled in.

(3) Column B of "Investment Profits and Losses Recognized in the Current Period" only needs to fill in the gain or loss amount of each subsidiary recognized by the (public offering) company for direct reinvestment and each investee company evaluated by equity method, and the others can be ignored. When filling in the "recognition of the current profit or loss amount of each subsidiary directly reinvested". It should be confirmed that the current profit or loss amount of each subsidiary has included the investment profit or loss of its reinvestment that should be recognized in accordance with the regulations.

(Note 3): It is a limited company or a merged company, so there is no number of shares.

(Note 4): The investment gain or loss recognized by the Company include the offset of unrealized gain or loss between associates and the amortization of net equity differences.

(Note 5): It had been written off in preparing the consolidated financial report.

(Note 6): The investment gain or loss recognized by the Company include the amortization of the difference in net equity.

(Note 7): The liquidated and canceled on September, 2023.

(Note 8): The dissolution and liquidation process was completed in August 2023.

(Unit: NT$ thousand, unless otherwise indicated)

Information on investment in mainland China

Attachment 7

Investing companies	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December, 2023	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 31 December, 2023	Accumulated Inward Remittance of Earnings as of Outflow 31 December, 2023
						Outflow	Inflow						
PANJIT INTERNATIONAL INC.	Pan Jit Electronics (Wuxi) CO.,LTD	Rectifier processing and manufacutring	$835,176	2 PAN-JIT ASIA INTERNATIONAL INC.	$502,145	$-	$-	$502,145	$157,228	100.00%	$157,228 (Note 5)	$3,465,139 (Note 5)	$56,439
	Suzhou Grande Electronics CO.,LTD.	Chip diodes, triodes and other new types of electronics Sales of semiconductor components and related products, as well as technology and after service	$360,460	2 CONTINENTAL LIMITED	344,900	-	-	344,900	(10,073)	100.00%	(10,073) (Note 5)	832,554 (Note 5)	-
	Wuxi ENR Semiconductor Material Technology Co. Ltd. (Formerly Wuxi ENR Semiconductor Materials Technology Co. Ltd.)	Semiconductor pcaking materials Manufacturing and sales	$87,300	2 ENR APPLIED PACKING MATERIAL CORPORATION	9,037	-	-	9,037	-	-	-	-	-
	MAX−DIODE ELECTRONIC., LTD.(SHENZHEN)	New types of electronic components, Semiconductor controlled rectifirer	$51,095	2 DYNAMIC TECH GROUP LIMITED	47,151	-	-	47,151	(255)	97.44%	(248) (Note 5)	13,755 (Note 5)	-
	PANJIT Electronics (Beijing) CO., LTD	New types of electronic components, Semiconductor controlled rectifier sales	$4,327	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	(215)	100.00%	(215) (Note 5)	5,076 (Note 5)	-
	PANJIT ELECTRONICS (SHANDONG) CO., LTD.	Semiconductor wafer manufacturing for automobile And protection of discrete devices, integrated circuit chips And production of packaging products	$331,968	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	25,906	70.28%	18,207 (Note 5)	284,309 (Note 5)	-
	PANJIT ELECTRONICS (QUFU) CO.,LTD	New types of electronic components, Semiconductor controlled rectifier sales	$2,164	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	468	100.00%	468 (Note 5)	1,525 (Note 5)	-
	PANJIT Semiconductor (Xuzhou) Co., Ltd.	New types of electronic components, Semiconductor controlled rectifier sales	$1,093,177	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	(150,890)	100.00%	(150,890) (Note 5)	787,969 (Note 5)	-

(continued in next page)

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Information on investment in mainland China

(continued from previous page)

Investing companies	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)		Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December, 2023	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 31 December, 2023	Accumulated Inward Remittance of Earnings as of Outflow 31 December, 2023
							Outflow	Inflow						
PANJIT INTERNATIONAL INC.	Zibo Micro Commercial Components Corp.	Rectifier diode, rectifier bridge, Electronic devices	$845,879	3	Suzhou Grande Electronics Co. Ltd.	$-	$-	$-	$-	($55,159)	18.86%	($10,403)	$133,044	$-
	Jiangsu Aide Solar Technology Co. Ltd.	Development, manufacturing and sales of solar energy products and self-acting agents of various commodities and technologies, import and export	$246,034	2	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	1,573,193	-	-	1,573,193	9,741	94.43%	9,198 (Note 5)	(1,713,809) (Note 5)	-
Pynmax Technology Co., Ltd.	MAX−DIODE ELECTRONIC., LTD.(SHENZHEN)	Sales of new types of electronic components, semiconductor controlled rectifier	$51,095	2	DYNAMIC TECH GROUP LIMITED	34,806	-	-	34,806	(255)	47.78%	(122) (Note 5)	6,745 (Note 5)	-
Champion Microelectronic Corp.	Great Power Microelectronics Corp.	Technology development of electronic products and mport, export and wholesale operation of related products	$84,839	2	Wisdom Toprich Technology Limited	156,718	-	79,833	76,885	(8,286)	100.00%	(8,286) (Note 5)	77,457 (Note 5)	-

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period		Investment amount approved by Investment Review Committee of Ministry of Economy	Investment ceiling in Mainland China according to provisions of Investment Review Committee of Ministry of Economy
PANJIT INTERNATIONAL INC.	$2,476,426	$3,683,099	(Note 3)
Pynmax Technology Co., Ltd.	$34,806	$34,806	(Note 4) $907,814
Champion Microelectronic Corp.	$76,885	$76,885	(Note 4) $994,338

Note 1: Investment modes can be divided into the following three types, please mark the type:

(1) Direct Mainland China investment.

(2) Reinvest in mainland China through a third-region company (please specify the investment company in the third region.)

(3) Others.

(Note 2) For the column of gain or loss on investments recognized in the current period:

(1) If it is in preparation and there is no investment gain or loss, it should be indicated.

(2) The recognition basis of investment gain or loss is divided into the following three types, which should be specified

A. The financial report verified by an international accounting firm in cooperation with the Accounting Firm within the Republic of China.

B. The financial report certified and audited by the Taiwanese parent company’s CPA.

C. Others.

(Note 3): Due to the Company’s establishment of the operating headquarters, in accordance with the provisions of the law, the amount of investment in mainland China is not limited.

(Note 4) Calculations of investment ceiling in Mainland China are as follows:

Pynmax Technology Co., Ltd.: NT$1,513,024 thousand × 60% = NT$907,814 thousand

Champion Microelectronic Corp.: NT$1,657,230 thousand × 60% = NT$994,338 thousand

(Note 5): It had been written off in preparing the consolidated financial report.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Business relationships and significant transactions and amount between parent company and subsidiaries and among subsidiaries

Attachment 8

No. (Note 1)	Name of transaction party	Counter-party	Relationship (Note 2)	Transaction Status (Note 4)			
				Subject	Amount (Notes 5)	Transaction condition	Percentage of total revenue or assets (Note 3)
0	PANJIT INTERNATIONAL INC.	Pan Jit Electronics (Wuxi) Co., Ltd.	1	Purchase	$1,628,201	The transaction price is based on the average cost and marked on a certain ratio.	13%
				Trade payable	416,637		1%
				Sales	1,160,909		9%
				Trade receivable	417,718		1%
0	PANJIT INTERNATIONAL INC.	Pynmax Technology Co., Ltd.	1	Purchase	330,280	The transaction price is based on the average cost and marked on a certain ratio.	3%
				Trade payable	122,208		0%
0	PANJIT INTERNATIONAL INC.	PAN-JIT AMERICAS INC.	1	Sales	194,063	The transaction price is based on the average cost and marked on a certain ratio.	2%
0	PANJIT INTERNATIONAL INC.	EC SOLAR C1 SRL	1	Other receivables	152,910	Based on contract of loans	1%
1	Pynmax Technology Co., Ltd.	Pan Jit Electronics (Wuxi) Co., Ltd.	3	Sales	366,216	The transaction price is based on the average cost and marked on a certain ratio.	3%
				Trade receivable	101,116		0%
2	Pan Jit Electronics (Wuxi) Co., Ltd.	PanJit Electronic (Shandong) Co. Ltd.	3	Purchase	146,862	The transaction price is based on the average cost and marked on a certain ratio.	1%
2	Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT Semiconductor (Xuzhou) Co., Ltd.	3	Purchase	230,450	The transaction price is based on the average cost and marked on a certain ratio.	2%
2	Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT Semiconductor (Xuzhou) Co., Ltd.	3	Prepay for goods	134,429	-	0%
2	Pan Jit Electronics (Wuxi) Co., Ltd.	PAN-JIT INTERNATIONAL (H.K.) LTD.	3	Sales	102,022	The transaction price is based on the average cost and marked on a certain ratio.	1%
3	Suzhou Grande Electronics Co. Ltd.	Jiangsu Aide Solar Technology Co., Ltd.	3	Other receivables	404,077	Based on contract of loans	1%
4	PAN-JIT ASIA INTERNATIONAL INC.	Jiangsu Aide Solar Technology Co., Ltd.	3	Other receivables	906,743	Based on contract of loans	3%
5	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Jiangsu Aide Solar Technology Co., Ltd.	3	Prepay for goods	477,874	-	2%

(Note 1): The business transaction information between the parent company and the subsidiary should be indicated in the index number column respectively, and the index number should be filled in as follows:

(1) 0 for parent company.

(2) Subsidiaries are coded from "1" in the order presented in the table above.

(Note 2): The relationship with the trader includes the following three types. Simply mark the type (if it is the same transaction between parent and subsidiary companies or between subsidiaries, there is no need for repeated disclosure. For example, if the parent company has disclosed the transaction between the parent company and the subsidiary

For subsidiary-to-subsidiary transactions, if one of its subsidiaries has disclosed, the other subsidiary does not need to disclose again):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

(Note 3): For the calculation of the ratio of the transaction amount to the combined total revenue or total assets, if it is an asset-liability subject, it is calculated based on the ending balance of the consolidated total assets; if it is a profit or loss account, it is calculated by the cumulative amount at the end of the period as a percentage of the consolida

(Note 4): If the transaction amount between parent and subsidiary reaches 100 million or more, it shall be disclosed.

(Note 5): It had been written off in preparing the consolidated financial report.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Information on Major Shareholders

Attachment 9

Unit: shares

Shares / Name of substantial shareholders	Number of Shares Held	Shareholding Ratio
Jinmao Investment Co., Ltd.	52,121,710	13.64%

Note 1: The major shareholders in this table have completed delivery of non-physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. . However, the Capital stock recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases .

(Note 2): If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right . to make decisions on trust property, please refer to MOPS

Appendix III

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

Address: No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City
Tel: 886-7-621-3121

The reader is advised that parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditor's Report

To: PANJIT INTERNATIONAL INC.

Opinion

We have audited the parent company only Balance Sheets of PANJIT INTERNATIONAL INC. (the "Company") as of December 31, 2023 and 2022, the parent company only Statements of Comprehensive Income, parent company only Statements of Changes in Equity, parent company only Statements of Cash Flows, and notes to parent company only financial statements (including summary of significant accounting policies) for the annual period from January 1 to December 31, 2023, and 2022.

In our opinion, based on our audits and the reports of other independent accountants (please refer to the *Other Matter – Making Reference to the Audits of Other Independent Accountants* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2023 and 2022, and their parent company only financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

The operating revenues of the Company amounted to NT$7,889,882 thousand for the year ended 31 December 2023. The main source of revenue is manufacturing and selling diodes. As the operation spanned globally and the product combination and pricing methods were diverse, judgment of the performance obligation and when it is satisfied was required. Therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of revenue recognition; testing the design and operating effectiveness of internal controls around revenue recognition by management, including identifying completeness of performance obligation of client contracts and the accounting treatment of the timing of revenue recognition; performing analytical procedures on gross margin by products and departments; selecting samples to perform test of details and reviewing significant terms and conditions of contracts; testing general journal entry, performing cutoff procedures, reviewing sales transaction certificates before and after the balance sheet date to verify that revenue has been recorded in the correct accounting period. Accordingly, evaluating the appropriateness of significant sales returns and rebates. In addition, we also considered the appropriateness of the disclosures of sales. Please refer to Notes 4 and 6 to the parent company only financial statements.

Evaluation of Inventories

As of December 31, 2023, the Company's net inventories amounted to NT$1,656,195 thousand, constituting 7% of total assets which was then identified as material to financial statement. The status of inventory was difficult to manage due to various types of stocks stored across various locations including outsourced warehouses. Such inventories are stated at the lower of cost and net realizable value. Evaluation involves management's significant accounting estimation and judgement, and the carrying amount of inventories is material to parent company only financial statements. Therefore we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of inventories evaluation; testing the design and operating effectiveness of internal controls around inventories by management, including assessing the transfer of inventory cost, selecting major warehouse to observe physical stock taking to verify inventory quantity and status; and assessing the management's estimates of net realizable value by inventories evaluation, and selecting samples to verify related certificates to test the correctness of inventories aging interval; review whether obsolescence loss allowance was sufficient according to policy and assess the appropriateness of the provision policy. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the parent company only financial statements.

Other matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of NT$1,567,662 thousand and NT$1,575,688 thousand, constituting 6% and 6% of total assets as of 31 December 2023 and 2022, respectively. The related shares of profits from the associates and joint ventures under the equity method of NT$107,503 thousand and NT$81,531 thousand, constituting 12% and 4% of pretax income, and the related shares of other comprehensive income from the associates and joint ventures under the equity method of (NT$9,948) thousand and NT$5,985 thousand, constituting 1% and 4% of other comprehensive income for the year ended 31 December 2023 and 2022, respectively. Those financial statements were audited by other independent accountants, whose reports there on have been furnished to us, and our audit results are based solely on the reports of the other independent accountants.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or errors, 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 parent company only financial statements.

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

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

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 2023 the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Taiwan

March 8, 2024

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.
Parent Company Only Balance Sheet
December 31, 2023, and 2022
(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current asset					
Cash and cash equivalents	6(1)	$692,338	3	$1,112,018	4
Financial assets at fair value through profit or loss - current	6(2)	114,429	-	14,937	-
Notes receivable, net	6(4).(15)	23,349	-	25,525	-
Trade receivable, net	6(5).(15)	1,694,588	7	1,649,116	7
Trade receivable - related parties, net	6(5).(15),7	442,007	2	322,846	1
Other receivable, net		107,068	-	110,694	1
Other receivable - related parties, net	7	155,119	1	827,627	3
Inventories, net	6(6)	1,656,195	7	2,042,902	8
Other current assets	8	154,654	1	180,332	1
Total current assets		5,039,747	21	6,285,997	25
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	119,906	-	153,843	1
Investments accounted for using the equity method	6(7)	13,160,968	54	12,655,585	51
Property, Plant, and Equipment	6(8),7	5,216,594	21	4,744,750	19
Right-of-use assets	6(16)	3,381	-	7,170	-
Intangible assets	6(9)	70,464	1	82,278	-
Deferred income tax asset	6(20)	239,581	1	217,014	1
Prepayment for equipments		16,447	0	282,062	1
Other non-current assets		473,220	2	628,739	2
Total non-current assets		19,300,561	79	18,771,441	75
Total assets		$24,340,308	100	$25,057,438	100

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current Liabilities					
Short-term borrowings	6(10)	$2,334,436	10	$2,455,192	10
Contractual liabilities - current	6(14)	575	-	365	-
Trade payable		554,405	2	672,133	3
Trade payable-related parties	7	548,690	2	273,253	1
Other payables	7	837,582	3	1,160,401	5
Current tax liabilities		203,185	1	214,183	1
Lease liabilities - current	6(16)	2,759	-	3,882	-
Long-term borrowings, current portion	6(11)	507,000	2	478,875	2
Other current liabilities		42,336	-	13,428	-
Total current liabilities		5,030,968	20	5,271,712	22
Non-current Liabilities					
Long-term borrowings	6(11)	5,910,761	24	6,004,583	24
Deferred tax liabilities	6(20)	72,475	-	74,421	-
Lease liabilities - non-current	6(16)	666	-	3,213	-
Defined benefit liabilities-non-current	6(12)	61,071	-	61,507	-
Other non-current liabilities - others		15,769	-	26,425	-
Total non-current liabilities		6,060,742	24	6,170,149	24
Total liabilities		11,091,710	44	11,441,861	46
Equity					
Capital					
Common stock	6(13)	3,821,149	16	3,828,149	15
Capital surplus	6(13)	6,007,138	25	6,016,861	24
Retained earnings	6(13)				
Legal reserve		729,336	3	505,733	2
Special reserve		717,237	3	717,237	3
Unappropriated retained earnings		2,579,987	11	3,116,721	12
Total retained earnings		4,026,560	17	4,339,691	17
Other components of equity		(606,249)	(2)	(552,617)	(2)
Treasury stock	6(13)	-	-	(16,507)	-
Total equity		13,248,598	56	13,615,577	54
Total liabilities and equity		$24,340,308	100	$25,057,438	100

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars, Except for Earnings per Share)

Items	Notes	2023		2022	
		Amount	%	Amount	%
Operating revenue	6(14),7	$7,889,882	100	$8,855,785	100
Operating cost	6(17),7	(6,164,778)	(78)	(6,358,488)	(72)
Gross profit		1,725,104	22	2,497,297	28
Unrealized profit (loss) from sales		(41,671)	-	(36,583)	-
Realized profit (loss) on from sales		36,583	-	32,465	-
Gross profit-net		1,720,016	22	2,493,179	28
Operating expense	6(15).(17) ,7				
Selling expenses		(503,046)	(6)	(512,034)	(6)
Administrative expenses		(447,030)	(6)	(534,821)	(6)
Research and development expenses		(461,059)	(6)	(448,106)	(5)
Expected credit (losses) gains		(2,707)	-	5,988	-
Total Operating Expense		(1,413,842)	(18)	(1,488,973)	(17)
Operating profit		306,174	4	1,004,206	11
Non-operating income and expenses	6(18)				
Interest income		18,483	-	14,359	-
Other income		76,308	1	32,196	-
Other gains or losses		(11,374)	-	106,680	1
Financial costs		(162,435)	(2)	(107,815)	(1)
Share of profit or loss of subsidiaries and associates under equity method	6(7)	667,824	8	891,458	10
Subtotal		588,806	7	936,878	10
Pretax income from continuing operations		894,980	11	1,941,084	21
Income tax expenses	6(20)	(74,198)	(1)	(183,453)	(2)
Profit from continuing operations		820,782	10	1,757,631	19
Net income		820,782	10	1,757,631	19
Other comprehensive income (loss)	6(19)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		(4,243)	-	24,435	-
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income		8,854	-	(283,469)	(3)
Income tax related to items that will not be reclassified		529	-	(2,748)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(54,177)	(1)	486,892	5
Income tax related to items that may be reclassified		7,839	-	(84,180)	(1)
Total other comprehensive income (loss), net of tax		(41,198)	(1)	140,930	1
Total comprehensive income		$779,584	9	$1,898,561	20
Earnings per share (NT$)	6(21)				
Basic earnings per share:		$2.15		$4.60	
Diluted earnings per share		$2.14		$4.57	

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

	Capital		Retained earnings			Other Components of Equity				
Items	Common stock	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others	Treasury Stock	Total Equity
Balance as of 1 January, 2022	$3,828,149	$6,086,155	$328,134	$717,237	$2,204,637	($821,558)	$570,034	($413)	($16,507)	$12,895,868
Appropriation and distribution of 2021 retained earnings										
Legal reserve	-	-	177,599	-	(177,599)	-	-	-	-	-
Cash dividend	-	-	-	-	(1,146,345)	-	-	-	-	(1,146,345)
Changes in equity of associates accounted for using equity method	-	116	-	-	-	-	-	-	-	116
Net income in 2022	-	-	-	-	1,757,631	-	-	-	-	1,757,631
Other comprehensive income (loss) in 2022	-	-	-	-	21,175	402,712	(282,957)	-	-	140,930
Total comprehensive income (loss)	-	-	-	-	1,778,806	402,712	(282,957)	-	-	1,898,561
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	(69,414)	-	-	36,787	-	-	-	-	(32,627)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4
Disposal of euqity instrument investments measured at fair value through other comprehensive income	-	-	-	-	420,435	-	(420,435)	-	-	-
Balance as of 31 December, 2022	$3,828,149	$6,016,861	$505,733	$717,237	$3,116,721	($418,846)	($133,358)	($413)	($16,507)	$13,615,577
Balance as of 1 January, 2023	$3,828,149	$6,016,861	$505,733	$717,237	$3,116,721	($418,846)	($133,358)	($413)	($16,507)	$13,615,577
Appropriation and distribution of 2022 retained earnings										
Legal reserve	-	-	223,603	-	(223,603)	-	-	-	-	-
Cash dividend	-	-	-	-	(1,146,345)	-	-	-	-	(1,146,345)
Changes in equity of associates accounted for using equity method	-	(663)	-	-	-	-	-	-	-	(663)
Net income in 2023	-	-	-	-	820,782	-	-	-	-	820,782
Other comprehensive income (loss) in 2023	-	-	-	-	(3,549)	(46,338)	8,689	-	-	(41,198)
Total comprehensive income (loss)	-	-	-	-	817,233	(46,338)	8,689	-	-	779,584
Retirement of treasury share	(7,000)	(9,507)	-	-	-	-	-	-	16,507	-
Increase (decrease) through changes in ownership interests in subsidiaries	-	447	-	-	(2)	-	-	-	-	445
Disposal of euqity instrument investments measured at fair value through other comprehensive income	-	-	-	-	15,983	-	(15,983)	-	-	-
Balance as of 31 December, 2023	$3,821,149	$6,007,138	$729,336	$717,237	$2,579,987	($465,184)	($140,652)	($413)	$-	$13,248,598

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS

For the years ended 31 December, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

Items	2023	2022
	Amount	Amount
Cash flow from operating activities		
Net income before tax	$894,980	$1,941,084
Adjustment items:		
Revenue and expenses:		
Depreciation	374,374	337,366
Amortization	35,055	37,742
Expected credit impairment losses (gains)	2,707	(5,988)
Net (gain) of financial assets or liabilities at fair value through profit or loss	(4,291)	(267)
Interest expense	162,435	107,815
Interest revenue	(18,483)	(14,359)
Dividend revenue	(3,799)	(3,695)
Share of (profit) loss of associates accounted for using equity method	(667,824)	(891,458)
Loss on disposal of property, plant and equipment	(364)	2,128
Reversal of impairment loss on non-financial assets	-	(5,108)
Unrealized profit from sales	41,670	36,583
Realized (profit) on from sales	(36,583)	(32,465)
Others	173,992	271,519
Subtotal	58,889	(160,187)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(95,140)	(14,670)
Notes receivable	2,176	35,161
Trade receivable	(48,179)	556,232
Trade payable - related parties	(119,161)	(115,716)
Other receivables	3,626	(4,762)
Other receivables-related parties	672,508	(820,633)
Inventories	219,964	(853,816)
Other current assets	25,680	(14,664)
Net changes in liabilities related to operating activities		
Contract liabilities	210	(5,617)
Trade payable	(117,728)	(146,077)
Trade payable - related parties	275,437	(37,471)
Other payables	(232,067)	91,291
Other current liabilities	28,908	2,552
Net defined benefit liabilities	(6,128)	(13,788)
Total changes in operating assets and liabilities	610,106	(1,341,978)
Cash inflow from operations	1,563,975	438,919
Interest received	18,483	14,359
Income tax (paid)	(101,341)	(247,085)
Net cash provided by operating activities	1,481,117	206,193

(Continued) (The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS

For the years ended 31 December, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

Items	2023	2022
	Amount	Amount
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	15,692	25,881
Acquisition of investments accounted for under the equity method	(574,066)	(1,778,115)
Decrease in prepayments for investments	-	1,396,500
Acquisition of property, plant, and equipment	(530,832)	(560,468)
Disposal of property, plant, and equipment	364	4,553
Increase in refundable deposits	-	(98,152)
Decrease in refundable deposits	168,954	-
Acquisition of intangible assets	(23,241)	(22,893)
Increase in other non-current assets	(13,435)	(42,150)
Increase in prepayments for equipments	(140,373)	(471,536)
Dividends received	707,148	503,894
Net cash (outflow) by investing activities	(389,789)	(1,042,486)
Cash flows from financing activities:		
Decrease in short-term loans	(120,756)	(476,115)
Proceeds from long-term debt	17,985,782	10,919,829
Repayments of long-term debt	(18,053,999)	(8,490,171)
Repayments of lease liabilities	(4,106)	(5,385)
(Increase) in other non-current liabilities	(10,656)	(11,053)
Cash dividends paid	(1,146,345)	(1,146,345)
Interest paid	(160,928)	(104,911)
Net cash flows from (used in) financing activities	(1,511,008)	685,849
Net (decrease) in cash and cash equivalents	(419,680)	(150,444)
Cash and cash equivalents at beginning of period	1,112,018	1,262,462
Cash and cash equivalents at end of period	$692,338	$1,112,018

(The accompanying notes are an integral part of the parent company only financial statements.)

PANJIT INTERNATIONAL INC.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2023, and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Company History

PANJIT INTERNATIONAL INC. (the Company) was incorporated on 20 May 1986, under the Company Act of the Republic of China on Taiwan. The Company's registered address is No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City. The principal activities of the Company are to manufacture, process, assemble and to import and export semiconductors. The Company also assembles, trades and transfers technological advancements of machinery parts. The Company also trades resins and paints for semiconductors.

The Company's shares commenced trading on Taipei Exchange Market (GreTai Securities Market) on 22 December 1999, and then trading on Taiwan Stock Exchange Corporation on 17 September 2001.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 were approved by the Board of Directors on March 8, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2023. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	Classification of Liabilities as Current or Non-current Liabilities – Amendments to IAS 1	January 1, 2024
2	Lease Liabilities in a Sale and Leasebacks – Amendment to IFRS 16	January 1, 2024
3	Non-current Liabilities with Contracts – Amendments to IAS 1	January 1, 2024
4	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(a) Classification of Liabilities as Current or Non-current Liabilities–Amendments to IAS 1

This is based on the amendments to IAS 1 "Presentation of Financial Statements" The classification of liabilities in paragraphs 69 to 76 as current or non-current shall be corrected.

(b) Lease Liabilities in a Sale and Leasebacks – Amendment to IFRS 16

The amendments add seller-lessee additional requirements for the sale and leaseback transactions in IFRS 16 "Leases", thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Contracts – Amendments to IAS 1

The amendment improved the information companies provide about long-term debt with covenants. The amendment specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023. Have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 17 "Insurance Contracts"	1 January 2023
3	Lack of Exchangeability—Amendments to IAS 21	1 January 2025

(a) IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation, and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021), provide additional transition reliefs, simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard - IFRS 4 Insurance Contracts - from annual reporting periods beginning on or after January 1, 2023.

(c) Lack of Exchangeability—Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, and the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under (c), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary statement of material accounting policies

(1) Statement of Compliance

The Company's FY 2023 and FY 2022 parent company only financial statements have been prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of Preparation

The Company has prepared these parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers." As stipulated in Article 21 of "Preparation Standards of Financial Statements for Securities Issuers, the current gain or loss and other comprehensive income in the Parent Company Only Financial Statements shall be the same as the allocation of other comprehensive income attributable to the parent company owners in the combined Financial Statements, and the owners' equity in the Parent Company Only Financial Statements shall be the same as the equity attributable to the parent company's owners in the combined Financial Statements. Therefore, investments in subsidiaries are expressed in Parent Company Only Financial Statements as "investments by equity method", and necessary evaluation adjustments are made.

The parent company only financial statements are prepared on the basis of historical cost, except for financial instruments measured by fair value. The unit for all amounts expressed in the parent company only financial statements are in thousands of NTD unless otherwise stated.

(3) Foreign currency transactions

The Company's parent company only financial statements present the NT dollars as the functional currency. Foreign currency transaction is translated into functional currency according to the exchange rate of the transaction date. At the end of each reporting period, monetary items in foreign currencies are converted at the closing exchange rate of that day; Foreign currency items measured at fair value are translated according to the exchange rate on the date of fair value, and foreign currency non-currency items measured through historical cost will be translated according to the exchange rate on the original date of transaction.

Except for the following, the exchange difference arising from the delivery or conversion of monetary items is recognized as gain or loss in the current period:

(a) For the foreign currency borrowing in order to obtain the assets that meet the requirements, if the conversion difference incurred is regarded as an adjustment to the interest cost, it is a part of the borrowing cost and capitalized as the cost of the asset.
(b) Foreign currency items applicable to IFRS 9, "Financial Instruments" shall be handled in accordance with the accounting policies of financial instruments.
(c) For monetary items that form part of the reporting entity's net investment in foreign operating institutions, the resulting exchange difference was originally recognized as other comprehensive income, and when the net investment is disposed of, it is reclassified from equity to gain or loss.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

Each foreign operation of the Company determines its own functional currency, and uses that functional currency to measure its financial statements. When preparing parent Company only Financial Statements, the assets and liabilities of foreign operation are converted into New Taiwan dollars at the closing exchange rate on the balance sheet date, and income and expenditure items are converted at the current average exchange rate. The conversion difference arising from the conversion is recognized as other comprehensive income, and the cumulative conversion difference that has been previously recognized in other comprehensive income and accumulated in the individual components under equity when the foreign operation is disposed of, when the disposition gain or loss are recognized, shall be reclassified from equity to gain or loss. When involving the partial disposal of the loss of control of a subsidiary that includes a foreign operation, and after a partial disposal of the equity of an associate or joint agreement including the foreign operation, if the retained equity is a financial asset that includes the foreign operation, it is also deemed to be disposal.

When disposing of a subsidiary that includes a foreign operation without losing control, the cumulative conversion difference recognized in other comprehensive income is adjusted by "investment by equity method" on a pro rata basis, and not recognized as gain or loss; Under influence or joint control, when part of the disposition includes an associate or joint agreement of a foreign operation, the accumulated exchange difference will be reclassified to gain or loss on a pro rata basis.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Classification Standard for Distinguishing Current and Non-current Assets and Liabilities

An asset is classified as current when:

(a) the Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
(b) the Company holds the asset primarily for the purpose of trading;
(c) the Company expects to realize the asset within twelve months after the reporting period; or
(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) the Company expects to settle the liability in normal operating cycle;
(b) the Company holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including fixed-term deposits that have maturity within three months from the date of acquisition) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company became a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) The Company’s business model for managing the financial assets and

(b) Contractual cash flow characteristics of the financial assets

Financial asset measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b)If it is not the former, but subsequently becomes credit impaired, the effective interest rate is multiplied by the amortized cost of financial assets

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a)The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b)The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b)When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

(a) The rights to receive cash flows from the asset have expired;
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred;
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled. For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. A financial liability is classified as held for trading if:

i. It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
ii. On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
iii. It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

i. It eliminates or significantly reduces a measurement or recognition inconsistency; or
ii. A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are separated from the host contract and accounted for as a derivative.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:
Raw materials –Purchase cost on weighted average cost basis
Finished goods and work in progress – Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the parent company only statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Company retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant, and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(12) Investments accounted for using the equity method

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture refers to the Company that has rights to the net assets of the joint agreement (with joint control.)

Under the equity method, investment in an associate or joint venture is recognized in the balance sheet, which is the amount recognized by the Company based on cost plus the amount of the change in the net assets of the associate or joint venture after acquisition in shareholding ratio. After the carrying amount of the associate or joint venture investment and other related long-term equity is reduced to zero using the equity method, additional losses and liabilities are recognized within the scope of legal obligations, constructive obligations, or payments made on behalf of the associate. Unrealized gains and losses arising from transactions between the Company and associates or joint ventures shall be eliminated according to the proportion of its equity in the associates or joint ventures.

When changes in the net assets of an associate or joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate issues new stock, and the Company's interest in an associate or joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment in associate or joint venture. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro-rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

When it loses significant influence on the associate or joint control of the joint venture, the Company measures and recognizes the retained investment portion at fair value. In the event of loss of significant influence or joint control, the difference between the carrying amount of the investment associate or joint venture and the fair value of the retained investment plus the proceeds from the disposal is recognized as gain or loss. In addition, when 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 re-evaluating the retained equity.

(13) Property, Plant, and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Assets	Useful life
Buildings	4 ~ 51 years
Machinery and equipment	1 ~ 10 years
Transportation equipment	5 years
Utilities equipment	6 ~ 15 years
Office equipment	1 ~ 6 years
Other equipment	1 ~ 25 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. These changes are treated as accounting estimates.

(14) Leases

The Company assesses whether the 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. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

(a)The right to obtain substantially all of the economic benefits from use of the identified asset; and
(b)The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the lessee; and

(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset 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.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

The Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in gain or loss.

Accounting policies of the Company's intangible assets are summarized as follows:

	Computer software	Other intangible assets
Useful lives	Finite (1 ~ 5 years)	Finite (5 ~ 10 years)
Amortization method used	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired

(16) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(18) Treasury shares

The Company and its subsidiaries own the shares of the Company (treasury stocks) are recognized at repurchase cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(19) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follows:

Sales of goods

The Company manufactures and sells products, and recognizes revenue when the promised product is delivered to the customer and the customer obtains its control (that is, the customer's ability to control the use of the product and obtain almost all the remaining benefits of the product.) The main product is diode and rectifier and the revenue is recognized based on the consideration stated in the contract.

The credit period of the Company's sale of goods is from 60 to 120 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to transfers the goods subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, no significant financing component has arisen.

In contracts between the Company and its customers, the period during which the promised goods are delivered to the customer and the customer paid was not more than one year. Therefore, the Company didn't adjust the transaction price for the time value of money.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(22) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a)the date of the plan amendment or curtailment, and
(b)the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

<u>Deferred income tax</u>

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax losses and unused tax credits can be utilized, except:

a. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12 “Income Taxes”), deferred tax assets and liabilities related to Pillar Two income tax will not be recognized nor disclosed.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company’s parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Company’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the parent company only financial statements:

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Impairments of non-financial assets

An impairment occurs when the carrying amount of an asset or cash-generating unit is greater than its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to dispose or value in use. The fair value minus the cost of disposal is calculated based on the price of a binding sales agreement or the market price of the asset under a normal transaction, after deducting the increase cost directly attributable to the disposal of the asset. Value in use is calculated based on the discounted cash flow model. The cash flow estimation is based on the budget for the next five years, and does not include the Company's uncommitted reorganization or future major investments needed to strengthen the asset performance of the tested cash-generating unit. The recoverable amount is easily affected by the discount rate used in the discounted cash flow model, as well as the expected future cash inflow and growth rate used for extrapolation purposes. Please refer to Note 6 for more details.

(c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases.

(d) Revenue recognition - sales returns or allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

(e) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(f) Trade receivables–estimation of impairment loss

The Company estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(g) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices may decline. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Notes 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	2023.12.31	2022.12.31
Cash on hand	$210	$210
Checking, demand deposits and time deposits etc.	692,128	1,111,808
Total	$692,338	$1,112,018

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

	2023.12.31	2022.12.31
Mandatorily measured at fair value through profit or loss:		
Funds	$18,088	$14,937
Notes and bills	92,115	—
Derivatives not designated as hedging instruments		
Forward exchange agreement and cross currency swap contracts	4,226	—
Total	$114,429	$14,937

Financial assets at fair value through profit or loss were not pledged.

(3)Financial assets at fair value through other comprehensive income - Non-current

	2023.12.31	2022.12.31
Equity instrument investment measured at fair value through other comprehensive income –non-current:		
Listed company stocks	$100,259	$111,571
Unlisted company stocks	19,647	42,272
Total	$119,906	$153,843

Financial assets at fair value through other comprehensive income were not pledged.

(4)Notes receivables

	2023.12.31	2022.12.31
Notes receivables arising from operating activities	$23,349	$25,525
(Less): loss allowance	(－)	(－)
Total	$23,349	$25,525

Notes receivables of the Company were not pledged.

The Company follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(15) for more details on loss allowance and Note 12 for details on credit risk management.

(5)Trade receivables and Trade receivables-related parties

	2023.12.31	2022.12.31
Trade receivables	$1,713,967	$1,665,788
Less：loss allowance	(19,379)	(16,672)
Subtotal	1,694,588	1,649,116
Trade receivables-related parties	442,007	322,846
Subtotal	442,007	322,846
Net amount	$2,136,595	$1,971,962

Trade receivables were not pledged.

Trade receivables are generally on 60 to 120 day terms. The total carrying amount as of 31 December 2023 and 31 December 2022 were NT$2,155,974 thousand and NT$1,988,634 thousand respectively. Please refer to Note 6.(15) for more details on loss allowance of trade receivables for the years ended 31 December 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

	2023.12.31	2022.12.31
Raw materials	$943,422	$959,741
Work in process	65,937	64,700
Finished goods	646,836	1,018,461
Total	$1,656,195	$2,042,902

The Company's cost of inventories recognized in expenses amounted to NT$6,164,778 thousand for the years ended 31 December 2023, in operating costs, of which NT$166,743 thousand were related to the valuation loss of inventories.

The Company's cost of inventories recognized in expenses amounted to NT$6,358,488 thousand for the years ended 31 December 2022, in operating costs, of which NT$266,784 thousand were related to the valuation loss of inventories.

(7) Investments accounted for using the equity method

Details of the Company's investment by equity method is as follows:

	2023.12.31		2022.12.31	
Investees	Carry amount	Percentage of ownership (%)	Carry amount	Percentage of ownership (%)
Investee subsidiaries:				
PAN-JIT ASIA INTERNATIONAL INC.	$7,225,926	100.00%	$6,536,416	100.00%
Pynmax Technology Co., Ltd.	1,304,959	94.64%	1,743,395	94.64%
Champion Microelectronic Corp.	1,897,031	30.00%	1,841,669	30.00%
AIDE ENERGY EUROPE COÖPERATIE U.A.	809,915	100.00%	732,130	100.00%
PAN-JIT INTERNATIONAL (H.K.) LTD.	108,179 (Note 1)	100.00%	—	—
PANJIT JAPAN INC.	9,276 (Note 2)	50.00%	—	—
PANSTAR SEMICONDUCTOR CO., LTD.	10,000 (Note 3)	50.00%	—	—
Investments in associates:				
MILDEX OPTICAL INC.	228,020	21.01%	226,287	21.01%
Alltop Technology Co., Ltd.	1,567,662	19.13%	1,575,688	19.18%
Total	$13,160,968		$12,655,585	

(Note 1): In October 2023, the Company acquired 100.00% shares of PAN-JIT INTERNATIONAL (H.K.) LTD. from PAN-JIT ASIA INTERNATIONAL INC.

(Note 2): The Company established Panjit Japan Inc. in Japan in March 2023, and Panjit Japan Inc. capital increased in October 2023, and the Company's shareholding ratio was reduced from 100% to 50%.

(Note 3): The Company acquired 50% shareholding of PANSTAR SEMICONDUCTOR CO., LTD. in December 2023.

(a) Investee subsidiaries are expressed in Parent Company Only Financial Statements as "investments by equity method", and necessary evaluation adjustments are made.

(b) Information on material related enterprises to the Company.

Company Name: Alltop Technology Co., Ltd.

Nature of the relationship with the associate: ALLTOP TECHNOLOGY CO., LTD. is in the business of research and development, manufacturing and sale of connectors, primarily for servers, automotive and industrial application. Alltop's future development strategy aligns with the Company's targeted business areas. The Company invests in the company with an aim to integrate the resources of both companies, and expand business areas including servers, laptops, automotive, industrial and networking equipment. This is to create synergies between the two firms and to provide customers with more full-range products and services.

Fair value of the investment in the associate when there is a quoted market price for the investment: ALLTOP TECHNOLOGY CO., LTD. is a listed entity on the Taipei Exchange (TPEx). The fair value of the investment in ALLTOP TECHNOLOGY CO., LTD. accounted for using the equity method amounted to NT$2,172,482 thousand as of 31 December 2023.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Company's interest in the associate:

	2023.12.31
Assets	$4,199,607
Liabilities	(1,589,754)
Equity	2,609,853
Proportion of the Company's ownership	19.13%
Subtotal	499,265
Goodwill	988,226
Patents	53,418
Others (Note)	26,753
Carrying amount of investment	$1,567,662

(Note): The variance was because the conversion of the convertible bonds into common shares occurred after acquisition date.

The summarized financial information was as follows:

	2023.12.31	2022.12.31
Operating revenue	$2,394,974	$2,309,878
Profit of continuing operations	$689,697	$554,086
Other comprehensive income (post-tax)	($139,042)	$32,613
Total comprehensive income	$550,655	$586,699

The Company's investments in MILDEX OPTICAL INC. are not individually material. The aggregate carrying amount of the Company's interests in MILDEX OPTICAL INC. is NT$228,020 thousand and NT$226,287 thousand as at 31 December 2023 and 2022, respectively. The aggregate financial information of the Company's investments in associates is as follows:

	2023.12.31	2022.12.31
Profit of continuing operations	$5,560	$13,557
Other comprehensive income (post-tax)	$4,337	$33,842
Total comprehensive income	$9,897	$47,399

The subsidiaries and associates had no contingent liabilities or capital commitments, and no pledges.

The share of profit or loss of subsidiaries and associates accounted for using equity method for the years ended 31 December 2023 and 2022 is as follows:

Investees	FY 2023	FY 2022
PAN-JIT ASIA INTERNATIONAL INC.	$365,467	$555,591
Pynmax Technology Co., Ltd.	62,490	225,787
MILDEX OPTICAL INC.	5,560	13,557
Alltop Technology Co., Ltd.	107,503	81,531
Champion Microelectronic Corp.	74,293	12,981
PAN-JIT INTERNATIONAL (H.K.) LTD.	4,302	—
PANJIT JAPAN INC.	(1,783)	—
PANSTAR SEMICONDUCTOR CO., LTD.	—	—
AIDE ENERGY EUROPE COÖPERATIE U.A.	49,992	1,956
Total	$667,824	$891,458

(8)Property, plant, and equipment

	2023.12.31	2022.12.31
Owner occupied property, plant and equipment	$5,216,594	$4,744,750

Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:									
As at 1 Jan. 2023	$652,223	$755,901	$5,781,144	$36,781	$1,200	$67,899	$547,136	$1,911,201	$9,753,485
Additions	–	1,183	130,899	1,475	–	420	39,522	265,146	438,645
Disposals	–	–	(446,820)	–	–	(3,208)	–	–	(450,028)
Transfers	–	–	289,608	–	1,109	734	28,735	86,467	406,653
Loss on transfer	–	–	–	–	–	–	–	(13)	(13)
As at 31 Dec. 2023	$652,223	$757,084	$5,754,831	$38,256	$2,309	$65,845	$615,393	$2,262,801	$10,148,742
Depreciation and impairment:									
As at 1 Jan. 2023	$–	($179,963)	($4,359,975)	($27,189)	($100)	($40,815)	($400,693)	$–	($5,008,735)
Depreciation	–	(18,584)	(300,742)	(1,111)	(259)	(6,055)	(43,916)	–	(370,667)
Disposals	–	–	446,820	–	–	3,208	–	–	450,028
Transfers	–	–	–	–	(665)	–	–	–	(665)
Loss on transfer	–	(5)	(1,968)	(20)	–	–	(116)	–	(2,109)
As at 31 Dec. 2023	$–	($198,552)	($4,215,865)	($28,320)	($1,024)	($43,662)	($444,725)	$–	($4,932,148)

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:									
As at 1 Jan. 2022	$652,223	$755,389	$5,502,614	$27,311	$—	$50,585	$473,584	$1,349,814	$8,811,520
Additions	—	—	108,846	1,625	1,200	10,990	36,114	470,857	629,632
Disposals	—	—	(178,825)	—	—	—	(1,515)	—	(180,340)
Transfers	—	512	348,509	7,845	—	6,324	38,953	90,530	492,673
As at 31 Dec. 2022	$652,223	$755,901	$5,781,144	$36,781	$1,200	$67,899	$547,136	$1,911,201	$9,753,485
Depreciation and impairment:									
As at 1 Jan. 2022	$—	($161,213)	($4,266,374)	($26,467)	$—	($36,103)	($363,598)	$—	($4,853,755)
Depreciation	—	(18,750)	(269,573)	(722)	(100)	(4,712)	(38,297)	—	(332,154)
Disposals	—	—	172,457	—	—	—	1,202	—	173,659
Impairment losses	—	—	5,108	—	—	—	—	—	5,108
Transfers	—	—	(1,593)	—	—	—	—	—	(1,593)
As at 31 Dec. 2022	$—	($179,963)	($4,359,975)	($27,189)	($100)	($40,815)	($400,693)	$—	($5,008,735)
Net Carrying Amount as at:									
December 31, 2023	$652,223	$558,532	$1,538,966	$9,936	$1,285	$22,183	$170,668	$2,262,801	$5,216,594
December 31, 2022	$652,223	$575,938	$1,421,169	$9,592	$1,100	$27,084	$146,443	$1,911,201	$4,744,750

The capitalized amount of the borrowing costs of property, plant, and equipment was both $0 in FY 2023 and FY 2022.

Please refer to Note 8 for the provision of guarantees through property, plant, and equipment.

(9) Intangible assets

	Computer software	Other intangible assets	Total
Cost:			
As at 1 Jan. 2022	$70,912	$91,293	$162,205
Additions - separate acquisition	22,893	—	22,893
Disposals	(14,826)	—	(14,826)
As at 31 Dec. 2022	78,979	91,293	170,272
Additions - separate acquisition	7,678	15,563	23,241
Disposals	(38,074)	—	(38,074)
As at 31 Dec. 2023	$48,583	$106,856	$155,439
Amortization:			
As at 1 Jan. 2022	$40,140	$24,938	$65,078
Amortization	19,783	17,959	37,742
Disposals	(14,826)	—	(14,826)
As at 31 Dec. 2022	45,097	42,897	87,994
Amortization	16,578	18,477	35,055
Disposal	(38,074)	—	(38,074)
As at 31 Dec. 2023	$23,601	$61,374	$84,975
Net Carrying Amount as at:			
31 Dec. 2023	$24,982	$45,482	$70,464
31 Dec. 2022	$33,882	$48,396	$82,278

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended 31. December	
	2023	2022
Operating costs	$2,553	$2,407
Operating expenses	$32,502	$35,335

(10) Short-term borrowings

Details of the short-term borrowings are as follows:

Nature of borrowing	31 Dec. 2023	31 Dec. 2022
Unsecured bank loans	$2,334,436	$2,455,192
Interest rate range	1.60%~6.44%	1.10% ~ 5.36%

The Company’s unused short-term borrowings of credits amount to NT$10,320,542 thousand and NT$7,326,048 thousand, as at 31 December 2023 and 2022, respectively.

(11) Long-term borrowings

Details of long-term borrowings are as follows:

Lenders	31 Dec. 2023	31 Dec. 2022
Syndicated loans (A)	$2,900,000	$3,700,000
Project finance (B)	436,042	585,541
Project finance (C)	831,250	900,000
Project finance (D)	809,375	1,050,000
Project finance (E)	58,333	78,333
Unsecured bank loans	1,400,000	200,000
Subtotal	6,435,000	6,513,874
(Less): Unamortized cost of syndicated loan	(1,470)	(3,990)
(Less): Deferred government grants	(15,769)	(26,426)
(Less): Due within one year	(507,000)	(478,875)
Total	$5,910,761	$6,004,583
Interest rate range	1.40%~2.20%	1.27%~2.06%

(A) On 17 August 2021, the Company entered into a syndicated loan contract with 10 financial institutions and the amount of the loan facility was $4,200,000 thousand for a period of five years starting from the first day the facility is drawn. The facility must be drawn within three months from the execution date of the contract, otherwise the maturity of the said three-month period shall be deemed the first drawdown day. The extract of terms of the contract as following:

a. The total amount of the syndicated loan is NT$4,200,000 thousand.

b. The total amount of the syndicated loan is NT$4,200,000 thousand.
   i. Category 1: Medium-term loan of $4,200,000 thousand, which can be used cyclically in accordance with this contract.
   ii. Category 2: Commercial paper of $2,940,000 thousand, which can be used cyclically in accordance with this contract.

c. The total amount of category 1 and category 2 shall not exceed the total amount of the syndicated loan.

d. Terms of financial ratios:
   Within the contract period, the Company is required to calculate annually the financial ratios and agree with assigned threshold based on the figures from audited consolidated financial report.
   i. Current ratio (current assets/ current liability): higher than 100%.
   ii. Debt ratio (liability / equity): lower than 200%.
   iii. Interest coverage ratio 【（net profit before tax + interest expense + depreciation +amortization）/ interest expense】: higher than 2.5 times.
   iv. Net worth: higher than NT$5,300,000 thousand or USD equivalent.

(B) On 9 September 2019, the Company entered into a credit agreement with Taishin International Bank in the amount of NT$600,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
$400,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$200,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(C) On 25 October 2019, the Company entered into a credit agreement with Chang HWA Bank in the amount of NT$900,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
$600,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$300,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(D) On 1 November 2019, the Company entered into a credit agreement with First Commercial Bank in the amount of NT$1,500,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
$1,000,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$500,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(E) On 21 November 2021, the Company entered into a credit agreement with Land Bank in the amount of NT$1,000,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
$700,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Sole interests will be paid per month in the first two years. The principal shall be paid back in monthly equal installments, from the third year, and interest calculated based on the amount of principal monthly.
$300,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.4%.	Sole interests will be paid per month in the first two years. The principal shall be paid back in monthly equal installments, from the third year, and interest calculated based on the amount of principal monthly.

(12) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees’ monthly wages to the employees’ individual pension accounts. The Company have made monthly contributions of 6% of each individual employee’s salaries or wages to employees’ pension accounts.

Expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were NT$39,505 thousand and NT$40,378 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March in the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute $1,750 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

The average duration of the defined benefits plan obligation as at 31 December 2023 and 2022, are 7 to 8 years, respectively.

The pension costs recognized in profit or loss for the years ended 31 December 2023 and 2022 are as follows:

	FY 2023	FY 2022
Current period service costs	$1,448	$1,793
Interest expense	775	633
Total	$2,223	$2,426

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	2023.12.31	2022.12.31	2022.01.01
Defined benefit obligation	$138,483	$132,691	$156,233
Plan assets at fair value	(77,412)	(71,184)	(67,066)
Other non-current liabilities – Defined benefit liabilities recognized on the balance sheets	$61,071	$61,507	$89,167

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset)
As at 1 Jan. 2022	$156,233	($67,066)	$89,167
Current period service costs	1,793	—	1,793
Net interest expense (income)	1,109	(476)	633
Past service cost and gains and losses arising from settlements	—	—	—
Subtotal	159,135	(67,542)	91,593
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	—	—	—
Actuarial gains and losses arising from changes in financial assumptions	(7,019)	—	(7,019)
Experience adjustments	(4,304)	—	(4,304)
Remeasurements of the defined benefit asset	—	(4,974)	(4,974)
Subtotal	(11,323)	(4,974)	(16,297)
Payments from the plan	(15,121)	15,121	—
Contributions by employer	—	(13,789)	(13,789)
As at 31 Dec. 2022	$132,691	($71,184)	$61,507
Current period service costs	1,448	—	1,448
Net interest expense (income)	1,672	(897)	775
Past service cost and gains and losses arising from settlements	—	—	—
Subtotal	135,811	(72,081)	63,730
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	—	—	—
Actuarial gains and losses arising from changes in financial assumptions	443	—	443
Experience adjustments	3,399	—	3,399
Remeasurements of the defined benefit asset	—	(373)	(373)
Subtotal	3,842	(373)	3,469
Payments from the plan	(1,170)	1,170	—
Contributions by employer	—	(6,128)	(6,128)
As at 31 Dec. 2023	$138,483	($77,412)	$61,071

The following main assumptions are used to determine the Company's defined benefit plan:

	2023.12.31	2022.12.31
Discount rate	1.18%	1.26%
Expected rate of salary increases	1.50%	1.50%

The sensitive analysis of each major actuarial assumption:

	Effect on the defined benefit obligation			
	2023		2022	
	Increased defined benefit obligation	Decreased defined benefit obligations	Increased defined benefit obligation	Decreased defined benefit obligations
Discount rate increase by 0.5%	$—	$2,667	$—	$3,762
Discount rate decrease by 0.5%	$6,648	$—	$6,448	$—
Future salary increase by 0.5%	$6,587	$—	$6,392	$—
Future salary decrease by 0.5%	$—	$2,672	$—	$3,771

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(13) Equities

A. Common shares

As at December 31, 2023, and 2022, the Company's authorized capital were NT$6,000,000 thousand, and the issued capital were NT$3,821,149 thousand and NT$3,828,149 thousand, respectively, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

On 25 October 2021, the Company issued 50,000 thousand units of Global Depository Shares ("GDS") on the Luxembourg Stock Exchange, each representing a unit of ordinary shares of the Company. And totals in new issuance of 50,000 thousand common stock shares, each unit of GDS was priced at USD3.02, equivalent to NT$84.5. Totals shares amounted to USD151,000 thousand. The rights and obligations of the new shares issued are the same as the original shares. As of December 31, 2023, there were no outstanding shares.

B. Capital surplus

Items	2023.12.31	2022.12.31
Additional paid-in capital	$4,603,539	$4,611,840
Premium on convertible bonds	1,082,212	1,083,418
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	95,779	95,779
Increase through changes in ownership interests in subsidiaries	455	8
Employee stock option	24,527	24,527
Restricted stocks for employees	694	694
Share of changes in net assets of associates accounted and joint ventures for using the equity method	112,781	113,444
Others	87,151	87,151
Total	$6,007,138	$6,016,861

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

On 09 May, 2023, the Company's Board of Directors approved the cancellation of treasury shares and the record date on 22 May, 2023. The change of paid-in capital registration of 700 thousand treasury shares was on June 13, 2023.

As at December 31, 2023, and 2022, the Company held treasury stocks of NT$0 and NT$16,507 thousand, and the number of treasury stock held by the Company were 0 thousand and 700 thousand shares, respectively.

D. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues
b. Offset prior years' operation losses
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve
d. Set aside or reverse special reserve in accordance with law and regulations
e. The distribution of the remaining portion, if any, will be recommended by the board of directors and resolved in the shareholders' meeting

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According to the provision of Article 240-5 of the Company Act, the Company should authorize the distributable dividends and bonuses in whole or in part are paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution is submitted to the shareholders' meeting.

The policy of dividend distribution approved by the Board should reflect factors such as the operating planning, investment plan, capital budgets, the changes of inner and outer environment. The Company in capital-intensive industries are currently in the stage of expansion. Considering the Company's need for future capital and the long-term financial planning; as well as the shareholders' need for cash inflow, the principle of earning distribution:

The dividend to shareholders should be paid in the form of cash as priority, or in the form of share dividend. Additionally, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to the provision of Article 241 of the Company Act, the Company shall distribute the whole or a part of the statutory surplus reserve and capital surplus to shareholders in new shares or cash according to their shareholding percentage. When cash is distributed, a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company shall be required and reported to the shareholders meeting. When new shares are issued, it shall be submitted to the shareholders' meeting for approval before distribution.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate 1090150022, which sets out the following provisions for compliance:
On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The special reserve upon first adoption amounted to $200,400 thousand as of 1 January 2023 and 2022. Because of unused, disposal or reclassification of related assets, there was no reversal from special reserve to unappropriated earnings during the years ended of 2023 and 2022. As of 31 December 2023 and 2022, the special reverse upon first adoption amounted to $200,400 thousand.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the board of directors meeting on 8 March 2024 and shareholders' meeting on 14 June 2023, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserves	$83,321	$223,603	$—	$—
Common stock -cash dividend (Note)	$458,538	$1,146,345	$1.20	$3.00

(Note) The Company resolved at the board of directors' meeting held on 8 March 2024 and 10 March 2023 to distribute the dividends of 2023 and 2022 in form of cash.

Please refer to Note 6.(17) for further details on employees' compensation and remuneration to directors.

(14) Operating revenue

Revenue from contracts with customers	FY 2023	FY 2022
Sale of goods	$7,889,882	$8,855,785

Analysis of revenue from contracts with customers during the years ended 31 December 2023 and 2022 are as follows:

A. Disaggregation of revenue

The Company is a single operating segment. Sales of goods amounted to NT$7,889,882 thousand and NT$8,855,785 thousand for the years ended 31 December 2023 and 2022, respectively, which were recognized as revenue at a certain point in time.

B. Contract balance

Contractual liabilities - current

	December 31, 2023	December 31, 2022
Sales of goods	$575	$365

The changes in the balance of contract liabilities of the Company in 2023 and 2022 were due to the fact that some of the performance obligations have been satisfied to be reclassified to increase in revenue or increase in advance receipts.

(15) Expected credit (losses) gains:

	For the years ended 31 December	
	2023	2022
Operation expense－Expected credit gains (losses)		
Trade receivables	($2,707)	$5,988

Please refer to Note 12 for more details on credit risk management.

The Company measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at 31 December 2023 and 2022 are as follows:

The Company considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector, and its loss allowance is measure by using a provision matrix, details as follows:

As at 31 Dec. 2023

	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$1,552,128	$170,193	$12,040	$127	$2,829	$1,737,317
Loss rate	0.36%	5%	20%	50%	100.00%	
Lifetime expected credit losses	(5,569)	(8,510)	(2,408)	(63)	(2,829)	(19,379)
Total	$1,546,559	$161,683	$9,632	$64	$－	$1,717,937

As at 31 Dec. 2022

	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$1,520,335	$167,258	$826	$1	$2,893	$1,691,313
Loss rate	0.35%	5%	20%	100%	100.00%	
Lifetime expected credit losses	(5,250)	(8,363)	(165)	(1)	(2,893)	(16,672)
Total	$1,515,085	$158,895	$661	$－	$－	$1,674,641

(Note 1): Notes receivable included. All notes receivable of the Company are not overdue.

(Note 2): Trade receivable - related parties not included. The Company's trade receivable - related parties are not overdue.

The movement in the provision of impairment of trade receivables during the years ended 31 Dec. 2023 and 2022 are as follows:

	Trade receivables
As at 1 Jan. 2023	$16,672
Additional/(reversal) for the current period	2,707
Write off	—
As at 31 Dec. 2023	$19,379
As at 1 Jan. 2022	$22,660
Additional/(reversal) for the current period	(5,988)
Write off	—
As at 31 Dec. 2022	$16,672

(16) Lease

The Company as a lessee

The Company leases various properties, including real estate such as land and buildings, and transportation equipment. The lease terms range from 2 to 5 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

A. The amounts recognized in the balance sheet are:

(a) Right-of-use assets

The carrying amount of right-of-use assets

	2023.12.31	2022.12.31
Land	$249	$995
Buildings	1,302	2,723
Transportation equipment	1,775	3,230
Other assets	55	222
Total	$3,381	$7,170

The Company added NT$362 thousand and NT$5,656 thousand to the right-of-use assets from January 1 to December 31, 2023, and 2022, respectively.

(b) Lease liabilities

	2023.12.31	2022.12.31
Current	$2,759	$3,882
Non-current	666	3,213
Total	$3,425	$7,095

Please refer to Note 6.(18)(D) for the interest on lease liabilities recognized during the years ended 31 December 2023 and 2022 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of 31 December 2023 and 2022.

B. Amount recognized in statement of comprehensive income

Depreciation charge for right-of-use assets

	FY 2023	FY 2022
Land	$747	$746
Buildings	1,420	3,287
Transportation equipment	1,374	1,013
Other assets	166	166
Total	$3,707	$5,212

C. Income and costs relating to leasing activities

	FY 2023	FY 2022
The expenses relating to short-term leases	$3,211	$2,278
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	$59	$70
The expenses relating to variable lease payments not included in the measurement of lease liabilities	$18	$108

D. Cash outflow relating to leasing activities

During the years ended 31 December 2023 and 2022, the Company's total cash outflows for leases amounting to NT$4,106 thousand and NT$5,385 thousand, respectively.

E. Other information relating to leasing activities

Extension and termination options

Some of the Company's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(17) Summary statement of employee benefits, depreciation and amortization expenses by function:

Function / Nature	For the year ended 31 Dec. 2023			For the year ended 31 Dec. 2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$487,052	$550,683	$1,037,735	$547,718	$655,039	$1,202,757
Labor and health insurance	$64,858	$39,786	$104,644	$70,546	$37,633	$108,179
Pension	$23,163	$18,565	$41,728	$25,627	$17,177	$42,804
Compensation of the directors	$—	$17,075	$17,075	$—	$35,490	$35,490
Other employee benefits expenses	$51,299	$18,358	$69,657	$58,948	$18,507	$77,455
Depreciation	$322,437	$51,937	$374,374	$292,269	$45,097	$337,366
Amortization	$2,553	$32,502	$35,055	$2,407	$35,335	$37,742

Note: The number of employees in this year and the previous year was 1,467 and 1,559 respectively, of which the number of directors who were not concurrently employees was 7 and 5, respectively.

Companies whose stocks have been listed on the stock exchange should also disclose the following information:

A. The average employee benefit expense in the current year was NT$859 thousand. The average employee benefit expense in the previous year was NT$921 thousand.
The average employee salary expense in the current year was NT$711 thousand. The average employee salary expense in the previous year was NT$774 thousand.

B. Change in average employee salary cost adjustment decreased by 8%.

C. The Company has set up an audit committee to replace the supervisor, so the Company's supervisors remuneration for FY2023 and FY2022 were both NT$0.

D. The Company's salary and compensation policy:

(a) Directors:

The Company's directors remuneration is in accordance with the Article of Association, Article 16: "The remuneration of all directors, regardless of profit or loss, may be agreed upon by the authorized board meeting according to the usual standards of the industry" and Article 19: "If the Company makes profits during the year, no more than 2% should be proposed for directors remuneration. The proposal shall be drafted and reviewed by the Re-numeration Committee in consideration of the participation in the Company's operations, contribution value and overall company operating performance, and submitted to the Board of Directors for discussion.

(b) Managerial officers and employees:

The salary and compensation of the Company’s managerial officers and employees refer to the common level of the industry's payment level and consider the time invested by the individual, the responsibilities, degrees of achieving personal goals, performance in other positions, the Company's salary and compensation to the same position in recent years, and the Company’s overall operating conditions, etc. Also, the company’s Articles of Association, Article 19: "If the Company makes a profit during the year, no less than 6% shall be allocated for employee compensation" shall be followed. The managerial officers’ compensation must be reviewed by the remuneration committee and submitted to the Board of Directors for discussion; the employees compensation shall be submitted to the responsible supervisor for approval in accordance with the Company’s hierarchical authorization rules.

According to the Company’s Articles of Incorporation, at least 6% of profit of the current year is distributable as employees’ compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered.

According to Article 235-1 of the Company Act, the Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the Board of Directors’ resolution regarding the employees’ compensation and remuneration to directors and supervisors can be obtained from the “Market Observation Post System” on the website of the TWSE.

Based on the profit of the year ended 31 Dec. 2023, the Company estimated the amounts of the employees’ compensation and remuneration to directors for the year ended 31 December 2023 to be 6.5% of profit of current year and 1.69% of profit of current year, respectively, recognized the amount of NT$63,400 thousand and NT$16,495 thousand. Employees’ compensation and remuneration to directors for the year ended 31 Dec. 2022 amount of NT$137,375 thousand and NT$35,000 thousand, respectively, recognized as employee benefits expense. If the Board of Directors resolves to distribute employee compensation through stock, the number of stocks distributed is calculated based on total employee compensation divided by the closing price of the day before the Board of Directors meeting. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the Company will recognize the change as an adjustment in the profit of loss in the subsequent period.

A resolution was passed at the board meeting on 8 March 2024 and 10 March 2023 to distribute dividend in cash in the amount of NT$63,400 thousand and NT$16,495 thousand for the year ended 2023, and of NT$137,375 thousand and NT$35,000 thousand for the year ended 2022 as employees compensation and remuneration to directors, respectively. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the years ended 2023 and 2022.

(18) Non-operating income and expenditures

A. Interest income

	FY 2023	FY 2022
Financial asset measured at amortized cost	$18,483	$14,359

B. Other income

	FY 2023	FY 2022
Rental income	$8,205	$8,188
Dividend income	3,799	3,695
Others	64,304	20,313
Total	$76,308	$32,196

C. Other gains or losses

	FY 2023	FY 2022
Gains(Losses) on disposal of property, plant and equipment	$364	($2,128)
Foreign exchange gains, net	(15,467)	136,789
Gains on financial assets / financial liabilities at fair value through profit or loss (Note)	4,291	267
Impairment gains(losses) - Property, plant, and equipment	—	5,108
Others	(562)	(33,356)
Total	$(11,374)	$106,680

(Note) Balances were arising from financial assets and financial liabilities mandatorily measured at fair value through profit or loss.

D. Financial costs

	FY 2023	FY 2022
Interest on borrowings from bank	($162,364)	($107,657)
Interest on lease liabilities	(71)	(158)
Total	($162,435)	($107,815)

(19) Components of other comprehensive income

For the year ended 31 December 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans	($4,243)	$—	($4,243)	$694	($3,549)
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	8,854	—	8,854	(165)	8,689
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(54,177)	—	(54,177)	7,839	(46,338)
Total of other comprehensive income	($49,566)	$—	($49,566)	$8,368	($41,198)

For the year ended 31 December 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans	$24,435	$—	$24,435	($3,260)	$21,175
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	(283,469)	—	(283,469)	512	(282,957)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	486,892	—	486,892	(84,180)	402,712
Total of other comprehensive income	$227,858	$—	$227,858	($86,928)	$140,930

(20) Income tax

A. Income tax expense (income) recognized in profit or loss

	FY 2023	FY 2022
Current income tax expense:		
Current income tax payables	$109,597	$230,108
Adjustment of current deferred income tax of previous years in current year	(19,254)	—
Deferred income tax expense (gain):		
Deferred income tax (gain) related to the original creation and reversal of temporary differences	(16,145)	(46,655)
Income tax expense	$74,198	$183,453

B. Income tax recognized as other comprehensive income

	FY 2023	FY 2022
Deferred income tax expense (gain):		
Exchange differences on translation of foreign financial statements	($7,839)	($84,180)
Re-measurement of defined benefit plan	(694)	(3,260)
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	165	512
Income tax related to other comprehensive income components	($8,368)	($86,928)

C. The amount of income tax expenses multiplied by accounting profits by the applicable tax rate is adjusted as follows:

	FY 2023	FY 2022
Pre-tax Net Profit from Continuing Business Units	$894,980	$1,941,084
Income tax calculated at statutory tax rate	$178,996	$388,217
Tax effects of tax exemption income	(50,725)	(67,575)
Income tax impact on deferred income tax assets / liabilities	(66,641)	(137,189)
Others	12,568	—
Total income tax expense recognized in profit or loss	$74,198	$183,453

D. Deferred tax assets (liabilities) relate to the following:

For the year ended 31 December 2023:

	Beginning balance as at 1 Jan. 2023	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as at 31 Dec. 2023
Temporary difference				
Allowance for losses on inventory	$85,761	$32,652	$—	$118,413
Unrealized exchange gains (losses)	(3,011)	5,434	—	2,423
Share of profit (loss) of subsidiaries accounted for using the equity method	17,020	(9,129)	—	7,891
Changes in ownership interests of subsidiaries for using equity method	(71,014)	—	—	(71,014)
Exchange differences resulting from translating the financial statements of a foreign operation	63,887	—	7,839	71,726
Depreciation difference for tax purpose	(396)	315	—	(81)
Pension cost- non-current	12,055	(535)	694	12,214
Others	38,291	(12,592)	(165)	25,534
Gains on deferred income tax		$16,145	$8,368	
Net deferred income tax assets / (liabilities)	$142,593			$167,106
Below is the information contained in the balance sheet:				
Deferred tax assets	$217,014			$239,581
Deferred tax liabilities	($74,421)			($72,475)

For the year ended 31 December 2022:

	Beginning balance as at 1 Jan. 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as at 31 Dec. 2022
Temporary difference				
Allowance for losses on inventory	$32,404	$53,357	$—	$85,761
Unrealized exchange gains (losses)	(6,301)	3,290	—	(3,011)
Share of profit (loss) of subsidiaries accounted for using the equity method	13,622	3,398	—	17,020
Changes in ownership interests of subsidiaries for using equity method	(71,014)	—	—	(71,014)
Exchange differences resulting from translating the financial statements of a foreign operation	148,067	—	(84,180)	63,887
Depreciation difference for tax purpose	(604)	208	—	(396)
Pension cost- non-current	17,833	(2,518)	(3,260)	12,055
Impairment Losses	1,022	(1,022)	—	—
Others	47,837	(10,058)	512	38,291
Gains on deferred income tax		$46,655	($86,928)	
Net deferred income tax assets / (liabilities)	$182,866			$142,593
Below is the information contained in the balance sheet:				
Deferred tax assets	$260,785			$217,014
Deferred tax liabilities	($77,919)			($74,421)

E. Unrecognized deferred tax assets

As of 31 December 2023, and 2022, the Company's unrecognized deferred income tax assets were NT$118,500 thousand and NT$8,500 thousand, respectively.

F. Situations of income tax declaration and verification

As of December 31, 2023, the Company's income tax declaration was approved to FY 2019.

(21) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	FY 2023	FY 2022
A. Basic earnings per share		
Net Income (NT$ thousands)	$820,782	$1,757,631
Weighted average number of shares of common stock per share of earnings (thousand shares)	382,115	382,115
Basic earnings per share (NT$)	$2.15	$4.60

	FY 2023	FY 2022
B. Diluted earnings per share		
Net profit of the current period after adjusting the dilution effect (thousand)	$820,782	$1,757,631
Weighted average number of shares of common stock per share of earnings (thousand shares)	382,115	382,115
Dilution effect:		
Employee compensation - stocks (thousand shares)	1,316	2,737
Weighted average number of ordinary shares after adjusting the dilution effect (thousand shares)	383,431	384,852
Diluted earnings per share (NT$)	$2.14	$4.57

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements authorized for issue.

7. Related party transactions

The following is a summary of transactions between the Company and related parties during the reporting periods:

Names and relationship of related parties

Name of related parties	Relationship with the Company
PAN-JIT ASIA INTERNATIONAL INC.	The Company's subsidiary
PAN JIT AMERICAS, INC.	The Company's subsidiary
PAN-JIT INTERNATIONAL (H.K.) LTD.	The Company's subsidiary
PAN JIT KOREA CO., LTD.	The Company's subsidiary
PAN JIT EUROPE GMBH	The Company's subsidiary
EC SOLAR C1 SRL	The Company's subsidiary
SUZHOU GRANDE ELECTRONICS CO., LTD.	The Company's subsidiary
Max-Diode Electronics Ltd.(Shenzhen)	The Company's subsidiary
Pan Jit Electronics (Wuxi) Co., Ltd.	The Company's subsidiary
Pynmax Technology Co., Ltd.	The Company's subsidiary
Champion Microelectronic Corp.	The Company's subsidiary
MILDEX OPTICAL INC.	Other related parties
Zibo Micro Commercial Components Corp.	Other related parties
FANG, MIN-CHING and other 18 people	Deputy general manager of the Company above the management level

(1) Sales

	FY 2023	FY 2022
Pan Jit Electronics (Wuxi) Co., Ltd.	$1,160,909	$1,255,447
Others	274,414	329,502
Total	$1,435,323	$1,584,949

The selling price from the Company to related parties is negotiated by both parties with reference to market conditions; the current year's circulating funds are unsecured, interest-free and must be settled in cash. No guarantee has been received for accounts receivable from related parties.

(2) Purchase

	FY 2023	FY 2022
Pan Jit Electronics (Wuxi) Co., Ltd.	$1,628,201	$1,665,406
Pynmax Technology Co., Ltd.	330,280	393,218
Others	34,620	15,028
Total	$1,993,101	$2,073,652

The price of the Company's purchase of goods from related parties is negotiated by both parties with reference to market conditions; the Company's payment terms for purchases of goods from related parties are equivalent to those of ordinary manufacturers.

(3) Trade receivable - related parties

	2023.12.31	2022.12.31
Pan Jit Electronics (Wuxi) Co., Ltd.	$417,718	$299,692
PAN JIT AMERICAS, INC.	10,109	2,500
Others	14,180	20,654
Total	$442,007	$322,846

(4) Other receivable - related parties (not loans)

	2023.12.31	2022.12.31
PAN-JIT ASIA INTERNATIONAL INC.	$—	$552,780
Pan Jit Electronics (Wuxi) Co., Ltd.	—	451
Pynmax Technology Co., Ltd.	1,236	715
EC SOLAR C1 SRL	968	719
Others	5	1,386
Total	$2,209	$556,051

(5) Other receivable (loans)

	2023.12.31	2022.12.31
EC SOLAR C1 SRL	$152,910	$271,576

(6) Trade payable-related parties

	2023.12.31	2022.12.31
Pan Jit Electronics (Wuxi) Co., Ltd.	$416,637	$195,676
Pynmax Technology Co., Ltd.	122,208	74,912
Others	9,845	2,665
Total	$548,690	$273,253

(7) Other payables - related parties

	2023.12.31	2022.12.31
PAN JIT EUROPE GMBH	$83,677	$75,188
PAN-JIT INTERNATIONAL (H.K.) LTD.	3,938	5,044
PAN JIT AMERICAS, INC.	7,175	8,786
Pynmax Technology Co., Ltd.	7,823	6,064
Others	629	64
Total	$103,242	$95,146

(8) Disposal of property, plant, and equipment:

<u>From January 01 to December 31, 2023</u>: N/A

<u>From January 01 to December 31, 2022</u>:

Name of related parties	Assets Name	Sales price	Carrying amount	Gains (losses)
Pan Jit Electronics (Wuxi) Co., Ltd.	Machinery equipment	$3,924	$785	$3,139
	Other equipment	286	260	26
		$4,210	$1,045	$3,165

(9) Others

A. Operating expense

	FY 2023	FY 2022
a. Commission expenditure		
PAN JIT KOREA CO., LTD.	$56,039	$50,347
PAN JIT EUROPE GMBH	54,309	60,683
Total	$110,348	$111,030
b. Manage shipping warehouse costs and collection and payment items		
PAN-JIT INTERNATIONAL (H.K.) LTD.	$15,487	$34,341
Pynmax Technology Co., Ltd.	—	39,100
Total	$15,487	$73,441
c. Miscellaneous expenditure, consumables, etc.		
PAN JIT AMERICAS, INC.	$41,433	$39,749

B. Capital Finance

FY 2023:

	Maximum Balance	Ending balance	Rate range	Interest income	Interest receivable at the end of current period
EC SOLAR C1 SRL	$366,555	$203,880	6.00%	$6,332	$968

FY 2022:

	Maximum Balance	Ending balance	Rate range	Interest income	Interest receivable at the end of current period
EC SOLAR C1 SRL	$592,371	$327,200	3.00%	$9,022	$719

C. Endorsements/guarantees

Details of endorsement/guarantee provided by the Company to subsidiaries' borrowing are as follows:

	2023.12.31	2022.12.31
PAN-JIT ASIA INTERNATIONAL INC.	$2,456,400	$2,456,800

(10) Key management personnel compensation of the Company

	FY 2023	FY 2022
Short-term employee benefits	$80,141	$107,065
Post-employment benefits	816	712
Total	$80,957	$107,777

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

	Carrying amount		
Items	2023.12.31	2022.12.31	Secured liabilities details
Other current assets	$35,612	$15,969	Financial products trade

9. Significant contingencies and unrecognized contractual commitments

As at December 31, 2023, and 2022, the Company has provided customs bonded guarantees through bank guarantees both in the amount of NT$10,000 thousand.

10. Losses due to major disasters

N/A.

11. Significant Subsequent Events

N/A.

12. Others

(1) Categories of financial instruments

Financial assets

	2023.12.31	2022.12.31
Financial assets at FVTPL:		
Mandatory to measure at fair value through profit or loss	$114,429	$14,937
Financial assets measured at fair value through other comprehensive income	119,906	153,843
Financial asset measured at amortized cost	3,414,596	4,650,174
Total	$3,648,931	$4,818,954

Financial liabilities

	2023.12.31	2022.12.31
Financial liabilities measured at amortized cost:		
Short-term borrowings	$2,334,436	$2,455,192
Payables	1,940,649	2,105,787
Long-term borrowings (including maturity within one year)	6,417,761	6,483,458
Lease liabilities	3,425	7,095
Total	$10,696,271	$11,051,532

(2) Financial risk management objectives and policies

The Company’s financial risk management objectives are mainly to manage market risks, credit risks and liquidity risks related to operating activities. The Company conducts the identification, measurement and management of the aforementioned risks in accordance with the Company's policies and risk preferences.

The Company has established appropriate policies, procedures and internal controls for the aforementioned financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the Board of Directors and similar audit committee units in accordance with relevant regulations and internal control systems. During the execution of financial management activities, the Company must actually comply with the stipulated financial risk management regulations.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exchange rate risk is mainly related to operating activities (when the currency used for revenue or expenses is different from the Company's functional currency) and the net investment of foreign operation.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The sensitivity analysis of the Company's exchange rate risk mainly focuses on the major foreign currency monetary items at the end of the financial reporting period, and the impact of related foreign currency appreciation/devaluation on the Company's gain or loss and equity. The Company's exchange rate risk is mainly affected by fluctuations in the exchange rate of the USD, EUR and JPY.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

Sensitivity analysis of interest rate risk mainly focuses on interest rate risk insurance items at the end of the financial reporting period, including floating rate investments, floating rate borrowings and interest rate swap contracts.

Equity price risk

The Company holds domestic listed and unlisted equity securities, the fair value of which will be affected by the uncertainty of the future value of these investment targets. The listed and unlisted equity securities held by the Company belong to the category measured at fair value through other comprehensive income. The Company manages the price risk of equity securities by diversifying investment and setting limits for single and overall equity securities investment. The equity securities investment portfolio information needs to be regularly provided to the Company's senior management. The Board of Directors must review and approve all equity securities investment decisions.

The sensitivity analysis of the related risk changes is as follows:

FY 2023

Risk	Change	Sensitivity to profit (NT$ thousands)		Sensitivity to equity (NT$ thousands)
Foreign currency	NTD/USD exchange rate +/－1%	－/＋	$12,140	$－
	NTD/EUR exchange rate +/－1%	－/＋	$ 455	$－
	NTD/JPY exchange rate +/－1 %	－/＋	$ 106	$－
Interest rate	NTD market interest rate +/－100 basis points	－/＋	$80,773	$－
Equity Price	Equity price +/－ 10%	＋/－	$11,443	$12,748

FY 2022

Risk	Change	Sensitivity to profit (NT$ thousands)		Sensitivity to equity (NT$ thousands)
Foreign currency	NTD/USD exchange rate +/－1%	＋/－	$ 7,400	$－
	NTD/EUR exchange rate +/－ 1%	－/＋	$ 2,372	
Interest rate	NTD market interest rate +/－100 basis points	－/＋	$ 78,573	$－
Equity Price	Equity price +/－ 10%	＋/－	$ 1,494	$15,384

(4) Credit risk management

Credit risk refers to the risk that the counterparty cannot fulfill the obligations set out in the contract and will result in financial losses. The Company's credit risk is due to operating activities (primarily for trade receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

All units of the Company follow credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all counterparties is a comprehensive consideration of such factors as the counterparty's financial status, ratings of credit rating agencies, past historical transaction experience, current economic environment, and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance payment and insurance, etc.) at appropriate times to reduce the credit risk of specific counterparties.

As of December 31, 2023, and 2022, the trade receivables from top ten customers present for 40% and 31% of the total trade receivables of the Company, respectively. The credit concentration risk of the remaining accounts receivable is insignificant.

The Company's finance department manages the credit risk of bank deposits, fixed income securities, and other financial instruments in accordance with company policies. Since the Company's trading partners are determined by internal control procedures, and are credit worthy banks and investment-grade financial institutions, corporate organizations, and government agencies, there is no significant credit risk.

(5) Liquidity risk management

The Company maintains financial flexibility through contracts such as cash and cash equivalents, high-liquidity securities and bank loans. The following table summarizes the maturity of the payments contained in the remaining contracts for non-derivative financial liabilities during the agreed repayment period of the Company. It is compiled based on the earliest possible repayment date and based on its undiscounted cash flows. The amounts listed are also including agreed interest. For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of the reporting period.

Non-derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 December 2023					
Loans	$2,876,348	$4,361,195	$1,613,340	$—	$8,850,883
Trade and other payables	$1,940,649	$—	$—	$—	$1,940,649
Lease liabilities	$2,759	$666	$—	$—	$3,425
As at 31 December 2022					
Loans	$2,989,312	$269,147	$5,843,726	$—	$9,102,185
Trade and other payables	$2,105,787	$—	$—	$—	$2,105,787
Lease liabilities	$3,953	$3,241	$—	$—	$7,194

Derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 December 2023					
Forward foreign exchange contracts－Inflows	$74,101	$－	$－	$－	$74,101
Forward foreign exchange contracts－Outflows	($72,771)	$－	$－	$－	($72,771)
Exchange rate swap contract－Inflows	$273,099	$－	$－	$－	$273,099
Exchange rate swap contract－Outflows	($270,204)	$－	$－	$－	($270,204)

As at 31 December 2022: None.

The table above contains the undiscounted cash flows of derivative financial liabilities

(6) Adjustment in liabilities generated from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As at 1 Jan. 2023	$2,455,192	$6,483,458	$7,095	$8,945,745
Cash flows	(120,756)	(68,217)	(4,106)	(193,079)
Non-cash changes	－	2,520	436	2,956
As at 31 Dec. 2023	$2,334,436	$6,417,761	$3,425	$8,755,622

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As at 1 Jan. 2022	$2,931,307	$4,063,087	$22,748	$7,017,142
Cash flows	(476,115)	2,429,658	(5,385)	1,948,158
Non-cash changes	－	(9,287)	(10,268)	(19,555)
As at 31 Dec. 2022	$2,455,192	$6,483,458	$7,095	$8,945,745

(7) Fair value of financial instruments

A. Valuation techniques and assumptions used to measure fair value

Fair value refers to the price that can be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date. The methods and assumptions used by the Company to measure or disclose the fair value of financial assets and financial liabilities are as follows:

a. The carrying amounts of cash and cash equivalents, trade receivables, other current assets, payables and other current liabilities are a reasonable approximation of the fair value, which is mainly due to the short maturity period of such instruments.

b. The fair value of financial assets and financial liabilities that are traded in an active market with standard terms and conditions is determined by reference to market quotes (including listed stocks, beneficiary certificates, bonds and futures, etc.).

c. The fair value of equity instruments without active market transactions (for example, private equity stocks of listed companies, public company shares without active markets, and unpublished company shares) is estimated by the market method, and is estimated for the fair value with the price and other relevant information (such as lack of liquidity discount factors, similar company stock price-to-earning ratio, similar company stock price-to-net worth ratio and other input values) of the same or comparable company equity instruments generated by market transactions.

d. For investment in debt instruments without market quotations, bank borrowings, bonds payable and other non-current liabilities, the fair value is determined based on the counterparty's quotation or evaluation technology. The evaluation technology is determined on the basis of discounted cash flow analysis. The interest rate and assumptions such as discount rate are mainly based on information related to similar tools (for example, OTC's reference yield curve, the average quotation of the Reuters commercial paper rate, and credit risk information.)

e. Derivative financial instruments without active market quotations, among which are non-option derivative financial instruments, are calculated based on discounted cash flow analysis using the counterparty's quotation or the applicable yield curve within duration; for option derivative financial instruments, use Counterparty quotations, appropriate option pricing models (such as the Black-Scholes model) or other evaluation methods (such as Monte Carlo Simulation) to calculate the fair value.

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and financial liabilities measured at amortized cost is a reasonable approximation of the fair value.

C. Information about the fair value level of financial instruments

For information on the fair value levels of the Company's financial instruments, please refer to Note 12(9).

(8) Derivative financial instruments

The related information for the Company’s derivative financial instruments not qualified for hedge accounting and not yet settled as of 31 December 2023 and 2022 is as follows:

Forward currency contracts

The Company entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments.

Exchange rate swap contracts

The exchange rate swaps is a risky position that manages part of the transaction, but it is not designated as a hedging tool.

The Company entered into the following forward exchange contracts and exchange rate swap contracts:

As at 31 Dec. 2023:

Items	Contract amount (thousand)	Contract Period
Forward currency contract	Sell USD 2,370	2024.01.03~ 2024.01.08
Exchange rate swap contract	Sell USD 8,800	2024.01.12

As at 31 Dec. 2022: None.

The aforementioned derivatives transaction counterparties are well-known banks at home and abroad, with good credit, so the credit risk is low.

For forward exchange and currency swaps contract transactions, it is mainly to avoid the risk of exchange rate and interest rate changes on net assets or net liabilities. There will be relative cash inflows or outflows at maturity, and working capital is sufficient to support, so there will be no significant cash flow risk.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All assets and liabilities measured or disclosed by fair value are entered at the lowest level of importance to the overall fair value measurement, and are classified into the fair value level to which they belong. The input values for each level are as follows:

Level 1. The quoted price (unadjusted) of the same asset or liability available in the active market on the measurement date.
Level 2. The observable input value of an asset or liability directly or indirectly, except for those included in the quotation of the Level 1.
Level 3. The unobservable input value of an asset or liability.

For assets and liabilities recognized in Parent Company Only Financial Statements on a repetitive basis, their classification is reassessed at the end of each reporting period to determine whether there will be a transfer between the levels of the fair value hierarchy.

B. Hierarchical Information on Fair Value Measurement

The Company does not have non-repetitive assets measured at fair value. The fair value level information of repetitive assets and liabilities is listed below:

As at 31 December 2023:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through other comprehensive income				
Fund	$ —	$18,088	$ —	$18,088
Notes and bills	$ —	$92,115	$ —	$92,115
Forward currency contracts and exchange rate swaps contracts	$ —	$4,226	$ —	$4,226
Financial assets at fair value through other comprehensive income				
Stocks	$100,259	$ —	$19,647	$119,906

As at 31 December 2022:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through other comprehensive income				
Fund	$ —	$14,937	$ —	$14,937
Financial assets at fair value through other comprehensive income				
Stocks	$111,571	$ —	$42,272	$153,843

Transfer between the Level 1 and Level 2 of the fair value hierarchy

During the years ended 31 December 2023 and 2022, there is no transfer between the Level 1 and Level 2 of the fair value hierarchy of assets and liabilities measured by the Company's repetitive fair value.

Changes in recurring fair value at Level 3

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Measured at fair value through other comprehensive income
	Stock
Beginning balances as of 1 January 2023	$42,272
Total recognized gains (loss) of the current period	
Recognized in other comprehensive income (Presented under "Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income")	(7,575)
Disposal in current period	(15,050)
Ending balances as of 31 December 2023	$19,647

	Measured at fair value through other comprehensive income
	Stock
Beginning balances as of 1 January 2022	$73,458
Total recognized gains (loss) of the current period	
Recognized in other comprehensive income (Presented under "Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income")	(18,833)
Disposal in current period	(15,000)
Transfer to Level 3	2,647
Ending balances as of 31 December 2022	$42,272

Information on Level 3 of the Recurring Fair Value Asset Hierarchy

For the Company's assets measured at Level 3 fair value hierarchy for repeated fair value measurement, its significant unobservable inputs used in measuring the fair value are presented in the table below:

As at 31 December 2023:

	Evaluation techniques	Significant unobservable input value	Quantitative Information	Relationship between inputs and fair value	Relationship between inputs and fair value Sensitivity analysis value relationship
Measured at fair value through other comprehensive income					
Stock	Market approach	Lack of liquidity discount	4.09%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Company's equity will decrease/increase by NT$3,108 thousand if the percentage of illiquidity increases (decreases) by 1%.

As at 31 December 2022:

	Evaluation techniques	Significant unobservable input value	Quantitative Information	Relationship between inputs and fair value	Relationship between inputs and fair value Sensitivity analysis value relationship
Measured at fair value through other comprehensive income					
Stock	Market approach	Lack of liquidity discount	5.43%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Company's equity will decrease/increase by NT$881 thousand if the percentage of illiquidity increases (decreases) by 1%.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Monetary unit: NT$ thousands

	2023.12.31			2022.12.31		
	Foreign currency	Exchange rate	NTD (thousand)	Foreign currency	Exchange rate	NTD (thousand)
Financial assets						
Monetary items:						
USD	$63,589	30.7050	$1,952,491	$57,802	30.7100	$1,775,105
EUR	$2,471	33.9800	$83,972	$3,291	32.7200	$107,689
JPY	$48,606	0.2172	$10,557	$3,156	0.2324	$733
Non-monetary items:						
USD	$235,334	30.7050	$7,225,926	$212,843	30.7100	$6,536,416

	2023.12.31			2022.12.31		
	Foreign currency	Exchange rate	NTD (thousand)	Foreign currency	Exchange rate	NTD (thousand)
Financial liabilities						
Monetary items:						
USD	$24,052	30.7050	$738,522	$33,706	30.7100	$1,035,118
EUR	$3,812	33.9800	$129,542	$10,542	32.7200	$344,946
JPY	$1,467	0.2172	$319	$—	—	$—

The above information is disclosed on the basis of the foreign currency carrying amount (which has been converted to functional currency.)

The Company's foreign currency transactions have a wide variety of functional currencies, which cannot be difficult to disclose each currency's significant influence. Therefore, the exchange gain or loss of each currency are consolidated and disclosed. The Company's currency financial assets and financial liabilities conversion (loss) gain in FY 2023 and FY 2022 were (15,467) thousand and 136,789 thousand, respectively.

(11) Capital management

The most important goal of the Company's capital management is to confirm the maintenance of sound credit ratings and good capital ratios to support corporate operations and maximize shareholders' equity. The Company manages and adjusts the capital structure according to economic conditions, and may maintain and alter the capital structure by adjusting dividend payments, returning capital or issuing new shares.

13. Additional Disclosures

(1) Information about Significant Transactions:

a. Financing provided to others: Please refer to Attachment 1.
b. Endorsement/Guarantee for others: Please refer to Attachment 2.
c. Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures): Please refer to Attachment 3.
d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
e. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
f. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
g. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock: Please refer to Attachment 4.
h. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock: Please refer to Attachment 5.
i. Financial instruments and derivative transactions: Please refer to Note 12(8).

(2) Information on Investees:

If the issuer directly or indirectly exercises significant influence or control over, or has a joint venture interest in, an investee company not in the Mainland Area, it shall disclose information on the investee company, showing the name, location, principal business activities, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss: Please refer to Attachment 6.

(3) Information of investment in Mainland China:

a. Information on investment in Mainland China: Please refer to Attachment 7.
b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss:
   i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Attachment 4.
   ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please refer to Attachment 4 ~ 5.
   iii. The amount of property transactions and the amount of the resultant gains or losses: None.
   iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
   v. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Please refer to Attachment 1
   vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position: None.

(4) Information on major shareholders: Please refer to Attachment 8.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)
(Unit: NT$ thousand, unless otherwise indicated)
Financing provided to others

Attachment 1

No. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum balance for the period	Ending balance (Note 6)	Actual amount provided	Interest rate	Nature of Financing (Note 3)	Amount of sales to (purchases from) counter-party (Note 4)	Reason for Financing (Note 5)	Allowance for Loss	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount	Note
													Name	Value			
0	PANJIT INTERNATIONAL INC.	EC SOLAR C1 SRL	Other receivables	Yes	$366,555	$203,880	$152,910	6.00%	Short-term financing	-	Operating turnover	-	-	-	$5,299,439	$5,299,439	(Note 7, 11)
1	PAN-JIT ASIA INTERNATIONAL INC.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	1,812,009	906,743	906,743	0.00%	Short-term financing	-	Operating turnover	-	-	-	3,683,909	8,104,600	(Note 8, 11)
1	PAN-JIT ASIA INTERNATIONAL INC.	PANJIT INTERNATIONAL INC.	Other receivables	Yes	1,158,488	552,690	—	0.00%	Short-term financing	-	Operating turnover	-	-	-	3,683,909	8,104,600	(Note 8, 11)
2	Suzhou Grande Electronics Co. Ltd.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	427,620	404,077	404,077	3.00%	Short-term financing	-	Operating turnover	-	-	-	1,167,420	1,167,420	(Note 9, 11)
3	PAN-JIT AMERICAS INC.	PAN-JIT ASIA INTERNATIONAL INC.	Other receivables	Yes	87,710	82,904	82,904	4.30%	Short-term financing	-	Operating turnover	-	-	-	104,151	104,151	(Note 10, 11)
Total						$2,150,294	$1,546,634										

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): Accounts receivable from associates, accounts receivable from related parties, shareholder transactions, advance payments, temporary payments... and other items, if they are in the nature of capital loans, must be filled in this form.

(Note 3): The nature of the fund loan should be listed as a business transaction or a short-run financing need.

(Note 4): If the nature of the fund loan is a business transaction, the business transaction amount should be filled in. The business transaction amount refers to the amount of business transactions between the Company that lent the fund and the counterparty in the most recent year.

(Note 5): If the nature of the fund loan is short-run financing, the counterparty's reasons and the purpose for the loan should be specified, such as repayment of borrowings, purchase of equipment, business turnover... etc.

(Note 6): Pursuant to Article 14 Item 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, if a public company submits a capital loan to the Board of Directors for resolutions one by one, although the funds have not yet been allocated, the amount of the board of directors' resolutions should be included in the balance declared to expose the risk; however, if the funds are subsequently repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. Pursuant to Article 14 Item 2 of the Regulations, if a public company, through the resolution by the board of directors, authorizes the chairman of the board to allocate loans in installments or revolve them within a certain amount and within a one-year period, the capital loan and quota approved by the board of directors should still be used as the balance declared. Although the funds will be repaid thereafter, it is still possible to allocate the loan again, so the capital loan and quota approved by the board of directors should still be used as the balance declared.

(Note 7): For companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others by the Company shall not exceed 40% of the Company's net worth.

(1) PANJIT International Inc.: The net worth is NT$13,248,598 thousand.

(Note 8): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending, it is not subject to the above restrictions. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 50% and 110% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT ASIA INTERNATIONAL INC.: The net worth is USD239,955 thousand, which is converted into NT$7,367,818 thousand.

(Note 9): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the directly and indirectly, hold 100% of the voting shares engage in fund lending,It is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 150% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) Suzhou Grande Electronics Co., Ltd.: The net worth is RMB179,866 thousand, which is converted into NT$778,280 thousand.

(Note 10): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of financing loans to others shall not exceed 40% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT AMERICAS INC.: The net worth is USD8,480 thousand, which is converted into NT$260,378 thousand.

(Note 11): It had been written off in preparing the consolidated financial report.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Endorsement/guarantee for others

Attachment 2

No. (Note 1)	Endorsor/Guarantor	Receiving party		Limit of Endorsements/guarantees for receiving party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 3)	Guarantee provided by parent company (Note 7)	Guarantee provided by a subsidiary (Note 7)	Guarantee provided to subsidiaries in Mainland China (Note 7)	Note
		Company name	Relationship (Note 2)											
0	PANJIT INTERNATIONAL INC.	PAN-JIT ASIA INTERNATIONAL INC.	2	$13,248,598	$2,598,800	$2,456,400	$2,456,400	-	18.54%	$13,248,598	Y	N	N	(Note 8)

(Note 1): The numbering rule is as follows:
1. The parent company is coded "0"
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): The relationship between endorsement guarantor and the subject of endorsement or guarantee is as follows:
(1) A company with which the Company has business relationship.
(2) A subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) The investee company whose parent company and subsidiary hold more than 50% of the common stock.
(4) For the parent company that directly or indirectly holds more than 90% of its common stock equity through its subsidiaries.
(5) Mutually guaranteed companies among counterparts based on the need for undertaking projects.
(6) All capital contributing shareholders make endorsements/guarantees for their jointly invested Company in proportion to their shareholding percentages.
(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Note 3): Information to be filled out: According to the operating procedures of endorsement and guarantee for others, the Company's limit of endorsement/guarantee for individuals and the maximum amount of endorsement/guarantee. In the remarks column, explain the calculation method of the endorsement/guarantee for individuals and the total amount.

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

(Note 5): The amount approved by the Board of Directors should be filled. However, if according to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,the Board of Directors has authorized the chairman, it refers to the amount decided by the chairman.

(Note 6): The actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

(Note 7): Y is required only for those who are the listed parent company to endorse the subsidiary, those who are the subsidiary to endorse the listed parent company, and those who are located in the mainland area.

(Note 8): According to the Company’s “Procedures for Endorsement and Guarantee”, the limit of the endorsement and guarantee for a single enterprise shall not exceed 100% of the Company’s net worth (i.e, NT$13,248,598 thousand); the total amount of endorsement and guarantees for enterprises outside the Group shall not exceed 100% of the Company’s net worth.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)
(Unit: NT$ thousand, unless otherwise indicated)
Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

Attachment 3

Unit: USD, RMB, HKD, EUR thousand

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
PANJIT INTERNATIONAL INC.	Fund								
	Yuanta Japan Leaders Enterprise Fund	-	Financial assets at fair value through profit or loss - current	-	NTD	$15,075	-	$15,075	-
	Taishin Flexible Income Fund	-	Financial assets at fair value through profit or loss - current	-	NTD	3,013	-	3,013	-
	Notes and bills								
	VTeam Supply Chain Finance Limited (SCP4)	-	Financial assets at fair value through profit or loss - current	-	NTD	92,115	-	92,115	-
	Public shares								
	Jih Lin Technology Co., LTd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	717	NTD	51,616	0.70%	51,616	-
	OTC stock								
	Advanced Microelectronic Products,Inc.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,888	NTD	45,488	2.64%	45,488	-
	Sentelic Corporation	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	34	NTD	3,155	0.11%	3,155	-
	Unlisted stock								
	KAISON GREEN ENERGY TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	364	NTD	-	0.62%	-	-
	WELLAN SYSTEM CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	445	NTD	-	1.53%	-	-
	TAIDEVELOP INFORMATION CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	334	NTD	-	3.71%	-	-
	ENERGY MOANA TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,200	NTD	3,045	2.96%	3,045	-
	Neolink Capital Corp.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,995	NTD	16,602	4.28%	16,602	-
Pan Jit Electronics (Wuxi) Co., Ltd.	Unlisted stock(Note 5)								
	Siyang Grande Electronics Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	15,962	15.00%	15,962	-
	Wuxi Danchen Intelligent Technology Co., Ltd. (Formerly Wuxi One-Light-For-All Technology Development Co., Ltd.)	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	3	10.00%	3	-
Champion Microelectronic Corp.	OTC stock								
	Feature Integration Technology Inc.	-	Financial assets at fair value through profit or loss - current	10	NTD	716	0.03%	716	-
	Unlisted stock								
	HC PHOTONICS CORP.	-	Financial assets at fair value through profit or loss - non-current	109	NTD	684	0.54%	684	-
PAN-JIT ASIA INTERNATIONAL INC.	Fund								
	HYPERION CAPITAL MANAGEMENT LTD.	-	Financial assets at fair value through profit or loss - non-current	-	USD	-	-	-	-
	Vertex Growth Fund II	-	Financial assets at fair value through profit or loss - non-current	-	USD	272	-	272	-
	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets at fair value through profit or loss - current	-	USD	2,000	-	2,000	-
	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF-Series 1	-	Financial assets at fair value through profit or loss - current	-	USD	4,972	-	4,972	-
	VTEAM SIEGFRIED SUPPLY CHAIN FINANCE FUND	-	Financial assets at fair value through profit or loss - current	-	USD	20,787	-	20,787	-
	Siegfried GFT Fund SP I (SCP6-SP I)	-	Financial assets at fair value through profit or loss - current	-	USD	9,192	-	9,192	
	Notes and bills								
	VTeam Supply Chain Finance Limited	-	Financial assets at fair value through profit or loss - current	-	USD	24,000	-	24,000	-
	Wealth management products by financial institution								
	ERSTE GROUP BANK AG	-	Financial assets measured at amortized cost - Non-current	-	USD	447	-	447	-
	RAIFFEISEN BANK INTL	-	Financial assets measured at amortized cost - Non-current	-	USD	449	-	449	-

(continued in next page)

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)
(Unit: NT$ thousand, unless otherwise indicated)
Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

(continued from previous page)

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
Pynmax Technology Co., Ltd.	Public shares								
	Jih Lin Technology Co., LTd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	766	NTD	55,152	0.75%	55,152	-
	Unlisted stock								
	HI-VAWT TECHNOLOGY CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,000	NTD	-	6.67%	-	-
	Fund								
	Taichung Bank Taiwan Quantitative Fund	-	Financial assets at fair value through profit or loss - current	-	NTD	13,412	-	13,412	-
	Taishin Health Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	-	NTD	25,341	-	25,341	-
	Alliance Venture Capital Limited Partnership Fund	-	Financial assets at fair value through profit or loss - non-current	-	NTD	27,597	-	27,597	-
	Convertible bonds								
	The fifth domestic unsecured convertible corporate bond of Alltop	Associates	Financial assets at fair value through profit or loss - current	-	NTD	15,879	-	15,879	-
	The fifth domestic unsecured convertible corporate bond of Changhua	-	Financial assets at fair value through profit or loss - current	-	NTD	2,518	-	2,518	-
JOYSTAR INTERNATIONAL CO., LTD.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets at fair value through profit or loss - current	-	USD	4,850	-	4,850	-
	VTeam Siegfried Supply Chain Finance Fund	-	Financial assets at fair value through profit or loss - current	-	USD	8,948	-	8,948	-
	Siegfried Global Trade Finance Fund SPC-SP I	-	Financial assets at fair value through profit or loss - current	-	USD	3,579	-	3,579	-
CONTINENTAL LIMITED	Notes and bills								
	VTeam Supply Chain Finance Limited	-	Financial assets at fair value through profit or loss - current	-	USD	9,000	-	9,000	-
Wisdom Mega Corp.	Unlisted stock								
	SiFotonics Technologies Co., Ltd	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,040	NTD	123,130	2.31%	123,130	-
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Fund								
	Vteam Siegfried Supply Chain Finance Fund	-	Financial assets at fair value through profit or loss - current	-	USD	7,228	-	7,228	-
	Notes and bills								
	VTeam Supply Chain Finance Limited	-	Financial assets at fair value through profit or loss - current	-	USD	7,700	-	7,700	-
AIDE ENERGY EUROPE B.V.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets at fair value through profit or loss - current	-	EUR	1,150	-	1,150	-
Jiangsu Aide Solar Technology Co., Ltd.	Unlisted stock(Note 5)								
	MOTECH (Suzhou) New Energy Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	29,114	4.61%	29,114	Pledged to the subsidiary of the Company

(Note 1): The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments."

(Note 2): If the securities issuer is not a related party, this column should be left blank.

(Note 3): If measured by fair value, for carrying amount in column B, please fill in the carrying balance after fair value evaluation adjustment and deduction of accumulated impairment;
If not measured by fair value, for carrying amount in column B, please fill in the carrying balance of the original acquisition cost or the amortized cost after deducting the accumulated impairment.

(Note 4): The listed securities have users who are restricted due to the provision of guarantees, pledged loans, or other agreed-upon. The remarks column should indicate the number of guarantees or pledged shares, the amount of guarantees or pledges, and status of restricted use.

(Note 5): It is a limited company, so the number of shares and net worth per share are not available.

(Unit: NT$ thousand, unless otherwise indicated)

Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock

Attachment 4

Purchaser (seller)	Counter-party	Relationship	Transactions				Transactions with Terms Different from Others		Notes and trade receivable(payable)		Note
			Purchases (Sales)	Amount (Note 2)	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Ending Balance (Note 2)	Percentage of total receivables (payable)	
PANJIT INTERNATIONAL INC.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	($1,160,909)	15%	General	Not applicable	Not applicable	$417,718	19%	(Note 2)
	PAN-JIT AMERICAS INC.	Subsidiaries	(Sales)	(194,063)	2%	General	Not applicable	Not applicable	10,109	0%	(Note 2)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	1,628,201	39%	General	Not applicable	Not applicable	(416,637)	38%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	330,280	8%	General	Not applicable	Not applicable	(122,208)	11%	(Note 2)
Pynmax Technology Co., Ltd.	PANJIT INTERNATIONAL INC.	The Company	(Sales)	(330,280)	43%	General	Not applicable	Not applicable	122,208	48%	(Note 2)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(366,216)	48%	General	Not applicable	Not applicable	101,116	40%	(Note 2)
Pan Jit Electronics (Shandong) Co. Ltd.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(146,862)	83%	General	Not applicable	Not applicable	56,277	86%	(Note 2)
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT INTERNATIONAL INC.	The Company	(Sales)	(1,628,201)	26%	General	Not applicable	Not applicable	416,637	17%	(Note 2)
	PAN-JIT INTERNATIONAL (H.K.) LTD.	Subsidiaries	(Sales)	(102,022)	2%	General	Not applicable	Not applicable	15,190	1%	(Note 2)
	Zibo Micro Commercial Components Corp.	Associates	(Sales)	(167,695)	3%	General	Not applicable	Not applicable	39,567	2%	-
	PANJIT INTERNATIONAL INC.	The Company	Purchase	1,160,909	22%	General	Not applicable	Not applicable	(417,718)	22%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	366,216	7%	General	Not applicable	Not applicable	(101,116)	5%	(Note 2)
	Pan Jit Electronics (Shandong) Co. Ltd.	Subsidiaries	Purchase	146,862	3%	General	Not applicable	Not applicable	(56,277)	3%	(Note 2)
	PANJIT Semiconductor (Xuzhou) Co., Ltd.,	Subsidiaries	Purchase	230,450	4%	General	Not applicable	Not applicable	(35,675)	2%	(Note 2)
	Zibo Micro Commercial Components Corp.	Associates	Purchase	286,535	5%	General	Not applicable	Not applicable	(54,277)	3%	-
PAN-JIT AMERICAS INC.	PANJIT INTERNATIONAL INC.	The Company	Purchase	194,063	97%	General	Not applicable	Not applicable	(10,109)	94%	(Note 2)
PANJIT Semiconductor (Xuzhou) Co., Ltd.,	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(230,450)	100%	General	Not applicable	Not applicable	35,675	99%	(Note 2)
PAN-JIT INTERNATIONAL (H.K.) LTD.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	102,022	64%	General	Not applicable	Not applicable	(15,190)	62%	(Note 2)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): It had been written off in preparing the consolidated financial report.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock

Attachment 5

Company Name	Counterparty	Relationship	Ending Balance of Notes Receivable from Related Party	Turnover ratio	Overdue receivables from related party		Amounts Received in Subsequent Period	Note
					Amount	Action Taken		
PANJIT INTERNATIONAL INC.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	$417,718	2.78	$62,413	Dunning as soon as possible	$188,414	(Note 2, 3)
Pynmax Technology Co., Ltd.	PANJIT INTERNATIONAL INC.	The Company	122,208	2.70	2,223	Dunning as soon as possible	29,994	(Note 3)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	101,116	3.62	-	-	68,242	(Note 3)
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT INTERNATIONAL INC.	The Company	416,637	3.91	-	-	265,626	(Note 2, 3)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer’s stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): The consolidated financial report is prepared and the shareholding ratio is 100% and no allowance for loss is required.

(Note 3): All intercompany transactions have been eliminated in the consolidated financial statements.

Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

Attachment 6

Investing companies	Investee Companies (Note 1, Note 2)	Location	Main business items	Currency	Initial investment amount		Holding at the end of the period			Net income (loss) of investee company (Note 2(2))	IInvestment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
PANJIT INTERNATIONAL INC.	PAN-JIT ASIA INTERNATIONAL INC.	Vistra Corporate Services Centre Wickhams Cay II Road Town,Tortola,Vg1110 Virgin Islands,British	Investing	NTD	$7,286,295	$6,842,505	224,724	100.00%	$7,225,926	$399,346	$365,467	Subsidiaries (Note 4, 5)
	Pynmax Technology Co., Ltd.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	1,069,816	1,069,816	84,493	94.64%	1,304,959	7,097	62,490	Subsidiaries (Note 4, 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	259,523	259,523	16,328	21.01%	228,020	26,467	5,560	
	Alltop Technology Co., Ltd.	Floor 3, No. 102, Section 3, Zhongshan Road, Zhonghe District, New Taipei City, Taiwan	Electronic parts and components manufacturing and international trade	NTD	1,482,721	1,482,721	11,315	19.13%	1,567,662	689,697	107,503	(Note 6)
	Champion Microelectronic Corp.	Floor 5, No. 11, Park 2nd Road, Science Park District, Hsinchu City, Taiwan	Electronic parts and components manufacturing and international trade	NTD	1,947,704	1,947,704	23,996	30.00%	1,897,031	249,410	74,293	Subsidiaries (Note 5, 6)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investing	NTD	732,259	732,259	- (Note 3)	100.00%	809,915	49,992	49,992	Subsidiaries (Note 5)
	PANJIT JAPAN INC.	No. 1-31-11, Kichijoji Honmachi, Musashino City, Tokyo KSビル6F606	Electronics trade	NTD	11,286	-	5	50.00%	9,276	(2,943)	(1,783)	Subsidiaries (Note 5)
	PAN-JIT INTERNATIONAL (H.K.) LTD.	Unit 1-5 ,18/F., Wah Wai Centre, No.38-40 Au Pui Wan Street, Fotan,Shatin,New Territories	Electronics trade	NTD	108,991	-	9,711	100.00%	108,179	26,553	4,302	Subsidiaries (Note 5)
	PANSTAR SEMICONDUCTOR CO., LTD.	21st Floor, No. 96, Section 1, Xintai 5th Road, Xizhi District, New Taipei City	IC Design Industry	NTD	10,000	-	1,000	50.00%	10,000	-	-	Subsidiaries (Note 5)
PAN-JIT ASIA INTERNATIONAL INC.	PAN-JIT INTERNATIONAL (H.K.) LTD.	Unit 1-5 ,18/F., Wah Wai Centre, No.38-40 Au Pui Wan Street, Fotan,Shatin,New Territories	Electronics trade	USD	-	3,330	-	-	-	826	690	Subsidiaries (Note 5)
	PAN JIT AMERICAS, INC.	2507 W ERIE DR #101, TEMPE, AZ 85282, USA	Electronics trade	USD	16,626	16,626	2,431	95.86%	8,313	1,304	1,327	Sub-subsidiary (Note 4, 5)
	PAN JIT EUROPE GMBH	Otto-Hahn-Str. 285609 Aschheim Germany	Electronics trade	USD	770	770	- (Note 3)	100.00%	2,522	369	369	Sub-subsidiary (Note 5)
	CONTINENTAL LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	19,726	10,226	17,360	100.00%	60,492	376	376	Sub-subsidiary (Note 5)
	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	914	914	1,126	52.22%	292	(26)	(14)	Sub-subsidiary (Note 5)
	PAN JIT KOREA CO.,LTD.	Tower A dong 3601 Ho, Heung Deuk IT Valey, Heung Deuk 1ro 13 Gi Heung-Gu, Yong In City GyungGi-Do, Korea	Electronics trade	USD	288	288	54	60.00%	1,452	420	252	Sub-subsidiary (Note 5)
	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	Reinvestment business and solar energy Photoelectric products	USD	145,868	145,868	246,249	94.43%	(21,334)	1,514	1,429	Sub-subsidiary (Note 5)

(continued in next page)

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)
(Unit: NT$ thousand, unless otherwise indicated)
Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

(continued from previous page)

Investing companies	Investee Companies (Note 1, Note 2)	Location	Main business items	Currency	Initial investment amount		Holding at the end of the period			Net income (loss) of investee company (Note 2(2))	IInvestment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD.	4th Floor,Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	Investing	NTD	$665,266	$536,686	21,522	100.00%	$638,067	$37,369	$37,369	Sub-subsidiary (Note 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	288,852	288,852	6,429	8.27%	89,754	26,467	2,189	
Champion Microelectronic Corp.	Wisdom Bright Inc.(Wisdom Bright)	Seychelles	Investment holdings	NTD	79,505	157,658	2,504	100.00%	77,457	(8,286)	(8,286)	Sub-subsidiary (Note 5)
	Champion Microelectronic Corp.(CMC)	Seychelles	International trade, investment holding and e-commerce business	NTD	-	144,793	-	-	- (Note 8)	4,105	4,105	Sub-subsidiary (Note 5)
	Wisdom Mega Corp.(Wisdom Mega)	Seychelles	Investment holdings	NTD	125,250	125,250	4,000	100.00%	123,130	-	-	Sub-subsidiary (Note 5)
	PANJIT JAPAN INC.	No. 1-31-11, Kichijoji Honmachi, Musashino City, Tokyo KSビル6F606	Electronics trade	NTD	2,172	-	1	10.00%	1,855	(2,943)	(232)	Subsidiaries (Note 5)
	Golden Champion Digital Power Corporation	21st Floor, No. 96, Section 1, Xintai 5th Road, Xizhi District, New Taipei City	Electronic component manufacturing and Product design industry	NTD	1,000	-	1,000	100.00%	1,000	-	-	Sub-subsidiary (Note 5)
JOYSTAR INTERNATIONAL CO., LTD.	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	1,029	1,029	1,030	47.48%	267	(26)	(12)	Sub-subsidiary (Note 5)
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	AIDE SOLAR ENERGY (HK) HOLDING LIMITED	15/F, BOC Group Life Assurance Tower, No. 136 Des Voeux Road Central, Central, Hong Kong.	Investing and trade	USD	-	36,527	-	-	- (Note 7)	-	-	Sub-subsidiary (Note 5)

(continued in next page)

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

(continued from previous page)

Investing companies	Investee Companies (Note 1, Note 2)	Location	Main business items	Currency	Initial investment amount		Holding at the end of the period			Net income (loss) of investee company (Note 2(2))	IInvestment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
AIDE ENERGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investing and trade	EUR	18,620	18,620	2	100.00%	23,835	1,460	1,460	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Viale Andrea Doria 7 Cap 20124 MILANO (MI), Italy.	Sales of solar power plants Electricity produced	EUR	17,000	17,000	- (Note 3)	100.00%	22,415	1,573	1,394	Sub-subsidiary (Note 4, 5)
Wisdom Bright Inc.	Wisdom Toprich Technology Limited (Wisdom Toprich)	Seychelles	Investment holdings	NTD	79,505	157,658	2,504	100.00%	77,457	(8,286)	(8,286)	Sub-subsidiary (Note 5)

(Note 1): If a public offering company has a foreign holding company and uses a consolidated report as the main financial report in accordance with local laws and regulations, the disclosure of information about the foreign investee company may only disclose the relevant information to the holding company.

(Note 2): If it is not in the situation described in Note 1, fill in the information according to the following regulations:

(1) According to this (public offering) company's reinvestment and the reinvestment of each investee company directly or indirectly controlled, fill in the order of "Name of investee company", "location", "main business item", "original investment amount" and "end-of-term shareholding situation" and other fields. Indicate in the remarks column regarding the relationship between each investee company and the (public offering) company (if it is a subsidiary or a sub-subsidiary)

(2) In column B of "investee company's current gain or loss", the amount of current gain or loss of each investee company should be filled in.

(3) Column B of "Investment Profits and Losses Recognized in the Current Period" only needs to fill in the gain or loss amount of each subsidiary recognized by the (public offering) company for direct reinvestment and each investee company evaluated by equity method, and the others can be ignored. When filling in the "recognition of the current profit or loss amount of each subsidiary directly reinvested". It should be confirmed that the current profit or loss amount of each subsidiary has included the investment profit or loss of its reinvestment that should be recognized in accordance with the regulations.

(Note 3): It is a limited company or a merged company, so there is no number of shares.

(Note 4): The investment gain or loss recognized by the Company include the offset of unrealized gain or loss between associates and the amortization of net equity differences.

(Note 5): It had been written off in preparing the consolidated financial report.

(Note 6): The investment gain or loss recognized by the Company include the amortization of the difference in net equity.

(Note 7): The liquidated and canceled on September, 2023.

(Note 8): The dissolution and liquidation process was completed in August 2023.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Information on investment in mainland China

Attachment 7

Investing companies	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December, 2023	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 31 December, 2023	Accumulated Inward Remittance of Earnings as of Outflow 31 December, 2023
						Outflow	Inflow						
PANJIT INTERNATIONAL INC.	Pan Jit Electronics (Wuxi) CO.,LTD	Rectifier processing and manufacutring	$835,176	2 PAN-JIT ASIA INTERNATIONAL INC.	$502,145	$-	$-	$502,145	$157,228	100.00%	$157,228 (Note 5)	$3,465,139 (Note 5)	$56,439
	Suzhou Grande Electronics CO.,LTD.	Chip diodes, triodes and other new types of electronics Sales of semiconductor components and related products, as well as technology and after service	$360,460	2 CONTINENTAL LIMITED	344,900	-	-	344,900	(10,073)	100.00%	(10,073) (Note 5)	832,554 (Note 5)	-
	Wuxi ENR Semiconductor Material Technology Co. Ltd. (Formerly Wuxi ENR Semiconductor Materials Technology Co. Ltd.)	Semiconductor pcaking materials Manufacturing and sales	$87,300	2 ENR APPLIED PACKING MATERIAL CORPORATION	9,037	-	-	9,037	-	-	-	-	-
	MAX−DIODE ELECTRONIC., LTD.(SHENZHEN)	New types of electronic components, Semiconductor controlled rectifirer	$51,095	2 DYNAMIC TECH GROUP LIMITED	47,151	-	-	47,151	(255)	97.44%	(248) (Note 5)	13,755 (Note 5)	-
	PANJIT Electronics (Beijing) CO., LTD	New types of electronic components, Semiconductor controlled rectifier sales	$4,327	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	(215)	100.00%	(215) (Note 5)	5,076 (Note 5)	-
	PANJIT ELECTRONICS (SHANDONG) CO., LTD.	Semiconductor wafer manufacturing for automobile And protection of discrete devices, integrated circuit chips And production of packaging products	$331,968	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	25,906	70.28%	18,207 (Note 5)	284,309 (Note 5)	-
	PANJIT ELECTRONICS (QUFU) CO.,LTD	New types of electronic components, Semiconductor controlled rectifier sales	$2,164	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	468	100.00%	468 (Note 5)	1,525 (Note 5)	-
	PANJIT Semiconductor (Xuzhou) Co., Ltd.	New types of electronic components, Semiconductor controlled rectifier sales	$1,093,177	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	(150,890)	100.00%	(150,890) (Note 5)	787,969 (Note 5)	-

(continued in next page)

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Information on investment in mainland China

(continued from previous page)

Investing companies	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)		Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December, 2023	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 31 December, 2023	Accumulated Inward Remittance of Earnings as of Outflow 31 December, 2023
							Outflow	Inflow						
PANJIT INTERNATIONAL INC.	Zibo Micro Commercial Components Corp.	Rectifier diode, rectifier bridge, Electronic devices	$845,879	3	Suzhou Grande Electronics Co. Ltd.	$-	$-	$-	$-	($55,159)	18.86%	($10,403)	$133,044	$-
	Jiangsu Aide Solar Technology Co. Ltd.	Development, manufacturing and sales of solar energy products and self-acting agents of various commodities and technologies, import and export	$246,034	2	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	1,573,193	-	-	1,573,193	9,741	94.43%	9,198 (Note 5)	(1,713,809) (Note 5)	-
Pynmax Technology Co., Ltd.	MAX−DIODE ELECTRONIC., LTD.(SHENZHEN)	Sales of new types of electronic components, semiconductor controlled rectifier	$51,095	2	DYNAMIC TECH GROUP LIMITED	34,806	-	-	34,806	(255)	47.78%	(122) (Note 5)	6,745 (Note 5)	-
Champion Microelectronic Corp.	Great Power Microelectronics Corp.	Technology development of electronic products and mport, export and wholesale operation of related products	$84,839	2	Wisdom Toprich Technology Limited	156,718	-	79,833	76,885	(8,286)	100.00%	(8,286) (Note 5)	77,457 (Note 5)	-

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period		Investment amount approved by Investment Review Committee of Ministry of Economy	Investment ceiling in Mainland China according to provisions of Investment Review Committee of Ministry of Economy
PANJIT INTERNATIONAL INC.	$2,476,426	$3,683,099	(Note 3)
Pynmax Technology Co., Ltd.	$34,806	$34,806	(Note 4) $907,814
Champion Microelectronic Corp.	$76,885	$76,885	(Note 4) $994,338

Note 1: Investment modes can be divided into the following three types, please mark the type:

(1) Direct Mainland China investment.

(2) Reinvest in mainland China through a third-region company (please specify the investment company in the third region.)

(3) Others.

(Note 2) For the column of gain or loss on investments recognized in the current period:

(1) If it is in preparation and there is no investment gain or loss, it should be indicated.

(2) The recognition basis of investment gain or loss is divided into the following three types, which should be specified

A. The financial report verified by an international accounting firm in cooperation with the Accounting Firm within the Republic of China.

B. The financial report certified and audited by the Taiwanese parent company's CPA.

C. Others.

(Note 3): Due to the Company's establishment of the operating headquarters, in accordance with the provisions of the law, the amount of investment in mainland China is not limited.

(Note 4) Calculations of investment ceiling in Mainland China are as follows:

Pynmax Technology Co., Ltd.: NT$1,513,024 thousand × 60% = NT$907,814 thousand

Champion Microelectronic Corp.: NT$1,657,230 thousand × 60% = NT$994,338 thousand

(Note 5): It had been written off in preparing the consolidated financial report.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousand, unless otherwise indicated)

Information on Major Shareholders

Attachment 8 Unit: shares

Shares / Name of substantial shareholders	Number of Shares Held	Shareholding Ratio
Jinmao Investment Co., Ltd.	52,121,710	13.64%

Note 1: The major shareholders in this table have completed delivery of non-physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation.
. However, the Capital stock recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases
.

(Note 2): If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders,
who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right
. to make decisions on trust property, please refer to MOPS

Tables of Material Accounting Items

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PANJIT INTERNATIONAL INC.

1. Detail list for Cash and Cash equivalents

December 31, 2023

Units: NT$ thousands

Items	Summary		Amount	Remark
Petty cash			$210	The exchange rate of U.S. dollar to New Taiwan dollar is 1:30.71
Bank deposit:				The exchange rate for Euro to New Taiwan Dollar is 1:33.98
NTD deposit			439,816	The exchange rate for Japanese Yen to New Taiwan Dollar is 1:0.22
Foreign currency deposit	USD	7,723,669.01	238,851	The exchange rate of Hong Kong dollar to New Taiwan dollar is 1:3.93
	EUR	80,875.10	2,748	
	JPY	48,605,768.00	10,557	The exchange rate of RMB to New Taiwan dollar is 1:4.33
	HKD	39,578.12	156	
	CNY	109.36	–	
	(Unit: in each foreign currency)			
Bank deposit total			692,128	
Total			$692,338	

PANJIT INTERNATIONAL INC.

2. Statement of financial assets at fair value through profit or loss - current

December 31, 2023

Units: NT$ thousands

Name of financial instrument	Summary	Shares or units (Thousand shares)	Face value (NT$)	Total Sum	Interest	Acquistion cost	Fair value		Changes in fair value attributable to changes in credit risk	Remark
							Unit price (NT$)	Total Sum		
Notes and bills	VTeam Supply Chain Finance Limited	–	–	–	–	$92,115	–	$92,115	–	
Fund	Yuanta Japan Leaders Enterprise Securities Investment Trust	1,508	$9.95	$15,000	–	$15,000	$10	$15,075	–	
Fund	Taishin Flexible Income Fund	300	$10.03	$3,009	–	$3,009	$10.0436	$3,013	–	

PANJIT INTERNATIONAL INC.

3. Details of the net notes receivable

December 31, 2023

Units: NT$ thousands

Account Name	Summary	Amount	Remark
HANWEI ELECTRONICS CO., LTD.	Payment for goods	$11,077	
JUNSUN ENTERPRISE CO., LTD.	Payment for goods	10,788	
Others	(Notes)	1,484	
Total		23,349	
(Less): loss allowance		–	
Net amount		$23,349	

(Note): The balance of a single item does not exceed 5% of the notes receivable balance.

PANJIT INTERNATIONAL INC.

4. Schedule of Net Trade Receivable

December 31, 2023

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Dafeng Chongqing	Payment for goods	$133,461	
Others	(Notes)	1,580,506	
(Less): loss allowance		(19,379)	
Net amount		$1,694,588	

(Note): The balance of a single item does not exceed 5% of the accounts receivable balance.

PANJIT INTERNATIONAL INC.

5. Schedule of Net Trade Receivable - related parties

December 31, 2023

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Pan Jit Electronics (Wuxi) Co., Ltd.	Payment for goods	$417,718	Subsidiaries included in the consolidated financial statements may not make allowances for losses.
Others	(Notes)	24,289	
Total		442,007	
(Less): loss allowance		–	
Net amount		$442,007	

(Note): The balance of a single item does not exceed 5% of the trade receivable balance from related parties.

PANJIT INTERNATIONAL INC.

6. Statement of Other Receivables

December 31, 2023

Units: NT$ thousands

Items	Summary	Amount	Remark
Non-related parties			
Tax refund receivables	Sales tax	$104,686	
Other receivables - other	Import duties	2,382	
Subtotals		107,068	
Related parties			
EC SOLAR C1 SRL	Capital loan	152,910	
Others	(Notes)	2,209	
Subtotals		155,119	
(Less): loss allowance		–	
Total		$262,187	

(Note): The balance of a single item does not exceed 5% of the other receivable balance.

PANJIT INTERNATIONAL INC.

7. Statement of inventories

December 31, 2023

Units: NT$ thousands

Items	Summary	Costs	Net realizable value	Remark
Raw material		$1,248,881	$943,422	Raw materials refers to the balance of finished products (including commodities)
Work in process		68,899	65,937	after subtracting the costs and sales expenses that.
Finished goods		933,963	646,836	
Total		2,251,743		
Less: Allowance for price decline in inventories		(595,548)		The allowance for inventory depreciation is estimated based on the possibility of the
Net amount		$1,656,195	$1,656,195	of the inventory and the net slow-moving value.

PANJIT INTERNATIONAL INC.

8. Statement of Other current assets

December 31, 2023

Units: NT$ thousands

Items	Summary	Amount	Remark
Prepay	Advance payment, advance expenses, inventory of supplies, etc.	$97,024	
Temporary payment	Labor and health insurance, pension, etc.	22,018	
Other financial assets	Pledged time deposit	35,612	
Total		$154,654	

PANJIT INTERNATIONAL INC.

9. Financial assets at fair value through other comprehensive profit or loss - non-current

January 01 to December 31, 2023

Units: NT$ thousands

Name of financial instrument	Beginning balance		Increase in the Period		Decrease in current period		Ending balance			Guarantee or Pledge status	Remark
	Number of shares (thousand shares)	Fair value	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Shareholding ratio	Fair value		
Advanced Microelectronic Products,Inc.	2,888	$66,571	-	-	-	$21,083 (Note 1)	2,888	2.64%	$45,488	None	
Jih Lin Technology Co., LTd.	717	43,157	-	9,893 (Note 1)	-	1,434 (Note 3)	717	0.70%	$51,616	None	
KAISON GREEN ENERGY TECHNOLOGY CO., LTD.	364	1,865	-	-	-	1,865 (Note 1)	364	0.62%	-	None	
Sentelic Corporation	41	1,843	-	2,009 (Note 1)	7	697 (Note 2)	34	0.11%	3,155	None	
WELLAN SYSTEM CO., LTD.	445	-	-	-	-	-	445	1.53%	-	None	
TAIDEVELOP INFORMATION CORP.	334	-	-	-	-	-	334	3.71%	-	None	
ENERGY MOANA TECHNOLOGY CO., LTD.	1,200	8,755	-	-	-	5,710 (Note 1)	1,200	2.96%	3,045	None	
Neolink Capital Corp.	3,500	31,652	-	-	1,505	15,050 (Note 4)	1,995	4.28%	16,602	None	
Total		$153,843		$11,902		$45,839			$119,906		

(Note 1): Fair value valuation adjustment

(Note 2): Disposal in current period

(Note 3): Dividend distributed from capital reserve

(Note 4): Capital reduction in cash.

PANJIT INTERNATIONAL INC.

10. Statement of Changes in Investments Accounted for Using the Equity Method

January 01 to December 31, 2023

Units: NT$ thousands

Name	Beginning balance		Increase in the Period		Decrease in current period		Ending balance			Market Value or Net Equity		Guarantee or Pledge status	Remark
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Shareholding ratio	Amount	Unit price	Total price		
PAN-JIT ASIA INTERNATIONAL INC.	210,106	$6,536,416	14,618	$552,780 (Note 6) 365,467 (Note 1)		$108,991 (Note 5) 61,300 (Note 2) 58,446 (Note 3)	224,724	100.00%	$7,225,926	$32.79	$7,367,831 (Note 4)	None	
Pynmax Technology Co., Ltd.	84,493	1,743,395		62,490 (Note 1)		494,782 (Note 3) 6,144 (Note 2)	84,493	94.64%	1,304,959	$16.95	1,431,926 (Note 4)	None	
MILDEX OPTICAL INC.	16,328	226,287		5,561 (Note 1)		631 (Note 3) 3,196 (Note 2)	16,328	21.01%	228,020	$15.45	252,268 (Note 4)	None	
Alltop Technology Co., Ltd.	11,315	1,575,688		107,503 (Note 1)		105,581 (Note 3) 9,948 (Note 2)	11,315	19.13%	1,567,662	$192.00	2,172,480 (Note 4)	None	
Champion Microelectronic Corp.	23,996	1,841,669		74,293 (Note 1) 5,015 (Note 2)		23,947 (Note 3)	23,996	30.00%	1,897,031	$73.30	1,758,907 (Note 4)	None	
AIDE ENERGY EUROPE COÖPERATIE U.A.	1,863	732,129		49,992 (Note 1) 27,794 (Note 2)		-	1,863	100.00%	809,915	$434.74	809,915 (Note 4)	None	
PANJIT JAPAN Inc.	-	-	5	11,286 (Note 7) 347 (Note 3)		1,783 (Note 1) 574 (Note 2)	5	50.00%	9,276	$1,855.20	9,276 (Note 4)		
PAN-JIT INTERNATIONAL (H.K.) LTD.	-	-	9,711	108,991 (Note 7) 4,302 (Note 1)		5,114 (Note 2)	9,711	100.00%	108,179	$11.14	108,179 (Note 4)		
PANSTAR SEMICONDUCTOR CO., LTD.	-	-	1,000	10,000 (Note 7)		-	1,000	50.00%	10,000	$5.37	5,369 (Note 4)		
Total		$12,655,584		$1,385,821		$880,437			$13,160,968		$13,916,151		

(Note 1): The share of the subsidiary's profit or loss, the upstream unrealized sales benefits, counter-current realized sales benefits, and the profit or loss of side-stream transactions between subsidiaries recognized by the equity method.

(Note 2) The balance of translation of the financial statements of foreign operation institutions recognized by equity method

(Note 3): Obtaining or disposing of equity differences in subsidiaries, downstream unrealized profits and losses, insurance of cash dividends, actuarial profits and losses of defined benefit plan, unrealized (gains) and losses of financial assets measured at fair value through other comprehensive income, unearned compensation for employees, etc. recognized under the equity method.

(Note 4): It is recognized based on the shareholding ratio of the investee company.

(Note 5): Cash reduction by investee company.

(Note 6): Based on the seasoned equity offering of the investee company.

(Note 7): Acquired in the current period.

PANJIT INTERNATIONAL INC.

11. Statement of Changes in Right-of-Use Assets

January 01 to December 31, 2023

Units: NT$ thousands

Items	Beginning balance	Current change			Ending balance	Remark
		Increase	Decrease	Reclassification		
Land	$2,239	$–	$–	$–	$2,239	
Buildings	5,683	–	(2,841)	–	2,842	
Transportation equipment	4,879	362	(956)	(1,109)	3,176	
Other assets	499	–	–	–	499	
Total	$13,300	$362	($3,797)	($1,109)	$8,756	

PANJIT INTERNATIONAL INC.

12. Statement of Accumulated depreciation - Changes in Right-of-Use Assets

January 01 to December 31, 2023

Units: NT$ thousands

Items	Beginning balance	Current change			Ending balance	Remark
		Increase	Decrease	Reclassification		
Land	$1,244	$746	$–	$–	$1,990	
Buildings	2,959	1,420	(2,841)	–	1,538	
Transportation equipment	1,650	1,374	(956)	(665)	1,403	
Other assets	277	167	–	–	444	
Total	$6,130	$3,707	($3,797)	($665)	$5,375	

PANJIT INTERNATIONAL INC.

13. Statement of Other non-current assets

December 31, 2023

Units: NT$ thousands

Items	Summary	Amount	Remark
Prepayment for equipments		$16,447	
Other non-current assets, others			
Procurement margin	Sinopower Semiconductor Inc.	$149,000	
Procurement margin	Potens Semiconductor Corp.	120,000	
Procurement margin	inergy Technology Inc.	95,000	
Procurement margin	MOSEL VITELIC Inc.	40,620	
Refundable deposit	Others (Note)	13,015	
Other advances	(Notes)	55,585	
Total		$473,220	

(Note): The individual balance contained does not exceed other non-current assets - 5% of other balances.

PANJIT INTERNATIONAL INC.

14. Statement of Short-term Borrowings

December 31, 2023

Units: NT$ thousands

Type of loans	Explanation	Term	Interest rate range	Ending balance	Financing credit	Pledge or Collateral	Note
Credit loan	First Bank - Luzhu Branch	2023.12.15–2024.01.12	1.6500%	$350,000		None	
Credit loan	Chang Hwa Bank Gangshan Branch	2023.12.15–2024.01.12	1.6200%	300,000		None	
Credit loan	Shin Kong Bank North Kaohsiung Branch	2023.12.22–2024.01.19	1.6500%	350,000		None	
Credit loan	Yuanta Bank Linya branch	2023.12.1–2024.01.26	1.6000%	100,000		None	
Credit loan	Yuanta Bank Linya branch	2023.11.27–2024.01.26	1.6000%	700,000		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	2023.12.28–2024.03.27	5.0200%	95,144		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	2023.12.15–2024.01.15	4.8700%	33,980		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	2023.12.29–2024.01.26	6.2700%	92,115		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	2023.12.27–2024.01.26	6.2700%	92,115		None	
Export collection financing	Taipei Fubon Commercial Bank - Kaohsiung Branch	2023.12.28–2024.02.29	6.4000%	61,410		None	
Export collection financing	Taipei Fubon Commercial Bank - Kaohsiung Branch	2023.12.28–2024.03.26	6.4000%	61,410		None	
Export collection financing	Taishin International Bank - Linya branch	2023.12.29–2024.01.29	6.4400%	98,262		None	
Total				$2,334,436			

PANJIT INTERNATIONAL INC.

15. Contractual liabilities - current

December 31, 2023

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Scanti LLC	Sales payment	$447	
Wincap	Sales payment	71	
Gold Reach	Sales payment	30	
Others	(Notes)	27	
Total		$575	

(Note): The single item balance contained does not exceed the contract liability - 5% of the current account balance.

PANJIT INTERNATIONAL INC.

16. Statement of Trade Payable

December 31, 2023

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Lefram Technology Corporation	Purchase payment	$90,749	
Jih Lin Technology Co., LTd.	Purchase payment	57,536	
Sinopower Semiconductor Inc.	Purchase payment	74,335	
E'DALE TECHNOLOGY CO., LTD.	Purchase payment	31,934	
Others	(Notes)	299,851	
Total		$554,405	

(Note): The balance of a single item does not exceed 5% of the accounts payable balance.

PANJIT INTERNATIONAL INC.

17. Statement of Trade Payable - Related Parties

December 31, 2023

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Pan Jit Electronics (Wuxi) Co., Ltd.	Purchase payment	$416,637	
Pynmax Technology Co., Ltd.	Purchase payment	122,208	
Others	(Notes)	9,845	
Total		$548,690	

(Note): The balance of a single item does not exceed 5% of the accounts payable balance from related parties.

PANJIT INTERNATIONAL INC.
18. Statement of Other Payables
December 31, 2023

Units: NT$ thousands

Item	Description	Amount	Remarks
Awards and salaries payable	The salary, year-end bonus and estimated cashed-out leaves in December	$340,511	
Commissions payable	Including NT$83,677 thousand of commissions payable to related parties - PanJit Europe	97,214	
Processing fee payable		70,367	
Equipment expense payable		73,861	
Other expenses payable	Utility expenses, import and export expenses, insurance expenses, labor expenses, pensions, Interest and rent, etc.	255,629	
Total		$837,582	

PANJIT INTERNATIONAL INC.
19. Statement of Other current liabilities - others
December 31, 2023

Units: NT$ thousands

Item	Description	Amount	Remarks
Deferred income	Deferred government	$26,400	
Collection for others	Collection for labor and health insurance, food, etc.	11,040	
Temporary receipts	To be written-off	3,800	
Others		1,096	
Total		$42,336	

PANJIT INTERNATIONAL INC.
20. Other non-current liabilities - Others
December 31, 2023

Units: NT$ thousands

Item	Description	Amount	Remarks
Deferred gain from government grants	Government low-interest loan	$15,769	

PANJIT INTERNATIONAL INC.

21. Lease liabilities

December 31, 2023

Units: NT$ thousands

Items	Leasing term	Discount rate	Ending balance	Remarks
Land	2021.05.20–2024.05.19	1.3400%	$253	
Buildings	2021.12.01–2024.11.30	1.3400%	1,311	
Transportation equipment	2021.08.31–2025.08.30	1.3400%	1,578	
Transportation equipment	2023.03.08-2025.03.07	1.3400%	212	
Other assets	2021.05.28-2024.05.27	1.3400%	71	
Total			3,425	
Lease liabilities due within one year			(2,759)	
Lease Liabilities - non-current			$666	

PANJIT INTERNATIONAL INC.
22. Statement of Long-term Borrowings
December 31, 2023

Units: NT$ thousands

Creditor	Summary	Amount	Term	Interest	Pledge or guarantee	Remark
KGI Bank Kaohsiung Branch	Medium-term and long-term loans	$200,000	2023.12.27–2024.03.27	1.8838%	None	Repayment method: Due to the different ways of granting credit, there are two repayment methods. The details are as follows: 1. Credit Line A: (a) The Borrower shall, at the time of each application for the use of The principal amount of each such loan is repaid on the maturity date and the maturity date of the loan shall not exceed the maturity date of the credit period of Line A. (b) Subject to the occurrence of any default under this Agreement, the Borrower may, in accordance with Article 7(1) of this Agreement, issue an application for the use of the proceeds of the credit Line A to directly repay the principal amount of each of the original loans due, provided that the maturity date shall not exceed the maturity date of the credit period of the credit facility. For the equivalent amount, the managing bank and each lending bank, as well as the borrower, are not required to remit funds to or from the bank, and the receipt of the amount by the borrower is evidenced by this agreement and the related use documents. 2. Credit Line B: The issuer shall make provision for the full payment of the face amount of each commercial paper issued on the maturity date. The issuer shall also fully repay the debts under the Credit Line B, and release the guarantee obligations of the Credit Bank of Line B on the maturity date of the credit. Prior to the expiration of the credit period, the issuer may renew the commercial paper in accordance with Article 7(4) of this Agreement and use the proceeds to repay the original commercial paper issued.
FAR EASTERN INTERNATIONAL BANK Kaohsiung Chungcheng Branch	Medium-term and long-term loans	500,000	2023.12.15–2024.01.15	1.8400%	None	
KGI Bank Kaohsiung Branch	Medium-term and long-term loans	200,000	2023.12.21–2024.01.19	1.8838%	None	
EnTie Bank Kaohsiung Branch	Medium-term and long-term loans	300,000	2023.12.21–2024.01.19	1.8330%	None	
EnTie Bank Kaohsiung Branch	Medium-term and long-term loans	200,000	2023.12.22–2024.01.19	1.8330%	None	
Land Bank Gangshan Branch	Taiwanese businessmen returning to Taiwan (Line B)	58,333	2021.12.2–2026.11.15	1.6000%	None	
Taishin International Bank Linya branch	Taiwanese businessmen returning to Taiwan (Line B)	16,771	2019.12.06–2026.12.05	1.4000%	None	
Taishin International Bank Linya branch	Taiwanese businessmen returning to Taiwan (Line B)	127,604	2021.03.30–2026.12.05	1.4000%	None	
Taishin International Bank Linya branch	Taiwanese businessmen returning to Taiwan (Line A)	291,667	2021.01.15–2026.12.05	1.4000%	None	
First Commercial Bank Luzhu Branch	Taiwanese businessmen returning to Taiwan (Line A)	423,958	2021.09.29–2027.01.15	1.6000%	None	
First Commercial Bank Luzhu Branch	Taiwanese businessmen returning to Taiwan (Line B)	6,938	2020.01.16–2027.01.15	1.4000%	None	
First Commercial Bank Luzhu Branch	Taiwanese businessmen returning to Taiwan (Line B)	110,229	2020.10.15–2027.01.15	1.4000%	None	
First Commercial Bank Luzhu Branch	Taiwanese businessmen returning to Taiwan (Line B)	191,167	2021.03.26–2027.01.15	1.4000%	None	
First Commercial Bank Luzhu Branch	Taiwanese businessmen returning to Taiwan (Line B)	77,083	2021.04.28–2027.01.15	1.4000%	None	
Chang Hwa Commercial Bank Gangshan Branch	Taiwanese businessmen returning to Taiwan (Line A)	600,000	2022.02.09–2027.01.15	1.4000%	None	
Chang Hwa Commercial Bank Gangshan Branch	Taiwanese businessmen returning to Taiwan (Line B)	87,104	2021.03.26–2027.01.15	1.4000%	None	
Chang Hwa Commercial Bank Gangshan Branch	Taiwanese businessmen returning to Taiwan (Line B)	64,750	2021.01.29–2027.01.15	1.4000%	None	
Chang Hwa Commercial Bank Gangshan Branch	Taiwanese businessmen returning to Taiwan (Line B)	45,479	2020.08.11–2027.01.15	1.4000%	None	
Chang Hwa Commercial Bank Gangshan Branch	Taiwanese businessmen returning to Taiwan (Line B)	33,917	2020.01.16–2027.01.15	1.4000%	None	
Land Bank Gangshan Branch	Syndicated Loans Line A	2,900,000	2023.12.27–2024.01.03	2.2040%	None	
Total		6,435,000				
(Less): Maturity within one year		(507,000)				
Unamortized syndication expense		(1,470)				
Deferred gain from government grants		(15,769)				
Net amount		$5,910,761				

PANJIT INTERNATIONAL INC.

23. Statement of Operating Revenue

January 01 to December 31, 2023

Units: NT$ thousands

Items	QTY (thousand units)	Amount	Remark
Diode rectifier	19,432	$7,432,975	
Surge suppressor	301	425,558	
Others	2,546	145,389	Raw materials, etc.
Total		8,003,922	
(Less): Sales return or discount	(28)	(114,040)	
Net amount		$7,889,882	

(Note): The balance of the individual items contained does not exceed 5% of the operating income balance.

PANJIT INTERNATIONAL INC.
24. Statement of Operating Costs
January 01 to December 31, 2023

Units: NT$ thousands

Items		Amount
Direct raw material:		
Inbound for the current period		$2,484,129
Plus:	Beginning stock	1,089,569
	Inventory (gain) loss	394
	Amount of other transfers	414,166
(Less):	Raw Materials at the end of the period	(1,248,881)
	Raw materials sold	(158,058)
	Transfer to other accounts	(152,306)
Consumed for the current period		2,429,013
Direct labor		416,521
Manufacturing expense		919,390
Manufacturing cost		3,764,924
Plus:	Initial work in process	64,700
	Amount of other transfers	30,156
(Less):	Work in process at the ending of the period	(68,899)
	Transfer to finished goods	(666,723)
	Transfer to other accounts	(13,283)
Finished good cost		3,110,875
Plus:	Initial finished goods	1,325,333
	Acquired in the period	1,702,572
	Work in process inbound	666,723
	Amount of other transfers	6,655
(Less):	Finished goods at the end of the period	(933,964)
	Inventory (gain) loss	(880)
	Transfer to other accounts	(8,801)
Cost of Goods Sold		5,868,513
Other operating cost		15,936
Raw materials sold		158,058
Loss on price decline in inventories		166,743
Others (revenue from scrap sales and inventory gain or loss)		(44,472)
Total Operating Cost		$6,164,778

PANJIT INTERNATIONAL INC.

25. Statement of Operating Expenses

January 01 to December 31, 2023

Units: NT$ thousands

Items	Summary	Selling expenses	Remark
Payrolls		$146,197	
Expense for import and export		98,461	
Commission expenditure		124,077	
Miscellaneous expenses		56,641	
Others	The account of which the balance does not exceed 5% of the balance of this account	77,670	
Total		$503,046	

Items	Summary	Administrative expenses	Remark
Payrolls		$267,056	
Miscellaneous expenses		41,312	
Labor costs		42,882	
Others	The account of which the balance does not exceed 5% of the balance of this account	95,780	
Total		$447,030	

Items	Summary	Research and development expenses	Remark
Payrolls		$174,396	
Repair fees		31,781	
Depreciation and depletion		27,546	
Amortization		23,582	
Materials		90,429	
Miscellaneous expenses		31,439	
Others	The account of which the balance does not exceed 5% of the balance of this account	81,886	
Total		$461,059	

PANJIT INTERNATIONAL INC.

26. Statement of Non-operating income and expenditures

January 01 to December 31, 2023

Units: NT$ thousands

Item	Description	Amount	Note
Interest income	Interest on bank deposits	$18,483	
Rental receipt		$8,205	
Dividends receive		3,799	
Other revenues	Revenue of payment repossession and sample income, etc.	64,304	
Total other revenues		$76,308	
Disposal of property, plant and equipment		$364	
Net (losses) gains on foreign currency exchange		(15,467)	
Valuation gain or loss of Financial assets or liabilities at fair value through profit or loss	Stock and forward foreign exchange valuation gain or loss	4,291	
Miscellaneous expenses		(562)	
Other revenue and losses total		($11,374)	
Financial costs	Bank loans and lease liabilities	($162,435)	
Proportion of gain or loss from subsidiaries and associates recognized by equity method		$667,824	
Total non-operating income and expenditures		$588,806	

Appendix IV

PANJIT INTERNATIONAL INC.

Statement of Internal Control System

Date: March 8, 2024

The Statement of Internal Control System is issued based on the Company's 2023 self-assessment:

I. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Company's Board of Directors and managerial officers, and have established such a system. The objectives of this system are to meet various goals including achieving operational benefits and efficiency (including profitability, performance, as well as asset and security protection), and ensuring the reliability, timeliness, transparency of reporting and legal and regulation compliance, thereby providing reasonable assurance.

II. An internal control system has inherent constraints, no matter how comprehensive its design may be. As such, effective internal control systems may only reasonably ensure the achievement of the aforementioned goals. In addition, the effectiveness of an internal control system may change with the environment and under different situations. However, the Company's internal control system is setup with self-monitoring mechanisms, thereby allowing the Company to take immediate remedial actions in response to any identified deficiency.

III. The Company judges the effectiveness of the internal control systems in design and enforcement according to the "Criteria for the Establishment of Internal Control Systems of Public Offering Companies" (hereinafter referred to as "the Criteria"). The Criteria is instituted for judging the effectiveness of the design and enforcement of internal control systems. There are five components for effective internal control as specified by the Criteria of which the procedures for effective internal controls are composed: (1) Control environment (2) Risk evaluation (3) Control operation (4) Information and communication (5) Monitoring. Each of the elements in turn contains several items, and the Criteria shall be referred to for details.

IV. The Company has adopted the aforementioned internal control systems for an internal assessment of the effectiveness of internal control design and enforcement.

V. Based on the findings of such evaluation, the Company believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws, and regulations.

VI. This statement of declaration shall form an integral part of the annual report and prospectus of the Company and shall be made public. If there is any fraud, concealment, or unlawful practices discovered in the content of the aforementioned information, the Company shall be liable for legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchanges Act.

VII. This statement was approved by the Board of Directors on March 8, 2024, with the ten directors present.

PANJIT INTERNATIONAL INC.

Chairman: Fang, Ming- Ching

President: Fang, Ming- Ching

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