



達邁科技股份有限公司
TAIMIDE TECH. INC.

TAIMIDE TECH. INC.

2023 Annual Report

Prepared by TAIMIDE TECH. INC.

Published on May 31, 2024

Annual Report query website/Market Observation Post System (MOPS): mops.twse.com.tw

The Company's website: www.taimide.com.tw

Notice to readers

This English 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.

I. Name, title, contact TEL and Email address of spokesperson and acting spokesperson:

Name of spokesperson: Tai-Tsun Chen

Title: Vice President of Finance and Administration Department

TEL: (03) 589-6088

Email: kevin_chen@taimide.com.tw

Name of acting spokesperson: Chen-Ying Huang

Title: President

TEL: (03) 589-6088

Email: janifer_huang@taimide.com.tw

II. Address and TEL of head office, branch office and plant:

Address of head office and plant: No. 127, Section 3, Wende Road, Xinpu Town, Hsinchu County

TEL: (03) 589-6088

Branch Office: No. 6, Tongke 2nd Road, Tongluo Science Park, Miaoli County

TEL: (03) 798-7656

III. Name, address, website and TEL of the stock transfer institution

Name: Stock Affairs Agency Department of Capital Securities Corporation

Address: B2, No. 97, Section 2, Dunhua South Road, Daan District, Taipei City

Website: <http://www.capital.com.tw>

TEL: (02) 2702-3999

IV. Name, CPA firm, address, website and TEL of the attesting CPAs for the most recent annual financial statements

Names of CPAs: Ya-Yun Chang, Su-Li Fang

CPA firm: Deloitte Taiwan

Address: 6th Floor, No. 2, Zhanye 1st Road, Science Industrial Park, Hsinchu City

Website: <http://www.deloitte.com.tw>

TEL: (03) 578-0899

V. Name of any exchanges where the Company's securities are listed offshore, and the method by which to access information on the offshore securities: None

VI. The Company's website: www.taimide.com.tw

VII. A TPEx primary listed company should also publish:

- (1) List of the Board of Directors, where the nationality and major experience of the independent directors who are domiciled in Taiwan should be recorded: Not applicable.
- (2) Name, title, contact TEL and Email address of the designated agent in ROC: Not applicable.

Table of Contents

	<u>Page</u>
One. Letter to Shareholders	1
Two. Company Profile	4
I. Date of Establishment: June 22, 2000	4
II. Company History	4
Three. Corporate Governance Report.....	6
I. Organizational System	6
II. Information on directors, supervisors, president, vice president, assistant vice president, officers of departments and branches	7
III. Remuneration for directors, supervisors, presidents and vice presidents for the most recent year	15
IV. Operations of Corporate Governance	18
V. Information on CPA professional fees	78
VI. Information on Replacement of CPAs.....	78
VII. If the chairperson, president, or managerial officers involved in financial or accounting affairs was employed by the CPA firm or any of its affiliates within the most recent year; disclose their names, titles, and the periods during which they were employed by the CPA firm or any of its affiliates	78
VIII. Transfers and changes in pledge of shares by directors, supervisors, managerial officers and shareholders with more than 10% ownership in the most recent year and the current year up to the date of publication of this Annual Report	79
IX. Information on the top ten shareholders who are related to each other or as spouses or relatives within second degree of kinship	81
X. The total number of shares and the total ownership percentage held in any single investee by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company	82
Four. Capital Raising	83
I. Capital and shares.....	83
II. Issuance of corporate bonds	89
III. Issuance of preferred shares	90
IV. Issuance of overseas depository receipts	90
V. Employee stock option	90
VI. Employee restricted stocks	91
VII. Issuance of new shares in connection with merger and acquisition of shares of other companies ..	91
VIII. Implementation status of capital utilization plan.....	91
Five. Operations Overview.....	92
I. Business contents	92
II. Market, Production and Sales Overview	101
III. Number of employees, average years of service, average age and education distribution for the last two years and the current year as of the publication date of the annual report	107

IV.	Information on environmental protection expenditures	107
V.	Labor relations.....	108
VI	Cyber security management	109
VII.	Important contracts.....	111
Six.	Financial Overview	112
I.	Condensed financial information for the last five years.....	112
II.	Financial analysis for the last five years.....	116
III.	Audit Committee's review report on the financial statements for the most recent year	119
IV.	For the most recent standalone financial statements audited and attested by CPAs.	120
V.	For the most recent annual consolidated financial statements audited and attested by CPAs.....	120
VI.	If the Company or its affiliates have experienced financial difficulties in the most recent year or during the current year up to the publication of the annual report, their effects on the Company's financial position should be stated.	120
Seven.	Review and analysis of financial position and financial performance and risks	121
I.	Financial position	121
II.	Financial performance	122
III.	Cash flows	123
IV.	Significant capital expenditures in the most recent year and the impact on finance and business	123
V.	Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year.....	123
VI.	Subject matters for risk management	124
VII.	Other important matters.....	127
Eight.	Special Matters	128
I.	Information on affiliates	128
II.	Private placement of marketable securities during the most recent and the current year up till the date of publication of this Annual Report	131
III.	Holding or disposal of the Company's shares by its subsidiaries in the most recent year and the current year up to the publication date of this Annual Report.....	132
IV.	Other matters that require additional explanation	132
Nine.	Any of the situations listed in Subparagraph 2, Paragraph 3, Article 36, of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, which occurred during the most recent year or during the current year up to the date of publication of the Annual Report	132

Attachment

Attachment 1:Measures for the Issuance and Conversion of the 1st Domestic Unsecured Convertible Bonds)	133
Attachment 2The most recent standalone financial statementsaudited and attested by CPAs.....	140
Attachment 3.the most recent annual consolidated financial statements audited and attested by CPAs	219

One.Letter to Shareholders

Dear shareholders:

On behalf of the Company, I would like to welcome all shareholders to our regular shareholders' meeting today.

I. 2023 Business Report

(I) In summary, the Company's operating performance for 2023 is as follows:

In the past three years, the international economy was impacted by a succession of factors such as the COVID-19 pandemic, the Russian-Ukrainian war and high inflation, and the progress of recovery has been slow. The Company was in the red in 2023, with an operating loss due to a decline in revenue and an increase in operating costs on account of low utilization rate.

In 2023, the consolidated revenue was NT\$1,593,021 thousand and the net loss after tax was NT\$(153,485) thousand; compared with the previous year, the consolidated top line decreased by 15.68% while bottom line decreased by 212.64%; the earnings per share was NT\$(1.06), the consolidated gross profit margin was 15.15% and the operating profit margin was (7.92%). Net profit after tax decreased in 2023 compared to the same period in 2022, mainly due to the decrease in revenue in 2023.

(II) Consolidated operating revenue and net profit after tax:

Unit: Thousands of NTD

Item \ Year	2023	2022	Increase (Decrease) %
Net operating revenue	1,593,021	1,889,360	(15.68%)
Operating gross profit	241,361	480,972	(49.82%)
Profit or loss after tax	(153,485)	136,257	(212.64%)

(III) Profitability analysis

Units: %; NTD

Item \ Year	2023	2022
Return on assets (%)	(2.51)	3.04
Return on equity (%)	(5.24)	4.59
Operating profit to paid-in capital (%)	(9.53)	10.43
Net profit after tax to paid-in capital (%)	(10.71)	9.79
Net profit margin (%)	(9.63)	7.21
(Loss) earnings per share (net of tax)	(1.06)	1.13

II. Summary of Business Plan for 2024

(I) Business Guidelines:

1. Establish long-term and stable partnerships with customers by improving technology, quality and product reliability, and jointly keep abreast of the trend of product and technology development to build the Company's development blueprint.
2. Deploy and implement new product development with innovative technologies and product differentiation to establish a favorable position in the market for the Company
3. Cultivate talents, improve management systems, and implement the policy of profit sharing with employees in order to enhance the cohesion of employees.
4. The Company fulfills its corporate sustainable development by taking care of the rights and interests of all stakeholders, and by taking responsibility for corporate citizenship, we hope to contribute to the economy, environment and society, and at the same time, enhance our competitiveness, so as to promote social development and achieve the goal of sustainable management.

(II) Important production, sales and R&D policies

1. For product sales
 - (1) Through PI design and manufacturing expertise, with innovative formulas and introduction of manufacturing process technology, carry out product-oriented development in the project management and promotion mode, go along with the needs of customers (including end users), execute customized product development, form strategic partnerships with application customers, enhance customer service quality, and fully keep abreast of the pulse of customers and the market
 - (2) In terms of automotive electronic applications, promote and actively seek opportunities for cooperation with major international companies to obtain relevant product application specifications and information, and establish a cross-industry technology and promotion model in order to enter the automotive industry chain.
 - (3) With respect to the connection with terminal system manufacturers, through industry associations or customer referrals, organize in-house teams from technology R&D, product sales, customer service, quality systems, etc., visit and communicate with terminal system customers, carry out customer-oriented product development and promotion strategies, eliminate barriers against product sales by staying close to the needs of the industry.
2. For production and manufacturing
 - (1) Improve yield rate, reduce cost, and strengthen competitiveness
 - (2) Optimize production process and improve production efficiency
 - (3) Develop collaborative suppliers to improve cost and quality competitiveness.
3. For product R&D
 - (1) PI films for FPC application
 - A. Ultra-thin, highly dimensionally stable PI films The increasing demand for high-density applications such as portable and wearable devices, AI smart integration, and Mini & Micro LEDs is bound to increase the demand for dimensional stability and thinness of flexible substrates.
 - B. PI films for high frequency and high speed: For the advent of the 5G era, we continue to develop PFAS-free PI films that combine the low moisture absorption, low dielectric, and low signal loss with excellent high temperature resistance, dimensional stability, and mechanical and processing characteristics. In addition, we are developing a new generation of PI composite material formulation technology for hybrid LCP to support the digital high speed transmission of the B5G/6G millimeter wave generation and high frequency signal reception antenna application products to meet the advent of the new communication era
 - C. PI films for automotive: It is used in the electric vehicle industry for the key power battery packaging and battery power management systems (BMS) conduction connection with insulation materials and flexible board, mainly as an answer to the requirements for high reliability and lightweight.
 - (2) PI films for optoelectronic applications
 - A. Transparent PI films: We continue to develop the key materials required by foldable screens, mainly used in foldable touch and cover, and the products are foldable mobile phones and other mobile information and communication devices.
 - B. Advanced packaging tapes: We develop special tapes based on PI, which are suitable for grinding and thinning required for advanced packaging processes of high-density semiconductors, heat resistance and viscosity reduction required for special processes (high temperature, sputtering, etc.), temporary tapes for high-density circuit board substrate processes and Mass Transfer of Micro LEDs, etc., and are designed and imported in a customized way by our customers.
 - (3) PI films for functional applications other than FPC: Such as thick PI graphite film sintering with high heat flux, PI films with high thermal conductivity, etc., which are mainly used for heat dissipation of mobile information and communication devices and modules for in-vehicle heating and temperature control.

(III) Future development strategy of the Company

With the advent of the high speed era, PI Film applications will increasingly evolve towards high-end products and customized needs. This trend will drive PI Film products to the next generation of applications to meet the stringent physical requirements. TAIMIDE has been developing new low dielectric flexible substrate materials with low Df and excellent processing characteristics to provide customers with the best solution for high frequency/high speed materials. In addition, as the use of electronics for automotive increases, the types and quantities of components used are also increasing. With the stabilization of the supply chain in the future, the gradual recovery of the car market and the increase in the penetration rate of electric vehicles, PI will be able to further increase its market share of automotive applications.

TAIMIDE is actively investing in the development and improvement of a new generation of Colorless Polyimide film, which mainly features High Transmittance, Low Haze, High Hardness and Excellent Flexible ability. The main market for the product is the continuous bendable mobile devices for the optoelectronics industry, replacing the glass and other highly crystalline transparent plastic materials that do not bend easily.

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

The Company is faced with external competitors, market demand, industry trends, changes in laws and supervisory requirements from changes in regulations, and macroeconomic factors such as interest rates, inflation, and exchange rates as well as changes in the overall operating environment. In order to cope with external competition, the Company always keeps a close eye on the operational risks arising from changes in market dynamics and the overall economic environment, and continues to strengthen its research and development capabilities and innovations, and optimize its production process in order to provide unique products that meet customer needs. The Company also manages to reduce costs and increase productivity by means of streamlining our management practices, keep abreast of our customers' order requirements and make good planning for the procurement of raw materials, strengthen personnel training, review and revise business strategies and countermeasures from time to time, and expand market share through strategic alliances.

IV. Retrospection and Outlook

In 2023, the US-China trade war and the Russia-Ukraine war heated up, while the Israeli-Palestinian conflict broke out; in 2024, the wars continue, and the elections in various countries across the globe will hinge upon the choices of more than half of the world's population. Therefore, in 2024, geopolitics will be the main factor affecting the world's economic dynamics, and 2024 is also destined to be a year of uncertainty and challenges.

We continued to strive to generate profit for all shareholders and maintain the momentum of business growth while carefully addressing possible operational risks. The Company shall also continue to invest in zero water discharge and solvent recycling to carry through the circular economy and realize the core values of corporate ESG. We uphold the belief in a friendly environment and giving back to society, continue to strengthen corporate governance, pursue balanced interests among stakeholders, and fulfill our commitment to social responsibility. We pursue co-existence and co-prosperity with customers, society, and the environment to achieve stable and profitable operational performance and reward shareholders for their long-term support of TAIMIDE.

Chairperson: Sheng-Chang Wu



Two. Company Profile

I. Date of Establishment: June 22, 2000

II. Company History

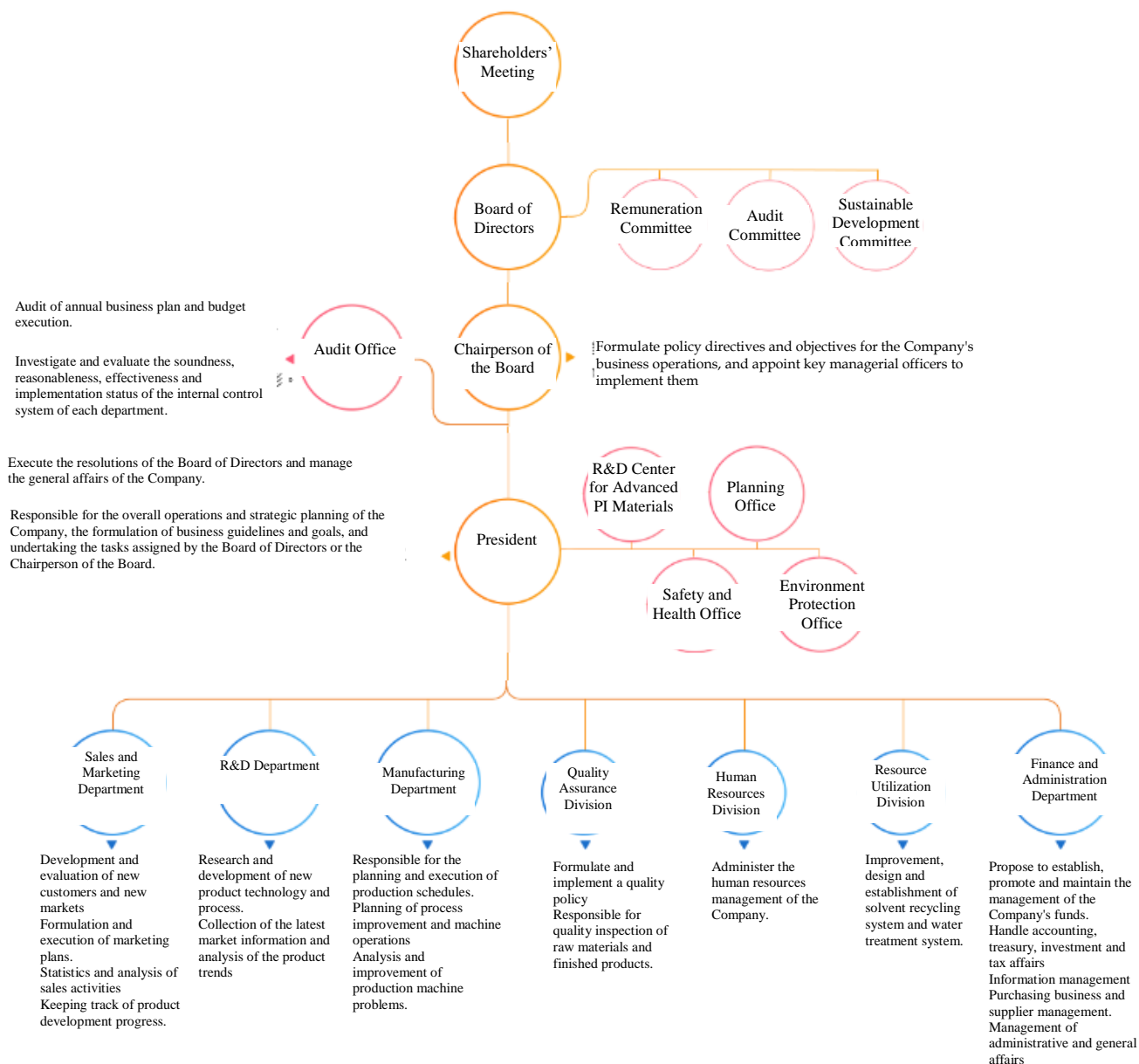
Year	Important Events
June 2000	TAIMIDE TECH. INC.. was incorporated with registered capital of NT\$520,000 thousand and paid-in capital of NT\$135,969 thousand.
November 2000	Increased capital by cash of NT\$324,031 thousand and increased paid-in capital to NT\$460,000 thousand
December 2001	Started trial run of the T1 production line
July 2003	Increased capital by cash of NT\$60,000 thousand and increased paid-in capital to NT\$520,000 thousand
December 2003	Obtained subsidy by the Ministry of Economic Affairs under the Science and Technology R&D Program and completed the production of full-roll 2-CCL prototype
April 2004	Increased capital by cash of NT\$200,000 thousand and increased paid-in capital to NT\$720,000 thousand
December 2004	Increased capital by cash of NT\$100,000 thousand and increased paid-in capital to NT\$820,000 thousand
July 2005	Passed the Industry and Academia Collaboration Program of the National Science Council, independently developed TPI recipe, and completed the trial production of full-roll high temperature hot pressing double side 2L-FCCL prototype
October 2005	Jointly developed Platable Si-H PI for COF market and Semi-additive FPC process in cooperation with Arakawa Chemical Industries, Ltd.
September 2006	Started mass production of the T3 production line
February 2007	Increased capital by cash of NT\$60,000 thousand and increased paid-in capital to NT\$880,000 thousand
May 2007	started operations of the T2 trial production line
December 2007	Established Jie Da Thin Film Technology Co., Ltd. as a joint venture with a Japanese company, JFEC, for the recipe and process research of chemically manufactured polyimide films for IC packaging applications.
May 2008	Increased capital by cash of NT\$24,000 thousand and increased paid-in capital to NT\$904,000 thousand
September 2008	Public offering of stock
June 2010	Passed the Science and Technology R&D Program of the Ministry of Economic Affairs and developed polyimide films for flexible copper indium gallium selenide thin film solar cells.
August 2010	Approved to enter the Science Park for new plant construction.
August 2010	Increased capital by cash of NT\$34,286 thousand with private placement, introduced a strategic shareholder, Arakawa Chemical Industries, Ltd. and increased paid-in capital to NT\$938,286 thousand.
September 2010	Employee stock options exercised for NT\$32,400 thousand and paid-in capital increased to NT\$970,686 thousand
December 2010	Passed ISO14001 & OHSAS18001 certification.
February 2011	Employee stock options exercised for NT\$24,690 thousand and paid-in capital increased to NT\$995,376 thousand
October 2011	The Company's stock was officially listed and traded on TWSE
October 2011	Increased capital by cash of NT\$121,000 thousand before listing on TWSE and increased paid-in capital to NT\$1,173,882 thousand
September 2012	Started mass production of the T4 production line
September 2014	Started mass production of the T5 production line
November 2015	Approved by the Ministry of Science and Technology to establish the R&D Center for Advanced PI Materials.
September 2016	Increased capital from earnings of NT\$58,694 thousand and increased paid-in capital to NT\$1,232,576 thousand
August 2019	Increased capital from earnings of NT\$61,629 thousand and increased paid-in capital to NT\$1,294,205 thousand
October 2019	The new plant and R&D building of Tongluo Phase II started operations
December 2019	Employee stock options exercised for NT\$2,577 thousand and paid-in capital increased to NT\$1,296,782 thousand
March 2020	Employee stock options exercised for NT\$1,067 thousand and paid-in capital increased to

Year	Important Events
	NT\$1,297,849 thousand
November 2020	Bronze Medal Award for Manufacturing Industry of the "Annual Enterprises Protection Award (AEEPA) of the Republic of China" of the Environmental Protection Administration
November 2020	Bronze Medal Award for Corporate Sustainable Report of the "TSCA Taiwan Corporate Sustainability Awards" of the Taiwan Institute for Sustainable Energy
November 2020	Sustainable Water Management Award of Corporate Sustainability Excellence Example
December 2020	Employee stock options exercised for NT\$8,963 thousand and paid-in capital increased to NT\$1,306,812 thousand
March 2021	Employee stock options exercised for NT\$225 thousand and paid-in capital increased to NT\$1,307,037 thousand
May 2021	Employee stock options exercised for NT\$562 thousand and paid-in capital increased to NT\$1,307,599 thousand
December 2021	Employee stock options exercised for NT\$1,330 thousand and paid-in capital increased to NT\$1,308,929 thousand
April 2022	Employee stock options exercised for NT\$1,528 thousand and paid-in capital increased to NT\$1,310,457 thousand
May 2022	Employee stock options exercised for NT\$7,533 thousand and paid-in capital increased to NT\$1,317,990 thousand
June 2022	Issuance of the 1st domestic unsecured convertible bonds in the amount of \$600 million
October 2023	R&D 100 Awards "VOC-3R Near Total Recycling - PI Film Green Process Innovation"
December 2023	Employee stock options exercised for NT\$4,063 thousand and paid-in capital increased to NT\$1,322,053 thousand

Three. Corporate Governance Report

I. Organizational System

Organizational Structure and Businesses of Major Departments



II. Information on directors, supervisors, president, vice president, assistant vice president, officers of departments and branches

(I) Directors

1. Information on directors

May 31, 2024; Unit: Shares; %

Title	Name	Nationality or place of registration	Gender Age	Date elected (taking office)	Term of office	Date first elected	Shareholding when elected (Note 1)		Current shareholding		Current shareholding by spouse and minor children		Shareholding in the name of others		Major education and work experience	Concurrent positions in the Company and other companies	Spouse or relative within the second degree of kinship who is another officer, director or supervisor			Remark (Note 1)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Chairperson of the Board	Sheng-Chang Wu (Note 2)	R.O.C.	Male 61-70 years old	2021/7/30	3	2000/6/22	7,059,232	5.40%	7,059,232	5.34%	92,610	0.07%	-	-	Master in Polymer Science, National Tsing Hua University President of WIREX LTD. President of DER KWEI ENTERPRISE & CO., LTD. Chairperson of POMIRAN TECHNOLOGY, LIMITED President of TAIMIDE TECH. INC.,	Chairperson of TAIMIDE TECH. INC. Director Representative/Chairperson of POMIRAN METALIZATION RESEARCH CO., LTD.	-	-	-	-
Director	Chih-Hung Yen	R.O.C.	Male 61-70 years old	2021/7/30	3	2010/6/15	3,638,310	2.78%	5,566,837	4.21%	166,425	0.13%	-	-	Bachelor of Science in Educational Information Science, Tamkang University	President of Bunhong Trade.co Director of TAIMIDE TECH. INC.	-	-	-	-
Director	Feng Rong Industrial Co., Ltd.	R.O.C.	Not applicable	2021/7/30	3	2011/6/24	3,401,959	2.60%	3,399,959	2.57%	-	-	-	-	Not applicable	Not applicable	Not applicable			Not applicable
	Representative: Chi-Teng Hsieh	R.O.C.	Male 51-60 years old	2021/7/30	3	2011/6/24	0	-	0	-	5,000	0.00%	-	-	Dual Master in Business and Supply Chain Management, La Verne University Dual Bachelor of Science in Finance and International Business, California State University	Note 3	-	-	-	-
Director	Chan Fun Investment Co., Ltd.	R.O.C.	Not applicable	2021/7/30	3	2006/6/9	1,443,037	1.10%	1,800,000	1.36%	-	-	-	-	Not applicable	Not applicable	Not applicable			Not applicable
	Representative: Fang-Chu Hsieh	R.O.C.	Female 61-70 years old	2021/7/30	3	2006/6/9	0	-	0	-	22,050	0.02%	-	-	Bachelor of Department of Printing Engineering and Design, Chinese Cultural University	Director of Chan Fun Investment Co., Ltd. Director of WAN POLO CO., LTD Supervisor of WeatherRisk Explore Inc. Independent Director of KINGSTATE ELECTRONICS CORPORATION Independent Director of PLASTRON PRECISION CO., LTD. Corporate Director Representative of TAIMIDE TECH. INC.	-	-	-	-
Director	Hsin Mu Energy Co., Ltd.	R.O.C.	Not applicable	2021/7/30	3	2009/6/19	1,181,380	0.90%	2,000,380	1.51%	-	-	-	-	Not applicable	Not applicable	Not applicable			Not applicable
	Representative: Chao-Chin Li	R.O.C.	Male 51-60 years old	2021/7/30	3	2009/6/19	0	-	0	-	-	-	-	-	Department of Finance and Taxation, National Chung Hsing University Manager of Underwriting Department, Taiwan Securities Co., Ltd. Vice President of GIGASTORAGE CORPORATION Chairperson of Hsin Jih Energy Co., Ltd.,	Corporate Director Representative of TAIMIDE TECH. INC. Independent Director of RFD Micro Electricity Co. Ltd. Director of EASTERN UNION INTERACTIVE CORP. Director of Hsin Mu Energy Co., Ltd. Director of GINGY TECHNOLOGY INC. Chairperson of Forward Power Co., Ltd. Supervisor of Jing Chuang Energy Co.,	-	-	-	-

Title	Name	Nationality or place of registration	Gender Age	Date elected (taking office)	Term of office	Date first elected	Shareholding when elected (Note 1)		Current shareholding		Current shareholding by spouse and minor children		Shareholding in the name of others		Major education and work experience	Concurrent positions in the Company and other companies	Spouse or relative within the second degree of kinship who is another officer, director or supervisor			Remark (Note 1)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
															Chief Financial Officer cum Chief Commercial Officer of SyneuRx International (Taiwan) Corp.	Ltd. Independent Director of Advanced Lithium Electrochemistry Co., Ltd.				
Director	Mei-Ling Tseng (Note 4)	R.O.C.	Female 61-70 years old	2021/7/30	3	2012/6/21	594,945	0.45%	670,782	0.51%	-	-	-	-	Master in Polymer Science, National Tsing Hua University Executive Vice President of the Manufacturing Department, TAIMIDE TECH. INC.	Corporate Director Representative of POMIRAN METALIZATION RESEARCH CO., LTD. Supervisor Representative of POMIRAN TECHNOLOGY, LIMITED Director of TAIMIDE TECH. INC.			-	-
Independent director	Shih-Mei Lin	R.O.C.	Female 41-50 years old	2021/7/30	3	2017/6/16	0	-	0	-	-	-	-	-	Master in Laws, University College London, UK Meigui Daoming Law Office Attorney of K&L Gates Taipei Office Co-location Attorney of Island Taiwan Law Office	Managing Attorney of Dawning Law Office Managing Director of Taipei Bar Association Adjunct Member of Ill-gotten Party Assets Settlement Committee Independent Director of FORTUNE INFORMATION SYSTEMS CORP. Independent Director of CyberTAN Technology Inc. Independent Director of TAIMIDE TECH. INC. Director of Shin Kong Financial Holding Co., Ltd. Director of MasterLink Securities Corporation			-	-
Independent director	Chien-Min Wang	R.O.C.	Male Over 70 years old	2021/7/30	3	2010/11/26	0	-	0	-	--	-	-	-	Doctor of Philosophy in Materials Engineering, University of Illinois, USA Master of Science in Metallurgical Materials, National Cheng Kung University	Managing Supervisor of the Materials Research Society-Taiwan Honorary Director of Taiwan Ceramic Society Evaluation member of the Technology Development Program of the Ministry of Economic Affairs Honorary Director of Powders and Powder Metallurgy Association of the Republic of China Independent Director of Unictron Technologies Corporation Member of Curriculum Committee, National Taipei University of Technology Independent Director of TAIMIDE TECH. INC.			-	-
Independent director	Chien-Ju Lin	R.O.C.	Female 51-60 years old	2022/6/24	2	2020/6/23	0	-	0	-	--	-	-	-	M.S., Graduate School of Accounting, National Taiwan University KPMG Taiwan Yuanta Securities Co., Ltd. EPCiS Technology Co., Ltd. Lumitek Co., LTD. Taiwan High Speed Rail Corporation Supervisor of Chant Sincere Co., Ltd. Member of Remuneration Committee, FORTUNE INFORMATION SYSTEMS CORP.	Practicing CPA of You Yuan CPAs Manager of Finance Department, EVER POWER IPP CO., LTD. Independent Director of FORTUNE INFORMATION SYSTEMS CORP. Independent Director of TAIMIDE TECH. INC.			-	-

Note 1: If the Chairperson and the President or equivalents (the top managerial officers) of the Company are the same person, each other's spouse or relative within the first degree of kinship, the reason, rationality, necessity, countermeasures (such as increasing

the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be described: No such situation.

Note 2: Mr. Sheng-Chang Wu, stepped down as President on 2023/8/10.

Note 3: Chi-Teng Hsieh is also the Assistant Vice President of the General Management Department, WHISBIH Group, Chairperson of WHISBIH INTERNATIONAL ENTERPRISE CO., Chairperson of Lucky Logistics Co., Ltd., Chairperson of Qi Lin Investment Co., Ltd., Chairperson of Sichongxi Gudao Hot Spring Leisure Industries Co., Ltd., Chairperson of SAN YO BIOTECH CO., LTD., Chairperson of COORS COMMUNICATIONS CO., LTD., Director of Taiwan FamilyMart Co., Ltd., Corporate Director Representative of TAIMIDE TECH. INC., Supervisor of Lian Shou Investment Industries Co., Ltd., Supervisor of Polyface International Films Co., Ltd., Supervisor of Sheng Kai Investment Industries Co., Ltd., Supervisor of Lian Fun Investment Industries Co., Ltd., Supervisor of Feng Rong Industrial Co., Ltd., Director of Something Bistro PTY LTD.

Note 4: On June 30, 2023, Ms. Mei-Ling Tseng resigned as a consultant of the Company.

2. Information on supervisors: The Company has set up the Audit Committee, so it is not applicable.
3. Major shareholders of corporate shareholders

May 31, 2024

Name of corporate shareholders	Major shareholders of corporate shareholders
Feng Rong Industrial Co., Ltd.	Yu-Lien Chen 15.1%, Lian Shou Investment Industries Co., Ltd. 13.9%, Lian Feng Investment Industries Co., Ltd. 13.9%; Sheng Kai Investment Industries Co., Ltd. 12.1%, Jia Yun Investment Industries Co., Ltd. 12.1%, Ching-Shan Yeh 3.7%, Sheng-Feng Yeh 6.6%, Feng-Rong Yeh 6.6%, Chao-Sheng Yeh 8%, Chao-Kai Yeh 8%.
Hsin Mu Energy Co., Ltd.	Yu-Jung Chen 20%, Chao-Chin Li 20%, Lien-Min Li 20%, Hui-Min LI 20%, Su-Min Li 20%
Chan Fun Investment Co., Ltd.	WAN POLO CO., LTD 100.00%

4. Corporate shareholders whose major shareholders are corporate shareholder representatives

May 31, 2024

Name of the corporation	Major shareholders of the corporation
Lian Shou Investment Industries Co., Ltd.	Sheng Kai Investment Industries Co., Ltd. 44.3%, Yu-Lien Chen 45.3%, Chao-Kai Yeh 10.4%.
Lian Feng Investment Industries Co., Ltd.	Yu-Lien Chen 48.4%, Sheng Kai Investment Industries Co., Ltd. 47.8%, Chao-Sheng Yeh 3.8%
Sheng Kai Investment Industries Co., Ltd.	Feng-Rong Yeh 99.8%, Shao-Chen Tung 0.1%
Jia Yun Investment Industries Co., Ltd.	Sheng-Feng Yeh 98.8%, Ai-Yun Yeh 0.7%, Chien-Chia Yeh 0.5%.
WAN POLO CO., LTD	Meng-Chao Chen 3%, Fang-Chu Hsieh 15%, Si-Fang Chen 41%, Shi-Yun Chen 41%

5. Disclosure of the professional qualifications of directors and independence of independent directors

May 31, 2024

Criteria		Professional qualifications (Note 1)	Experience (Note 1)	Status of independence (Note 1)	Number of other public companies in which the individual is concurrently serving as an independent director
Name					
Chairperson of the Board	Sheng-Chang Wu	With experience in commerce, law, finance, accounting, or related areas required for the Company's business	President of WIREX LTD. President of DER KWEI ENTERPRISE & CO., LTD. Chairperson of POMIRAN TECHNOLOGY, LIMITED Chairperson of TAIMIDE TECH. INC. Director Representative/Chairperson of POMIRAN METALIZATION RESEARCH CO., LTD.	(4)(5)(6)(8)(9)(10)(11)(12)	-
Director	Chih-Hung Yen	With experience in commerce, law, finance, accounting, or related areas required for the Company's business	President of Bunhong Trade.co Director of TAIMIDE TECH. INC.	(1)(2)(4) (5)(6)(7)(8)(9)(10)(11)(12)	-
Director	Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh	With experience in commerce, law, finance, accounting, or related areas required for the Company's business	(Note 2)	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)	-
Director	Chan Fun Investment Co., Ltd. Representative: Fang-Chu Hsieh	With experience in commerce, law, finance, accounting, or related areas required for the Company's business	Director of Chan Fun Investment Co., Ltd. Director of WAN POLO CO., LTD Supervisor of WeatherRisk Explore Inc. Independent Director of KINGSTATE ELECTRONICS CORPORATION Independent Director of PLASTRON PRECISION CO., LTD. Corporate Director Representative of TAIMIDE TECH. INC.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)	-
Director	Hsin Mu Energy Co., Ltd. Representative: Chao-Chin Li	With experience in commerce, law, finance, accounting, or related areas required for the Company's business	Manager of Underwriting Department, Taiwan Securities Co., Ltd. Vice President of GIGASTORAGE CORPORATION	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)	-

Criteria Name		Professional qualifications (Note 1)	Experience (Note 1)	Status of independence (Note 1)	Number of other public companies in which the individual is concurrently serving as an independent director
Director	Mei-Ling Tseng (Note 3)	With experience in commerce, law, finance, accounting, or related areas required for the Company's business	Executive Vice President of the Manufacturing Department, TAIMIDE TECH. INC. Corporate Director Representative of POMIRAN METALIZATION RESEARCH CO., LTD. Director of TAIMIDE TECH. INC.	(1)(3)(4)(5)(6)(7)(8) (9)(10)(11)(12)	-
Independent director	Shih-Mei Lin	Judges, prosecutors, lawyers, accountants or other professional and technical personnel who have passed the national examinations and received certificates required for the Company's business With experience in commerce, law, finance, accounting, or related areas required for the Company's business	Meigui Daoming Law Office Attorney of K&L Gates Taipei Office Co-location Attorney of Island Taiwan Law Office Managing Attorney of Dawning Law Office Adjunct Member of Ill-gotten Party Assets Settlement Committee Independent Director of FORTUNE INFORMATION SYSTEMS CORP. Independent Director of CyberTAN Technology Inc. Independent Director of TAIMIDE TECH. INC. Director of Shin Kong Financial Holding Co., Ltd. Director of MasterLink Securities Corporation	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	2
Independent director	Chien-Min Wang	With experience in commerce, law, finance, accounting, or related areas required for the Company's business	Managing Supervisor of the Materials Research Society-Taiwan Honorary Director of Taiwan Ceramic Society Evaluation member of the Technology Development Program of the Ministry of Economic Affairs Honorary Director of Powder and Power Metallurgy Association of the Republic of China Independent Director of Unicon Technologies Corporation Member of Curriculum Committee, National Taipei University of Technology Independent Director of TAIMIDE TECH. INC.	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	1
Independent director	Chien-Ju Lin	Judges, prosecutors, lawyers, accountants or other professional and technical personnel who have passed the national examinations and received certificates required for the Company's business With experience in commerce, law, finance, accounting, or related areas required for the Company's business	KPMG Taiwan Yuanta Securities Co., Ltd. EPCIS Technology Co., Ltd. Lumitek Co., LTD. Taiwan High Speed Rail Corporation Supervisor of Chant Sincere Co., Ltd. Member of Remuneration Committee, FORTUNE INFORMATION SYSTEMS CORP. Practicing CPA of You Yuan CPAs Manager of Finance Department, EVER POWER IPP CO., LTD. Independent Director of FORTUNE INFORMATION SYSTEMS CORP. Independent Director of TAIMIDE TECH. INC.	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	1

The independence of each director and independent director for the two years prior to and during the term of office is disclosed in the table above:

- (1) Not an employee of the Company or its affiliates
- (2) Not a director or supervisor of the Company or its affiliates. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent.)
- (3) Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others.
- (4) Not a managerial officer under (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship under (2), (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder directly holding 5% or more of the total number of issued shares of the Company, or among the top 5 in shareholdings, or designating its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent.)
- (6) Not a director, supervisor, or employee of another company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person: (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent.)
- (7) Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, president or equivalent positions of the Company. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent.)
- (8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent and when the specific company or institution holds more than 20% of the Company's total issued shares but not more than 50%.)
- (9) Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with a cumulative amount of remuneration in the last two years exceeding NT\$500,000. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not a person who has a spouse or relatives of second degree of kinship in other directors.
- (11) Not a person with any of the circumstances under Article 30 of the Company Act.
- (12) Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.

Note 1: Please refer to pages 7 to 8 of this annual report for details of each director's major education and work experience and their concurrent positions with the Company and other companies.

Note 2: Chi-Teng Hsieh is also the Assistant Vice President of the General Management Department, WHISBIH Group, Chairperson of WHISBIH INTERNATIONAL ENTERPRISE CO., Chairperson of Lucky Logistics Co., Ltd., Chairperson of Qi Lin Investment Co., Ltd., Chairperson of Sichongxi Gudao Hot Spring Leisure Industries Co., Ltd., Chairperson of SAN YO BIOTECH CO., LTD., Chairperson of COORS COMMUNICATIONS CO., LTD., Director of Taiwan FamilyMart

Co., Ltd., Corporate Director Representative of TAIMIDE TECH. INC., Supervisor of Lian Shou Investment Industries Co., Ltd., Supervisor of Polyface International Films Co., Ltd., Supervisor of Sheng Kai Investment Industries Co., Ltd., Supervisor of Lian Fun Investment Industries Co., Ltd., Supervisor of Feng Rong Industrial Co., Ltd., Director of Something Bistro PTY LTD.

Note 3: On June 30, 2023, Ms. Mei-Ling Tseng resigned as a consultant of the Company.

6. Diversity and independence of the Board of Directors.

(1) Specific management objectives and achievement of diversity policy

Management objectives	Status of achievement
With two or more independent directors, not less than one-fifth of the total number of directors	Achieved, currently 3 independent directors.
The Board of Directors shall include at least one female director	Achieved, currently 4 female directors.
No more than half of the directors shall be related to each other as spouses or relatives within the second degree of kinship.	Achieved as the Company has no such situation.

(2) Implementation of the diversity policy on the Board members by individual directors

Diversity core items		Nationality	Gender	Age	Law	Industry knowledge	Professional technique	R&D	International market perspective	Leadership and decision making	Marketing	Accounting and financial analysis ability
Name												
Chairperson of the Board	Sheng-Chang Wu	R.O.C.	Male	61-70 years old	-	V	V	V	V	V	-	-
Director	Chih-Hung Yen	R.O.C.	Male	61-70 years old	-	-	-	-	V	V	-	V
Director	Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh	R.O.C.	Male	51-60 years old	-	-	-	-	V	V	V	V
Director	Chan Fun Investment Co., Ltd. Representative: Fang-Chu Hsieh	R.O.C.	Female	61-70 years old	-	-	-	-	-	V	-	V
Director	Hsin Mu Energy Co., Ltd.	R.O.C.	-	-	-	-	-	-	-	-	-	-
Director	Mei-Ling Tseng	R.O.C.	Female	61-70 years old	-	V	V	V	V	V	-	-
Independent director	Shih-Mei Lin	R.O.C.	Female	41-50 years old	V	-	-	-	-	V	-	-
Independent director	Chien-Min Wang	R.O.C.	Male	Over 70 years old	-	V	V	-	-	V	-	-
Independent director	Chien-Ju Lin	R.O.C.	Female	51-60 years old	-	-	-	-	-	V	-	V

(3) Independence of the Board of Directors:

The Company has nine members on the Board of Directors, three of which are independent directors, accounting for 1/3 of the Board of Directors. For the independence of the Board of Directors, please refer to Three.II.(I).1. Information on directors and 5. Disclosure of the professional qualifications of directors and independence of independent directors. As indicated in the foregoing information on directors, the Company has established the Audit Committee to replace the duties of supervisors and none of the nine members of the Board of Directors are related to each other as spouses or relatives within the second degree of kinship. Therefore, there are no circumstances under Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act.

(II) Information on the president, vice president, assistant vice president, officers of departments and branches

May 31, 2024

Title	Nationality	Name	Gender	Date elected (taking office)	Shareholding		Shareholding by spouse and minor children		Shareholding in the name of others		Major education and work experience	Concurrent positions in other companies	Managerial officer as the individual's spouse or relative with the second degree of kinship			Remark (Note 1)
					Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
President	R.O.C.	Chen-Ying Huang (Note 2)	Female	2023/8/10	669,235	0.51%	-	-	-	-	Bachelor of Science, Department of Chemical Engineering, Chung Yuan University Manager of Quality Assurance Department, WIREX LTD. Manager of Quality Assurance Department, Der Kwei Technology & Materials Co., Ltd.	President of KUNSHAN TAIMIDE TECH. INC.	-	-	-	—
Vice President of Planning Office	R.O.C.	Jin-Hsing Jin (Note 3)	Male	2016/11/09	6,898	0.01%	-	-	-	-	Doctor of Philosophy, Institute of Materials Science and Engineering, National Chiao Tung University R&D Vice President of Asia Electronic Material Co., Ltd. Research Fellow and Deputy Research Director, Institute of Materials and Chemical Engineering, Industrial Technology Research Institute Convener of the Specifications Committee, Taiwan Printed Circuit Association	Distinguished Research Fellow, Institute of Materials and Chemical Engineering, Industrial Technology Research Institute	-	-	-	—
Vice President of Finance and Administration Department	R.O.C.	Tai-Tsun Chen	Male	2007/4/1	347,512	0.26%	-	-	-	-	Bachelor of Science, Department of Accounting, Feng Chia University President's Office Special Assistant of GIGASTORAGE CORPORATION Corporate Supervisor Representative of POMIRAN TECHNOLOGY, LIMITED	Supervisor of POMIRAN METALIZATION RESEARCH CO., LTD.	-	-	-	—
Vice President of Manufacturing Department	R.O.C.	Pao-Chuen Tong (Note 4)	Male	2023/8/10	2,097	0.00%	16,462	0.01%	-	-	Bachelor of Science, Department of Chemistry, Chung Yuan Christian University Assistant Manager of Manufacturing Department, FU SHENG Assistant Manager of Manufacturing Department, JKT electronics Ltd. Manager of Manufacturing Department, LASER INFINITI	-	-	-	-	—

Title	Nationality	Name	Gender	Date elected (taking office)	Shareholding		Shareholding by spouse and minor children		Shareholding in the name of others		Major education and work experience	Concurrent positions in other companies	Managerial officer as the individual's spouse or relative with the second degree of kinship			Remark (Note 1)
					Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
											COMPANY					
Information Protection Division Assistant Vice President	R.O.C.	Meng-An Chung	Male	2001/5/21	259,601	0.20%	-	-	-	-	Master of Science, Department of Chemical Engineering, National Taiwan University of Science and Technology R&D Section Chief of Solar Plus Company	-	-	-	-	—
Planning Office Assistant Vice President	R.O.C.	Hsin-Cheng Ko	Male	2013/9/17	81,233	0.06%	-	-	-	-	Department of Electrical Engineering, Lunghwa University of Science and Technology Assistant Manager of Hsin Tai Technology Co., Ltd.	-	-	-	-	—
Assistant Vice President of Human Resources Division	R.O.C.	Ching-Yuan Liang (Note 5)	Male	2023/8/10	29,000	0.02%	-	-	-	-	M.S., Graduate School of Management Science, Tamkang University Senior Human Resources Specialist of Philips Taiwan Limited Human Resources Controller, AlliedSignal, Inc. Manager of Administration Department, Kimberly-Clark Manager of Administration Department, INFO-TEK CORPORATION	-	-	-	-	—
Corporate Governance Officer	R.O.C.	Chia-Hui Chung (Note 6)	Female	2023/5/9	64,948	0.05%	-	-	-	-	Department of Accounting and Statistics, Ming Chuan Commercial College Department of International Trade, Ta Hwa University of Science and Technology M.S. in Accounting, Fu Jen Catholic University (school noncompletion)	-	-	-	-	—

Note 1: If the President or equivalents (the top managerial officers) and the Chairperson of the Company are the same person, each other's spouse or relative within the first degree of kinship, the reason, rationality, necessity, countermeasures (such as increasing the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be disclosed: No such situation.

Note 2: Ms. Chen-Ying Huang, then Vice President of Sales and Marketing Department, has been the President of the Company since August 10, 2023 .

Note 3: Mr. Jin-Hsing Jin stepped down as Vice President of R&D Department on August 10, 2023 and transitioned to Senior Advisory Specialist of Planning Office on March 8, 2024.

Note 4: Mr. Pao-Chuen Tong, then Plant Manager of Tongluo Plant, was promoted to Vice President of the Company's Manufacturing Department on August 10, 2023 .

Note 5: Ching-Yuan Liang, then Manager of Human Resources Division, was promoted to Assistant Vice President of Human Resources Division of the Company on August 10, 2023.

Note 6: Ms. Chia-Hui Chung, then Manager of Finance and Administration Department, has been the Corporate Governance Officer of the Company since May 9, 2023.

III. Remuneration for directors, supervisors, presidents and vice presidents for the most recent year

(I) Remuneration for regular and independent directors

December 31, 2023; Unit: Thousands of NTD

Title	Name	Remuneration for directors								Total of A, B, C and D and its percentage of net profit after tax (%)		Remuneration for a concurrent position as an employee								Total of A, B, C, D, E, F and G as a percentage of net profit after tax		Remuneration from investees other than subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Profit-sharing remuneration for directors (C)		Business execution expenses (D)				Salary, bonus, allowance (E)		Severance and pension (F)		Profit-sharing remuneration for employees (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairperson of the Board	Sheng-Chang Wu	—	—	—	—	—	—	—	—	—	—	4,030	4,030	—	—	—	—	—	—	4,030 (2.89%)	4,030 (2.89%)	None
Director	Mei-Ling Tseng	—	—	—	—	—	—	20	20	20 (0.01%)	20 (0.01%)	430	430	23	23	—	—	—	—	473 (0.34%)	473 (0.34%)	None
Director	Chih-Hung Yen	—	—	—	—	—	—	40	40	40 (0.03%)	40 (0.03%)	—	—	—	—	—	—	—	—	40 (0.03%)	40 (0.03%)	None
Director	Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh	—	—	—	—	—	—	50	50	50 (0.04%)	50 (0.04%)	—	—	—	—	—	—	—	—	50 (0.04%)	50 (0.04%)	None
Director	Chan Fun Investment Co., Ltd. Representative: Fang-Chu Hsieh	—	—	—	—	—	—	50	50	50 (0.04%)	50 (0.04%)	—	—	—	—	—	—	—	—	50 (0.04%)	50 (0.04%)	None
Director	Hsin Mu Energy Co., Ltd. Representative: Chao-Chin Li	—	—	—	—	—	—	50	50	50 (0.04%)	50 (0.04%)	—	—	—	—	—	—	—	—	50 (0.04%)	50 (0.04%)	None
Independent director	Shih-Mei Lin	—	—	—	—	—	—	560	560	560 (0.40%)	560 (0.40%)	—	—	—	—	—	—	—	—	560 (0.40%)	560 (0.40%)	None
Independent director	Chien-Min Wang	—	—	—	—	—	—	560	560	560 (0.40%)	560 (0.40%)	—	—	—	—	—	—	—	—	560 (0.40%)	560 (0.40%)	None
Independent director	Chien-Ju Lin	—	—	—	—	—	—	560	560	560 (0.40%)	560 (0.40%)	—	—	—	—	—	—	—	—	560 (0.40%)	560 (0.40%)	None
1. Please describe the policy, system, criteria and structure for the remuneration for independent directors, and the correlation to the amount of remuneration in terms of their responsibilities, risks, time spent and other factors: In accordance with Article 28 of the Company's Articles of Incorporation, the Remuneration Committee shall consider the extent of each director's participation in the Company's operations and the value of his or her contributions, and make recommendations with reference to the Company's operating performance and the usual standards in the industry, and submit them to the Board of Directors for resolution.																						
2. Except as disclosed above, the remuneration for the directors of the Company for providing services (to the parent company/all companies in the financial statements/investees serving as a non-employee consultant, etc.) in the most recent year: None.																						

(II) Remuneration for presidents and vice presidents

December 31, 2023; Unit: Thousands of NTD

Title	Name	Salary (A)		Severance and pension (B) (Note 1)		Bonus and allowance (C)		Remuneration for employees (D) (Note 1)				Total of A, B, C and D as a percentage of net profit after tax (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock Amount			
Chairperson of the Board	Sheng- Chang Wu (Note 2)	3,623	3,623	—	—	407	407	—	—	—	—	4,030 (2.89%)	4,030 (2.89%)	None
President	Chen- Ying Huang (Note 2)	2,238	2,238	106	106	340	340	—	—	—	—	2,684 (1.93%)	2,684 (1.93%)	None
Vice President	Jin- Hsing Jin	1,804	1,804	94	94	190	190	—	—	—	—	2,088 (1.50%)	2,088 (1.50%)	None
Vice President	Tai- Tsun Chen	1,859	1,859	94	94	208	208	—	—	—	—	2,161 (1.55%)	2,161 (1.55%)	None
Vice President	Pao- Chuen Tong	790	790	29	29	202	202	—	—	—	—	1,021 (0.73%)	1,021 (0.73%)	None

Note 1: Severance and pension are the expenses appropriated by the Company for severance and pension.

Note 2: On 2023/8/10, Mr. Sheng-Chang Wu, stepped down as President and Ms. Chen-Ying Huang, then Vice President of Sales and Marketing Department, has been the President of the Company since then.

- (III) Names of managerial officers who receive profit-sharing remuneration for employees and the distribution status: No profit-sharing remuneration was paid to employees in 2023.

December 31, 2023; Unit: Thousands of NTD

	Title	Name	Stock amount	Cash amount	Total	Total as a percentage of net profit after tax (%)
Director	Chairperson of the Board	Sheng-Chang Wu	-	-	-	-
Managerial officers	President	Chen-Ying Huang	-	-	-	-
	Vice President	Jin-Hsing Jin	-	-	-	-
	Vice President	Tai-Tsun Chen	-	-	-	-
	Vice President	Pao-Chuen Tong	-	-	-	-
	Assistant Vice President	Meng-An Chung	-	-	-	-
	Assistant Vice President	Hsin-Cheng Ko	-	-	-	-
	Assistant Vice President	Ching-Yuan Liang	-	-	-	-
	Corporate Governance Officer	Chia-Hui Chung	-	-	-	-

- (IV) Compare and describe the total remuneration paid to directors, supervisors, presidents, and deputy presidents of the Company for the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the net profit after tax, and explain the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

1. Total amount of remuneration paid to directors, supervisors, president and vice president of the Company for the most recent two years and the percentage of net profit after tax in the standalone or individual financial statements.

Title	Remuneration and the percentage of net profit after tax			
	2022		2023	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director (Note)	8.52%	8.52%	(4.58%)	(4.58%)
President and vice president	8.52%	8.52%	(5.71%)	(5.71%)

Note : Total remuneration for directors as a percentage of net profit after tax includes "remuneration for a concurrent position as an employee" received by directors.

2. The Company's policy on the payment of remuneration

- (1) With respect to the profit-sharing remuneration by the Company to directors and supervisors, there is no additional variable profit-sharing remuneration, except for the fixed payment for travel allowances and the rest are handled in accordance with the Company's Articles of Incorporation. The profit-sharing remuneration for directors is determined by the Board of Directors in accordance with the percentage under Article 32 of the Company's Articles of Incorporation (i.e., not more than 3% of the profit for the current year), and should be resolved by the presence of two-thirds of the Board of Directors, approved by a majority of the directors present, and reported to the shareholders' meeting.
- (2) The remuneration for independent directors is proposed by the Remuneration Committee with reference to the salary level in the industry market and the Company's operating conditions, and submitted to the Board of Directors for resolution, provided that the members of the Remuneration Committee shall not vote on the decisions of their own remuneration, which shall be submitted to the Board of Directors for discussion and decision. Currently, independent directors do not receive any additional variable remuneration other than the basic monthly fixed remuneration and travel allowances for attending meetings.
- (3) The remuneration for the Company's managerial officers is based on the target achievement rate of the management team and the Company's salary management system/promotion and transfer management regulations, with reference to the standards of the industry, in order to improve the quality of manpower and further enhance the operating performance.

- (4) The Company's individual remuneration is carefully evaluated and reviewed and approved by the Remuneration Committee and the Board of Directors, so that the remuneration policy is not subject to significant uncertainty in the future.

IV. Operations of Corporate Governance

(I) Operations of the Board of Directors

The Board of Directors of the current term (July 30, 2021 to July 29, 2024) met 7 times [A] during 2023 and 2024 up to May 31, 2024, and the attendance of directors was as follows:

Title	Name	Number of attendance in person [B]	Number of attendance by proxy	Percentage of attendance in person [B/A]	Remark
Chairperson of the Board	Sheng-Chang Wu	7	0	100.00	Re-elected on 2021/07/30, re-appointed as the Chairperson on 2021/07/30
Director	Chih-Hung Yen	6	1	85.71	Re-elected on 2021/07/30
Director	Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh	7	0	100.00	Re-elected on 2021/07/30
Director	Chan Fun Investment Co., Ltd. Representative: Fang-Chu Hsieh	7	0	100.00	Re-elected on 2021/07/30
Director	Hsin Mu Energy Co., Ltd. Representative: Chao-Chin Li	6	0	85.71	Re-elected on 2021/07/30
Director	Mei-Ling Tseng	7	0	100.00	Newly elected on 2021/07/30
Independent director	Shih-Mei Lin	7	0	100.00	Re-elected on 2021/07/30
Independent director	Chien-Min Wang	7	0	100.00	Newly elected on 2021/07/30
Independent director	Chien-Ju Lin	7	0	100.00	Newly elected on 2022/06/24

Other matters to be recorded:

- I. If the operations of the Board of Directors is under any of the following circumstances, the date, session, contents of the motion, all independent directors' opinions and the Company's handling of their opinions should be described:
 - (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has set up an audit committee, and in accordance with Article 14-5 of the Securities and Exchange Act, Article 14-3 of the Securities and Exchange Act is not applicable.
 - (II) In addition to the previous matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: No such situation.
- II. The recusal of directors from motions that involved conflict of interest. Specify the names of the directors, contents of the motion, and reasons for recusal due to conflict of interest, and participation in voting:
 - (I) The 12th session of the Board of Directors of the 8th term on August 10, 2023
 Contents of the motion: Proposal for the dismissal, appointment of the Company's President and recommendation on salary
 Contents of the motion: Change in the Company's R&D Officer and recommendation on salary
 Contents of the motion: Proposal for the promotions of the Company's Vice President of Manufacturing Department, Assistant Vice President of Human Resources Division and recommendation on salary.
 Reasons for recusal due to conflict of interest and participation in voting: Sheng-Chang Wu, Chairperson cum President, Chen-Ying Huang, Vice President and Dai-Tsun Chen, Vice President, due to conflict of interest and confidentiality concerning salary, recused themselves from participation in the motion, and

the Chairperson designated Shih-Mei Lin, an independent director, as the acting meeting chair, and after the acting meeting chair had consulted with all directors in attendance, the motion was approved as proposed.

(II) The 13th session of the Board of Directors of the 8th term on November 9, 2023

Contents of the motion: Review of the recommendation on the salary of Chairperson Sheng-Chang Wu by the Remuneration Committee of the Company

Reasons for recusal due to conflict of interest and participation in voting: Sheng-Chang Wu, Chairperson, Chen-Ying Huang, President and Dai-Tsun Chen, Vice President, due to conflict of interest and confidentiality concerning salary, recused themselves from participation in the motion in accordance with the law, and the Chairperson designated Shih-Mei Lin, an independent director, as the acting meeting chair, and after the acting meeting chair had consulted with all directors in attendance, the motion was approved as proposed.

(III) The 14th session of the Board of Directors of the 8th term on March 8, 2024

Contents of the motion. Pension application by the Company's managerial officer

Reasons for recusal due to conflict of interest and participation in voting: Sheng-Chang Wu, Chairperson, Chen-Ying Huang, President and Dai-Tsun Chen, Vice President, due to conflict of interest and confidentiality concerning salary, recused themselves from participation in the motion in accordance with the law, and the Chairperson designated Shih-Mei Lin, an independent director, as the acting meeting chair, and after the acting meeting chair had consulted with all directors in attendance, the motion was approved as proposed.

III. Information on the frequency and period, scope, method and content of the self-evaluation (or peer evaluation) by the Board of Directors:

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once every year	January 1, 2023 to December 31, 2023	1. The entire Board of Directors 2. Individual Board members 3. Functional committees	1. Self-evaluation by the Board of Directors. 2. Self-evaluation by the Board members 3. Self-evaluation by the functional committees	I. Performance evaluation of the Board of Directors. 1. The extent of participation in the Company's operations. 2. Improvement in the quality of the Board's decision-making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal control. II. Performance evaluation of individual Board members 1. Alignment of the Company's objectives and tasks. 2. Perception of directors' responsibilities. 3. The extent of participation in the Company's operations 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal control III. Functional committees (Remuneration Committee/Audit Committee) 1. The extent of participation in the Company's operations. 2. Perception of functional committees' responsibilities 3. Improvement in the quality of the functional committee's decision-making

					4. Composition and member appointment of functional committees 5. Internal control.
	Once every 3 years	January 1 2020 to November 30 2022	Performance evaluation of the Board of Directors.	An external professional institution was appointed to conduct the performance evaluation	The Company appointed the "Taiwan Association of Board Governance" to conduct an external Board of Directors performance evaluation for the year 2022, which was conducted by means of questionnaires and on-site visits for the seven major aspects of (I) composition and structure of the Board of Directors (2) election and continuing education of directors (3) the extent of participation in the Company's operations (4) improvement in the quality of the Board's decision-making. (5) internal control (6) environmental, social and governance; and (7) value creation, respectively. The Taiwan Association of Board Governance issued an evaluation report on December 15, 2022 for the performance evaluation of the Board of Directors. This institution has no business relationship with the Company and is independent. The Company took reference to its improvement recommendations for the continuous enhancement of the Board of Directors' functions, which was reported to the Board of Directors dated March 9, 2023, together with the proposed measures.

IV. The objective for the enhancement of the functions of the Board of Directors and its implementation in the current year and the most recent year:

- (I) The Company has established the "Rules of Procedure for the Board of Directors' Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance, and has entered the attendance of directors at the Board of Directors' meetings on the Market Observation Post System.
- (II) The Company has established a "Code of Ethical Conduct" and has actually complied with it.
- (III) The Company has established a Remuneration Committee to assist the Board of Directors in carrying out its duties. For details of the operations of the Remuneration Committee, please refer to the description of (IV) Information on the operations of the Remuneration Committee in IV. Corporate governance
- (IV) The Company has established an Audit Committee to assist the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial controls. For details of the operations of the Audit Committee, please refer to the description of (II) Information on the operations of the Audit Committee in IV. Corporate governance
- (V) In order to enforce the implementation of corporate governance, ethical corporate management and sustainable development, the Company's Board of Directors has approved the "Corporate Governance Best Practice Principles", "Sustainable Development Best Practice Principles", "Regulations Governing Performance Evaluation of the Board of Directors", "Standard Operating Procedures for Handling Directors' Requests", "Ethical Corporate Management Best Practice Principles" and "Operating Procedures for Ethical Management and Guidelines for Conduct".

- (VI) In order to effectuate corporate governance and strengthen the operational effectiveness of the Board of Directors, the Company has completed the internal and external evaluation of the Board of Directors in accordance with the "Regulations Governing Performance Evaluation of the Board of Directors" for the year 2023. The evaluation results indicated that the Board of Directors operated well as a whole and were presented to the Board of Directors on March 8, 2024
- (VII) The financial statements of the Company are periodically audited and attested by the CPA of Deloitte Taiwan and all information required to be disclosed by law is completed in a timely manner. The Company has appointed designated personnel to take charge of the collection and disclosure of information and established a spokesperson system to ensure that all major information and disclosures are made in a timely and proper manner. The Company has also set up an investors section its website to disclose financial information and corporate governance in a timely manner for the reference of shareholders and stakeholders to enhance the transparency of the Company's information.

(II) Operations of the Audit Committee:

1. The annual work focus of the Audit Committee:

- (1) The Audit Committee is composed of three independent directors. The purpose of the Audit Committee is to assist the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial controls, to enhance the effectiveness of corporate governance, and to communicate with CPAs and auditors as necessary on significant matters relating to the Company's financial and business positions.
- (2) The matters reviewed by the Audit Committee mainly include:
 - A. Internal control system established or amended in accordance with Article 14-1 of the Securities and Exchange Act.
 - B. Evaluation of the effectiveness of the internal control system.
 - C. Procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending funds to others, or endorsements or guarantees for others established or amended in accordance with Article 36-1 of the Securities and Exchange Act.
 - D. Matters involving the interests of directors
 - E. Significant asset or derivative transactions.
 - F. Significant lending of funds, endorsements or guarantees
 - G. Raising, issuance or private placement of marketable securities of an equity nature.
 - H. Appointment, dismissal or remuneration of attesting CPAs
 - I. Appointment or removal of the finance, accounting or internal audit officers.
 - J. The annual financial statements signed or sealed by the chairperson, managerial officer and accounting officer, and the second quarterly financial statements subject to audit and attestation by CPAs
 - K. Other significant matters as required by the Company or the competent authorities.

2. The Company established the Audit Committee on July 30, 2021. During the most recent year and the current year up to the date of publication of the annual report, the Audit Committee met 7 times [A], and the attendance of independent directors was as follows:

Title	Name	Number of attendance in person [B]	Number of attendance by proxy	Percentage of attendance in person (%) [B/A]	Remark
Independent director	Shih-Mei Lin	7	0	100%	Newly elected on 2021/07/30
Independent director	Chien-Min Wang	7	0	100%	Newly elected on 2021/07/30
Independent director	Chien-Ju Lin	7	0	100%	Newly elected at the by-election on 2022/06/24

Other matters to be recorded:

- I. If the operations of the Audit Committee are under any of the following circumstances, the date, session, contents of the motion, contents of the objections, reservations or major recommendations of independent directors, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described:

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

Audit Committee Term/Date	Contents of the motion	Resolutions and follow-up
8th session of the 1st term 2023.03.09	<ol style="list-style-type: none"> 1. The Company's business report and financial statements for 2022. 2. Earnings distribution proposal for 2022 3. Issuance of the Company's "Statement of Internal Control" for 2022. 4. Proposal for the provision of endorsements and guarantees to the Company's subsidiaries. 5. Replacement of the Company's attesting CPAs starting from the first quarter of 2023, and the evaluation of the independence and competency of the attesting CPAs. 6. The Company's plan to increase capital by cash with issuance of common stock through private placement. 7. Amendments to certain provisions of the Company's R&D cycle system and other cycle systems. 8. Implementation status of the Company's first domestic unsecured convertible bonds in 2022. 	The members of the Audit Committee did not express any objection or reservation to the motion listed on the left, and the motion was approved by a unanimous resolution.
9th session of the 1st term 2023.05.09	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for 1Q2023. 2. Proposal for the provision of endorsements and guarantees to the Company's subsidiaries. 	
10th session of the 1st term 2023.06.08	<ol style="list-style-type: none"> 1. The Company's plan to increase capital by cash with issuance of common stock through private placement (Supplementary note on the installations of private placement) 	
11th session of the 1st term 2023.08.10	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for 2Q2023 	
12th session of the 1st term 2023.11.09	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for 3Q2023 2. The Company's annual budget for 2024 3. The Company's annual audit plan for 2024 4. Proposal for the provision of endorsements and guarantees to the Company's subsidiaries 	
13th session of the 1st term 2024.03.08	<ol style="list-style-type: none"> 1. The Company's business report and financial statements for 2023. 2. Earnings distribution proposal for 2023 3. Issuance of the Company's "Statement of Internal Control" for 2023. 4. Proposal for the provision of endorsements and guarantees to the Company's subsidiaries 5. Evaluation of the independence and competency of the Company's attesting CPAs. 6. Implementation status of the Company's first domestic unsecured convertible bonds. 7. The Company's plan to participate in the cash capital increase of the subsidiary, POMIRAN METALIZATION RESEARCH CO., LTD. 	
14th session of the 1st term 2024.05.10	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for 1Q2024. 2. Cancellation of the issuance of common stocks for cash capital increase through private placement approved at the regular shareholders' meeting on June 21, 2023. 3. The Company's plan to increase capital by cash with issuance of common stock through private placement. 4. Release of non-compete restrictions on new directors. 	

(II) Other than the preceding matters, any resolutions not approved by the Audit Committee but approved by two-thirds or more of all directors: No such situation.

- II. The recusal of independent directors from motions that involved conflict of interest. Specify the names of the independent directors, contents of the motion motions, and reasons for recusal due to conflict of interest, and participation in voting: No such situation.

III. Communication between independent directors, internal audit officer and CPAs (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included):				
Date	Attendee	Subject matter for communication	Results of communication	Independent directors' opinions and recommendations
2023/03/09 8th session of the 1st term Audit Committee	Independent Director Chien-Ju Lin Independent Director Shih-Mei Lin Independent Director Chien-Min Wang Audit Officer Te-Yung Hsieh CPA Yu-Feng Huang	1. Explanation on 2022 Standalone and Consolidated Financial Statements.	The subject matter was examined and approved at the session, and subsequently was submitted to and approved by the Board of Directors.	None
		2. Communication between the CPA and the attendees on the questions raised.	CPA's response to the questions raised by the attendees.	None
		3. Operations of internal audit from November 2022 to February 2023.	The subject matter was reported to the Audit Committee, and subsequently presented to the Board of Directors.	None
		4. Description of the audit quality indicators (AQI) of the CPA firm and evaluation of the independence and competency of the attesting CPAs for the year 2023.	The CPA reported and explained to the Audit Committee.	None
		5. Description of future (upcoming) applicable standards and regulations.	The CPA reported and explained to the Audit Committee.	None
2023/05/09 9th session of the 1st term Audit Committee	Independent Director Chien-Ju Lin Independent Director Shih-Mei Lin Independent Director Chien-Min Wang Audit Officer Te-Yung Hsieh CPA Ya-Yun Chang	1. Description of the Company's consolidated financial statements for 1Q2023.	The subject matter was examined and approved at the session, and subsequently was submitted to and approved by the Board of Directors.	None
		2. Communication between the CPA and the attendees on the questions raised.	CPA's response to the questions raised by the attendees.	None
		3. Operations of internal audit from March to April 2023.	The subject matter was reported to the Audit Committee, and subsequently presented to the Board of Directors.	None
		4. Explanation of the requirements for listed companies in the Sustainability Action Plan.	The CPA reported and explained to the Audit Committee.	None
2023/08/10 11th session of the 1st term Audit Committee	Independent Director Chien-Ju Lin Independent Director Shih-Mei Lin Independent Director Chien-Min Wang Audit Officer	1. Description of the Company's consolidated financial statements for 2Q2023.	The subject matter was examined and approved at the session, and subsequently was submitted to and approved by the Board of Directors.	None
		2. Communication between the CPA and the attendees on the questions raised.	CPA's response to the questions raised by the attendees.	None
		3. Operations of internal audit	The subject matter was	None

		Te-Yung Hsieh CPA Ya-Yun Chang	from May to July 2023	reported to the Audit Committee, and subsequently presented to the Board of Directors.	
			4. Description of future (upcoming) applicable standards and regulations.	The CPA reported and explained to the Audit Committee.	None
	2023/11/09 12th session of the 1st term Audit Committee	Independent Director Chien-Ju Lin Independent Director Shih-Mei Lin Independent Director Chien-Min Wang Audit Officer Te-Yung Hsieh CPA Yu-Feng Huang	1. Description of the Company's consolidated financial statements for 3Q2023.	The subject matter was examined and approved at the session, and subsequently was submitted to and approved by the Board of Directors.	None
			2. Communication between the CPA and the attendees on the questions raised.	CPA's response to the questions raised by the attendees.	None
			3. Operations of internal audit from August to October 2023.	The subject matter was reported to the Audit Committee, and subsequently presented to the Board of Directors.	None
			4. Significant risks and key audit matters	The CPA reported and explained to the Audit Committee.	None
			5. Sustainability Disclosure Standards of IFRS	The CPA reported and explained to the Audit Committee.	None
	2024/03/08 13th session of the 1st term Audit Committee	Independent Director Chien-Ju Lin Independent Director Shih-Mei Lin Independent Director Chien-Min Wang Audit Officer Te-Yung Hsieh CPA Ya-Yun Chang	1. Explanation on 2023 Standalone and Consolidated Financial Statements.	The subject matter was examined and approved at the session, and subsequently was submitted to and approved by the Board of Directors.	None
			2. Communication between the CPA and the attendees on the questions raised.	CPA's response to the questions raised by the attendees.	None
			3. Operations of internal audit from November 2023 to February 2024.	The subject matter was reported to the Audit Committee, and subsequently presented to the Board of Directors.	None
			4. Description of the audit quality indicators (AQI) of the CPA firm and evaluation of the independence and competency of the attesting CPAs for the year 2024.	The CPA reported and explained to the Audit Committee.	None
			5. Description of future (upcoming) applicable standards and regulations.	The CPA reported and explained to the Audit Committee.	None
	2024/05/10 14th session of the 1st term Audit Committee	Independent Director Chien-Ju Lin Independent Director Shih-Mei Lin	1. Description of the Company's consolidated financial statements for 1Q2024.	The subject matter was examined and approved at the session, and subsequently was submitted to and approved by the Board of Directors.	None

	Independent Director Chien-Min Wang Audit Officer Te-Yung Hsieh CPA Yu-Feng Huang	2. Communication between the CPA and the attendees on the questions raised.	CPA's response to the questions raised by the attendees.	None
		3. Operations of internal audit from March to April 2024.	The subject matter was reported to the Audit Committee, and subsequently presented to the Board of Directors.	None
		4. Introduction to updates on laws and regulations.	The CPA reported and explained to the Audit Committee.	None

(III) The state of operations of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		On May 11 2022, the Board of Directors resolved to formulate the “Corporate Governance Best Practice Principles”, which was disclosed on the Company's website and the Market Observation Post System.	No material difference.
II. Shareholding structure and shareholders' equity				No material difference.
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		(I) The Company's internal operating procedures for handling shareholders' proposals, questions, disputes and litigation matters: The Company collects shareholders' questions through the contact telephone numbers and Email addresses of the spokesperson and acting spokesperson, and the spokesperson and acting spokesperson shall handle and respond to shareholders' proposals and questions; the legal affairs unit shall handle and respond to disputes and litigation matters. The Company and its shareholders have a harmonious relationship and no dispute or litigation has occurred.	
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) The Company has a stock affairs unit and through the stock affairs agency, the Company is able to keep track of the list of major shareholders and ultimate controllers of major shareholders who actually control the Company, and maintains close contact with major shareholders.	
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		(III) The Company and its affiliates are independent in production, sales, research and development, personnel and finance, and dealings with affiliates are conducted in accordance with the relevant regulations of the competent authorities; in accordance with the Company's "Operating Procedures for Lending Funds to Others" and "Operating Procedures for Endorsements and Guarantees", the Company and its affiliates are only allowed to provide endorsement and guarantee and lending of funds to investees in which we hold more than 50% of the shares, which shall be regularly supervised by auditors.	
(IV) Has the Company formulated internal	V		(IV) The Company has established "Operating Procedures for Handling Material Inside	

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
regulations to prevent insiders from trading securities using undisclosed information on the market?			Information," "Code of Ethical Conduct," and "Employee Work Rules" to prohibit insiders from trading marketable securities using non-public information in the market.	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Has the Board of Directors formulated and implemented a diversity policy on membership?</p>	V		<p>(I) The Company adopts a "candidate nomination system" for the election of directors. Candidates for directors are nominated by the Board of Directors, and after the qualifications are approved, they are submitted to the shareholders' meeting for election. The Company has stipulated in Article 20 of the "Corporate Governance Best Practice Principles" that the composition of the Board of Directors should be diversified and that the number of directors who are also managerial officers of the Company should not exceed one-third of the total number of directors and has developed an appropriate diversity policy with respect to its operations, business model and development needs, including but not limited to the following two major aspects of criteria:</p> <p>I. Basic criteria and values: gender, age, nationality and culture, etc., in which the ratio of female directors should reach one-third of total number of directorships.</p> <p>II. Professional knowledge and skills: professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.</p> <p>The members of the Board of Directors should generally have the necessary knowledge, skill, and experience to perform their duties. To achieve the desired goals of corporate governance, the Board of Directors as a whole should have the following competencies:</p> <p>I. The ability to make judgments about operations.</p> <p>II. Accounting and financial analysis ability</p> <p>III. Business management ability</p> <p>IV. Crisis management ability</p> <p>V. Industry knowledge</p> <p>VI. International market perspective</p> <p>VII. Leadership ability</p> <p>VIII. Decision-making ability</p> <p>The current Board of Directors of the Company consists of nine directors, including three</p>	No material difference.

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?	V		<p>independent directors, four female directors, and directors who were not concurrently employees of the Company, accounting for 33% and 44% of all directors, respectively, and none of them concurrently hold any position as an employee of the Company. Each director has a professional background that includes legal, industry knowledge, professional techniques, marketing and R&D, international market perspective, accounting and financial analysis skills, etc. Please refer to Note 1 for the specific management objectives and achievement of the diversity policy and the implementation of diversity by the Board of Directors.</p> <p>The implementation of the Company's Board of Directors' diversity policy and the status of implementation are also disclosed on the Company's website.</p> <p>(II) The Company has established the Remuneration Committee and the Audit Committee, established the Sustainable Development Committee on March 9, 2023, and will decide whether to establish other functional committees in accordance with laws and regulations and operational needs.</p>	
(III) Has the Company formulated regulations governing performance evaluation of the Board of Directors and evaluation methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination for reappointment?	V		<p>(III) On November 7, 2019, the Board of Directors approved the establishment of the "Regulations Governing Performance Evaluation of the Board of Directors". The performance evaluation is conducted regularly every year and a report is submitted to the Board of Directors by the end of March of the following year in accordance with Article 3 of the Regulations. For the relevant evaluation, please refer to page 19~20 of this annual report. The internal evaluation results for 2023 were submitted to the Board of Directors on March 8, 2024, all of which are in line with the spirit of corporate governance and are used as a reference for review and improvement, as well as a reference for the selection or nomination of directors.</p>	
(IV) Does the Company regularly evaluate the independence of attesting CPAs?	V		<p>(IV) The Company periodically evaluates the competency and independence of attesting CPAs on an annual basis with reference to audit quality indicators (AQIs), and has submitted the results to</p>	

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.																
	Yes	No	Summary description																	
			the Board of Directors for discussion and approval. On March 8, 2024, the Board of Directors of the Company evaluated the independence of the Company's CPAs, Ya-Yun Chang and Su-Li Fang from Deloitte Taiwan, both of whom met the Company's independence evaluation criteria and are qualified to serve as the Company's attesting CPAs (please refer to Note 2).																	
IV. Does the Company as a listed enterprise have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?	V		<p>On May 9, 2023, the Company's Board of Directors resolved to designate Chia-Hui Chung, Manager of Finance and Administration Department, as the Corporate Governance Officer in order to protect shareholders' rights and interests and to strengthen the functions of the Board of Directors. Manager Chia-Hui Chung has more than three years of experience as a finance leader in public companies. The main duties of the Corporate Governance Officer are to handle matters related to the Board of Directors and shareholders' meetings in accordance with the law, prepare minutes of the Board meetings and shareholders' meetings, assist the directors to take on their duties and continuing education, provide the directors with information necessary for the execution of their business, and assist the directors in complying with the laws and regulations, among other tasks.</p> <p>Training Status:</p> <table><tr><th>Training date</th><th>Course organizer</th><th>Course name</th><th>Training hours</th></tr><tr><td>2023/08/10</td><td>Taiwan Corporate Governance Association</td><td>Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses</td><td>3</td></tr><tr><td>2023/08/17 2023/08/18</td><td>Taiwan Corporate Governance Association</td><td>Net-Zero Sustainability Talent Development Program - Low-Carbon Transformation Strategies for Enterprises</td><td>9</td></tr><tr><td>2023/12/15</td><td>The Institute of Internal Auditors</td><td>Analysis of Regulations for Board of Directors and Functional Committees (Audit, Compensation) and Audit Priorities</td><td>6</td></tr></table>	Training date	Course organizer	Course name	Training hours	2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3	2023/08/17 2023/08/18	Taiwan Corporate Governance Association	Net-Zero Sustainability Talent Development Program - Low-Carbon Transformation Strategies for Enterprises	9	2023/12/15	The Institute of Internal Auditors	Analysis of Regulations for Board of Directors and Functional Committees (Audit, Compensation) and Audit Priorities	6	No material difference.
Training date	Course organizer	Course name	Training hours																	
2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3																	
2023/08/17 2023/08/18	Taiwan Corporate Governance Association	Net-Zero Sustainability Talent Development Program - Low-Carbon Transformation Strategies for Enterprises	9																	
2023/12/15	The Institute of Internal Auditors	Analysis of Regulations for Board of Directors and Functional Committees (Audit, Compensation) and Audit Priorities	6																	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders,	V		The Company has appointed a main spokesperson and an acting spokesperson to respond to the needs of stakeholders, and has designated relevant units to collect and disclose corporate information. Relevant information is available on the Company's website, and contact information is available by Email and telephone.	No material difference.																

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?			<p>activities such as clubs, trips, family days, cultural and recreational activities, etc.; regular employee health checkups are held every year to take care of employees' health and promote group cooperation.</p> <p>2. To enhance employees' professional skills and assist in their career development, we organize annual on-the-job professional education and training to develop employees' core, professional and management competencies, and provide employees with an autonomous and flexible learning channel through the physical course and online learning websites of TAIMIDE.</p> <p>3. All employees are covered with group insurance in compliance with the Labor Safety and Health Law. We have clear regulations on equipment maintenance, work, health and safety to protect employees' safety in the workplace.</p> <p>4. We have established the "Operating Procedures for Emergency Preparedness and Response Management" and have an "Emergency Response Team" and first-aid personnel to clearly divide responsibilities for disaster notification and response guidance. We also provide the necessary safety and health education and disaster prevention training according to employees' work, and hold regular fire and first-aid safety-related training and drills every year to provide a safe and secure working environment for employees and to ensure the protection measures of the working environment are in place for employees' personal safety.</p> <p>5. Our "Regulations Governing Scholarships for Employees' Children" aims to encourage employees to attach importance to their children's education and reduce the burden of their education expenses while the "Regulations Governing Condolence Matters for Employees and Their Dependents" aims to reduce the burden of their funeral expenses.</p> <p>(II) Investor relations: The Company attaches importance to the rights and interests of investors and, in accordance with relevant regulations, immediately announces relevant information on the website of the Market Observation Post System designated by the competent authorities and also places the relevant</p>	

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>information on the Company's website.</p> <p>(III) Supplier relations: The Company has maintained a good relationship with our suppliers, and over the years, the quality and on-time delivery of all the suppliers have been maintained at normal levels, and there has not been any shortage or interruption of supply.</p> <p>(IV) Rights of stakeholders: The Company has established the "Operating Procedures for Handling Material Inside Information" to protect the rights and interests of investors, and complies with the rules of openness and transparency of information, and attaches great importance to the protection of stakeholders' rights and interests. In addition to pursuing profitable performance to protect the rights and interests of creditors, the Company provides a safe working environment for its employees and organizes education and training and various activities from time to time to enhance their professional and technical skills and take care of their physical and mental health to ensure rights and interests of employees.</p> <p>(V) Continuing education of directors: The Company's directors pursue further education according to their personal needs, which are disclosed in the Corporate Governance section of the Market Observation Post System (http://mops.twse.com.tw) or on pages 72-73.</p> <p>(VI) Implementation of risk management policy and risk measurement standards: The amendments to the "Internal Control System" and "Enforcement Rules for Internal Audit" are subject to the resolution of the Board of Directors, and audits are carried out in accordance with the annual audit plans.</p> <p>(VII) Implementation of customer policy: The Company maintains good relationships with its customers and provides customer services in accordance with various internal management regulations. The Company has set up a customer service mailbox and contact channels on its website to provide a mechanism for leaving messages and communicating with customers, and has made "customer satisfaction" an important part of its quality policy.</p> <p>(VIII) Purchase of liability insurances for directors: The amount of insurance coverage for 2023 was US\$3 million and the period of coverage was from April 1, 2023 to April 1, 2024, and related information</p>	

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			is also available on the Market Observation Post System.	
IX. Please describe the improvements that have been made in response to the results of corporate governance evaluation issued by the Corporate Governance Center of the Taiwan Stock Exchange for the most recent year, and propose priorities and measures for those not yet improved: (Not required for companies not included in the evaluation)				
(I) Improvements that have been made In accordance with the results of corporate governance evaluation published for the most recent year (2023):				
2022 evaluation indicator		Improvement that have been made		
Does the Company upload the English version of the handbook and supplementary information to the shareholders' meeting 30 days before the meeting?		The Company will upload the English version of the handbook and supplementary information to the shareholders' meeting 30 days before the meeting in 2023.		
Does the Company upload the English version of the annual report 16 days before the regular shareholders' meeting?		The Company uploaded the English version of the annual report 16 days before the regular shareholders' meeting in 2023.		
Is the Company's Corporate Governance Officer a full-time position, and are the scope of authority and the continuing education of the Corporate Governance Officer described on the Company's website and in the Annual Report?		Already appointed the Corporate Governance Officer on May 9, 2023.		
Does the Company publish material information in English simultaneously?		We have started to publish material information in English since 2023.		
Does the Company upload the English version of the annual financial statements 16 days before the shareholders' meeting?		The Company uploaded the English version of the annual financial statements 16 days before the shareholders' meeting in 2023.		
(II) Priorities and measures for improvements that have not been made In response to the results of corporate governance evaluation published for the most recent year (2023):				
2023 evaluation indicator		Priorities and measures		
Does the Company explicitly disclose a specific dividend policy in its annual report?		The Company will amend its Articles of Incorporation in 2024 and will disclose a specific dividend policy in its 2024 annual report.		
Has the Company established a dedicated (part-time) unit to promote sustainable development, conduct risk assessment on environmental, social or corporate governance issues related to the Company's operations based on the materiality principle, formulate relevant risk management policies or strategies, and have the Board of Directors supervise the promotion of sustainable development and disclose them on the Company's website and in the annual report?		In March 2023, the Company established the "Sustainability Committee" to promote the Company's sustainable development. Based on the materiality principle, the Company conducts risk assessments of environmental, social or corporate governance issues related to the Company's operations, and has formulated relevant risk management policies or strategies; however, the Company has not yet disclosed the status of supervision by the Board of Directors over sustainable development (such as the formulation and review of management policies, strategies and objectives) on the Company's website or in the annual report, and improvement therein will be made in 2024.		
Does the Company invest in environment-friendly and sustainable machinery and		In 2023, the Company had stated that it would invest in environment-friendly and sustainable		

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			equipment related to energy conservation or green energy, or invest in Taiwan's green energy industry (e.g., renewable energy power plants), etc., or has the Company issued or invested in financial instruments for sustainable development whose proceeds are used in green or socially beneficial investment projects with substantial benefits, and does the Company disclose the circumstances of its investments and the specific benefits thereof?	machinery and equipment related to energy conservation or green energy in the year, but did not disclose the amounts of the investments, and improvement therein will be made in 2024.

Note 1: Implementation of the diversity policy on the Board members by individual directors

1. Specific management objectives and achievement of diversity policy

Management objectives	Status of achievement
With two or more independent directors, not less than one-fifth of the total number of directors	Achieved, currently 3 independent directors.
The Board of Directors shall include at least one female director	Achieved, currently 4 female directors.
No more than half of the directors shall be related to each other as spouses or relatives within the second degree of kinship.	Achieved as the Company has no such situation.

2. Implementation of the diversity policy on the Board members by individual directors

Diversity core items		Nationality	Gender	Age	Law	Industry knowledge	Professional technique	R&D	International market perspective	Leadership and decision making	Marketing	Accounting and financial analysis ability
Name												
Chairperson of the Board	Sheng-Chang Wu	R.O.C.	Male	61-70 years old	-	V	V	V	V	V	-	-
Director	Chih-Hung Yen	R.O.C.	Male	61-70 years old	-	-	-	-	V	V	-	V
Director	Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh	R.O.C.	Male	51-60 years old	-	-	-	-	V	V	V	V
Director	Chan Fun Investment Co., Ltd. Representative: Fang-Chu Hsieh	R.O.C.	Female	61-70 years old	-	-	-	-	-	V	-	V
Director	Hsin Mu Energy Co., Ltd.	R.O.C.	-	-	-	-	-	-	-	-	-	-
Director	Mei-Ling Tseng	R.O.C.	Female	61-70 years old	-	V	V	V	V	V	-	-
Independent director	Shih-Mei Lin	R.O.C.	Female	41-50 years old	V	-	-	-	-	V	-	-
Independent director	Chien-Min Wang	R.O.C.	Male	Over 70	-	V	V	-	-	V	-	-

				years old								
Independent director	Chien-Ju Lin	R.O.C.	Female	51-60 years old	-	-	-	-	-	V	-	V

Note 2: Criteria for evaluating the independence of CPA

Evaluation item	Evaluation result	Status of independence
If the CPA, his/her spouse and dependent relatives have a direct or material indirect financial interest in the Company?	No	Yes
If the CPA, his/her spouse and dependent relatives have business relationships with directors and managerial officers of the Company that affect independence?	No	Yes
If the auditing CPA, his/her spouse and dependent relatives were directors, managerial officers or held any positions that had direct and significant influence on the audit during the audit period?	No	Yes
If the auditing CPA is related to the Company's directors or managerial officers as a spouse, lineal relative by blood or by marriage or blood relative within second degree of kinship?	No	Yes

(IV) If the Company has the Remuneration Committee, it should disclose its composition, responsibilities and operations:

The Company established the remuneration committee on April 15, 2011 in accordance with the relevant laws and regulations, which is responsible for recommending to the Board of Directors policies, systems, standards and structures for performance evaluation and remuneration of directors and managerial officers, and setting and regularly evaluating the remuneration of directors and managerial officers. The Remuneration Committee consists of three members, all of whom are independent directors of the Company.

1. Information on the members of the Remuneration Committee

May 31, 2024

Position	Name	Criteria		Status of independence (Compliant circumstances)	Number of other public companies in which the individual is concurrently serving as a member of the remuneration committee
		Professional qualifications	Experience		
Independent director	Shih-Mei Lin	Judges, prosecutors, lawyers, accountants or other professional and technical personnel who have passed the national examinations and received certificates required for the Company's business	Meigui Daoming Law Office Attorney of K&L Gates Taipei Office Co-location Attorney of Island Taiwan Law Office Managing Attorney of Dawning Law Office Managing Director of Taipei Bar Association Adjunct Member of Ill-gotten Party Assets Settlement Committee Independent Director of FORTUNE INFORMATION SYSTEMS CORP. Independent Director of CyberTAN Technology Inc. Independent Director of TAIMIDE TECH. INC. Director of Shin Kong Financial Holding Co., Ltd. Director of MasterLink Securities Corporation	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	2

Position	Name	Criteria			Number of other public companies in which the individual is concurrently serving as a member of the remuneration committee
		Professional qualifications	Experience	Status of independence (Compliant circumstances)	
Independent director	Chien-Min Wang	With experience in commerce, law, finance, accounting, or related areas required for the Company's business	Managing Supervisor of the Materials Research Society-Taiwan Honorary Director of Taiwan Ceramic Society Evaluation member of the Technology Development Program of the Ministry of Economic Affairs Honorary Director of Powders and Powder Metallurgy Association of the Republic of China Independent Director of Unictron Technologies Corporation Member of Curriculum Committee, National Taipei University of Technology Independent Director of TAIMIDE TECH. INC.	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	1
Independent director	Chien-Ju Lin	Judges, prosecutors, lawyers, accountants or other professional and technical personnel who have passed the national examinations and received certificates required for the Company's business	KPMG Taiwan Yuanta Securities Co., Ltd. EPCIS Technology Co., Ltd. Lumitek Co., LTD. Taiwan High Speed Rail Corporation Supervisor of Chant Sincere Co., Ltd. Member of Remuneration Committee, FORTUNE INFORMATION SYSTEMS CORP. Practicing CPA of You Yuan CPAs Manager of Finance Department, EVER POWER IPP CO., LTD. Independent Director of FORTUNE INFORMATION SYSTEMS CORP. Independent Director of TAIMIDE TECH. INC.	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	1

Note: Each director who meets each of the following criteria during the two years prior to his or her election and during his or her term of office.

- (1) Not an employee of the Company or its affiliates
- (2) Not a director or supervisor of the Company or its affiliates. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent.)
- (3) Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others.
- (4) Not a managerial officer under (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship under (2), (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder directly holding 5% or more of the total number of issued shares of the Company, or among the top 5 in shareholdings, or designating its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent.)
- (6) Not a director, supervisor, or employee of another company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person: (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent.)
- (7) Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, president or equivalent positions of the Company. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent.)
- (8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent and when the specific company or institution holds more than 20% of the Company's total issued shares but not more than 50%.)
- (9) Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with

cumulative amount of remuneration in the last two years exceeding NT\$500,000. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

- (10) Not a person who has a spouse or relatives of second degree of kinship in other directors.
- (11) Not a person with any of the circumstances under Article 30 of the Company Act.
- (12) Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.

2. Information on the operations of the Remuneration Committee

- (1) There are three members of the Remuneration Committee of the Company.
- (2) The term of office of the current members: July 30, 2021 to July 29, 2024. The Remuneration Committee met 4 times during 2023 and 2024 up to May 31, 2024 [A], and the qualification and attendance of the members were as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remark
Convener	Shih-Mei Lin	4	0	100%	Re-appointed on 2021/07/30
Member	Chien-Min Wang	4	0	100%	Newly appointed on 2021/07/30
Member	Chien-Ju Lin	4	0	100%	Newly appointed on 2022/08/10

Other matters to be recorded:

I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, contents of the motion, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): No such situation.

II. For the motions by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, contents of the motion, the opinions of all members, its handling of the members' opinions should be stated: No such situation.

III. The motions of the meetings of the Remuneration Committee in the most recent year and the Company's handling of the members' opinions:

Remuneration Committee	Contents of the motion	Resolutions	The Company's handling of the Remuneration Committee members' opinions
6th session of the 5th term on 2023.03.03	Review of the distribution of 2022 profit-sharing remuneration for employees and directors	Approved as proposed without objection	Not applicable
7th session of the 5th term on 2023.07.31	Review of changes in the Company's managerial officers and recommendation on salary.	Approved as proposed without objection	Not applicable
8th session of the 5th term on 2023.11.03	1. Review of 2023 year-end (Chinese New Year) bonus payment 2. Review of the amendments to the Company's Regulations Governing the Remuneration for Directors. 3. Proposal for the remuneration of Chairperson Sheng-Chang Wu to be determined in accordance with the amended Regulations Governing the Remuneration for Directors.	Approved as proposed without objection	Not applicable
9th session of the 5th term on 2024.02.22	1. Review of the distribution of 2023 profit-sharing remuneration for employees and directors 2. Review of adjustments in the duties of the Company's managerial officers and recommendation on salary. 3. Review of pension application by the Company's managerial officer. 4. Review of the allocation of employee stock options to the Company's managerial officers at the cash capital increase of the subsidiary, POMIRAN METALIZATION RESEARCH CO., LTD.	Approved as proposed without objection	Not applicable

(V) Implementation status of the promotion of sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
I. Has the Company established 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 be handled by senior management, and the supervision situation of the Board of Directors?	V		I. In March 2023, the Company established the "Sustainable Development Committee" to solely responsible for the promotion of the sustainable development of the Company, which is the highest-level decision center for sustainable development within the Company, chaired by the Chairperson, with the Committee electing a chief secretary and designating a director-general to serve on the Committee, to jointly review the Company's core operational capabilities with a number of senior management from different fields and to formulate short-, medium- and long-term sustainable development plans. The Committee has the Sustainable Development Execution Team, which is responsible for the promotion and implementation of environmental sustainability, social welfare, and corporate governance, and reports regularly to the Board of Directors on its work progress. On May 11, 2022, the Board of Directors approved the plan for greenhouse gas inventory and verification schedule, including reports to the Board of Directors on the implementation progress on a quarterly basis, as well as reports to the Board of Directors on the implementation status of the Company's ESG sustainability development at least once a year. The chief secretary reported to the Board of Directors on sustainability management approaches and implementation status and the progress of preparation of the sustainability report on August 10, 2023. The related targets were established and revised in accordance with the recommendations of the Board of Directors, and then the strategies shall be adjusted depending on the implementation status.	No material difference.
II. Does the Company, in accordance with the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations, and formulate relevant risk management policies or strategies".	V		II. The Company has established the "Sustainable Development Best Practice Principles", which are designed to fulfill corporate social responsibility, including "implementing corporate governance", "developing sustainable environmental protection", "social welfare", and "enhancing CSR information disclosure". Base on the win-win principle of corporate development, environmental protection and occupational disaster prevention, we are committed to operate and manage in an environmentally friendly manner, to prevent and control pollution, to reduce and effectively utilize energy resources, and to implement risk control and intrinsic safety mechanisms. The members of the Sustainability Committee of the Company identify and evaluate issues that may have a significant impact on the Company, investors and other stakeholders through stakeholder questionnaires and statistics, and identify material issues	No material difference.

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.						
	Yes	No	Implementation status							
			<p>in the areas of “corporate governance”, “environment” and “society” in accordance with the materiality principle of the sustainability report and the materiality analysis process, conduct a risk assessment of the material issues. and formulate strategies to minimize the impact of related risks.</p> <p>Based on the assessed risks, the relevant risk management policies or strategies are established as follows:</p> <table><tr><th>Material topics</th><th>Risk assessment item</th><th>Future direction and plan</th></tr><tr><td>Environment</td><td>Environmental impact and management</td><td><p>1. Continue to deal with waste solutions by installing a distillation treatment system, optimize the system or introduce equipment to reduce waste discharge, achieve a total plant recovery rate of more than 90%, and refine the implementation of material distribution.</p><p>2. In terms of water resource management, the Company continues to improve the water recovery rate and process water efficiency through technical improvements and equipment investments.</p><p>3. In terms of discharge reduction and resource utilization, continue to carry through the concept of life cycle control, with the following objectives: (1) reduction at source (2) wastewater minimization (3) zero wastewater discharge (4) more water sources.</p><p>4. The carbon reduction ratio of recycled solvents to newly purchased solvents is 31.6%, and we continue to refine "energy transfer" for a sustainable environment.</p><p>5. The Company completed the product life cycle and carbon footprint assessment for all plants in 2022 and obtained ISO 14067 certification.</p><p>6. Regularly review greenhouse gas emissions in accordance with ISO 14064-1 to examine the</p></td></tr></table>	Material topics	Risk assessment item	Future direction and plan	Environment	Environmental impact and management	<p>1. Continue to deal with waste solutions by installing a distillation treatment system, optimize the system or introduce equipment to reduce waste discharge, achieve a total plant recovery rate of more than 90%, and refine the implementation of material distribution.</p> <p>2. In terms of water resource management, the Company continues to improve the water recovery rate and process water efficiency through technical improvements and equipment investments.</p> <p>3. In terms of discharge reduction and resource utilization, continue to carry through the concept of life cycle control, with the following objectives: (1) reduction at source (2) wastewater minimization (3) zero wastewater discharge (4) more water sources.</p> <p>4. The carbon reduction ratio of recycled solvents to newly purchased solvents is 31.6%, and we continue to refine "energy transfer" for a sustainable environment.</p> <p>5. The Company completed the product life cycle and carbon footprint assessment for all plants in 2022 and obtained ISO 14067 certification.</p> <p>6. Regularly review greenhouse gas emissions in accordance with ISO 14064-1 to examine the</p>	
Material topics	Risk assessment item	Future direction and plan								
Environment	Environmental impact and management	<p>1. Continue to deal with waste solutions by installing a distillation treatment system, optimize the system or introduce equipment to reduce waste discharge, achieve a total plant recovery rate of more than 90%, and refine the implementation of material distribution.</p> <p>2. In terms of water resource management, the Company continues to improve the water recovery rate and process water efficiency through technical improvements and equipment investments.</p> <p>3. In terms of discharge reduction and resource utilization, continue to carry through the concept of life cycle control, with the following objectives: (1) reduction at source (2) wastewater minimization (3) zero wastewater discharge (4) more water sources.</p> <p>4. The carbon reduction ratio of recycled solvents to newly purchased solvents is 31.6%, and we continue to refine "energy transfer" for a sustainable environment.</p> <p>5. The Company completed the product life cycle and carbon footprint assessment for all plants in 2022 and obtained ISO 14067 certification.</p> <p>6. Regularly review greenhouse gas emissions in accordance with ISO 14064-1 to examine the</p>								

Promoting item	State of operations					The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status			
					impact of our operations. Based on the carbon inventory results, we will continue to implement carbon reduction measures to effectively reduce the risk of Scope I emissions and indirect Scope II indirect greenhouse gas emissions caused by electricity usage. 7. Annual internal audit program is planned to review the Company's compliance with relevant environmental laws and regulations, and to audit for compliance of operational processes.	
				Occupational safety	1. All plants completed the “ISO45001 Occupational Health and Safety Management System” certification by 2023. 2. Hold regular fire drills and occupational safety education training every year to develop employees' emergency response and self-safety management skills.	
				Society Product safety	1. Our products comply with all governmental regulations and comply with EU RoHS regulations without any hazardous substances. In order to ensure the quality of customer service, we have set up a customer service hotline and a communication website, and we take the initiative to conduct customer service satisfaction surveys on a regular basis every year to strengthen the cooperative relationship with our customers. 2. In order to avoid the risk of health and safety impacts on our products, we have introduced ISO14001, ISO45001, and QC080000 management certifications, and all products are tested by third-party impartial units (including REACH, ROHS, SVHC, and other requirements). We provide customers with information about	

Promoting item	State of operations					The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.	
	Yes	No	Implementation status				
						hazardous substance testing when the products are shipped to ensure the quality meets customers' expectations.	
				Corporate governance	Socio-economic and legal compliance	1. Ensure that all employees and operations of the Company comply with relevant laws and regulations through the establishment of a supervisory management organization and the implementation of internal control mechanisms. 2. Protect the Company's rights and interests by applying patent act for the products developed by the Company.	
					Strengthen the functions of directors	1. Plan relevant training topics for directors and provide them with the latest regulations, system development and policies every year. 2. Purchase liability insurance for directors to protect them from lawsuits or claims.	
					Stakeholder communication	1. Plan for the directors in terms of their professional skills related to finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility or internal control system to assist in the operation of the Company's governance and the establishment of an effective and efficient team. 2. The Company has established various channels of communication to minimize confrontation and misunderstanding, has set up a stakeholders section on the Company's website to help the Company understand the issues of concern to stakeholders in order to respond appropriately, and refer to the feedback from various groups of the community as a basis for continuous improvement.	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
III. Environmental issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		(I) All of our plants are currently certified in accordance with ISO14001, ISO45001, QC080000 and IATF16949. 100% of our products are tested by third-party impartial units (including REACH, ROHS, SVHC and other required items), and we conduct annual greenhouse gas inventories in accordance with ISO14064-1 to track the effectiveness of emission reduction and publicly disclosed in the sustainability report and the Company's website. http://www.taimide.com.tw/zh/article-721176 ° Environmental management policies and systems are established and implemented in accordance with the requirements of the environmental management system. Every year, internal audits are conducted by qualified internal auditors, management reviews are conducted by management, and external audits are commissioned to third-party impartial organizations to continuously improve the operation of the environmental management system, while satisfying the requirements of our customers' corporate social responsibility audits, and realizing our determination to achieve sustainable corporate management.	No material difference.
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	V		(II) The Company has the following measures: 1. Waste gas treatment: Based on the consideration of maintaining a sustainable environment, the Company has successively obtained operation permits for stationary sources and operates in accordance with relevant laws and regulations. Each production line, through a closed process and the installation of prevention equipment, condenses organic substances in the waste gas and then distills them for recovery, which increases the efficiency of VOCs removal and not only significantly improves the air quality in the surrounding area, but also enables the back-end distillation system to save energy and increase production value. In addition, the concentrated liquid generated from the VOC captured during manufacturing processes and the waste liquid from the scrubber tower are all transported to Tongluo Plant for treatment in house to recycle the concentrated liquid and the raw materials in the waste liquid from the process and to minimize outsourcing to reduce the hazards to the environment. 2. Waste water treatment: The Tongluo Plant has set up a number of water quality treatment facilities, including wastewater homogenization system, pH adjustment system, chemical	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
			<p>sedimentation system, UASB treatment system, MBR treatment system, sludge thickening system, etc., to ensure that the treated discharge water quality of each unit can meet the regulatory standards.</p> <p>3. Waste management: Waste management is carried out in accordance with the relevant environmental laws and regulations announced by the government, and is verified and reported monthly. The waste solution is distilled and treated by a distillation system, and the raw materials are recycled in advance to reduce the waste at source; all kinds of wastes are sorted and recycled according to their nature. Those that cannot be recycled is handed over to qualified removal and treatment institutions for subsequent treatment.</p> <p>4. Noise management: Continue to inspect noise quality and install noise abatement equipment to provide quality living quality for community residents.</p> <p>5. Energy management: The Company actively promotes various energy reduction measures, uses equipment with high energy efficiency and energy saving design to reduce corporate and product energy consumption, and expands the use of renewable energy to optimize energy use efficiency. Purchased electricity accounts for the largest portion of the Company's greenhouse gas emissions. The Company has set an electricity saving target at least 1% per year in accordance with the requirements of the Bureau of Energy of the Ministry of Economic Affairs, and has implemented improvement measures for processes and equipment to enhance the efficiency of energy use. The actual energy saving rate of the Company in 2023 was 3.61% (2023 energy saving (kWh)/2023 electricity consumption (kWh)) x 100%, of which the energy saving of the Xipu Plant in 2023 was 190,944 kWh (approximately 687.4GJ), equivalent to a reduction of 94.52 metric tons of CO₂e, and that of the Tongluo Plant was 1,766,784 kWh (approximately 6,360.42GJ), equivalent to a reduction of 874.56 metric tons of CO₂e, and the overall achievement of energy saving measures was 1,957,728 kWh (approximately 7,047.82GJ), equivalent to a reduction of 969.08 metric tons of CO₂e. All raw materials used by the Company comply with RoHS, REACH, and Halogen-</p>	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.		
	Yes	No	Implementation status			
			<p>free regulations of the European Union. In March 2023, we established the Environmental Sustainability Working Group to establish a cross-platform resource integration recycling system, including material recycling, renewable energy manufacturing products, and pollution reduction during the manufacturing process, in order to reduce the impact on the environment.</p> <p>In terms of green manufacturing, we reduce unnecessary resource waste, seek waste reduction and reuse technology development; in the upstream and downstream of the value chain, we work together to recycle and share packaging materials; through the recycling of process materials, waste reduction technology development and the design and sale of recycled products, we create circular value.</p>			
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take countermeasures to respond to climate related issues?	V		<p>(III) The Company has established an annual electricity saving target of 1% based on the total electricity consumption in 2015 in accordance with the regulations of the Bureau of Energy, Ministry of Economic Affairs; in accordance with ISO 14064-1 international standards, the Company promotes greenhouse gas emissions baseline inventory and from 2022, conducts annual inventory of greenhouse gas emissions, and has third-party verification units to verify. At present, we completed the greenhouse gas emissions inventory in 2022, compiled an list of greenhouse gas emissions, and established a reduction target benchmark, according to which we will propose energy saving and carbon reduction and greenhouse gas reduction programs and improvement measures.</p> <p>In March 2023, the Company established the Sustainable Development Committee as the highest organization for climate change management, chaired by Chairperson, to annually review the Company's climate change strategy and goals, manage climate change risks and opportunities, review implementation status and discuss future plans, and report to the Board of Directors.</p> <p>In 2023, the Company followed the framework of the TCFD recommendations published by the Financial Stability Board and assessed and built up an assessment of the potential risks and opportunities of climate change on businesses now and in the future, and adopted countermeasures on climate related issues.</p> <table><tr><td>Governance</td><td>The Company established the Sustainable Development Execution Team to analyze climate issues, which consists of members from different departments, where the members involved in risk management from the Environmental</td></tr></table>	Governance	The Company established the Sustainable Development Execution Team to analyze climate issues, which consists of members from different departments, where the members involved in risk management from the Environmental	
Governance	The Company established the Sustainable Development Execution Team to analyze climate issues, which consists of members from different departments, where the members involved in risk management from the Environmental					

Promoting item	State of operations				The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status		
					Sustainability Task Force and Operations Management Task Force, form the interdepartmental Climate Change Risk Working Group to gather information on sustainability trends, seek advice from external consultants, participate in sustainability related activities, and conduct interdepartmental workshops, etc., and take responsibilities for identifying climate risks and evaluating and responding to climate impacts in their respective areas of duties and authorities, with the top leader of the Group's Finance and Administration Department acting as the convener, to promote green environment and sustainable utilization of resources to enhance environmental management performance and environmental risk control. The highest person in charge of climate change risk management is the President, who leads the top management in implementing climate change related management, and regularly reports to the Board of Directors annually on the performance of sustainable development and climate change related issues, impact assessment and progress in achieving sustainability goals, including reporting on greenhouse gas inventories and verification schedules at quarterly Board meetings from May 2022 onwards.
				Strategy	The likelihood and impact of climate issues were measured after gathering information on actual business conditions. Likelihood was measured by considering changes in regulations and policies and the frequency of events, while impact was assessed based on the degree of impact on the Company if an event were to occur. We referred to AR6 (the Sixth Assessment Report) published by the United Nations Intergovernmental Panel on Climate Change (IPCC), and selected SSP1-2.6 and SSP5-8.5 scenarios for climate change scenario analysis. We ranked the significant climate risks and opportunities in terms of likelihood and impact, and assessed the climate risks and opportunities in terms of transition risks (policy and regulation, technology risks, market risks, goodwill risks), physical risks

Promoting item	State of operations				The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status		

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.																
	Yes	No	Implementation status																	
			<div><div></div><div>Factor Management Table Version 6.0.4, and disclosing the results of the inventories. The Company used the latest ISO 14061-1:2018 version to provide guidance on greenhouse gas inventory operations, established the ability to conduct independent greenhouse gas inventories, and completed the reporting and greenhouse gas emission inventories in the plants. Currently, we continue to plan and formulate short-, medium-, and long-term goals for energy management, water resources, and greenhouse gas management.</div></div> <div>Please refer to the Company's website at https://www.taimide.com.tw/zh/article-721176 for more information on the climate impacts, countermeasures and ESG goals.</div>																	
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V		<div>(IV) The Company regularly collects and reviews new or amended regulations on environmental protection and uses the latest laws and regulations as the basis for environmental protection management in order to comply with regulatory requirements. Therefore, in order to respond to the government's greenhouse gas reduction policy and effectively reduce the environmental impact of the greenhouse effect, the Company promotes effective energy saving and carbon-reduction programs through both process improvement and energy demand management, while also moving toward the goal of carbon reduction and fulfilling its environmental protection responsibilities. 1. Greenhouse gas emission management: All of our plants completed the ISO 14064-1 scope I and II inventories and third party verification (Tongluo Plant: SGS) in 2023.</div> <div>Unit: Metric tons of CO2e</div> <table><tr><th>Year</th><th>Scope I</th><th>Scope II</th><th>Greenhouse gas emission intensity Metric tons of CO2e/Metric tons of (production volume)</th></tr><tr><td>2021</td><td>17,168.94</td><td>38,112.83</td><td>33.29</td></tr><tr><td>2022</td><td>15,301.80</td><td>29,250.41</td><td>36.16</td></tr><tr><td>2023</td><td>15,027.47</td><td>26,813.68</td><td>43.35</td></tr></table> <div>The total greenhouse gas emissions in Scope I and Scope II in 2023 were 41,841.15 metric tons of CO2e, mainly from electricity emissions in Scope II, accounting for 64.08% of the aforesaid emissions, followed by fuel emissions from boilers in</div>	Year	Scope I	Scope II	Greenhouse gas emission intensity Metric tons of CO2e/Metric tons of (production volume)	2021	17,168.94	38,112.83	33.29	2022	15,301.80	29,250.41	36.16	2023	15,027.47	26,813.68	43.35	
Year	Scope I	Scope II	Greenhouse gas emission intensity Metric tons of CO2e/Metric tons of (production volume)																	
2021	17,168.94	38,112.83	33.29																	
2022	15,301.80	29,250.41	36.16																	
2023	15,027.47	26,813.68	43.35																	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.											
	Yes	No	Implementation status												
			<p>Scope I, accounting for 35.92%.</p> <p>In order to continue the effort to meet the international trend of reduction, the Company will set and track reduction targets through the Sustainable Development Committee starting in 2023. The Company is currently pursuing carbon reduction through the following plans for power-saving production.</p> <p>Energy saving plan from 2022 to 2023 includes variable frequency control of water pumps for air conditioning and process, installation of solar energy equipment (860kW) on the roof of the factory, retirement of ice machines and replacement of magnetic float ice machines, retirement of old air conditioning ice water/cooling water pumps, variable frequency control of cooling water tower fans, establishment of energy management system, retirement of process and air conditioning ice water system equipment, retirement of air conditioning boxes, optimization and improvement of process ice water system supply, etc.</p> <p>2015~2023 energy saving rate maintained at 1-2%/year.</p> <p>2. Water resource management:</p> <p>Water consumption (covering all plants) in the most recent 3 years</p> <table><tr><th>Year</th><th>Water intake (M3)</th><th>Unit product water intake (M3/kg)</th></tr><tr><td>2021</td><td>172,528</td><td>0.104</td></tr><tr><td>2022</td><td>151,055</td><td>0.123</td></tr><tr><td>2023</td><td>144,945</td><td>0.150</td></tr></table> <p>The Company has long been concerned about water resources, energy conservation and other environmental protection issues. In terms of water conservation programs, the Company has started with the full implementation of water conservation in daily life to maximize the benefits of available water resources; in 2023, the Company introduced the ISO 46001 Water Resource Efficiency Management, and obtained the certificate in December of the same year, to examine water usage in a more comprehensive manner. The Company saved 4,676.32 metric tons of water in 2023 based on a water baseline analysis, representing an overall water saving rate of 2.78%; among them, Tongluo Plant had a total of 39,257.5 metric tons of recycled water in 2023 (26,270.7 metric tons of recycled wastewater, 8,927.8 metric tons of recycled rainwater plus condensate, and 4,059 metric tons of recycled secondary</p>	Year	Water intake (M3)	Unit product water intake (M3/kg)	2021	172,528	0.104	2022	151,055	0.123	2023	144,945	0.150
Year	Water intake (M3)	Unit product water intake (M3/kg)													
2021	172,528	0.104													
2022	151,055	0.123													
2023	144,945	0.150													

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.																										
	Yes	No	Implementation status																											
			<p>water), with a 100% recycling rate of water resources, which were in compliance with the control standards of the Park, and the recycling rate was higher than the standards. Currently, the discharge rate of Tongluo Plant is 0.000 %, and in November 2020, it passed the full storage permit, which was a new milestone to start the full wastewater recovery and use by the Plant, and close the discharge port to eliminate any possible impact on the groundwater, so that the Plant can be fully independent for wastewater treatment. In 2023, the water system again exceeded the upper limit, and the previously outsourced sludge was transformed into industrial salt resource for reuse, reducing the outsourcing of sludge by about 30.0%, and gradually moving towards "zero waste" production.</p> <p>3. Waste management:</p> <p style="text-align: right;">Unit: Metric tons</p> <table><tr><th>Year</th><th>General business waste</th><th>Hazardous business waste</th><th>Reuse volume</th><th>Reuse rate</th></tr><tr><td>2021</td><td>4,267.81</td><td>13.53</td><td>8,631.17</td><td>66.91%</td></tr><tr><td>2022</td><td>1,759.97</td><td>0</td><td>9,574.72</td><td>84.47%</td></tr><tr><td>2023</td><td>995.46</td><td>12.7428</td><td>8057.182</td><td>88.9%</td></tr></table> <p>The Company has been committed to waste reduction and zero wastewater discharge, and insists on the concept of resource recycling. With the successful operation of solvent recovery system and wastewater concentration and drying system, we have finally reduced the amount of waste in the whole plant by more than 96%, and the solvent recovery rate is more than 90%, while creating zero wastewater discharge and solid salts recycling.</p> <p>In 2023, a total of 6,398 tons was recovered, and the carbon reduction reached 18,282 tons of CO2, which is equivalent to the carbon reduction of 46.84 Daan Forest Park.</p> <p style="text-align: right;">Unit: Metric tons</p> <table><tr><th>Year</th><th>Monosolvent recovery</th></tr><tr><td>2021</td><td>8,622</td></tr><tr><td>2022</td><td>7,562</td></tr></table>	Year	General business waste	Hazardous business waste	Reuse volume	Reuse rate	2021	4,267.81	13.53	8,631.17	66.91%	2022	1,759.97	0	9,574.72	84.47%	2023	995.46	12.7428	8057.182	88.9%	Year	Monosolvent recovery	2021	8,622	2022	7,562	
Year	General business waste	Hazardous business waste	Reuse volume	Reuse rate																										
2021	4,267.81	13.53	8,631.17	66.91%																										
2022	1,759.97	0	9,574.72	84.47%																										
2023	995.46	12.7428	8057.182	88.9%																										
Year	Monosolvent recovery																													
2021	8,622																													
2022	7,562																													

Promoting item	State of operations				The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.		
	Yes	No	Implementation status				
			<table><tr><td>2023</td><td>6,398</td></tr></table>		2023	6,398	
2023	6,398						
IV. Social issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		(I) The Company complies with all applicable national and international laws, and codes of ethics and generally accepted practices for labor and employee employment, such as: promoting fair competition, providing safety in customer products and services, compliance with labor laws and practices, human rights declarations, international standards and protection of copyright and company assets, intellectual property rights in any form, and a commitment to uphold the highest standards of ethics. The Company has also established an Employee Welfare Committee to handle all welfare matters. We hold regular labor-management meetings to understand the ideas of both parties in order to achieve a win-win situation for both the management and employees. The Company regularly reviews its operations, value chain and other related activities every year by focusing on socially significant issues, data monitoring and questionnaire surveys to identify and evaluate risk groups and potential human rights risks, prepare human rights issue control plans based on potential risks, and continuously monitor and improve the implementation results of the plans. In 2023, the Company underwent a total of 11 customer audits (5 on-site & 6 documentary), including employee relations, education and training, process control and quality management, etc. The factory inspections resulted in no major violations and all deficiencies have been corrected. In 2023, there were no incidents of discrimination, sexual harassment, aboriginal human rights violations, or social impacts, and there were no incidents of forced or compulsory labor, and we insist on providing equal working environment to our employees. In the future, we will continue to pay attention to human rights protection issues and promote related education and training to raise awareness of human rights protection and reduce the possibility of related risks.		No material difference.		
(II) Whether the Company has formulated and implemented reasonable employee welfare	V		(II) The Company actively promotes harmony between employees and management based on the understanding of coexistence and mutual prosperity, and attaches importance to the welfare and health of employees, and provides a quality working environment,				

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?			<p>comprehensive employee benefits, a comprehensive insurance system and leisure activities to meet the needs of employees.</p> <ol style="list-style-type: none"> 1. Employee compensation: Salaries and job levels of our employees are determined in accordance with the "Salary Management Regulations" according to their educations and experiences, performance and expertise and are not given different consideration on the basis of race, religion, party affiliation, nationality, place of birth, gender, sexual orientation, marriage, physical or mental disability, or union membership. All employees are treated equally and enjoy equal pay for equal work. The salaries of all employees are better than the statutory minimum basic salary, and all employees are treated equally and enjoy the same pay for the same work. In addition to fixed salaries, the Company will pay performance bonuses, leader allowances, profit-sharing remuneration for employees and year-end bonuses according to the operating conditions and individual performance, and will also propose profit-sharing remuneration for employees in accordance with the approval of the shareholders' meeting according to the Company's profitability. The Company has established the shareholders' club in 2014. Employees who meet the eligibility criteria for membership may contribute 5% of their monthly salary as deposits. The Company will return the same 5% as incentives to encourage employees' long-term investment and not only achieve the purpose of talent retention, and assist colleagues in wealth accumulation and planning for future retirement. 2. Employee welfare measures: The Company has set up an employee welfare committee, and each year the Company allocates 0.1% of its operating revenue to employees' welfare fund to plan and provide quality benefits for employees, such as: employee travel subsidies, arts and culture course subsidies, birthday gift certificates, wedding allowance, maternity allowance, funeral allowance, etc. In accordance with the Labor Standards Act and Article 12 of the Work Rules for Employees, after six months of employment, employees may apply for leave without pay for childcare until the child reaches the age of three, but not more than 	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
			<p>two years. If an employee is raising two or more children at the same time, the period of leave without pay for childcare shall be combined, with the longest period limited to two years for the youngest child. In the event of a major injury or illness, or a major change in circumstances that require a longer period of leave, employees may also apply for leave without pay to take care of their personal and family needs.</p> <p>The Company provides a wide range of favorable welfare measures, with group insurance including term life insurance, accidental injury, accidental injury medical limit, hospitalization and medical treatment, cancer medical and occupational accident insurance, cancer insurance, to provide employees and their dependents with economical relief in event of accidents.</p> <p>3. Workplace diversity and equality: In order to maintain the stability of human resources, the Company has adopted a fair, open, just and efficient selection system to recruit the best qualified personnel and to strengthen the management system and to address diversity and equality of opportunity and does not discriminate in hiring on the basis of race, color, age, sexual orientation, race, disability, pregnancy, faith, political affiliation, membership in a club or marital status. In our daily operations, we control our workforce, analyze and improve the flow of employees, and strive for a balanced distribution of our workforce.</p> <p>In 2023, the average percentage of female employees was 14.5% and the average percentage of female leaders was 16.7%. The large gap between male and female workers is mainly due to the fact that the work content of the Company requires mobility and carrying heavy loads.</p> <p>The Company values employee rights and benefits, shares profits with employees, and maintains a good working environment, including comprehensive physical, mental, and spiritual care for all ethnic groups:(1) the employment of physically challenged employees has reached 100% of the target, and work duties and environmental facilities are tailored to fit the needs of the employees (2) there are special programs for Filipino employees in the areas of selection, employment, education, retention, cultural integration, and health and safety (3) the implementation of workplace-friendly women's empowerment, so that employees</p>	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
			<p>of all genders can work with peace of mind.</p> <p>4. Business performance is reflected in employee compensation: Article 32 of the Company's Articles of Incorporation: If the Company makes a profit in a year, the Company shall set aside 6% to 15% of the profit as profit-sharing remuneration for employees, in stock or cash as resolved by the Board of Directors in the form of stock or cash, including employees of the Company's subsidiaries who meet certain criteria; the Company may set aside not more than 3% of the above profit as profit-sharing remuneration to directors as resolved by the Board of Directors. Proposal for profit-sharing remuneration for employees and profit-sharing remuneration for directors should be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount of loss make-up shall be reserved first, and then the profit-sharing remuneration for employees and directors can be appropriated in accordance with the aforementioned percentages. The target recipients of the profit-sharing remuneration for employees include employees of subordinate companies who meet certain criteria.</p>	
(III) Does the Company provide employees with a safe and healthy working environment, and related education?	V		<p>(III) The Company has passed the ISO45001 occupational health and safety management system, and annually commissions a testing organization to conduct an inspection of the indoor working environment in order to comply with the regulations and requirements. At least once a year, we hold fire and first-aid training, and implement education and training for our junior staff and key personnel on the use of chemicals and electrical safety.</p> <p>1. Occupational safety and health policy: The Company follows the local regulations and is committed to the protection of employees, customers and the surrounding environment in all processes. In addition, in order to effectively evaluate the performance of implementation, the Company conducts internal and external audits "once a year" and corrects management methods and implementation strategies based on the audit results, so as to achieve the goal of continuous improvement of environmental safety and health management performance. The Company has been aiming at "zero disaster", and the mechanism for dealing with occupational accidents and traffic accidents is listed and managed to complete the investigation of the cause of the disaster and</p>	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.																								
	Yes	No	Implementation status																									
			<p>implement improvements, and at the same time review in the Safety and Health Committee to avoid the recurrence of the same hazards. In 2023, the frequency of incapacitating injuries was 0; there were 0 occupational accidents with 0 persons.</p> <p>2. Workplace environment monitoring: In order to protect workers from the hazards of harmful substances in the workplace and to provide a healthy and comfortable working environment for workers, we perform two times a year to monitor the operating environment and gradually understand the actual state of exposure of workers.</p> <p>Workplace safety incidents in the most recent three years and education and promotion</p> <table> <tr> <th>Year</th> <th>Occupational disease cases</th> <th>Major occupational fatal incidents</th> <th>Occupational injuries</th> <th>Number of education and training</th> <th>Number of education and training participants</th> </tr> <tr> <td>2021</td> <td>0</td> <td>0</td> <td>0</td> <td>9</td> <td>215</td> </tr> <tr> <td>2022</td> <td>0</td> <td>0</td> <td>0</td> <td>8</td> <td>190</td> </tr> <tr> <td>2023</td> <td>0</td> <td>0</td> <td>0</td> <td>13</td> <td>328</td> </tr> </table> <p>Describe the number of fire incidents, the number of deaths and injuries, the ratio of deaths and injuries to the total number of employees, and the improvement measures in response to the fires in the current year; No such situation in 2023.</p>	Year	Occupational disease cases	Major occupational fatal incidents	Occupational injuries	Number of education and training	Number of education and training participants	2021	0	0	0	9	215	2022	0	0	0	8	190	2023	0	0	0	13	328	
Year	Occupational disease cases	Major occupational fatal incidents	Occupational injuries	Number of education and training	Number of education and training participants																							
2021	0	0	0	9	215																							
2022	0	0	0	8	190																							
2023	0	0	0	13	328																							
(IV) Has the Company established an effective career development training program for employees?	V		<p>(IV) The Company has established appropriate training programs for different levels, such as: new employee training, supervisory and management training, and various professional courses. In addition, the Company has introduced TMS digital learning website system, employees can go to the system at any time to inquire and enroll in relevant courses, without being restricted by the time of physical courses.</p> <p>The Company has planned a complete functional training for all levels of leaders and employees, including new employee training, professional advancement training, and leader training, etc., to assist employees in continuous learning and growth through a variety of learning methods and to cultivate their key competencies. In 2023, the total number of</p>																									

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
			<p>training hours for employees reached 16,820, with an average of 17.4 hours per employee. During regular annual performance interviews, leaders and employees discuss and set up individual annual competency development plans to assist employees in creating customized development plans through regular reviews and feedback.</p> <p>We have established a sound employee management and training system, emphasize on talent appointment and retention, and build an employer brand with the following action plans in 2023:</p> <ol style="list-style-type: none"> (1) January~June: Took stock of TAIMIDE classroom system courses over the years and made preliminary planning of training maps for different positions. (2) July~August: Collaborated with each unit to further confirm the correctness and executability of the training maps. (3) September~November: Planned the 2024 training programs according to the training maps, and the contents of the programs ought to detail the list of trainees, course objectives, and other information, so as to make the implementation of the next year's training programs more solid. 	
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer rights protection policies and complaint procedures?	V		<p>(V) In order to avoid the risk of health and safety impacts on our products, the Company have introduced ISO14001, ISO45001, QC080000 and IATF16949 management certifications, and 100% of the products are tested by third-party impartial units (including REACH, ROHS, SVHC, and other requirements). We provide customers with information about hazardous substance testing when the products are shipped to ensure the quality meets customers' expectations and to fulfill our corporate social responsibility for sustainable management.</p> <p>We attach great importance to the rights of our stakeholders and the satisfaction of our services, so we have set up a stakeholders section on our website to provide a channel for customer complaints and to keep track of feedback from our stakeholders and handle them with care.</p>	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.								
	Yes	No	Implementation status									
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	V		<div><div>(VI) The Company has established "Operating Procedures for Supplier Management" and "Operating Procedures for Supplier HSF Management" to establish screening criteria for suppliers to protect the environment, human rights, safety, health and sustainable development, as well as requirements and expectations for suppliers in the areas of environmental safety and health risks, prohibition of child labor, labor management, non-hazardous basic labor rights, ethical standards and ethical corporate management. The Company implements the requirements of sustainability in the daily management of the supply chain based on cooperation through the management mechanism of supplier selection, appraisal and evaluation. The Company's suppliers met the following conditions in 2023..</div><table><tr><td rowspan="4">Supplier evaluation</td><td>All suppliers must pass the supplier evaluation and comply with the code of conduct for suppliers.</td></tr><tr><td>Suppliers of raw materials related to the manufacturing process must obtain ISO 9001 quality management system certification.</td></tr><tr><td>Suppliers for factory affairs and related operations need to have ISO 45001 Occupational Safety and Health Management System certification.</td></tr><tr><td>Suppliers shall have a valid government-issued factory registration certificate and ISO 14001 environmental management certification according to business category.</td></tr><tr><td>Supplier audit</td><td>The Company has set up an audit team and a counseling team to track the improvement progress of raw material suppliers, to jointly improve quality and technology, to enhance environmental protection, safety and health performance, and to introduce automation to improve production capacity.</td></tr><tr><td>Supplier training</td><td>The Company will communicate with suppliers from time to time in different forms to effectively improve environmental protection and safety and health performance and to comply with international standards, including workplace hygiene, employee health, fire</td></tr></table></div>	Supplier evaluation	All suppliers must pass the supplier evaluation and comply with the code of conduct for suppliers.	Suppliers of raw materials related to the manufacturing process must obtain ISO 9001 quality management system certification.	Suppliers for factory affairs and related operations need to have ISO 45001 Occupational Safety and Health Management System certification.	Suppliers shall have a valid government-issued factory registration certificate and ISO 14001 environmental management certification according to business category.	Supplier audit	The Company has set up an audit team and a counseling team to track the improvement progress of raw material suppliers, to jointly improve quality and technology, to enhance environmental protection, safety and health performance, and to introduce automation to improve production capacity.	Supplier training	The Company will communicate with suppliers from time to time in different forms to effectively improve environmental protection and safety and health performance and to comply with international standards, including workplace hygiene, employee health, fire
Supplier evaluation	All suppliers must pass the supplier evaluation and comply with the code of conduct for suppliers.											
	Suppliers of raw materials related to the manufacturing process must obtain ISO 9001 quality management system certification.											
	Suppliers for factory affairs and related operations need to have ISO 45001 Occupational Safety and Health Management System certification.											
	Suppliers shall have a valid government-issued factory registration certificate and ISO 14001 environmental management certification according to business category.											
Supplier audit	The Company has set up an audit team and a counseling team to track the improvement progress of raw material suppliers, to jointly improve quality and technology, to enhance environmental protection, safety and health performance, and to introduce automation to improve production capacity.											
Supplier training	The Company will communicate with suppliers from time to time in different forms to effectively improve environmental protection and safety and health performance and to comply with international standards, including workplace hygiene, employee health, fire											

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
			<div>prevention and maintenance, carbon inventory, climate change, regulatory risks and business ethics.</div>	
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the confirmation or assurance opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?	V		<p>The Company's Sustainability Report has been prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI) in 2021. At the same time, the contents also echoed the "TaskForce on Climate-related Financial Disclosures (TCFD)," the "United Nations Sustainable Development Goals (SDGs)," the "Sustainability Accounting Standards Board (SASB)," and the "Sustainability Accounting Standards Board (SASB)," as well as the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".</p> <p>From 2018 to 2023, we prepared a total of six CSR reports (sustainability reports), and the contents of the report were verified by BSI Taiwan at various levels (AA1000AS V3 / Type I/ The Moderate Assurance) in 2022, and the contents are expected to be verified by BSI in 2023 too.</p> <p>TAIMIDE TECH. Sustainability Report can be downloaded from the Stakeholders Section (https://www.taimide.com.tw/zh/article-721176)</p>	No material difference.
<p>VI. If the Company has related practice principles of its own in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please state the differences between the two and the state of implementation: No material difference. Please refer to the Corporate Social Responsibility Report prepared by the Company for details of its operations.</p> <p>The Company's Board of Directors approved the establishment of the Company's "Sustainable Development Best Practice Principles" in March 2011, and approved the amendments to the Principles in March 2023 to strengthen the enforcement of corporate social responsibility. The Principles were formulated and prepared in accordance with the GRI Standards 2021 established by the Global Sustainability Standards Board (GSSB), and the Company has also adopted the sustainability indicators of the Sustainability Accounting Standards Board's (SASB) and the TCFD recommendations.</p>				
<p>VII. Other important information that is helpful to understand the implementation of corporate social responsibility: For other information on the Company's CSR operations, please refer to the CSR section of the Company's corporate website (http://www.taimide.com.tw/zh/article-833145).</p> <p>▲ The specific benefits of investing in energy saving or green energy related eco-friendly and sustainable machinery and equipment and investing in Taiwan's green energy peripheral industries in 2023 are described below:</p>				

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
Invested equipment			Investment amount	Investment benefits
Inverter control of Super Air-Condition chiller ice water/cooling water pump (20HP-2 sets) for Plant 1			\$70,965 thousand	Xinpu Plant: The total benefits of the energy saving equipment are to save electricity of 190,944 kWh/year and reduce carbon of 94.52 tons/year, as described below: Optimization of electricity equipment control: Inverter control of air-conditioning/process water pumps at Xinpu Plant can reduce electricity usage by 190,944 kWh/year.
Inverter control project of air-conditioning system pumps at Plant 1.				
Addition of inverter for 40HP/25HP process ice machine at Plant 2.				
Energy saving performance guarantee of Tongluo Plant				Tongluo Plant: The total benefits of the energy saving equipment is to save electricity of 1,844,784 kWh/year and reduce carbon of 897.28 tons/year, as described below:
Energy saving reporting construction project of Tongluo Plant				(1)Energy saving equipment: Saving by 1,766,784 kWh/year, reducing carbon by 875 tons/year, with improvement in equipment efficiency.
T4 process -15°C brine machine replacement and addition project				(2)Improvement in equipment efficiency.: Saving by 45,000 kWh/year, reducing carbon by 22.28 tons/year.
Waste liquid recovery system - Evaporation crystallization system				Tongluo Plant's waste liquid, The total benefits of the improvement in equipment efficiency are to save steam of 0.219 tons/hour, fuel of 18.84 M3/hour, and reduce carbon of 283 tons/year.
Tongluo Plant Phase II wastewater system project (ozone pre-treatment program)				Ozone pre-treatment program for wastewater recycling system: Destroy pollutants that are difficult to decompose at the front end and stabilize the wastewater system.
T7-Tenter supplemental external gas energy saving improvement project (connected with VOC heat recovery).				Improvement in equipment efficiency: Saving by 189.6 kWh/hour, reducing carbon by 178.6 tons/year

VIII. Implementation status of climate-related information

Item	Implementation status
1. Describe the supervision and governance for climate related risks and opportunities by the Board of Directors and management.	1. The Company established the Sustainable Development Execution Team to analyze climate issues, which consists of members from different departments, where the members involved in risk management from the Environmental Sustainability Task Force and Operations Management Task Force, form the interdepartmental Climate Change Risk Working Group to gather information on sustainability trends, seek advice from external consultants, participate in sustainability related activities, and conduct interdepartmental workshops, etc., and take responsibilities for identifying climate risks and evaluating and responding to climate impacts in their respective areas of duties and

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
2. Describe how the identified climate risks and opportunities will affect the business, strategy and finances (short, medium and long term) of the Company.			<p>authorities, with the top leader of the Group's Finance and Administration Department acting as the convener, to promote green environment and sustainable utilization of resources to enhance environmental management performance and environmental risk control. The highest person in charge of climate change risk management is the President, who leads the top management in implementing climate change related management, and regularly reports to the Board of Directors annually on the performance of sustainable development and climate change related issues, impact assessment and progress in achieving sustainability goals.</p> <p>In order to disclose the impact of climate change on the Company's operations, the Company has adopted the TCFD framework proposed by the International Financial Stability Board (IFSB), to analyze the risks and opportunities in the face of climate issues in terms of the four core elements of governance, strategy, risk management, and metrics and targets, and formulate relevant corresponding strategies to respond to them. The Company is more aware of the challenges of climate change and is able to capitalize on the opportunities that may arise during the transition process.</p> <p>We established the Greenhouse Gas Inventory and Reduction Promotion Team to be responsible for data collection, reduction technology, process emission reduction, and mobile source emission reduction, and to promote energy saving and carbon reduction, and to hold quarterly meetings to track and report on the planning and implementation of the greenhouse gas inventory and verification schedule at the quarterly Board meetings from May 2022 onwards.</p> <p>2. In order to disclose the impact of climate change on the Company's operations, the Company has adopted the TCFD framework proposed by the International Financial Stability Board (IFSB), to analyze the risks and opportunities in the face of climate issues in terms of the four core elements of governance, strategy, risk management, and metrics and targets, and formulate relevant corresponding strategies to respond to them. The Company is more aware of the challenges of climate change and is able to capitalize on the opportunities that may arise during the transition process.</p> <p>TAIMIDE TECH. measured the likelihood and impact of climate issues after gathering information on actual business conditions. Likelihood was measured by considering changes in regulations and policies and the frequency of events, while impact was assessed based on the degree of impact on the TAIMIDE TECH. if an event were to occur.</p> <p>We ranked the significant climate risks and opportunities in terms of likelihood and impact, identified 19 climate risks and 6 climate opportunities in terms of transition risks (policy and regulation, technology risks, market risks, goodwill risks), physical risks (acute risks, chronic risks) and opportunities (resource utilization efficiency, energy sources, products and services, markets, resilience), among which there are 5 key climate risks and 2 key climate opportunities, and assessed the impacts on our operations and corresponding strategies to respond to the key risks and opportunities.</p>	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
3. Describe the financial impact of extreme climate events and transition actions.			<p>3. The likelihood and impact of climate issues were measured after gathering information on actual business conditions. Likelihood was measured by considering changes in regulations and policies and the frequency of events, while impact was assessed based on the degree of impact on the Company if an event were to occur. We referred to AR6 (the Sixth Assessment Report) published by the United Nations Intergovernmental Panel on Climate Change (IPCC), and selected SSP1-2.6 and SSP5-8.5 scenarios for climate change scenario analysis. The possible negative impacts of the extreme weather events on the Company are as follows.</p> <p>(1) Unstable delivery of raw materials due to extreme weather conditions, resulting in disruption of the supply chain or increase in the cost of raw materials.</p> <p>(2) Higher carbon fee for greenhouse gas emissions, more stringent reporting regulations and air pollution control, more manpower and equipment to cope with the situation; furthermore, the need to invest a lot of money in technology due to low-carbon requirements, and possible risk of transition failure.</p>	
4. Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.			<p>4. In order to disclose the impact of climate change on the Company's operations, the Company has adopted the TCFD framework proposed by the International Financial Stability Board (IFSB), to analyze the risks and opportunities in the face of climate issues in terms of the four core elements of governance, strategy, risk management, and metrics and targets, and formulate relevant corresponding strategies to respond to them. The Company is more aware of the challenges of climate change and is able to capitalize on the opportunities that may arise during the transition process.</p> <p>Based on the results of climate risk identification, the Sustainable Development Team developed a response approach with the Greenhouse Gas Inventory and Reduction Promotion Team, which is included in the routine meetings for tracking and management. The working group follows the PDCA cycle for improvement and achieves effective management through long-term and continuous refinement of the operation.</p>	
5. If scenario analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be described.			<p>5. The Company referred to AR6 (the Sixth Assessment Report) published by the United Nations Intergovernmental Panel on Climate Change (IPCC), and selected SSP1-2.6 and SSP5-8.5 scenarios for climate change scenario analysis to simulate the possible impacts of production in Taiwan production bases and to assess the impacts of extreme weather on delivery to customers in Taiwan.</p>	
6. If there is a transition plan to manage climate related risks,			<p>6. Transition plan for managing climate-related risks. In the matrix analysis of the degree of impact and likelihood of occurrence, the first item is the increase in the cost of greenhouse gas emissions. As a result of the government's cap</p>	

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.									
	Yes	No	Implementation status										
describe the contents of the plan, and the metrics and targets used to identify and manage physical and transition risks.	requirements or NGO pressure, enterprises need to offset their emissions by purchasing carbon credits through carbon market transactions. The price per ton of carbon emissions may increase year by year, and enterprises are required to report or publicly disclose information such as the amount of greenhouse gases and are required to undergo third-party verification. Failure to disclose truthfully or on time may result in suspension of production or fines, imposing cost pressures on the organization.												
	It is necessary to improve energy and resource efficiency standards of various assets and to actively invest in energy management systems (EMS) and production technology upgrades, which in turn increases costs. The contents and goals of the program include												
	<table><tr><th>Type</th><th>Occurrence</th><th>Climate risk/opportunity</th><th>Impacts and financial effects</th><th>Countermeasures and action plan</th></tr><tr><td>Physical risks</td><td>Acute</td><td>Medium-term</td><td>Extreme weather</td><td><div><div><div>- Extreme weather may affect the supply from suppliers, which may lead to unstable delivery of raw materials and disruptions in the supply chain.</div><div>- The impact on suppliers may result in unstable prices of raw materials, leading to an increase in operating costs.</div><div>- Rising extreme weather temperatures will cause high temperature injuries, resulting in employee injuries.</div><div>- Insufficient water supply and power rationing will affect production, resulting in financial losses and lower revenue.</div></div><div><div>- Alternative material contingency and development, decentralizing and searching for other regional suppliers.</div><div>- Plan and implement relevant measures to protect personnel in accordance with the government's guidelines on working in high temperatures.</div><div>- Plan the wastewater treatment system to increase the water recycling rate in order to cope with the shortage of water in disasters</div></div></div></td></tr></table>				Type	Occurrence	Climate risk/opportunity	Impacts and financial effects	Countermeasures and action plan	Physical risks	Acute	Medium-term	Extreme weather
Type	Occurrence	Climate risk/opportunity	Impacts and financial effects	Countermeasures and action plan									
Physical risks	Acute	Medium-term	Extreme weather	<div><div><div>- Extreme weather may affect the supply from suppliers, which may lead to unstable delivery of raw materials and disruptions in the supply chain.</div><div>- The impact on suppliers may result in unstable prices of raw materials, leading to an increase in operating costs.</div><div>- Rising extreme weather temperatures will cause high temperature injuries, resulting in employee injuries.</div><div>- Insufficient water supply and power rationing will affect production, resulting in financial losses and lower revenue.</div></div><div><div>- Alternative material contingency and development, decentralizing and searching for other regional suppliers.</div><div>- Plan and implement relevant measures to protect personnel in accordance with the government's guidelines on working in high temperatures.</div><div>- Plan the wastewater treatment system to increase the water recycling rate in order to cope with the shortage of water in disasters</div></div></div>									

Promoting item	State of operations					The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status			
	Transition risks	Regulations	Short term	Mandatory reporting	<ul style="list-style-type: none">- Increase in operating costs in response to the disclosure requirements by customers or regulations.- Increase in related costs in response to audits by competent authorities.	<ul style="list-style-type: none">- Publication of annual sustainability report and disclosure of ESG information.- Introduction of TCFD to disclose risk information related to climate change.- Obtain ISO 14001 environmental management system certification to systematically reduce environmental impact.
	Transition risks	Technology	Medium-term	Low Carbon technology transition	<ul style="list-style-type: none">- Low-carbon technology development and investment shall increase R&D and production costs.- Low-carbon products require adjustments to a new supply chain, and the development of low-carbon raw material sources will lead to increased procurement costs.- Low-carbon raw material applications will lead to higher R&D costs.	<ul style="list-style-type: none">- Invest relevant resources in R&D of low-carbon technologies and actively apply for government subsidies.- Optimize the parameters of existing equipment to meet low-carbon manufacturing.
	Transition risks	Market	Chronicle	Increase in the cost of greenhouse gas emissions.	<ul style="list-style-type: none">- The Government increases the pricing of greenhouse gas emissions.	<ul style="list-style-type: none">- Tongluo Plant implemented ISO14064-1 greenhouse gas inventory system and established related environmental data recording

Promoting item	State of operations					The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status			
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be described.					<ul style="list-style-type: none">- The government imposes a carbon fee, resulting in an increase in direct costs.- The need to participate in the carbon market for carbon trading in order to meet the government's cap requirements shall lead to an increase in indirect costs.	<ul style="list-style-type: none">- mechanism, to carry out carbon management based on the results of carbon inventory.- Promote green energy by installing a solar power generation system and participating in the Demonstration and Promotion Program of the Energy Conservation Performance Guarantee Project of the Bureau of Energy, Ministry of Economic Affairs.
	Transition risks	Regulations	Chronicle	Air pollution control	<ul style="list-style-type: none">- In order to comply with the air pollution control, it is necessary to upgrade lots of equipment in the plants, which will increase the operating cost.- Failure to comply with the regulations will incur non-compliance penalties.	<ul style="list-style-type: none">- Continue to improve production processes, conduct testing and monitoring in accordance with the ISO 14001 environmental management system to reduce the level of pollutant emissions year after year, so that the average monitoring value of emissions is in line with the local air pollution emission standards.
7. The Company does not use internal carbon pricing as a planning tool.						

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, the annual progress of achievement, etc. should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits to be offset or the quantity of renewable energy certificates (RECs) should be described.			8. Refer to the descriptions in the following 1-1 and 1-2.	
9. Greenhouse gas inventory, assurance status and reduction targets, strategies, and specific action plans (fill in 1-1 and 1-2 separately).			9. Refer to the descriptions in the following 1-1.	

1-1 The Company’s greenhouse gas inventory and assurance for the most recent two years.
■ Greenhouse gas emissions in the most recent 2 years 2 for all plants

Metrix	2021	2022	2023
Scope I. Direct emissions (metric tons CO2e)	17,168.94	15,301.80	15,027.47
Scope II. Indirect emissions (metric tons CO2e)	38,112.83	29,250.41	26,813.68
Total emissions (metric tons CO2e)	55,281.77	44,552.21	41,841.15

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
Information on greenhouse gas assurance		Verification by BSI Taiwan	Tongluo Plant : Verification by SGS Taiwan	Tongluo Plant : Verification by SGS Taiwan
Note 1: The operational control approach was used for TAIMIDE TECH.'s greenhouse gas emissions in 2023.				
Note 2: The scope of TAIMIDE TECH.'s greenhouse gas verification in 2021 included TAIMIDE TECH.'s Xinpu Plant and Tongluo Plant, and only the verification of Tongluo Plant was completed in 2022, only the Tonglu Factory is expected to be verified in 2023				
Note 3: The types of greenhouse gases covered by the inventory include: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), and sulfur hexafluoride (SF6).				
Note 4: TAIMIDE TECH.'s total biomass emissions were 0.6732 tCO2e in 2021, 0.0000 tCO2e in 2022 and 0.000 tCO2e in 2023.				
Note 5: The Greenhouse Gas Emission Factor Management Table Version 6.0.4 (updated in 2020) of Environmental Protection Administration, Executive Yuan, was referenced for the source of emission factor.				
Note 6: With respect to the Global Warming Potential (GWP), Xinpu Plant adopted the information of IPCC 6th Assessment Report, Tongluo Plant adopted the IPCC 2007 4th Assessment Report in 2022, and the IPCC 2013 5th Assessment Report.				
Note 7: The electricity emission factor for greenhouse gases is based on the latest value available in the year. The electricity emission factor for 2021: 0.509kg CO2e/kWh, for 2022: 0.495kg CO2e/kWh, for 2023 0.494kg CO2e/kWh.				
■ Percentage of green electricity				
Year	Electricity consumption (kWh)	Green electricity consumption (kWh)	Percentage	
2022	59,091,746	351,000	0.594%	
2023	54,304,960	822,635	1.515%	
1-2 Greenhouse gas reduction goals, strategies, and specific action plans				
In order to continue to follow the international trend of reduction, the Company carries out reduction tracking planning through the Greenhouse Gas Inventory and Reduction Team, along the direction of carbon reduction in the areas of power-saving production and green transportation. The Company has carried out greenhouse gas inventories annually since 2021, and will establish a baseline for greenhouse gas emissions based on the amount of carbon emissions per unit of product (greenhouse gas emission intensity), and will determine a base year of energy saving and carbon reduction, and will also start to reduce the amount of emissions year by year to achieve the long-term goal of net-zero emissions by 2050.				
Short-term goal		Medium-term goal		Long-term goal
1. Conduct organizational carbon inventories and obtain external certification. 2. Increase investment in renewable energy and reduce external electricity usage		1. Fully disclose in accordance with TCFD recommendations 2. Promote reduction at source to achieve waste reduction		1. Comply with the Taiwan's 2050 net-zero emissions pathway 2. Conduct environmental management surveys and concept promotion for suppliers.

Promoting item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Implementation status	
			3. Pay attention to industry and technology trends and develop new products and technologies to meet them.	
<p><u>Base year for greenhouse gas reduction and data, reduction targets, strategies, specific action plans and achievement of reduction targets</u></p> <p>The Company's energy and water resource policies are as follows:</p> <p>As a world-class enterprise specializing in the research, development and manufacture of polyimide films, TAIMIDE TECH. INC. implements an energy and water efficiency management system, and expects each employee to take responsibility for the management of energy and water resources, and to be integrated into the entire environmental protection system. We comply with national and local energy and resource related laws and regulations, and we are committed to meeting the requirements of ISO50001&46001 standards in all our processes.</p> <p>We are committed to:</p> <p>A. Energy and water conservation: Implement the management measures to achieve the energy resource management goals.</p> <p>B. Improvement in efficiency: Increase the efficiency of energy resources to maximize and reduce the cost of use.</p> <p>C. Green procurement: Review the procurement process and prioritize the procurement of energy and water saving facilities and equipment.</p> <p>D. Compliance with laws and regulations: Comply with energy and resource related laws and regulations to build a sustainable green business.</p> <p>E. Continuous Improvement: Examine the use of significant energy resources and continue to improve the performance of energy resources.</p> <p>F. Total engagement: Improve the mechanism of education and training, and enhance employee awareness of management.</p>				

(VI) Implementation status of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Item	State of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
<p>I. Formulation of ethical corporate management policy and plan</p> <p>(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?</p> <p>(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive</p>	<p>V</p> <p>V</p>		<p>(I) The Company has established the "Ethical Corporate Management Best Practice Principles" and announced them to all of the Company's employee, and the Board of Directors and management are committed to actively enforce them.. The directors of the Company shall exercise a high degree of self-discipline with respect to the Board of Directors' proposals that are harmful to their own interests or those of the legal entities they represent, and shall not participate in discussions or vote on such proposals, and shall recuse themselves from such discussions and votes, nor exercise their voting rights on behalf of other directors. The Board of Directors is also very self-disciplined and does not provide improper support to each other.</p> <p>(II) In accordance with the Company's "Operating Procedures for Ethical Management and Guidelines for Conduct", bribery and accepting bribes, offering or accepting improper benefits, offering or promising to pay for facilitation, making illegal political contributions, engaging in unfair competitive practices, improper charitable donations or sponsorships, disclosing business secrets, and harming the rights of related parties are expressly prohibited. The Company has taken precautionary measures to prevent unethical conduct through the internal auditing unit's checking mechanism. The Company also implements ethical corporate management policies through education and awareness-raising from time to time.</p>	No material difference.

Item	State of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"? (III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		(III) The Company has established the "Ethical Corporate Management Best Practice Principles" and has promoted them to all employees, and has established operating procedures, guidelines for conduct, disciplinary and complaint systems to prevent dishonest behavior, and has implemented them, and regularly reviews and revises the foregoing programs.	
II. Implementation of ethical corporate management (I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	V		(I) The Company has established an evaluation mechanism for customers and suppliers, and when signing contracts, the rights and obligations of both parties are clearly defined, and a non-disclosure agreement is signed. In order to avoid engaging in business transactions with suppliers, customers, or other business counterparts involved in unethical behavior, once a business counterparty or cooperative partner is found to have unethical behavior, the Company shall immediately cease business dealings with them and list them as rejected accounts to enforce the Company's ethical corporate management policy.	No material difference.
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and	V		(II) The Company has established the "Operating Procedures for Ethical Management and Guidelines for Conduct" and the heads of each department are responsible for the formulation of ethical corporate management policies and preventive programs and for overseeing the implementation of ethical corporate management in order to carry through the operations of ethical corporate management. The	

Item	State of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?			implementation status of the Company's ethical corporate management is reported to the Board of Directors three to four times a year.	
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	V		(III) In the event of a conflict of interest in business, employees of the Company may report to their immediate manager or to the President. The Company has rules on the recusal of the directors from the discussion and voting on the Board of Directors' proposals if a director or the legal entity it represents has an interest in the proposal. Directors, managerial officers, etc. shall not use their position or influence in the Company to improperly benefit themselves, their spouses, parents, children or any other person.	
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	V		(IV) The Company has established relevant accounting systems and internal control systems as required by law and regulations, and has internal auditors to perform audits and qualified CPAs to perform audits on a regular basis.	
(V) Does the Company regularly organize internal and external education	V		(V) From time to time, the Company conducts education and training for employees to understand the Company's commitment to ethical corporate management and the consequences of breaches of integrity.	

Item	State of operations						The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description				
and training on ethical corporate management?			Name of training on ethical corporate management	Participation level (senior management/entry level employees, etc.)	Number of participants	Total number of hours of participation	
			Training on Ethical Corporate Management for New Employees	Entry level employees	11 people	5.5 hours	
			Introduction to Insider Trading, Integrity and Ethical Corporate Management Best Practice Principles	Senior management and entry level employees	72 people	36 hours	
III. The operations of the Company's whistleblower reporting system (I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters? (II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and	V 						

Item	State of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
the relevant confidentiality mechanisms? (III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V		(III) The Company takes protective measures for whistleblowers so that they are not subjected to improper treatment as a result of their reporting.	
IV. Enhancement of Information Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company's corporate website and the Market Observation Post System have the contents of the Ethical Corporate Management Best Practice Principles, ethical corporate management situations, and the effectiveness of the implementation.	No material difference.
V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please state the differences between the two and the state of implementation: In order to implement the ethical corporate management policies and to actively prevent unethical conduct, the Company has established these Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" to specifically regulate the matters that our personnel should pay attention to when performing business.				
VI. Other important information that is helpful to understand the implementation of ethical corporate management: In June 2015, the Company adopted the Ethical Corporate Management Best Practice Principles to comply with the spirit of the latest Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Company fulfills the ethical corporate management in its business dealings with its vendors, and is committed to promoting ethical corporate management to its customers.				

(VII) If the Company has formulated the Corporate Governance Practice Principles and related rules, it shall disclose the inquiry methods:

The Company has established "Corporate Governance Best Practice Principles", "Rules of Procedure for Shareholders' Meetings", "Rules of Procedure for the Board of Directors' Meetings", "Regulations Governing Performance Evaluation of the Board of Directors", "Procedures for the Election of Directors", "Rules Governing the Scope of Powers of Independent Directors", "Audit Committee Charter", "Remuneration Committee Charter", "Operating Procedures for Acquisition or Disposal of Assets", "Procedures for Lending of Funds to Others", "Procedures for Endorsement and Guarantee", "Sustainable Development Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Operating Procedures for Ethical

Management and Guidelines for Conduct", "Code of Ethical Conduct", and other rules and regulations, as well as a complete internal control system and internal audit system to enforce and promote the Company's legal principles, For more information on the Company's legal principles and related regulations, please refer to the Company's website (www.taimide.com.tw).

(VIII) Other important information for understanding of the operations of corporate governance may be disclosed:

1. In addition to the Corporate Governance section of the Market Observation Post System, the Company also discloses significant corporate governance-related operations to investors in a timely manner in the form of material information.
2. The Company holds regular earnings calls and the information of these calls is published on the Company's website and the Market Observation Post System.
3. Continuing education of the directors in the most recent two years and the current year:

Title	Name	Training date	Organizer	Course name	Training hour
Director	Sheng-Chang Wu	2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2022/08/10	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	3
Director	Chih-Hung Yen	2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2022/08/10	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	3
Director	Mei-Ling Tseng	2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2023/05/26	Environment Protection Administration, Executive Yuan	Green Chemistry for Sustainability	3
		2022/08/10	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	3
Representative of corporate director	Fang-Chu Hsieh	2023/11/07	Securities and Futures Institute	Global Economic Outlook for 2024	3
		2023/11/03	Securities and Futures Institute	Seminar on Derivative Markets and Corporate Sustainability for TWSE/TPEX Listed Companies	3
		2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2023/08/01	Securities and Futures Institute	The Risks and Opportunities of Climate Change and Net-Zero Emission Policies on Business Operations	3
		2023/05/26	Environment Protection Administration, Executive Yuan	Green Chemistry for Sustainability	3
		2022/12/27	Securities and Futures Institute	Competitiveness vs. Survivability, ESG Trends and Strategies	3
		2022/11/08	Securities and Futures Institute	Application of Cyber Security Management Act under Ransomware Threats	3
		2022/08/10	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	3
		2022/07/12	Taiwan Corporate Governance Association	Advanced Audit Committee Practice Sharing - M&A Review and Director Responsibilities	3
Representative of corporate director	Chih-Teng Hsieh	2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2022/08/10	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	3
		2022/05/11	Taiwan Corporate Governance Association	The Key to Sustainable Management - External Innovation	3
Representative of corporate director	Chao-Chin Li	2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2022/08/10	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	3
		2022/06/10	Securities and Futures Institute	2022 Seminar on Prevention of Insider Trading	3
Independent director	Shih-Mei Lin	2023/11/20	Taiwan Insurance Institute	IFRS 17 Supervisory Trends and Real-life Case Studies	3
		2023/10/31	Taiwan Academy of Banking and Finance	Lecture on Corporate Governance - Corporate Sustainable Management	3
		2023/09/28	Taiwan Academy of Banking and Finance	Lecture on Corporate Governance	3
		2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2023/06/02	Securities and Futures Institute	2023 Seminar on Prevention of Insider Trading	3
		2022/08/10	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	3
		2022/06/10	Securities and Futures Institute	2022 Seminar on Prevention of Insider Trading	3
		2022/04/22	Institute for Sustainable Energy.	Taishin 30 Sustainable Net Zero Summit Forum - Serious Net Zero for Sustainable 2030	3

Title	Name	Training date	Organizer	Course name	Training hour
Independent director	Chien-Min Wang	2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6
		2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	6
		2023/05/26	Environment Protection Administration, Executive Yuan	Green Chemistry for Sustainability	3
		2023/03/24	The Chinese National Association of Industry and Commerce	Matters Requiring Attention at Board of Directors' and Shareholders' Meetings and Frequently Asked Questions for 2023	3
		2023/03/10	The Chinese National Association of Industry and Commerce	Part 1 of Sustainable Transformation Series 4: Challenges and Opportunities in Global Net-Zero Transition	3
		2022/12/06	Taiwan Corporate Governance Association	Enhancing digital resilience and building a strategy for strengthening cyber security governance of TWSE listed companies	3
		2022/08/10	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	3
		2022/06/30	Taiwan Corporate Governance Association	Trends in ESG reporting and business implications of information disclosure	3
		2022/04/22	Institute for Sustainable Energy.	Taishin 30 Sustainable Net Zero Summit Forum - Serious Net Zero for Sustainable 2030	3
Independent director	Chien-Ju Lin	2023/08/10	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3
		2023/06/02	Securities and Futures Institute	2023 Seminar on Prevention of Insider Trading	3
		2023/03/28	National Federation of CPA Associations of ROC	Net Zero Emission X Circular Economy X Construction Project	3
		2022/10/11	Taiwan Stock Exchange	2022 Briefing for Directors and Supervisors on the Reference Guidelines for Independent Directors and Audit Committee on the Exercise of Their Powers and Responsibilities	3
		2022/10/05	Securities and Futures Institute	2022 Legal Compliance Briefing on Insider Equity Transactions	3

(IX) Regarding the implementation of the internal control system, the following matters should be disclosed:

1. Statement of Internal Control

TAIMIDE TECH. INC.

Statement of Internal Control System

Date: March 8, 2024

The Company states the following for its internal control system for 2023, based on the results of self-evaluation:

- I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and management, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.
- II. Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of internal control system adopted in the "Regulations" are based on the process of managerial control and divide internal control system into five components: 1. control environment 2. risk evaluation, 3. control operations, 4. Information and communication, and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.
- IV. The Company has adopted the aforementioned criteria of internal control system to evaluate the effectiveness of the design and implementation of its internal control system.
- V. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system was effective as of December 31, 2023 (including the supervision and management of subsidiaries), with an understanding of the extent to which the objectives of effectiveness and efficiency of operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with relevant rulings, laws and regulations is met, and a reasonable assurance of the achievement of these objectives.
- VI. This Statement will become the main content of the Company's annual report and prospectus, and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.
- VII. This Statement was approved by the Company's Board of Directors on March 8, 2024. Of the 9 directors present, 0 had objections, and the rest all agreed with the content of this Statement and declare here.

TAIMIDE TECH. INC.

Chairperson: Sheng-Chang Wu Signature

President: Chen-Ying Huang Signature

2. Where a CPA was appointed to review the internal control system, the review report should be disclosed: None.

(X) During the most recent year or during the current year up to the date of publication of the Annual Report, if the Company or its internal personnel have been punished in accordance with law, or the Company has punished its internal personnel for violating the provisions of the internal control system, and the results of such punishments may have a material effect on shareholder equity or securities price, the contents of the punishments, major deficiencies and improvements should be listed: None.

(XI) Important resolutions of the shareholders' meetings and Board meetings during the most recent year or during the current year up to the date of publication of the Annual Report:

1. Summary of the important resolutions of the shareholders' meetings and Board meetings is as follows:

Date	Resolved by	Important resolution
2023.06.21	Shareholders' meeting	1. Adoption of the business report and financial statements for 2022.
		2. Adoption of the Company's earnings distribution proposal for 2022.
		3. Approval of the amendments to the Company's "Articles of Incorporation".
		4. Approval of the Company's plan to increase capital by cash with issuance of common stock through private placement.
2023.03.09	Board of Directors	1. Approval of the distribution of profit-sharing remuneration for employees, directors for the year 2022 deliberated by the Remuneration Committee of the Company.
		2. Approval of the Company's business report and financial statements for 2022.
		3. Approval of the earnings distribution proposal for 2022.
		4. Approval of the issuance of the Company's "Statement of Internal Control" for 2022.
		5. Approval of the proposal to apply for a financing facility from a bank in response to operational needs.
		6. Approval of the proposal for the provision of endorsements and guarantees to the Company's subsidiaries.
		7. Approval of the replacement of the Company's attesting CPAs starting from the first quarter of 2023, and the evaluation of the independence and competency of the attesting CPAs.
		8. Approval of the CPAs' professional fees for 2023.
		9. Approval of the Company's plan to increase capital by cash with issuance of common stock through private placement.
		10. Approval of the amendments to the Company's "Articles of Incorporation".
		11. Approval of the addition to the business scope of Tongluo Branch.
		12. Approval of the amendments to certain provisions of the Company's "Rules of Procedure for the Board of Directors' Meetings".
		13. Approval of the amendments to certain provisions of the Company's R&D cycle system and other cycle systems.
		14. Approval of the amendments to certain provisions of the Company's "Sustainable Development Best Practice Principles".
		15. Approval of the amendments to certain provisions of the Company's "Corporate Governance Best Practice Principles".
		16. Approval of the Company's plan to establish the Company's Sustainable Development Committee and the "Sustainable Development Committee Charter".
		17. Approval of the implementation status of the Company's first domestic unsecured convertible bonds in 2022.
		18. Approval of the acceptance of proposals from shareholders with more than 1% ownership.
		19. Approval of the holding of the 2023 regular shareholders' meeting.
2023.05.09	Board of Directors	1. Approval of the Company's consolidated financial statements for 1Q2023.
		2. Approval of the proposal to apply for a financing facility from a bank in response to operational needs.
		3. Approval of the proposal for the provision of endorsements and guarantees to the Company's subsidiaries.
		4. Approval of the appointment of the "Corporate Governance Officer".

Date	Resolved by	Important resolution
2023.06.08	Board of Directors	1. Approval of the Company's plan to increase capital by cash with issuance of common stock through private placement (Supplementary note on the installations of private placement).
2023.08.10	Board of Directors	1. Approval of the proposal for the dismissal, appointment of the Company's President and recommendation on salary.
		2. Approval of the release of non-compete restrictions on managerial officers.
		3. Approval of the change in the Company's R&D Officer and recommendation on salary.
		4. Approval of the proposal for the promotions of the Company's Vice President of Manufacturing Department, Assistant Vice President of Human Resources Division and recommendation on salary.
		5. Approval of the Company's consolidated financial statements for 2Q2023.
		6. Approval of the proposal to apply for a financing facility from a bank in response to operational needs.
		7. Approval of the amendments to certain provisions of the Company's "Corporate Governance Best Practice Principles".
		8. Approval of the amendments to certain provisions of the Company's "Regulations Governing the Self-evaluation or Peer-evaluation of the Board of Directors".
2023.11.09	Board of Directors	1. Approval of the proposal for the principles for 2023 year-end (Chinese New Year) bonus payment.
		2. Approval of the appointment of new information security officer and information security personnel of the Company.
		3. Approval of the Company's consolidated financial statements for 3Q2023.
		4. Approval of the Company's annual budget for 2024.
		5. Approval of the Company's annual audit plan for 2024.
		6. Approval of the proposal for the provision of endorsements and guarantees to the Company's subsidiaries.
		7. Approval of the proposal to apply for a financing facility from a bank in response to operational needs.
		8. Approval of the amendments to certain provisions of the "Implementation of the Acting Spokesperson System" of the Company.
		9. Approval of the amendments to the Company's "Regulations Governing the Remuneration for Directors".
		10. Approval of the establishment of the base date and related matters for the capital increase by exchange of employee stock warrants for common stock of the Company.
		11. Approval of the recommendation on the salary of Chairperson Sheng-Chang Wu by the Remuneration Committee of the Company.
2024.03.08	Board of Directors	1. Approval of the Company's business report and financial statements for 2023.
		2. Approval of the distribution of profit-sharing remuneration for employees, directors for the year 2023 deliberated by the Remuneration Committee of the Company.
		3. Approval of the adjustments in the duties of the Company's managerial officers and recommendation on salary.
		4. Approval of the pension application by the Company's managerial officer.
		5. Approval of the Company's plan to participate in the cash capital increase of the subsidiary, POMIRAN METALIZATION RESEARCH CO., LTD.
		6. Approval of the participation in the employee stock options program by the Company's managerial officers at the cash capital increase of the subsidiary, POMIRAN METALIZATION RESEARCH CO., LTD.
		7. Approval of the earnings distribution proposal for 2023.
		8. Approval of issuance of the Company's "Statement of Internal Control" for 2023.
		9. Approval of the proposal to apply for a financing facility from a bank in response to operational needs.
		10. Approval of the proposal for the provision of endorsements and guarantees to the Company's subsidiaries.

Date	Resolved by	Important resolution
		11. Approval of the evaluation of the independence and competency of the Company's attesting CPAs.
		12. Approval of the CPAs' professional fees for 2024.
		13. Approval of the amendments to the Company's "Articles of Incorporation".
		14. Approval of the amendments to certain provisions of the Company's "Corporate Governance Best Practice Principles".
		15. Approval of the implementation status of the Company's first domestic unsecured convertible bonds.
		16. Approval of the re-election of the 9th Board of Directors.
		17. Approval of the release of non-compete restrictions on new directors.
		18. Approval of the acceptance of proposals from shareholders with more than 1% ownership.
		19. Approval of the acceptance of nominations of candidates for directors (including independent directors) from shareholders with more than 1% ownership.
		20. Approval of the holding of the 2024 regular shareholders' meeting.
2024.05.10	Board of Directors	1. The Company's consolidated financial statements for 1Q2024.
		2. Cancellation of the issuance of common stocks for cash capital increase through private placement approved at the regular shareholders' meeting on June 21, 2023.
		3. The Company's plan to increase capital by cash with issuance of common stock through private placement.
		4. Nomination of a list of candidates for directors (including independent directors) for 2024.
		5. Proposal to review the list of nominated candidates for directors (including independent directors).
		6. Release of non-compete restrictions on new directors.
		7. Holding of the 2024 annual regular shareholders' meeting.

2. Implementation status of the resolutions at the 2023 regular shareholders' meeting:

(1) Adoption of the Company's business report and financial statements for 2022

Implementation status: Approved at the 2023 regular shareholders' meeting, and the relevant reports have been filed with the competent authorities for announcement and declaration in accordance with the Company Act and other relevant regulations.

(2) Adoption of the Company's earnings distribution proposal for 2022.

Implementation status: Approved at the 2023 regular shareholders' meeting to set August 6, 2023 as the ex-dividend date for cash dividends and to complete the cash dividend payment on August 29, 2023. (Cash dividends per share of NT\$0.60)

(3) Amendments to the Company's "Articles of Incorporation"

Implementation status: Approved at the 2023 regular shareholders' meeting, and the change registration was completed on July 7, 2023, and the Company has been operating in accordance with the amended "Articles of Incorporation".

(4) The Company's plan to increase capital by cash with issuance of common stock through private placement.

Implementation status: After the resolution of the 2023 regular shareholders' meeting, the Company had not yet conducted the private placement of common stock, and the unissued number of shares was cancelled as resolved by the Board of Directors of the Company on May 10, 2024.

(XII) During the most recent year or during the current year up to the date of publication of the Annual Report, if board directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None

(XIII) The Company's personnel involved in the transparency of financial information obtain the relevant licenses

specified by the competent authorities:

Title	Name	Training date	Organizer	Course	Course name and hour
Audit Officer	Te-Yung Hsieh	2023/11/16 2023/12/08	The Institute of Internal Auditors	How to adjust the internal control system to meet the new ESG regulations How to Use Digital Technology to Explore and Improve Operating Processes and Fraud Detection--Audit Case Studies	12
Audit Duty Acting Person	Yung-Ting Lo	2023/10/18 2023/11/22	The Institute of Internal Auditors	Case Studies on Trade Secrets Act and Non-compete Restrictions (Including the Newly Amended National Security Act on Economic Espionage) How to Use Big Data to Enhance Audit Operations	12

(XIV) During the most recent year or the current year up to the date of publication of the Annual Report, summary of the resignation and dismissal of the Company's chairperson, president, accounting officer, finance officer, internal audit officer, corporate governance officer, and R&D officer:

May 31, 2024

Title	Name	Date taking office	Date dismissed	Reasons for resignation or dismissal
President	Sheng-Chang Wu	2000/06/22	2023/08/10	Duty adjustments
R&D Officer	Jin-Hsing Jin	2016/11/09	2023/08/10	Duty adjustments

V. Information on CPA professional fees

Unit: Thousands of NTD

Name of CPA firm	Name of CPA	CPA audit period	Audit fees	Non-audit fees	Total	Remark
Deloitte Taiwan	Ya-Yun Chang	2023.01.01~2023.12.31	2,315	280	2,595	Non-audit fees were \$250 thousand for tax compliance audit and \$30 thousand for the Checklist of Information on Salaries of Full-Time Employees in Non-Management Positions signed or sealed by a CPA.
	Su-Li Fang					

- (I) If the non-audit fees paid to the attesting CPA, the CPA firm and its affiliates account for at least one-fourth of the audit fees, the amount of audit and non-audit fees and contents of non-audit services shall be disclosed: For non-audit services and professional fees, please refer to the remark of the above table.
- (II) The audit fees paid in the year of the replacement of CPA firm is less than the audit fees in the year before the change, The audit fees before and after the replacement should be disclosed and the reasons therefor: None
- (III) Where the audit fees decreased by 10% or more from the previous year, the amount, percentage and reasons therefor should be disclosed: None.

VI. Information on Replacement of CPAs:

In accordance with the internal arrangement of the CPA firm, the Board of Directors approved on March 09, 2023 that the Company's attesting CPAs would be changed from CPAs Yu-Feng Huang, Ming-Hui Chen from Deloitte Taiwan to CPAs Ya-Yun Chang and Su-Li Fang from Deloitte Taiwan with effect from the first quarter of 2023.

(I) About the predecessor CPAs

Date of replacement	2023.03.09		
Reasons for the replacement and description	Internal job rotation and arrangement of Deloitte Taiwan		
Indicate whether the appointment is terminated or not accepted by the client or the CPAs	The parties involved		
	Circumstances	CPAs	Client
	Proactive termination of appointment	Not applicable	
	Not accepting (continuing) the appointment		
Opinions in and reasons for audit reports issued other than unqualified opinion for the most recent two years	None		
Disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Others
	None	~	
	Description: None		
Other Disclosures (Matters to be disclosed as required by Items 1-4 to 1-7, Paragraph 6, Article 10 of this Standard)	None		

(II) About the successor CPAs

Name of CPA firm	Deloitte Taiwan
Name of CPA	CPAs Ya-Yun Chang, Su-Li Fang
Date of appointment	2023.03.09
Matters and results of consultation on the accounting treatment or accounting principles for specific transactions and on the possible issuance of financial statements prior to the appointment	None
Written opinion of the successor CPAs on matters on which the successor CPAs disagreed with the predecessor CPAs	None

(III) The predecessor CPAs' reply to Items 1 and 2-3 of Paragraph 6 of Article 10 of the Standard: None.

VII. If the chairperson, president, or managerial officers involved in financial or accounting affairs was employed by the CPA firm or any of its affiliates within the most recent year; disclose their names, titles, and the periods during which they were employed by the CPA firm or any of its affiliates: None.

VIII. Transfers and changes in pledge of shares by directors, supervisors, managerial officers and shareholders with more than 10% ownership in the most recent year and the current year up to the date of publication of this Annual Report

(I) Changes in shareholdings

Unit: Shares

Title	Name	2023		The current year up to May 31	
		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
Chairperson of the Board	Sheng-Chang Wu	-	-	-	-
Director	Feng Rong Industrial Co., Ltd.	(2,000)	-	-	(1,700,000)
Director	Hsin Mu Energy Co., Ltd.	-	-	-	-
Director	Chan Fun Investment Co., Ltd.	-	-	-	-
Director	Chih-Hung Yen	3,000	-	-	-
Director	Mei-Ling Tseng	40,837	-	-	-
Independent director	Shih-Mei Lin	-	-	-	-
Independent director	Chien-Min Wang	-	-	-	-
Independent director	Chien-Ju Lin	-	-	-	-
President	Chen-Ying Huang	-	-	-	-
Vice President	Jin-Hsing Jin (Note 1)	-	-	(Note 1)	(Note 1)
Vice President	Tai-Tsun Chen	90,000	-	-	-
Vice President	Pao-Chuen Tong (Note 2)	-	-	-	-
Assistant Vice President	Meng-An Chung	50,000	-	(36,000)	-
Assistant Vice President	Hsin-Cheng Ko	(9,000)	-	-	-
Assistant Vice President	Ching-Yuan Liang (Note 3)	-	-	-	-
Corporate Governance Officer	Chia-Hui Chung (Note 4)	-	-	-	-

Note 1: Mr. Jin-Hsing Jin stepped down as Vice President of R&D Department on August 10, 2023 and transitioned to Senior Advisory Specialist of Planning Office on March 8, 2024.

Note 2: Mr. Pao-Chuen Tong, then Plant Manager of Tongluo Plant, was promoted to Vice President of the Company's Manufacturing Department on August 10, 2023.

Note 3: Ching-Yuan Liang, then Manager of Human Resources Division, was promoted to Assistant Vice President of Human Resources Division of the Company on August 10, 2023.

Note 4: Ms. Chia-Hui Chung, then Manager of Finance and Administration Department, has been the Corporate Governance Officer of the Company since May 9, 2023.

(II) Information on the related party who is the counterparty of equity transfer: None.

(III) Information on pledge of shares:

May 31, 2024; Unit: Shares; %; Thousands of NTD

Name	Reason for the changes in pledge.	Date of change	Counterparty of the transaction	Relationship between the counterparty of the transaction and the Company's directors, supervisors, managerial officers and shareholders with more than 10 ownership	Number of shares	Shareholding percentage	Pledge percentage	Pledge (redemption) amount
Feng Rong Industrial Co., Ltd.	Pledge	2021/08/16 2021/09/14 2022/07/25	Special account for pledge with CTBC Bank East Kaohsiung Branch	None	3,360,000	2.57%	2.54%	100,000
Feng Rong Industrial Co., Ltd.	Redemption	2024/04/09	Special account for pledge with CTBC Bank East Kaohsiung Branch	None	1,700,000	2.57%	1.29%	(50,600)
Sheng-Chang Wu	Pledge	2020/04/14	First Commercial Bank Hsinchu Science Park Branch	None	990,000	5.34%	0.75%	15,000

IX. Information on the top ten shareholders who are related to each other or as spouses or relatives within second degree of kinship

April 27, 2024; Unit: Shares; %

Name	Shareholding by the individual		Shareholding by spouse and minor children		Total shareholding in the name of others		The name and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remark
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Title (or name)	Relationship	-
Sheng-Chang Wu	7,059,232	5.34%	92,610	0.07%	-	-	-	-	-
Chih-Hung Yen	5,566,837	4.21%	166,425	0.13%	-	-	-	-	-
Sun-Dui Chang	4,193,672	3.17%	-	-	-	-	-	-	-
Arakawa Chemical Industries, Ltd. Person in Charge: Nobuyuki Takagi	3,969,001	3.00%	-	-	-	-	-	-	-
Dedicated account for investments by BNP Paribas in Singapore under the custody of HSBC Bank (Taiwan)	3,581,630	2.71%	-	-	-	-	-	-	-
Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh	3,399,959	2.57%	5,000	0.00%	-	-	-	-	-
Yu-Lien Chen	2,238,922	1.69%	-	-	-	-	-	-	-
Hsin Mu Energy Co., Ltd. Representative: Chao-Chin Li	2,000,380	1.51%	-	-	-	-	-	-	-
Chih-Chiang Yen	1,955,520	1.48%	-	-	-	-	-	-	-
CTBC Bank as entrusted by TAIMIDE TECH. INC.	1,866,440	1.41%	-	-	-	-	-	-	-

X. The total number of shares and the total ownership percentage held in any single investee by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

March 31, 2024; Unit: Thousands of Shares; %

Investee	Investment by the Company		Investment by the directors, supervisors, managerial officers and businesses under direct or indirect control		Total investments	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
POMIRAN METALIZATION RESEARCH CO., LTD.	27,480	85.30	368	1.14	27,848	86.44
POMIRAN TECHNOLOGY, LIMITED	110	10.00	-	-	110	10.00
TAIMIDE INTERNATIONAL INC.	200	100.00	-	-	200	100.00
KUNSHAN TAIMIDE TECH. INC.	-	100.00	-	-	-	100.00

Four. Capital Raising

I. Capital and shares

(I) Source of stock capital

1. Formation of stock capital

May 31, 2024; Unit: NTD; Shares

Year and month	Issue price	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of stock capital	Using property other than cash as payment for shares	Others
June 2000 (upon establishment)	10	52,000,000	520,000,000	13,596,945	135,969,450	Established by the initiators with NT\$135,969,450	-	2000.6.22 Jing-(2000)-Shang No. 121229
November 2000	10	52,000,000	520,000,000	46,000,000	460,000,000	Increased capital by cash of NT\$324,030,550	-	2000.11.30 Jing-(2000)-Shang No. 144462
July 2003	10	52,000,000	520,000,000	52,000,000	520,000,000	Increased capital by cash of NT\$60,000,000	-	2003.7.22 Jing-Shou-Shang-Zi No. 09201228450
April 2004	16	100,000,000	1,000,000,000	72,000,000	720,000,000	Increased capital by cash of NT\$200,000,000	-	2004.4.19 Jing-Shou-Shang-Zi No. 09301064540
December 2004	25	100,000,000	1,000,000,000	82,000,000	820,000,000	Increased capital by cash of NT\$100,000,000	-	2004.12.20 Jing-Shou-Shang-Zi No. 09301237870
February 2007	10	100,000,000	1,000,000,000	88,000,000	880,000,000	Increased capital by cash of NT\$60,000,000	-	2007.3.3 Jing-Shou-Shang-Zi No. 09601040240
May 2008	12.5	100,000,000	1,000,000,000	90,400,000	904,000,000	Increased capital by cash of NT\$24,000,000	-	2008.6.19 Jing-Shou-Shang-Zi No. 09701142990
August 2010	35	150,000,000	1,500,000,000	93,828,572	938,285,720	Increased capital by private placement of NT\$34,285,570	-	2010.8.30 Jing-Shou-Shang-Zi No. 09901192730
September 2010	12.5	150,000,000	1,500,000,000	97,068,572	970,685,720	Employee stock options exercised for NT\$32,400,000	-	2010.9.10 Jing-Shou-Shang-Zi No. 09901206590
February 2011	12.5	150,000,000	1,500,000,000	99,537,572	995,375,720	Employee stock options exercised for NT\$24,690,000	-	2011.2.14 Jing-Shou-Shang-Zi No. 10001025090
August 2011	10	150,000,000	1,500,000,000	105,288,203	1,052,882,030	Increased capital from employee bonus of NT\$7,737,520	-	2011.8.23 Jing-Shou-Shang-Zi No. 10001193350
						Increased capital from capital surplus of NT\$49,768,720	-	
October 2011	35	150,000,000	1,500,000,000	117,388,203	1,173,882,030	Increased capital by cash of NT\$121,000,000	-	2011.10.14 Jing-Shou-Shang-Zi No. 10001237530
September 2016	10	150,000,000	1,500,000,000	123,257,613	1,232,576,130	Increased capital from earnings of NT\$58,694,100	-	2016.09.05 Jing-Shou-Shang-Zi No. 10501212780
August 2019	10	200,000,000	2,000,000,000	129,420,494	1,294,204,940	Increased capital from earnings of NT\$61,628,810	-	2019.08.16 Jing-Shou-Shang-Zi No. 10801109860
December 2019	39.3	200,000,000	2,000,000,000	129,678,194	1,296,781,940	Employee stock options exercised for NT\$2,577,000	-	2019.12.02 Jing-Shou-Shang-Zi No. 10801168120
March 2020	39.3	200,000,000	2,000,000,000	129,784,894	1,297,848,940	Employee stock options exercised for NT\$1,067,000	-	2020.03.24 Jing-Shou-Shang-Zi No. 10901049120
December 2020	39.3	200,000,000	2,000,000,000	130,681,194	1,306,811,940	Employee stock options exercised for NT\$8,963,000	-	2020.12.03 Jing-Shou-Shang-Zi No. 10901222260
March 2021	39.3	200,000,000	2,000,000,000	130,703,694	1,307,036,940	Employee stock options exercised for NT\$225,000	-	2021.03.30 Jing-Shou-Shang-Zi No. 11001051230
May 2021	39.3	200,000,000	2,000,000,000	130,759,894	1,307,598,940	Employee stock options exercised for NT\$562,000	-	2021.05.25 Jing-Shou-Shang-Zi No. 11001092520
December 2021	38.2	200,000,000	2,000,000,000	130,892,894	1,308,928,940	Employee stock options exercised for NT\$1,330,000	-	2021.12.01 Jing-Shou-Shang-Zi No. 11001219510
April 2022	38.2	200,000,000	2,000,000,000	131,045,694	1,310,456,940	Employee stock options exercised for NT\$1,528,000	-	2022.04.19 Jing-Shou-Shang-Zi No. 11101063830
May 2022	38.2	200,000,000	2,000,000,000	131,798,994	1,317,989,940	Employee stock options exercised for NT\$7,533,000	-	2022.05.31 Jing-Shou-Shang-Zi No. 11101090020

Year and month	Issue price	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of stock capital	Using property other than cash as payment for shares	Others
December 2023	37.1	200,000,000	2,000,000,000	132,205,294	1,322,052,940	Employee stock options exercised for NT\$4,063,000		2023.12.15 Jing-Shou-Shang-Zi No. 11230225780

2. Type of issued shares

May 31, 2024; Unit: Shares

Type of shares	Authorized capital			Remark
	Shares outstanding (Note 1)	Unissued shares	Total (Note 2)	
Registered common shares	132,205,294	67,794,706	200,000,000	-

Note 1: Shares of listed companies.

Note 2: The authorized capital was changed from 150,000,000 shares to 200,000,000 shares on August 16, 2019, as approved by the Ministry of Economic Affairs with the Letter Jing-Shou-Shang-Zi No. 10801109860.

3. Information related to shelf registration system: Not applicable.

(II) Shareholder structure

April 27, 2024

Shareholder structure	Government agencies	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Quantity						
Number of people	0	0	239	36,914	78	37,231
Number of shares held	0	0	16,050,529	100,558,173	15,596,592	132,205,294
Shareholding percentage	0.00%	0.00%	12.14%	76.06%	11.80%	100.00%

(III) Shareholding distribution

1. Common Stock

April 27, 2024

Shareholding range	Number of shareholders	Number of shares held	Shareholding percentage
1 to 999	26,857	441,102	0.33%
1,000 to 5,000	8,081	15,959,631	12.07%
5,001 to 10,000	1,148	8,684,712	6.57%
10,001 to 15,000	370	4,677,703	3.54%
15,001 to 20,000	202	3,672,912	2.78%
20,001 to 30,000	191	4,877,991	3.69%
30,001 to 40,000	74	2,611,361	1.98%
40,001 to 50,000	60	2,747,448	2.08%
50,001 to 100,000	118	8,245,681	6.24%
100,001 to 200,000	56	7,950,626	6.01%
200,001 to 400,000	27	7,796,287	5.90%

Shareholding range	Number of shareholders	Number of shares held	Shareholding percentage
400,001 to 600,000	14	7,139,588	5.40%
600,001 to 800,000	11	7,378,195	5.58%
800,000 to 1,000,000	3	2,614,300	1.98%
Over 1,000,001	19	47,407,757	35.85%
Total	37,231	132,205,294	100.00%

2. Prefer stock: None.

(IV) List of major shareholders: Name, amount and percentage of shareholding of the top ten shareholders or shareholders holding 5% or more of the shares.

April 27, 2024

Name of major shareholder	Shares	Number of shares held	Shareholding percentage
Sheng-Chang Wu		7,059,232	5.34%
Chih-Hung Yen		5,566,837	4.21%
Sun-Dui Chang		4,193,672	3.17%
Arakawa Chemical Industries, Ltd. Person in Charge: Nobuyuki Takagi		3,969,001	3.00%
Dedicated account for investments by BNP Paribas in Singapore under the custody of HSBC Bank (Taiwan)		3,581,630	2.71%
Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh		3,399,959	2.57%
Yu-Lien Chen		2,238,922	1.69%
Hsin Mu Energy Co., Ltd. Representative: Chao-Chin Li		2,000,380	1.51%
Chih-Chiang Yen		1,955,520	1.48%
CTBC Bank as entrusted by TAIMIDE TECH. INC.		1,866,440	1.41%

(V) Information on market price, net worth, earnings, dividends per share for the most recent two years

Unit: NTD; Thousands of shares

Item		Year	2022	2023	The current year up to March 31, 2024 (Note 8)
Market price per share (Note 1)	Highest		62.70	52.90	50.80
	Lowest		28.85	31.35	39.80
	Average		51.20	42.66	44.11
Net worth per share (Note 2)	Before distribution		22.85	21.22	-
	After distribution		-	-	-
Earnings (Losses) per share	Weighted average number of shares		131,607	131,958	132,205
	Earnings (Losses) per share (Note 3)		1.13	(1.06)	0.22
Dividends per share	Cash dividends (Note 9)		0.60	0.30	-
	Stock dividend	Stock dividend from earnings	-	-	-
		Stock dividend from capital surplus	-	-	-
	Accumulated unpaid dividends (Note 4)		-	-	-
Return on	Price to earnings ratio (Note 5)		45.31	(40.25)	-

Year		2022	2023	The current year up to March 31, 2024 (Note 8)
Item				
investment analysis	Price to dividends ratio (Note 6)	85.33	142.20	-
	Cash dividend yield (Note 7)	1.17	0.70	-

* If the Company increased capital from earnings or capital surplus with allotments of shares, it should disclose the market price and cash dividend retroactively adjusted for the number of shares allotted.

- Note 1: List the highest and lowest market price of common stock for each year, with average market price for each year calculated based on the transaction value and volume of each year.
- Note 2: Please enter based on the number of shares issued at the end of the year and the distribution in accordance with the resolution of the shareholders' meeting of the following year.
- Note 3: If there is a retroactive adjustment due to circumstances such as stock dividend, etc., earnings per share before and after the adjustment should be shown.
- Note 4: If equity securities are issued with terms that allow dividends unpaid in the current year to be accrued and accumulated until the year the Company makes a profit, the amount of accumulated undistributed dividends as of the current year should be disclosed separately.
- Note 5: Price to earnings ratio = Average closing price per share for the year/earnings per share.
- Note 6: Price to dividends ratio = Average closing price per share for the year/cash dividends per share.
- Note 7: Cash dividend yield = cash dividends per share/average closing price per share for the year
- Note 8: Net worth per share and earnings per share should be presented with the data for the most recent quarter audited (reviewed) by CPAs as of the publication of the annual report; the remaining fields should be presented with the data for the current year as of the publication of the annual report.
- Note 9: Dividend payment for 2023 was approved by the Board of Directors on March 8, 2024 and has not yet been resolved by the shareholders' meeting.

(VI) Dividend policy and implementation status

1. The dividend policy as set forth in the Company's Articles of Incorporation is as follows:

Article 32 If the Company makes a profit in a year, the Company shall set aside 6% to 15% of the profit as remuneration to employees, in stock or cash as resolved by the Board of Directors in the form of stock or cash; the Company may set aside not more than 3% of the above profit as remuneration to directors as resolved by the Board of Directors. Proposal for profit-sharing remuneration for employees and profit-sharing remuneration for directors should be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, the amount of loss make-up shall be reserved first, and then the profit-sharing remuneration for employees and directors can be appropriated in accordance with the aforementioned percentages.

The Company's employee stock options, employee profit-sharing remuneration, and employee stock subscriptions may be granted to employees of the holding or subordinate companies who meet certain criteria.

Article 33 If there is any surplus earnings as indicated by the Company's final accounts, 10% of the annual earnings shall be set aside as legal reserve after paying taxes and making up for accumulated losses in accordance with the law. But if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside as or reversed from special reserve as provided by law. If there are still remaining earnings, the Board of Directors shall prepare for the distribution of the remaining earnings together with the accumulated undistributed earnings as dividends to shareholder, and submit it to the shareholders' meeting for resolution on the distribution.

The Company's dividend policy is to cater to the current and future development plans with consideration of the investment environment, capital requirements and domestic and international competition, and the interests of shareholders; dividends to shareholders may be distributed in cash or in stocks, with cash dividends not less than 10% of the total dividends.

2. Dividend distribution proposed for resolution at the shareholders' meeting: (approved by the Board of Directors, not yet approved by the shareholders' meeting)

The 2023 earnings distribution proposal approved by the Board of Directors on March 8, 2024 was as follows:

Cash dividend to shareholders: NT\$39,661,588 was appropriated from 2023 earnings as cash dividend, with NT\$0.30 per share. After the resolution of the shareholders' meeting, the chairperson of the Board of Directors is authorized to set the base date for dividend distribution.

3. When it is expected that there will be major changes in the dividend policy, an explanation should be provided: There is no major change in the dividend policy of the Company.

(VII) The effect of the proposed stock dividend by the shareholders' meeting on the Company's business results and earnings per share: There is no stock dividend for the year, so it is not applicable.

(VIII) Profit-sharing remuneration for employees, directors and supervisors

1. The percentage or range of profit-sharing remuneration for employees, directors as set out in the Articles of Incorporation:

Article 28 Regarding the compensation for directors, the Remuneration Committee shall evaluate the extent of their participation in the Company's operations and the value of their contributions, and the Board of Directors is authorized to determine the compensation of directors based on the Remuneration Committee's recommendation and taking into account the usual standards of the industry.

Article 32 If the Company makes a profit in a year, the Company shall set aside 6% to 15% of the profit as remuneration to employees, in stock or cash as resolved by the Board of Directors in the form of stock or cash; the Company may set aside not more than 3% of the above profit as remuneration to directors as resolved by the Board of Directors. Proposal for profit-sharing remuneration for employees and profit-sharing remuneration for directors should be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, the amount of loss make-up shall be reserved first, and then the profit-sharing remuneration for employees and directors can be appropriated in accordance with the aforementioned percentages.

The Company's employee stock options, employee profit-sharing remuneration, and employee stock subscriptions may be granted to employees of the holding or subordinate companies who meet certain criteria.

2. The basis for estimating the amount of profit-sharing remuneration for employees, directors for the current period, the basis for calculating the number of shares distributed as employee remuneration, and the accounting treatment if the actual amount of distribution differs from the estimated amount.
 - (1) For the estimated amount of profit-sharing remuneration for employees and directors, please refer to (VIII) 1. for description of the provisions of percentage as set out in the Articles of Incorporation. However, due to the net losses before tax in 2023, it was proposed not to distribute profit-sharing remuneration for employees and directors.
 - (2) The basis for calculating the number of shares for profit-sharing remuneration for employees: The Company did not distribute shares as profit-sharing remuneration for employees for the current period, so it is not applicable.
 - (3) The accounting treatment if the actual amount of distribution differs from the estimated amount: Any difference between the actual amount of distribution and the estimated amount for the current period shall be recognized as profit or loss for the following year. However, due to the net losses before tax in 2023, it was proposed not to distribute profit-sharing remuneration for employees and directors.
3. The distribution of remuneration as approved by the Board of Directors:
 - (1) Amount of profit-sharing remuneration for employees and directors distributed in cash or stock: Not applicable.
 - (2) The percentage of the amount of employee remuneration distributed in stock to net profit after tax and total employee remuneration in the standalone or individual financial statements for the period: Not applicable.
4. The difference between the actual amount of remuneration for employees, directors and supervisors in the previous year and the recognized amount of remuneration for employees, directors and supervisors,

the reasons for the difference and the treatment of the difference:

Item	Amount in the accounting book	Actual amount of distribution resolved at shareholders' meetings	Difference	Reasons for the difference
Profit-sharing remuneration for directors (Cash)	4,966,075	4,966,075	0	None
Profit-sharing remuneration for employees (Cash)	16,553,585	16,553,585	0	None

(IX) Repurchase of the Company's shares: None.

II. Issuance of corporate bonds

(I) Issuance of corporate bonds

Type of corporate bonds		The 1st domestic unsecured convertible bonds
Issue (processing) date		June 21, 2022
Denomination		NT\$100,000
Issue and trading location		Taipei Exchange
Issue price		Issued at 108.67% of denomination
Total amount		The total denomination of the issuance is NT\$600 million.
Interest rate		Coupon rate 0% per annum
Duration		3 years, maturity date: June 21, 2025
Guarantee institution		Not applicable
Trustee		Taipei Fubon Bank
Underwriting institution		Yuanta Securities Co., Ltd.
Certifying attorney		Attorney Ya-Wen Chiu of FAR EAST LAW OFFICE
Certifying CPAs		Deloitte Taiwan CPAs Yu-Feng Huang and Ming-Hui Chen
Repayment method		The Company shall repay the bonds held by the bondholders in cash within seven business days from the day after the maturity of the bonds, unless the bondholders convert the bonds into common shares of the Company in accordance with Article 10 of the Measures for the Issuance and Conversion of the 1st Domestic Unsecured Convertible Bonds of the Company or exercise the right of sale in accordance with Article 18 of the Measures, or the Company redeems the bonds in advance in accordance with Article 17 of the Measures, or the Company purchases and retires the bonds from the securities dealer. If the aforementioned date falls on a day when the Taipei Stock Exchange is closed, it will be postponed to the next business day.
Outstanding principal		NT\$600 million
Terms of redemption or early repayment		For details, please refer to Attachment 1 (Measures for the Issuance and Conversion of the 1st Domestic Unsecured Convertible Bonds)
Restriction clauses		None
Name of credit rating agency, rating date, corporate bond rating results		Not applicable
With other rights	Amount of common stock, global depository receipts or other marketable securities converted (exchanged or subscribed) as of the date of publication of the Annual Report	As of the date of publication of the Annual Report, no bondholders have requested the conversion to common stock and the outstanding conversion amount is NT\$600 million.
	Measures for the Issuance and Conversion (Exchanges)	For details, please refer to Attachment 1 (Measures for the Issuance and Conversion of the 1st Domestic Unsecured Convertible Bonds in 2022)
Effect of terms of issuance on preferred shareholders' equity, possible dilution of equity and effect on existing shareholders' equity		The conversion price of the domestic unsecured convertible bonds issued is currently NT\$54.5 per share. It is assumed that when the bonds are fully converted to common shares, the dilution rate to existing shareholders will be 7.6%, so there should not be a significant impact on existing shareholders' equity.
Name of the custodian institution entrusted with the exchange target		Not applicable

(II) Information on convertible bonds

Type of corporate bonds		The 1st unsecured convertible bonds	
Item	Year	2023	The current year up to the date of publication of the Annual Report
	Market price of convertible bonds		
	Highest	107.9	107
	Lowest	95.4	100.15
	Average	100.41	102.34
Conversion price		NT\$54.5	
Issue (processing) date and conversion price at issuance		Issued on June 21, 2022, with a conversion price of \$57.0 at issuance	
Method of fulfilling the conversion obligation		Issue of new shares	Issue of new shares

(III) Self registration of issuance of corporate bonds: No such situation

III. Issuance of preferred shares: None

IV. Issuance of overseas depository receipts: None

V. Employee stock options:

(I) The Company's employee stock options that have not yet expired and impact on shareholders' equity:

August 9 2023

Type of employee stock options:	The 1 st employee stock options
Effective registration date and total number of units	July 21, 2017; 3,698,000 shares
Issue (processing) date	August 10, 2017
Number of units Issued	3,698,000 shares
Number of units available for issue	0
Number of options issued for subscription as a percentage of the total number of shares issued (Note)	2.79716%
Subscription duration	6 years
Method of performance	Issue of new shares
Restricted subscription period and percentage (%)	30% after 2 years and 60% after 3 years and 100% after 4 years
Number of options exercised	2,784,800
Amount of options exercised	107,405,770
Number of options unexercised	0 shares
Subscription price per share for options unexercised	-
Number of options unexercised as a percentage of total number of issued shares (%)	0%
Impact on shareholders' equity	The Company's employee stock options may be exercised in stages after two years from the date of granting in accordance with the schedule set forth in the Company's regulations, so there is no significant impact on shareholders' equity.

Note: Calculated based on the total number of 132,205,294 shares issued and registered with and approved by the Ministry of Economic Affairs on December 15, 2023.

(II) The names of managerial officers and the top ten employees who acquired stock options and the acquisition and subscription status of the stock options:

August 9 2023

Title	Name	Number of options acquired (Thousands of Shares)	Number of options acquired as a percentage of total number of issued shares (%) (Note 1)	Exercised				Unexercised			
				Number of options (Thousands of Shares)	Subscription price	Subscription amount (Thousands of NTD)	Number of options as a percentage of total number of issued shares (%) (Note 1)	Number of options (Thousands of Shares)	Subscription price	Subscription amount (Thousands of NTD)	Number of options as a percentage of total number of issued shares (%) (Note 1)
Chairperson and President	Sheng-Chang Wu	1,281	0.97%	949	37.1	36,394	0.72%	0	-	0	0%
President of subsidiary	Chi-Huan Lo										
Vice President	Chen-Ying Huang										
Vice President	Tai-Tsun Chen										
Vice President	Jin-Hsing Jin										
Assistant Vice President	Hsin-Cheng Ko										
Assistant Vice President	Meng-An Chung										
Assistant Vice President of subsidiary	Tsung-Yi Chen										
Corporate Governance Officer	Chia-Hui Chung (Note 2)										
Manager	Pao-Chuen Tong										
Manager	Ming-Shun Lin										
Manager	Shen-Yu Huang										
Manager	Wen-Chun Lo										
Manager	Sheng-Hong Hsieh										
Manager	Hsin-Rong Chang										
Manager	Tzu-Liang Chao										
Assistant Manager	Ming-Ding Wang										
Assistant Manager	Chi-Yong Chang										
Assistant Manager	Wen-Hsuan Chung										

Note 1: Calculated based on the total number of 132,205,294 shares issued and registered with and approved by the Ministry of Economic Affairs on December 15, 2023.

Note 2: Ms. Chia-Hui Chung, then Manager of Finance and Administration Department, has been the Corporate Governance Officer of the Company since May 9, 2023.

VI. Employee restricted stocks: None.

VII. Issuance of new shares in connection with merger and acquisition of shares of other companies: None

VIII. Implementation status of capital utilization plan

The Company's 1st domestic unsecured convertible bonds, with total capital raised of NT\$652,006 thousand, were approved on record by the FSC in Letter Jin-Guan-Zheng-Fa-Zi No. 1110341251 dated May 12, 2022, all of which was used to repay bank loans as of June 30, 2022. The capital utilization plan had been implemented.

Five.Operations Overview

I. Business contents

(I) Business scope

1. Main contents of businesses

- | | | |
|----|---------|---|
| A. | CC01080 | Manufacture of Electronic Parts and Components |
| B. | F119010 | Wholesale of Electronic Materials |
| C. | F219010 | Retail Sale of Electronic Materials |
| D. | F401010 | International Trade |
| E. | C801100 | Synthetic Resin & Plastic Manufacturing |
| F. | C805990 | Manufacture of Other Plastic Products |
| G. | C801010 | Basic Industrial Chemical Manufacturing |
| H. | ZZ99999 | All business items that are not prohibited or restricted by law, except those that are subject to special approval. |

2. Sales percentage of major products

Unit: Thousands of NTD; %

Output value of products Service item	2022		2023	
	Sales	Sales percentage (%)	Sales	Sales percentage (%)
Polyimide films	1,887,769	99.92	1,549,174	97.25
Others	1,591	0.08	43,847	2.75
Total	1,889,360	100.00	1,593,021	100.00

3. Current products (services) of the Company

Production and sales of polyimide films.

4. New products (services) planned to be developed

The Company plans to develop new products with high modulus, low CTE, low Dk (Dielectric Constant), low Df (Dissipation Factor), and thinner polyimide film, which is mainly used in the fine pitch, high frequency and high speed flexible printed circuit board and high safety specification insulation markets.

In addition to the original focus on the FPC and insulation tape market, TAIMIDE has followed the mainstream of the display panel industry and shifted from LCD panels to OLED panels in recent years, because OLED panels have high color saturation, bendability and self-luminous characteristics. In particular, flexible AMOLED panels are lighter, thinner, more energy-efficient, and less likely to break. In the future, innovative products with wearable and VR devices, and bendable mobile devices will come to the market one after another. TAIMIDE has in recent years invested a lot of resources in the development of a new generation of Colorless Polyimide film, which mainly focuses on High Transmittance, Low Haze, High Hardness and Excellent Flexible ability. The main application market is the continuous bendable mobile devices for the optoelectronics industry, replacing glass and other transparent plastic materials with high crystallinity (e.g. PET, COP, etc.) that are not easily bendable. International display manufacturers not only focus on improving AMOLED process yields and expanding AMOLED production lines, but also plan to produce flexible AMOLED products for applications and expand production capacity, and actively develop a new generation of innovative foldable mobile phones and laptops to gain a favorable position in the market.

In addition, in respond to the demand for light weight, thinness, and high speed computing and transmission in the design of end-user mobile wearable devices and smartphones, the operating speed of CPU chips continues to increase from dual-core, quad-core, and octa-core, etc. When the operating speed of CPU chips increases, more heat will be accumulated around the chip, so the thermal management of related internal components and materials is becoming more and more important . There are many types of thermal dissipation materials. Traditional PCs and NBs use fans or metal materials such as

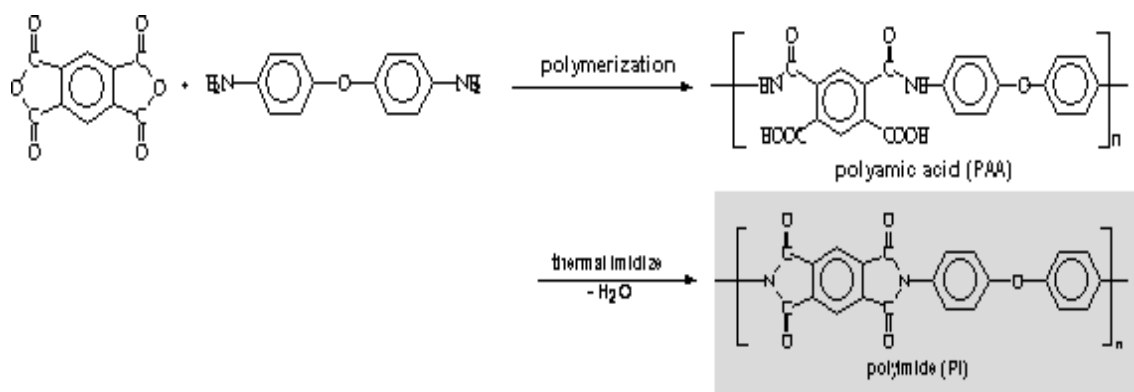
aluminum and copper laminates for thermal dissipation because they do not have restrictions on weight and volume. However, as mobile wearable devices and smartphones need to be of light weight and thinness, almost all subsequent heat dissipation technologies use artificial graphite sheet because of its ultra-high thermal conductivity, light weight, thinness (<0.1mm) and bending resistance.. The main raw material of artificial graphite sheet is polyimide film (PI film), which is produced through two high temperature processes, firstly, PI film is carbonized at over 800°C and then graphitized at over 2500°C. Customers can combine the graphitized artificial graphite sheet with the object to be cooled, which can achieve faster heat transfer and effectively prevent local overheating during the use of the product.. As the market of thermal dissipation application grows in these years, it is expected that the market share of our polyimide films will gradually increase its share in the application of artificial graphite sheets.

(II) Industry Overview

1. Current status and development of the industry

(1) Product description

Polyimide (PI) is an organic polymer containing imide groups. It is produced by polymerization of diamines and dianhydrides to form polyamic acid (PAA), and then by imidization at high temperature to form polyimide polymers. Due to its excellent thermal stability and good mechanical, electrical and chemical properties, PI has been the first choice for high-performance polymer materials, especially in the electronic IC industry with strict material requirements, where PI has always been a key material for high-temperature tapes, flexible circuit boards, IC passivation films, LCD alignment films, and insulating materials such as wire enamels.



(2) Current status and development of the industry

Our main product, polyimide film, is one of the two most important upstream materials used in electronics and electrical engineering, and is widely used in the electronics industry, mainly in the flexible circuit board (FPC), semiconductor packaging, liquid crystal display and communication industries. Electrical applications are mainly in insulation for aerospace, electrical, mechanical and automotive industries. The following is a description of the current status and development of each major industry:

A. FPC Industry

FPC is generally made by laminating copper foil with PI film material to form flexible copper clad laminate (FCCL), coverlay, reinforcement board and anti-static layer. The thickness of PI films can be 0.5mil, 1mil, 2mil, 3mil and thicker (even 10mil or more). Advanced or high-end flexible boards need PI films of thinner thickness (0.3mil) and higher dimensional stability. General overlay mainly uses PI films of 0.5 mil thick, while thicker PI films are mainly used for reinforcement boards and other applications.

FPC is currently the largest electronic application market for polyimide films. The increasing demand for FPC applications in smartphones, tablet PCs, LCD displays and LED backlight modules drives the growth in the demand for PI films. At present, a high-end Taiwan or US cell phone uses an average of 20~30 pieces of FPCs, which is 20~30% more than that of the middle and low-end models. The world's top five smartphone brands, where the top two are Samsung and Apple, and the rest are almost all Mainland brands, such as Xiaomi, OPPO, VIVO and HONOR, will collaborate with the world's top upstream supply chain to launch higher specifications, more new features, and larger size of middle and high-end products to quickly and timely meet consumer demand. Although the growth of the global cell phone volume is slowing down, the proportion of the middle and high-end cell

phones is still increasing year by year, and the number of pieces of FPCs used per cell phone is also increasing, and the area of PI films used for a single FPC is also increasing after the size of cell phones becomes larger. Therefore, we are optimistic that PI films will continue to have considerable volume growth in the coming years.

B. Insulation Industry

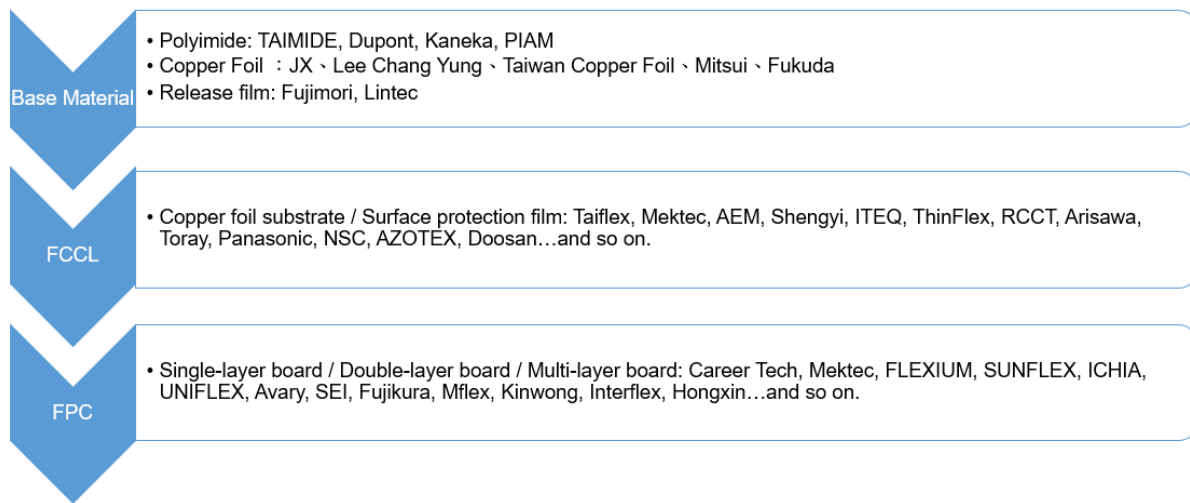
The main application of polyimide films in insulating application is the high temperature pressure sensitive tape coated with silicone. PI pressure sensitive tapes are widely used in various industrial applications, such as heat masking tapes for various types of coils and solder masking tapes for PCBs, etc. Polyimide films are also used in other high-end transportation and aerospace industries, for example, insulation of wires and cables with high safety requirements and high temperature insulation materials for military and aerospace applications. For this type of application, most polyimide films are coated with fluorinated polymers on one or both sides to increase their adhesion, chemical resistance and water resistance. In the wire magnetic tape masking application, polyimide films can complement the polyimide wire enamels and have excellent heat resistance, replacing the heavier insulating materials normally used to reduce the size and achieve the same output power.

2. Correlations among the upstream, midstream and downstream industries.

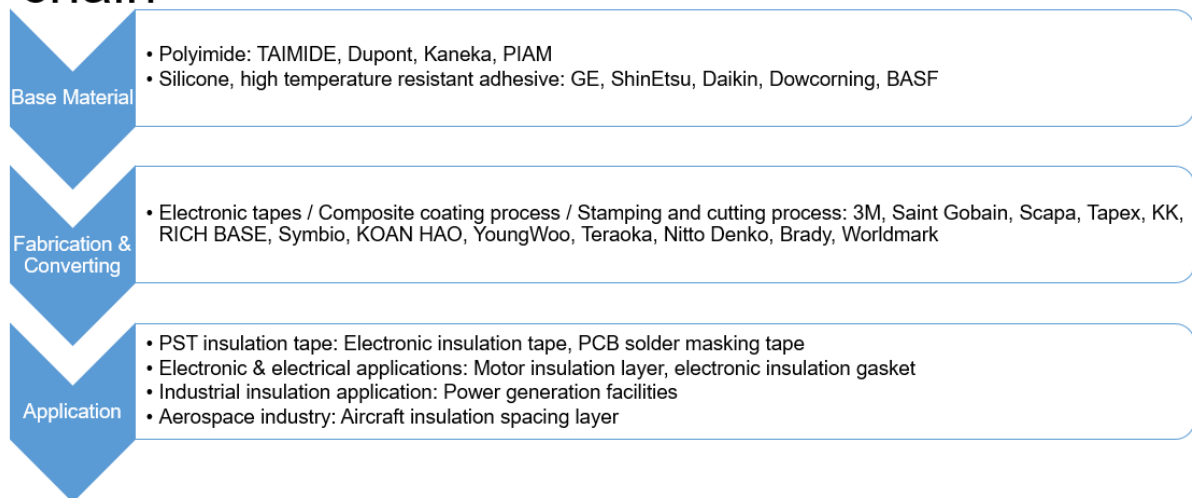
Polyimide has excellent heat resistance, chemical resistance, mechanical properties and electrical properties, so it is widely used in various industries such as aerospace, electrical, mechanical, automotive and electronic industries. In recent years, domestic semiconductor, electronic and communication industries are booming, and the demand for chemicals and materials for electronic applications is increasing. Polyimide is playing an increasingly important role in electronic materials.

Our polyimide films are one of the two main raw materials (copper foil and PI) of FCCL for the flexible board industry, and we are the utmost upstream supplier of the flexible board industry chain. They are also used as the base materials for various industrial insulation applications, and are coated with silicone or fluorine polymers to make high temperature electronic tapes or insulation materials and we are the utmost upstream supplier of the industrial insulation industry chain. The following diagrams illustrate the correlation among the FPC industry and the upstream, midstream and downstream insulating industries

Schematic diagram for FPC industry chain



Schematic diagram for insulation industry chain



3. Development trends and competitions of products

Polyimide has many advantages that are not replaceable by other materials. Besides the Tg (Glass Transition Temperature) of up to 380°C, it can endure most of the downstream high temperature processes, and its chemical resistance, mechanical properties and electrical properties are incomparable to other materials. Recently, new application opportunities have emerged in high-end FPC applications, LED, electronic communication and optoelectronic display industries, and the demand for new polyimide PI materials is increasing. Polyimide is playing an increasingly important role in the development of the industry. These new types of polyimide materials are listed below. The Company will carefully select potential development opportunities based on its own research and development capabilities and the feasibility of sales channels, pick development projects, and set a time line for launch in the market.

- (1) High Modulus & Low CTE (Coefficient of thermal Expansion) polyimide films for high density flexible board.
- (2) Black polyimide films for branded cell phones.

- (3) LED light bar and backlight and High Thermal Conductivity polyimide films.
- (4) Ultra-thin polyimide films of 0.2 mil (5um) with lower stiffness and high alkali-resistance for applications such as thin FPCs and bending resistant FPCs (foldable smartphone flexible board).
- (5) Electroplatable polyimide films applied by Semi-Additive technology with the concept of green environmental protection
- (6) Colorless Polyimide Films for optoelectronic display applications.
- (7) Low Dk/low Df polyimide films for wearable devices with higher frequency and high speed signal transmission applications.

(III) Technology and R&D Overview

1. Technical level and R&D

Since its establishment in June 2000, TAIMIDE has been dedicated to the development of polyimide films with excellent heat resistance, electrical properties, mechanical and chemical resistance with the main core technologies including polyimide formulation design, polyimide synthesis technology, precision film manufacturing process design and simulation, surface treatment process and equipment. In 2002, we started the research and development of imidation by chemical method, which is effective in improving the mechanical properties and increasing the productivity of polyimide films. We also have success in entering the high-temperature insulation market and have the opportunity to enter higher-end application markets and became the third supplier in the world to manufacture polyimide films by chemical method. Since 2003, we have been developing PI films with different thicknesses of 1mil, 2mil, 0.5mil and 3mil for application in the flexible print circuit (FPC) market and developing different grades of PI films according to customers' application requirements. Since 4Q2005, we have been working with Arakawa Chemical to develop Si-H PI films with nanometer surface modification for the high security COF (Chip on Flex) with high dimensional stability market and high density Semi-additive processed FPC and future ultra fine pitch flexible board process and products. In 4Q2007, we collaborated with JFEC to develop the recipe and manufacturing process of high modulus polyimide films for IC packaging application by chemical method. In 2009, we successfully mass-produced black PI films for smart phone flexible boards, becoming the second black PI film manufacturer in the world with mass-production and certification for end-use. Up to now, our black PI products have various thicknesses, with full series of products including 0.3 mil, 0.4 mil, 0.5 mil, 1 mil 2 mil and 3 mil.

In 2010, we developed white PI films with both high heat resistance and high reflectivity at the same time for LED backlight and lighting module applications. Also for Foldable Display, we developed high transparent PI films and Varnish, which can replace glass, mainly used in Touch panel and Cover window of foldable display screen. Take cover window as an example. The product is expected to be used in the future for foldable cell phones and other display products because it is thinner and lighter than the currently used glass cover window and is foldable.

In 2011, we carried out the Technology Development Program “High temperature resistance plastic substrates for flexible copper indium gallium selenide thin film solar cells” of the Ministry of Economic Affairs and developed PI films with high heat resistance and ultra-low thermal expansion coefficient, which can be used as substrates for flexible solar cells. We also cooperated with domestic cell phone companies to develop PI films in different colors and ultra-thin PI films to provide suitable flexible circuit substrates in thin and diverse designs of smart phones.

In 2014, with the demand for Internet of Things, cloud big data, and high speed computing and communication applications, we developed low-dielectric PI films for high speed and high frequency applications, and conducted research on the design and synthesis technology for low-polarity PI molecular monomer structures, and established the basis for the design of high frequency, high speed, low-dielectric PI and achieved preliminary results. In addition, on the basis of the original low gross black PI films, we resumed the recipe and molecular design and completed the development of ultra-low-haze black PI films to meet the diverse requirements of end-use cell phone manufacturers for flexible circuit design.

In 2015, we applied to the Ministry of Economic Affairs for the establishment of a R&D center, and applied for funds to strengthen the R&D manpower and project R&D of advanced PI materials, and established the R&D Center for Advanced PI Materials, with key focus on three technical directions: 1. PI materials for optoelectronics industry 2. PI materials for thermal conductivity graphite, and 3. PI materials for IC packaging. Our research and development capabilities and technology platform strength were significantly enhanced.

In 2016, we developed PI film materials for printed circuitry through the Ministry of Economic Affairs' A+ Industrial Innovative R&D Program - "Roll-to-roll FPC fully-additive production process and equipment integration development project", which we jointly applied for with Career Tech., BUILT-IN PRECISION MACHINE, and INTECH MATERIALS, to produce upstream key materials for future flexible electronics technology.

In 2017, we completed the domestic R&D center establishment project of the Ministry of Economic Affairs, and successfully developed PI films for high thermal conductivity graphite film, and commercialized it in mass production for high-end mobile phone used in mobile information communication and 3C electronic and optoelectronic products, with excellent heat dissipation effect and extended product life cycles.

In 2018, transparent PI applied to Foldable Display started to be adopted by end-use customers with small volume trial production and certification. In order to enhance the product development capacity and meet the future demand of different PI applications, we decided to build a R&D center building in Tongluo Plant with addition of experimental equipment and space to enhance the R&D capacity.

In 2019, in view of the large demand for transparent PI applied in foldable display screen and the fact that high frequency and high speed PI materials required by 5G industry were formally included in the design by end-use companies, we carried out the second phase expansion of Tongluo Plant by adding new production line to expand production capacity to meet the production demand required by future high-end applications. At the same time, the operations of the R&D center building in Tongluo Plant, together with the new production line and the optical grade pilot production line, adequately prepared us for the upcoming 5G and new foldable screen market.

In 2020, through the "Millimeter Wave High Frequency Substrate Material Development Project" applied for the R&D Guben program of the Ministry of Economic Affairs, we cooperated with the Industrial Technology Research Institute (ITRI) to develop QSPR technology and at the same time the National Synchrotron Radiation Research Center (NSRRC) to analyze the microstructure of high frequency substrate films to develop high frequency high PI materials with high-energy X-ray light sources and instruments and also introduced molecular simulation and high-performance molecular structure analysis technologies to accelerate the development of PI materials for the implementation of 5G industry-related applications.

In 2021, we focused on the markets and materials required for applications such as high frequency and high speed mobile devices, electronic in-vehicle devices, and folding of flexible displays, and actively conducted further research and study on PI film materials for these high-end applications through cooperation and development with our customers to expand the functionality of PI film materials and meet the demand for new application products.

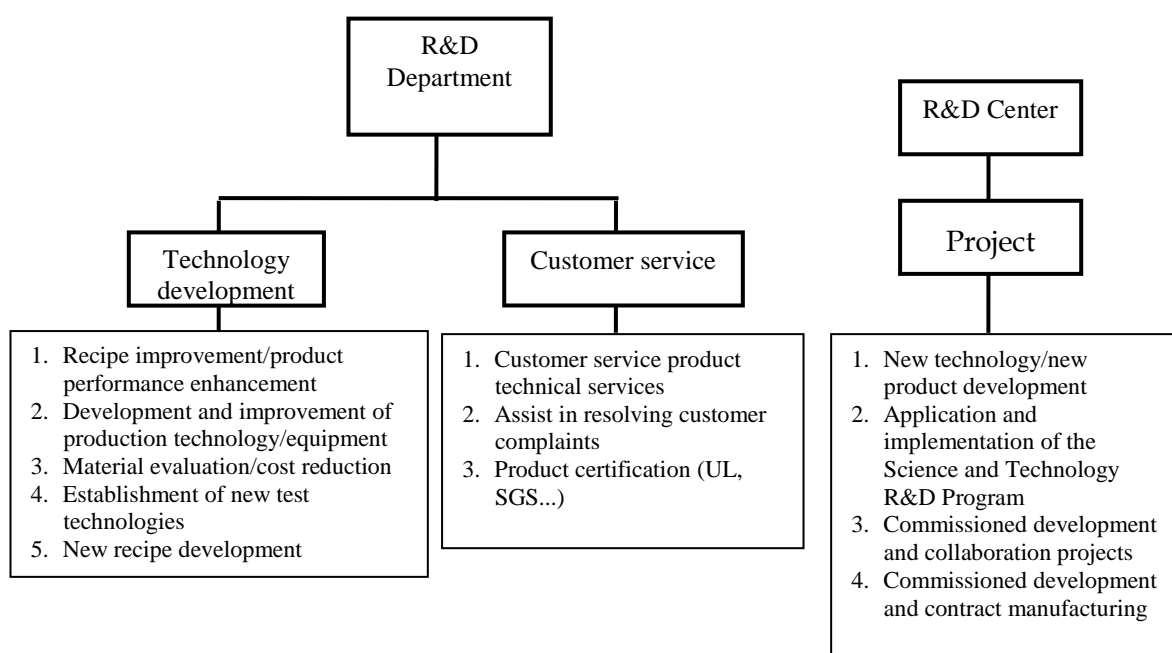
In 2022, in view of the increasing demand for high-density applications and the emergence of ultra-thin, high dimensional stability and heat dissipation applications, the Company began to build up PI films for direct conductor plating and high thermal conductivity. Meanwhile, we continue to invest in research and development resources to conduct pilot production research and development of low dielectric and high modulus transparent PI for 5G high frequency and high speed and folding screens.

In 2023, we received a subsidy from the Industrial Development Bureau to develop LCP/PI composite films of low-carbon processes under the "Taiwan Industrial Innovation Platform Program (TIIP)", introducing the LCP formulation technology from a corporate research institution to improve the electrical properties and reliability of the original PI films. At the same time, we selected outstanding domestic substrate and circuit board manufacturers for cooperation and verification in the material development process, and through the selection of application carriers (high frequency and high speed products), we ultimately obtained the latest information on the design and material requirements of end-application products to accelerate the efficiency and implementation of the development of this technology. In addition, we are committed to the development of low-carbon polyimide membrane processes, including (1) the optimization of the process solvent recovery system, in the hope that the full recovery of solvents used can be achieved in the future; (2) the optimization of polyimide recycling technology, for example, to improve the reaction speed, which can effectively improve the speed of film production with high performance. By way of the low-carbon emission method, we can produce PI films with good electrical, mechanical, and thermal properties. The low dielectric films of low-carbon process can be used as a substrate for high frequency and high speed circuits, and applied to downstream millimeter wave information and communication products.

In the past five years, we focused on the following three R&D areas:

- (1) PI films for FPC application:

- A. Ultra-thin, large and stable PI films: The increasing demand for high-density applications such as portable and wearable devices, AI smart integration, and Mini & Micro LEDs is bound to increase the demand for dimensional stability and thinness of flexible substrates.
 - B. PI films for high frequency and high speed: For the advent of the 5G era, we continue to develop PFAS-free PI films that combine the low moisture absorption, low dielectric, and low signal loss with excellent high temperature resistance, dimensional stability, and mechanical and processing characteristics. In addition, we are developing a new generation of PI composite material formulation technology for hybrid LCP to support the digital high speed transmission of the B5G/6G millimeter wave generation and high frequency signal reception antenna application products to meet the advent of the new communication era.
 - C. PI films for automotive: It is used in the electric vehicle industry for the key power battery packaging and battery power management systems (BMS) conduction connection with insulation materials and flexible board, mainly as an answer to the requirements for high reliability and lightweight.
- (2) PI films for optoelectronic applications:
- A. Transparent PI films: We continue to develop the key materials required by foldable screens, mainly used in foldable touch and cover, and the products are foldable mobile phones and other mobile information and communication devices.
 - B. Advanced packaging tapes: We develop special tapes based on PI, which are suitable for grinding and thinning required for advanced packaging processes of high-density semiconductors, heat resistance and viscosity reduction required for special processes (high temperature, sputtering, etc.), temporary tapes for high-density circuit board substrate processes and Mass Transfer of Micro LEDs, etc., and are designed and imported in a customized way by our customers.
- (3) PI films for functional applications other than FPC: Such as thick PI graphite film sintering with high heat flux, PI films with high thermal conductivity, etc., which are mainly used for heat dissipation of mobile information and communication devices and modules for in-vehicle heating and temperature control.



2. R&D personnel and their education and work experience

Units: People; %

Year		2022		2023		March 31, 2024	
		Number of people	%	Number of people	%	Number of people	%
Education distribution	Doctoral degree	9	29.03	6	18.74	6	18.75
	Master degree	10	32.26	13	40.63	14	43.75
	Bachelor degree (including college degree)	11	35.48	13	40.63	12	37.50
	High school degree (and degrees below high school)	1	3.23	0	0	0	0
	Total	31	100	32	100	32	100
Average years of service (Years)		4.19		4.67		4.87	

3. Annual R&D expenses for the most recent years

Unit: Thousands of NTD; %

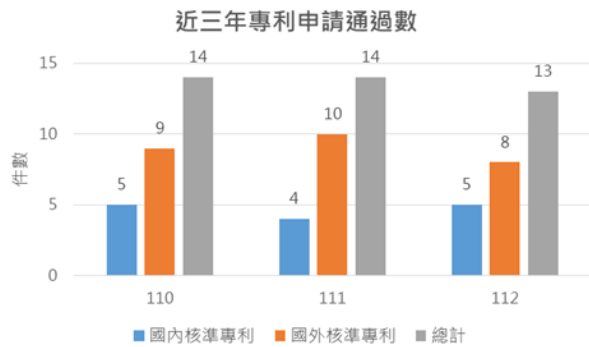
Year	Item	2022	2023	1Q2024
	R&D expenses	183,742	218,231	40,463
	Net operating revenue	1,889,360	1,593,021	464,951
	R&D expenses/net operating revenue (%)	9.73	13.70	8.70

4. Technologies and products successfully developed in the last five years

Year	Item
2019	1. Developed transparent PI Films with low phase difference for foldable display.
	2. Developed high frequency and high speed MPI films and PI adhesive materials for Sub 6G.
2020	Developed highly bendable thin transparent PI film, which was successfully applied to folding cell phone touch panel for small volume trial production and sales.
2021	1. Completed the "Millimeter Wave High Frequency Substrate Material Development Project" applied for the R&D Guben program of the Ministry of Economic Affairs to develop fluorine/MPI high frequency high speed composite substrate film.
	2. Developed simulation technology for rapid prediction of electrical properties of polymer materials.
2022	1. Developed yellow and black PI films for ultra-thin and high dimensional stability, and started mass production and sales after being certified by end-users.
	2. Developed low dielectric MPI film, which was successfully verified by customers and introduced into mass production and sales.
2023	Developed low dielectric LCP and PI composite film for 5G high frequency and high speed circuit board applications.

5. Status of patent applications

As a technology-oriented company, the protection and strategic arrangements of intellectual property rights is very important to TAIMIDE under the global competition, and patent applications not only protect the Company's products, but also is the best indicator of technical capability and right assertion. Currently, the Company has 57 domestic patents and 85 foreign patents approved, totaling 142 patents, which is 13 more patents than 2022.



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

1. Short-term business development plans

- (1) Increase opportunities to participate in domestic and international exhibitions and seminars to strengthen brand awareness.
- (2) Keep abreast of product design and material usage trends in the downstream market and provide feedback to internal departments so that R&D, quality assurance, and manufacturing departments can respond accurately.
- (3) Actively participate in technical discussions with downstream and their customers to ensure that we are aware of changes in quality and technology from customers.
- (4) Expand exports and services to Europe, the U.S. and Mainland China, and establish local business service centers to strengthen business and technical service support to customers.
- (5) Actively develop overseas markets and customers, increase the proportion of product exports, and seek assistance from local agencies for distribution.
- (6) Increase new product lines and expand production capacity to replace imported products in the U.S. and Japan with sufficient capacity to increase market share.

2. Long-term business development plans

- (1) Identify niche markets and products, strengthen new product development capabilities, and increase future operating profitability and market breadth.
- (2) Set up sales offices in key sales regions and distribution centers to enhance overall competitiveness and advantages.
- (3) Establish brand awareness and make the Company a world-renowned manufacturer, and set up different combinations of service locations and agencies according to market segments and application differences.
- (4) Accelerate the competitiveness of products and technologies through technical cooperation with international and academic institutions, and make use of the results of the cooperation to deepen our own technical levels, so that we can become a world-renowned electronic materials manufacturer.
- (5) Continue product development, especially targeting higher-end application markets, in order to increase the profitability and longevity of the Company's product sales.

II. Market, Production and Sales Overview

(I) Market Analysis

The entry barrier for PI film manufacturing is high, and the major PI film manufacturers are DuPont, Kaneka, PI Advanced and TAIMIDE (the Company), etc..

We are the first PI film manufacturer in Taiwan, mainly supplying to the flexible board industry, insulation industry and artificial graphite industry. There are also a number of small and micro PI manufacturers in Mainland China, selling mainly in the lower end of insulation applications. As the downstream application market will turn to refinement, the development products will move in the direction of thinness, high dimensional stability, and it is expected that the output value of PI Films will increase year by year in the next few years due to the refinement of products, and the added value of products will also increase.

1. Major products (services) sold (provided) by region

Unit: Thousands of NTD

Item \ Year		2022		2023	
		Sales	%	Sales	%
Domestic sales		831,705	44.02	657,721	41.29
Export sales	Asia	1,002,550	53.06	859,154	53.93
	Americas	46,316	2.45	69,009	4.33
	Others	8,789	0.47	7,137	0.45
	Subtotal	1,057,655	55.98	935,300	58.71
Total		1,889,360	100.00	1,593,021	100.00

2. Market share

At present, the PI film industry is still dominated by international suppliers, such as DuPont, Kaneka and PI Advanced, among which DuPont and Kaneka together account for more than 50% of the total global production capacity, PI Advanced about 20%-25%, and our production capacity accounts for about 10%-15% of the global share. Since Taiwan, China and Korea are the manufacturing centers of the global electronic industry, it is difficult for the US and Japanese competitors to compete with us in terms of delivery, service and cost, and there is much room for TAIMIDE to replace the US and Japanese competitors in the product market. So we are optimistic about the future development of PI film business.

3. Supply and demand and growth of the market in the future

The increasing demand for FPC applications in smartphones, tablet PCs, LCD displays and LED backlight modules drives the growth in the demand for PI films. At present, a high-end Taiwan or US cell phone uses an average of 20~30 pieces of FPCs, which is 20~30% more than that of the middle and low-end models. The world's top five smartphone brands, where the top two are Samsung and Apple, and the rest are almost all Mainland brands, such as Xiaomi, OPPO, VIVO and HONOR, will collaborate with the world's top upstream supply chain to launch higher specifications, more new features, and larger size of middle and high-end products to quickly and timely meet consumer demand. Although the growth of the global cell phone volume is slowing down, the proportion of the middle and high-end cell phones is still increasing year by year, and the number of pieces of FPCs used per cell phone is also increasing, and the area of PI films used for a single FPC is also increasing after the size of cell phones becomes larger. Therefore, we are optimistic that PI films will continue to have considerable volume growth in the coming years.

In respond to the demand for light weight, thinness, and high speed computing and transmission in the design of end-user mobile wearable devices and smartphones, the operating speed of CPU chips increases from dual-core, quad-core, and octa-core, etc. As the operating speed of CPU chips increases, more heat will be accumulated around the chip, so the thermal management of related internal components and materials becomes more and more important. There are many types of thermal dissipation materials. As mobile wearable devices and smartphones need to be of light weight and thinness, almost all subsequent heat dissipation technologies use artificial graphite sheet because of its ultra-high thermal conductivity, light weight, thinness (<0.1mm) and bending resistance. The main raw material of artificial graphite sheet is PI film, which is produced through two high-temperature processes of carbonization and graphitization, and combined with the object to cooled, it can achieve faster heat

dissipation and effectively prevent local overheating during product use. As the market of thermal dissipation application grows, it is expected that our polyimide films will gradually increase its share in the application of artificial graphite sheets.

With the advent of the high speed era, PI Film applications will increasingly evolve towards high-end products and customized needs. This trend will drive PI Film products to the next generation of applications to meet the stringent physical requirements. TAIMIDE has been developing new low dielectric flexible substrate materials with low Df and excellent processing characteristics to provide customers with the best solution for high frequency/high speed materials.

The mainstream of the display panel industry has shifted from LCD panels to OLED panels in recent years, because OLED panels have high color saturation, bendability and self-luminous characteristics. In particular, flexible AMOLED panels are lighter, thinner, more energy-efficient, and less likely to break. In the future, innovative products with wearable and VR devices, and bendable mobile devices will come to the market one after another. TAIMIDE has in recent years invested in the development of a new generation of Colorless Polyimide film, which mainly focuses on High Transmittance, Low Haze, High Hardness and Excellent Flexible ability. The main application market is the continuous bendable mobile devices for the optoelectronics industry, replacing glass and other transparent plastic materials with high crystallinity (e.g. PET, COP, etc.) that are not easily bendable.. Many of the world's leading display manufacturers have invested in the development and production of flexible AMOLED panels, and all of them are optimistic about the future growth and application of flexible OLED displays.

4. Competitive niche

(1) Robust management team

Our management team is composed of outstanding talents from ITRIMCL and domestic polyimide industry. We subsequently have recruited experts in R&D, manufacturing, equipment, quality assurance, and processing to join our team, which is the strongest and most experienced team in polyimide film design and manufacturing in the Chinese community.

(2) Leading cost advantage in the industry

The facilities currently used by the industrial peers are based on their unique R&D know-how and are designed by international professional equipment vendors, resulting in differences in mass production technology and machine design. Our mass production equipment has been developed through several modifications in cooperation with international equipment vendors, which gives us a significant cost advantage. In addition, the production costs in Asia are lower than those of our industrial peers in the U.S. and Japan, giving us a cost advantage over our industrial peers under full mass production.

(3) Excellent international R&D collaboration capability

Our management team is committed to product and application innovation with no efforts spared, and we are also actively cooperating with well-known international companies. For example, we are working with Arakawa Chemical Industries, Ltd. to develop new polyimide film products, mainly for the high-end fine pitch flexible board market. The preliminary products have been certified by several Japanese customers and the performance of actual use are better than the products of industrial peers. We have established a subsidiary to open a window for the company to develop new businesses and applications. Through international cooperation, we can effectively shorten the time for self-development of high-end technology and share the R&D costs, so that we can lead the industry in the high-end application market.

(4) Stable source of raw material supply

For all major raw materials, there are more than three major suppliers to choose from, which helps minimize the risks associated with over-reliance on a single supplier. The Company has maintained a good cooperative relationship with various suppliers, and over the years, the quality and delivery of all the suppliers have been maintained at normal levels, and there has not been any shortage or interruption of supply.

(5) Industry outlook is promising.

With the popularity and multi-functionality of personalized mobile electronic devices, the demand for polyimide is increasing year by year with the growth of the industry, driving the development of the downstream industry and the advancement of technology. The performance and applications of both electronic and electrical products are being demanded more stringently

and the functions are being expanded, and due to the excellent physical properties and thinness of PI films, there are more and more applications. For example, FPC used in wearable electronic products, COF carriers used in high-density packaging, antennas and transmission lines for 5G mobile communications, foldable display screens, automotive in-vehicle electronics and optoelectronic modules, and electrical insulation products for industrial applications, etc., the application and demand for PI film is everywhere, and it is expected that the future of PI film industry will be very healthy.

5. Favorable and unfavorable factors of development prospect and countermeasures

(1) The future supply of the market

We are the first PI film manufacturer in Taiwan, mainly supplying to the flexible board industry, insulation industry and artificial graphite industry. There are also a number of small and micro PI manufacturers in Mainland China, but the main sales market for new entrants is lower-end insulation applications and their production capacities are limited, so no major competition has been formed. In the future, the downstream application market will turn to refinement, the development products will move in the direction of thinness, and it is expected that the output value of PI Films will increase year by year in the next few years due to the refinement of products.

(2) The future demand of the market

In addition to the increasing demand for FPC applications in smartphones, tablet PCs, LCD displays and LED backlight modules drives the growth in the demand for PI films, the increase in the area and number of FPCs used in middle and high-end cell phones, as well as the increasing market share of middle and high-end cell phones drive the growth in demand for PI films.

PI Film applications will increasingly move towards high-end products, and this trend will drive PI Film products to the next generation of applications to meet the stringent physical requirements, such as flexible boards for high frequency and high speed material applications, which require PI Films with low Dk (Dielectric Constant), low Df (Dissipation Factor) and low moisture absorption and flexible boards for fine pitch and thin applications, which require lower heat shrinkage and excellent surface properties to better meet the requirements of future electronic applications.

(3) Favorable factors

A. Effective cost control and profitability improvement

The facilities currently used by the industrial peers are based on their unique R&D know-how and are designed by international professional equipment vendors, resulting in differences in mass production technology and machine design. Our mass production equipment has been developed through several modifications in cooperation with international equipment vendors, which gives us a significant cost advantage. In addition, the production costs in Asia are lower than those of our industrial peers in the U.S. and Japan, giving us a cost advantage over our industrial peers under full mass production.

B. Robust technical service team

In addition to professional experience in process, plant construction, equipment and production management in related industries, the Company also integrates the professional and elite personnel in business, R&D and customer service provide excellent services to customers to increase our market share. In addition to providing high quality products, we also provide timely technical support according to customers' needs to shorten their product validation time and meet their diverse needs and by providing research and development to improve product performance to meet customer needs, we create mutual profitability and competitive advantage.

C. Good prospects for industrial applications

In addition to the original demand of FPC industry, personal wearable and mobile products have become popular in recent years, and their lightweight and thin design has boosted the demand for FPC applications. In addition, the trend of car electronics has become a trend, and the number of FPCs used in automotive modules is increasing year after year. This trends insure the growth of PI films markets. In addition, the arrival of the 5G era is another emerging demand for high frequency and high speed PI films. Foldable cell phones and other display screens will give rise to the market for transparent PI films, which is still in a trial state, but the huge business opportunities behind are expected.

D. Strong ability to develop new products

The establishment of the R&D center through the Science and Technology R&D Program doubles the research resources while the establishment of the optical grade pilot production line facilitates product development capabilities, boosts cross-industry R&D capabilities (from FPC to display, and then into the field of heat dissipation and automotive), and enhances R&D efficiency and shortens the time to market. At the same time, we accept customers' Tailor Made needs, and accept customers' specified development plans or products, and work with them to improve the efficiency and success of new product development.

E. Close proximity to the market, providing fast service in the field

The Company is located in Greater China, the world's largest cluster of the flexible board industry, and has set up sales and service bases in Central and Southern China since 2012. Therefore, our professional technical team can provide service or delivery to customers quickly in the first time, which is faster than the response of large European and American companies, so we can maintain good and long-term partnership with customers.

(4) Unfavorable factors and countermeasures

A. Fierce competition in the industry, profitability is vulnerable to erosion

The Company's competitors are all international companies, and the expanding downstream application market has attracted Japanese and Korean companies to expand their production capacity, which may lead to fierce price competition in the future.

Countermeasures:

- (A) Continue to develop new products and maintain our position as a technology leader in the industry. In addition to developing fluorine composites for high frequency and high speed markets, the Company also continues to develop niche products such as black, white and transparent PI films to enhance the competitiveness of our products in the market.
- (B) Appropriately adjust the characteristics of PI films to meet the needs of our customers in order to provide customized services. In addition, the Company also provides customers with production advice and troubleshooting, and leverages the problems and needs of customers to continuously improve and enhance our manufacturing technology and capabilities to produce better products.

B. Less brand awareness

Compared with our competitors in the U.S. and Japan, the Company is a late entrant to the industry and has lower downstream market penetration and insufficient brand awareness.

Countermeasures:

- (A) Actively develop overseas markets and customers, increase the proportion of product exports, and seek assistance from local agencies for distribution.
- (B) Establish brand awareness and make the Company a world-renowned manufacturer, and set up different combinations of service locations and agencies according to market segments and application differences.

C. Talent retention plan

Our industry requires experienced R&D personnel to meet the design needs of different customers. It takes a lot of time and experience to nurture talents who are capable of adjusting product process design and material recipe. As such, it is not easy to develop R&D personnel. There is such a need to have an essential talent retention planning.

Countermeasures:

- (A) Appropriately improve employee welfares and implement relevant employee incentive systems, such as employee stock ownership trusts, to help employees obtain company stock at half price, to enhance employee welfares and cohesion toward the Company, in order to retain talent.
- (B) Depending on the Company's operating conditions, stock options are offered to

employees at different times, based on their ranks and years of experience, which not only motivates employees but also adds momentum to the Company's operations.

- (C) Provide regular and professional internal and external training courses and encourage employees to pursue on-the-job training, so as to provide an environment for R&D personnel to improve their professional abilities.

D. High cost of production line installation

If the production capacity is not utilized efficiently and appropriately, the cost of products will increase, thus lowering competitiveness, and we will face the possibility of losing orders in the face of price competition from international companies.

Countermeasures:

- (A) Actively develop overseas markets and customers to ensure optimal utilization of the Company's production capacity.
- (B) Increase the development of new products to create new niches and new markets.

(II) Applications and production process of major products

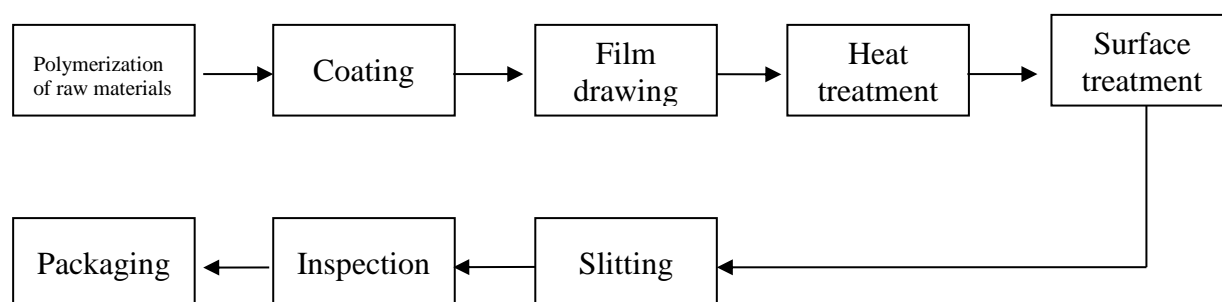
1. Applications of major products

Our main product, polyimide film, is one of the two most important upstream materials used in electronics and electrical engineering, and is widely used in the electronics industry, mainly in the flexible circuit board (FPC), semiconductor packaging, liquid crystal display and communication industries. Electrical applications are mainly in insulation for aerospace, electrical, mechanical and automotive industries.

2. Production process

The most common manufacturing method of PI Films is to use aromatic dianhydride (e.g. PMDA, BPDA) and aromatic diamine (e.g. ODA) as raw materials and use polar solvents (e.g. DMAc, NMP) to polymerize into polyamic acid before film formation, heating, dehydration and imidization. It is a difficult challenge to ensure the completeness of imidization and flatness of the films to meet the product quality requirements. There are many different types of PI films, and due to different recipes, processes (technology and conditions) and processing methods (e.g., post-treatment, surface treatment), there will be different product characteristics, so the difference between manufacturers lies in R&D and process capability, which is also where the competitive edge lies.

A summary of the manufacturing methods of polyimide films is as follows:



(III) Supply of main raw materials

Main raw materials	Major suppliers	Supply status
Diamines, dianhydrides, solvents, catalysts	Company G, Company K, Company F, Company O	Good, stable

(IV) List of major suppliers and customers

1. The names of suppliers who accounted for more than 10% of the total purchases in any of the most recent 2 years and the amount and percentage of purchases:

Unit: Thousands of NTD

Year Item	2022				2023				1Q2024			
	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer
1	Company G	73,103	12.22	None	Company G	57,308	17.97	None	Company G	20,013	17.86	None
2	Company K	137,786	23.03	None	Company K	54,208	17.00	None	Company K	16,427	14.66	None
3	Company F	37,731	6.31	None	Company F	28,745	9.02	None	Company F	7,897	7.05	None
4	Company O.	54,557	9.12	None	Company O.	18,545	5.82	None	Company O.	8,205	7.32	None
5	Others	295,134	49.32	None	Others	160,051	50.19	None	Others	59,505	53.11	None
	Net purchases	598,311	100.00	—	Net purchases	318,857	100.00	—	Net purchases	112,047	100.00	—

Reason for the change: The decrease in purchases in 2023 compared to 2022 was mainly due to the downturn in the consumer electronics market, which resulted in high inventory levels from the downstream to the upstream, and in order to reduce the risk of inventory obsolescence, short-term inventory adjustments were made with a view to de-stocking first.

- The names of customers who accounted for more than 10% of the total sales in any of the most recent 2 years and the amount and percentage of sales:

Unit: Thousands of NTD

Year Item	2022				2023				1Q2024			
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer
1	Customer A	419,230	22.19	None	Customer A	347,550	21.82	None	Customer A	96,529	20.76	None
2	GC	264,196	13.98	None	GC	269,943	16.95	None	GC	72,586	15.61	None
3	Customer B	155,085	8.21	None	Customer B	154,664	9.71	None	Customer B	52,136	11.21	None
4	Others	1,050,849	55.62	None	Others	820,864	51.52	None	Others	243,700	52.42	None
	Net sales	1,889,360	100.00	—	Net sales	1,593,021	100.00	—	Net sales	464,951	100.00	—

Reason for the change: In 2023, mainly due to the downturn in the consumer electronics market, and customers cut their demands due to the impact of the economic slowdown and their ongoing inventory adjustments, resulting in a decrease in the Company's overall revenue in 2023 compared to last year.

(V) Production volume and value for the last two years

Unit: Tons, Millions of NTD

Year	2022			2023		
Production volume	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Major products						
Polyimide films	1,573	1,234	1,593	1,162	966	1,306

Note: Calculated on the basis of the actual production mix in the year; the production lines are mainly divided into T1, T3, T4, T5, T7 and T8 lines, of which T8 line is mainly used for R&D trial and technical cooperation.

(VI) Sales volume and value for the last two years

Unit: Rolls, Thousands of NTD

Year	2022				2023			
Sales volume and value	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Major products								
Polyimide films	7,425	830,990	10,370	1,056,779	6,025	656,481	9,937	892,693
Others	-	715	-	876	-	1,240	-	42,607
Total	7,425	831,705	10,370	1,057,655	6,025	657,721	9,937	935,300

III. Number of employees, average years of service, average age and education distribution for the last two years and the current year as of the publication date of the annual report

Units: People; %

Year		2022	2023	The current year up to March 31, 2024
Item				
Number of employees (people)	Direct labor	259	260	269
	Indirect labor	216	160	161
	R&D personnel	31	32	32
	Total	506	452	462
Average age		39.51	39.84	40.48
Average years of service (Years)		6.22	7.32	7.26
Education distribution percentage	Doctoral degree	2.17%	2.21%	1.95%
	Master degree	13.04%	14.60%	13.85%
	University/College degree	64.63%	65.27%	64.29%
	High school degree (and degrees below high school)	20.16%	17.92%	19.91%

Note: Based on the number of employees at the end of the period

IV. Information on environmental protection expenditures

For the most recent year and for the current year as of the publication of the annual report, the amount of loss due to environmental pollution (including remuneration and environmental protection audit results of violations of environmental protection laws and regulations, the penalty date, the penalty document number, the provisions of the regulation violated, contents of the regulation violated, and the penalty content should be stated) and the estimated amount of current and potential future losses and countermeasures should be disclosed: None.

V. Labor relations

- (I) List the Company's employee welfare measures, training, education and retirement systems and their implementation, as well as the agreements between labors and management and measures to protect the rights and interests of employees

1. Employee welfare measures and their implementation

The Company has set up an employee welfare committee, and each year the Company allocates 0.1% of its operating revenue to employees' welfare fund to plan and provide quality benefits for employees, such as: employee travel subsidies, arts and culture course subsidies, birthday gift certificates, wedding allowance, maternity allowance, funeral allowance, scholarships for children of employees, etc.

In accordance with the Labor Standards Act and Article 12 of the Work Rules for Employees, after six months of employment, employees may apply for leave without pay for childcare until the child reaches the age of three, but not more than two years. If an employee is raising two or more children at the same time, the period of leave without pay for childcare shall be combined, with the longest period limited to two years for the youngest child. In the event of a major injury or illness, or a major change in circumstances that require a longer period of leave, employees may also apply for leave without pay to take care of their personal and family needs.

The Company provides a wide range of favorable welfare measures, with group insurance including term life insurance, accidental injury, accidental injury medical limit, hospitalization and medical treatment, cancer medical and occupational accident insurance, cancer insurance, to provide employees and their dependents with economical relief in event of accidents.

The Company established an employee stock ownership association in 2014. Employees who meet the qualifications for membership can contribute 5% of their monthly salary as the investment fund, and the Company will reward them by also contributing the same 5% of their monthly salary as an incentive to encourage long-term investment, which not only achieves the purpose of talent retention, but also helps employees accumulate wealth and plan for their future retirement life.

2. Employee education and training

TAIMIDE has always spared no effort in talent development. In order to carry through the spirit of "people are the most important asset of TAIMIDE", we provide a series of training courses for our employees with career development.

The Company has established appropriate training programs for different levels, such as: new employee training, supervisory and management training, and various professional courses. In addition, the Company has introduced TMS digital learning website system, employees can go to the system at any time to inquire and enroll in relevant courses, without being restricted by the time of physical courses.

The Company has planned a complete functional training for all levels of leaders and employees, including new employee training, professional advancement training, and leader training, etc., to assist employees in continuous learning and growth through a variety of learning methods and to cultivate their key competencies. In 2023, the total number of training hours for employees reached 16,820, with an average of 17.4 hours per employee.

During regular annual performance interviews, leaders and employees discuss and set up individual annual competency development plans to assist employees in creating customized development plans through regular reviews and feedback.

3. Retirement systems and their implementation

The Company's employee retirement system was originally governed by the Labor Standards Act, but since the implementation of the Labor Pension Act on July 1, 2005. The Company has also adopted the defined contribution system. Since then, employees may choose to be subject to the pension provisions of the Labor Standards Act or to the pension system of the Labor Pension Act and retain the years of service prior to the application of the Labor Pension Act. For employees subject to the Labor Pension Act, the Company's monthly contribution rate to the employees' pension fund shall not be less than 6% of the employees' monthly salary.

4. Agreements between labors and management and measures to protect the rights and interests of employees

The Company regards employees as important assets, and has created a relaxing, comfortable and healthy working environment, providing an employee gym, a roof rest area, a nursery room, and unlimited provision of coffee, tea, and other stress-relieving measures, in order to maintain the physical

and mental health of employees. The Company holds monthly labor-management coordination meetings and has a mechanism in place for regular communication between labor and management to protect the rights and interests of employees.

In addition, the Company has established employee work rules, which specify the rights and obligations of employees and welfare items to protect the rights and interests of employees.

- (II) For the most recent year and for the current year as of the publication of the annual report, the amount of loss due to labor disputes (including labor inspection results of violations of the labor standards act, the penalty date, the penalty document number, the provisions of the regulation violated, contents of the regulation violated, and the penalty content should be stated) and the estimated amount of current and potential future losses and countermeasures should be disclosed and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

- (III) If there is a code of conduct or ethics for employees:

The Company has established the "Work Rules" to regulate the ethical conduct of all employees.

VI. Cyber security management

- (I) Describe the cyber security risk management framework, policies, specific management approaches and resources devoted to cyber security management.

1. Information security risk management framework

The information management unit of the Company is responsible for the information security management, the formulation of information security management regulations, the planning and execution of information security operations and the promotion and implementation of information security policies, and the timely adjustment according to demand.

Internal audit is responsible for auditing the status of internal information security implementation, and the audit is conducted once every year.

2. Information security policies

In order to implement information security management, the Company has established an internal control system - information security management regulations, and through the joint efforts of all employees, we expect to achieve the following policy objectives:

- (1) Ensure the confidentiality and integrity of information assets.
- (2) Ensure access to information in accordance with departmental functions and norms
- (3) Ensure the continuous operations of information systems.
- (4) Prevent unauthorized modification or use of data and systems.
- (5) Perform regular information security audits to ensure that information security is carried through.

3. Specific management approaches and resources for cyber security management

(1) Computer equipment security management

- A. The Company's computer hosts, application servers, and other equipment are located in dedicated server rooms, where access records are kept for inspection.
- B. The server rooms are equipped with independent air conditioning to maintain the computer equipment in a proper temperature environment and pharmacological fire extinguishers are available for general or electrical fires.
- C. The hosts of the server rooms are equipped with uninterruptible power supply and voltage stabilization equipment to prevent the systems from crashing due to accidental power failure by Taipower, or to ensure that the operations of computer applications will not be interrupted during temporary power outages.

(2) Network security management

- A. The portal to external network connection is configured with enterprise-grade firewall to block hackers from illegal intrusion.
- B. To access the ERP system remotely to the Company's intranet, employees must apply for a VPN account and log in with a secure method through the VPN and all usage records are

kept for inspection.

- C. Configure Internet behavior management and filtering devices to control access to the Internet and block access to network addresses and content that are harmful or not allowed by policy.
- D. Strengthen network security and prevent bandwidth resources from being improperly occupied.

(3) Virus protection and management

- A. Endpoint protection software is installed on the servers and employee terminal computer equipment. The virus codes are automatically updated to ensure that the latest viruses are blocked and to detect and prevent the installation of potentially threatening system executable files.
- B. Email server is equipped with email anti-virus and spam filtering mechanisms to prevent viruses or spam from entering user PC.

(4) System access control

- A. Employees' use of application systems shall be authorized in accordance with the Company's internal system privilege application procedures and after the approval of the responsible leader, the information office will create system accounts for each application system, which shall be authorized by the system administrator for access according to the requested function privilege.
- B. The password of the account is required to have appropriate strength and number of characters, and must be mixed with alphanumeric characters and special symbols.
- C. The information office will delete each system account in accordance with the notice of employee separation by human resources when employee goes through the separation procedure.

(5) Ensure the sustainable operations of system

- A. System backup: Build a backup system with daily backup mechanism to ensure the security of system and data.
- B. Disaster recovery drill: For each system, carry out a drill once a year, and after selecting the restoration date reference point, the backup media is stored back in the system host, and then the user department confirms the correctness of the restored data in writing to ensure the correctness and validity of the backup media.

(6) Information security propaganda and education and training

- A. New employees are required to undergo information security education and training so that they can understand the importance of information security and various possible security risks, and comply with the relevant information security regulations of the Company.
- B. Regular information security education and training is provided to employees to enhance their awareness of the importance of information security and to prevent any possible information security accidents.

- (II) For the most recent year and for the current year as of the publication of the annual report, the amount of loss and possible impacts from major cyber security incidents and countermeasures and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

VII. Important contracts

Nature of contracts	Parties to the contract	Starting date of the contract	Main content	Restriction clauses
Long-term secured loan	Taiwan Cooperative Bank	2015.01.09 to 2025.01.08	Real estate secured loans with limit of NT\$108,000 thousand, repayable in monthly installments from June 2017 to May 2025, at floating interest rates based on the bank's time deposit monthly index rate plus 0.6% per annum.	Provision of building and land as collateral
	Taiwan Cooperative Bank	2020.02.27 to 2025.02.26	Real estate secured loans with limit of NT\$200,000 thousand, repayable in monthly installments from May 2021 to April 2025, at floating interest rates based on the bank's time deposit monthly index rate plus 0.58% per annum.	Provision of building and land as collateral
Medium-term secured loan	Bank of Taiwan	2023.01.13 to 2028.01.13	Real estate secured loans with limit of NT\$595,000 thousand, repayable in quarterly installments from July 2024 to January 2028, at floating interest rates based on the bank's 2-year time deposit (general) rate plus 0.33% per annum.	Provision of building as collateral
Technology development projects	Arakawa Chemical Industries, Ltd.	Since 2007.7.5 with annual automatic renewal	Silica hybrid polyimide technical cooperation	None
Lease contracts	Science Park Administration	2010.12.6~2029.12.31	Lease of land in Tongluo Science Park (Jiuhu Section, Tongluo Township, Miaoli County)	None
	Science Park Administration	2013.8.1~2032.12.31	Lease of land in Tongluo Science Park (Jiuhu Section, Tongluo Township, Miaoli County)	None
Energy saving and performance improvement guarantee contract	FU SHENG INDUSTRIAL CO., LTD.	2022.4.20 to expiration of warranty period (1 year)	Energy saving performance guarantee improvement plan, with total contract price of \$40,000 thousand while payment will be made according to the contract	None

Six. Financial Overview

I. Condensed financial information for the last five years

(I) Condensed Balance Sheets and Statements of Comprehensive Income

1. Consolidated Condensed Balance Sheets - IFRS

Unit: Thousands of NTD

Item	Year	Financial information for the last five years (Note 1)					Financial information for the current year up to March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		1,191,182	1,376,311	1,648,836	1,461,931	1,325,598	1,355,391
Property, plant and equipment		3,321,954	3,418,571	3,446,732	3,521,403	3,303,570	3,261,467
Intangible assets		7,902	13,086	10,514	10,015	7,249	9,602
Other assets		268,370	272,560	242,257	218,028	202,203	192,357
Total assets		4,789,408	5,080,528	5,348,339	5,211,377	4,838,620	4,818,817
Current liabilities	Before distribution	903,496	910,542	1,056,640	708,943	1,249,326	1,289,932
	After distribution	903,496	910,542	1,056,640	708,943	Note 2	Note 3
Non-current liabilities		1,454,084	1,384,208	1,392,779	1,466,121	772,721	686,112
Total liabilities	Before distribution	2,357,580	2,294,750	2,449,419	2,175,064	2,022,047	1,976,044
	After distribution	2,357,580	2,294,750	2,449,419	2,175,064	Note 2	Note 3
Equity attributable to owners of the parent company		2,451,895	2,781,769	2,903,752	3,011,275	2,805,752	2,836,099
Capital stock		1,297,385	1,307,017	1,310,185	1,317,990	1,322,053	1,322,053
Capital surplus		440,042	466,276	478,342	582,422	593,455	593,621
Retained earnings	Before distribution	717,593	1,010,767	1,117,764	1,112,449	892,879	921,942
	After distribution	717,593	1,010,767	1,117,764	1,112,449	Note 2	Note 3
Other equity		(3,125)	(2,291)	(2,539)	(1,586)	(2,635)	(1,517)
Treasury stock		—	—	—	—	—	—
Non-controlling interests		(20,067)	4,009	(4,832)	25,038	10,821	6,674
Total equity	Before distribution	2,431,828	2,785,778	2,898,920	3,036,313	2,816,573	2,842,773
	After distribution	2,431,828	2,785,778	2,898,920	3,036,313	Note 2	Note 3

Note 1: The above financial information for the years has been audited and attested by CPAs

Note 2: The 2023 earnings distribution proposal has been approved by the Board of Directors on March 8, 2024, but has not yet been resolved by the shareholders' meeting.

Note 3: The 1Q2024 earnings distribution has not yet been approved by the Board of Directors.

2. Consolidated Condensed Statements of Comprehensive Income - IFRS

Unit: Thousands of NTD; Earnings per share: NTD

Item \ Year	Financial information for the last five years (Note 1)					Financial information for the current year up to March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	1,760,484	2,013,861	2,391,130	1,889,360	1,593,021	464,951
Operating gross profit	449,961	757,615	764,758	480,972	241,361	101,396
Operating profit or loss	150,430	417,305	390,575	137,538	(126,113)	24,266
Non-operating income and expenses	(13,605)	(28,367)	(15,649)	(8,468)	(15,521)	3,533
Net profit (loss) before tax	136,825	388,938	374,926	129,070	(141,634)	27,799
Net profit (loss) for the period from continuing operations	92,168	349,105	294,431	136,257	(153,485)	24,732
Loss from discontinued operations	—	—	—	—	—	—
Net profit (loss) for the period	92,168	349,105	294,431	136,257	(153,485)	24,732
Other comprehensive income for the period (net of tax)	(1,698)	(113)	(504)	4,135	(2,272)	1,118
Total comprehensive income for the period	90,470	348,992	293,927	140,392	(155,757)	25,850
Net profit (loss) attributable to owners of the parent company	106,669	359,014	303,309	148,758	(139,268)	29,063
Net profit (loss) attributable to non-controlling interests	(14,501)	(9,909)	(8,878)	(12,501)	(14,217)	(4,331)
Total comprehensive income attributable to owners of the parent company	104,971	358,901	302,805	152,893	(141,540)	30,181
Total comprehensive income attributable to non-controlling interests	(14,501)	(9,909)	(8,878)	(12,501)	(14,217)	(4,331)
Earnings (Losses) per share	0.82	2.76	2.32	1.13	(1.06)	0.22

Note 1: The above financial information for the years has been audited and attested by CPAs

Note 2: The 1Q2024 earnings distribution has not yet been approved by the Board of Directors.

3. Standalone Condensed Balance Sheets - IFRS

Unit: Thousands of NTD

Item \ Year		Financial information for the last five years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		1,113,909	1,288,743	1,563,927	1,291,012	1,223,813
Property, plant and equipment		3,200,648	3,324,624	3,375,618	3,302,899	3,111,728
Intangible assets		7,902	13,086	10,514	8,845	6,323
Other assets		217,197	261,213	203,010	347,091	240,399
Total assets		4,539,656	4,887,666	5,153,069	4,949,847	4,582,263
Current liabilities	Before distribution	700,638	809,314	900,747	594,108	1,102,014
	After distribution	700,638	809,314	900,747	594,108	Note 2
Non-current liabilities		1,387,123	1,296,583	1,348,570	1,344,464	674,497
Total liabilities	Before distribution	2,087,761	2,105,897	2,249,317	1,938,572	1,776,511
	After distribution	2,087,761	2,105,897	2,249,317	1,938,572	Note 2
Equity attributable to owners of the parent company		2,451,895	2,781,769	2,903,752	3,011,275	2,805,752
Capital stock		1,297,385	1,307,017	1,310,185	1,317,990	1,322,053
Capital surplus		440,042	466,276	478,342	582,422	593,455
Retained earnings	Before distribution	717,593	1,010,767	1,117,764	1,112,449	892,879
	After distribution	717,593	1,010,767	1,117,764	1,112,449	Note 2
Other equity		(3,125)	(2,291)	(2,539)	(1,586)	(2,635)
Treasury stock		—	—	—	—	—
Non-controlling interests		—	—	—	—	—
Total equity	Before distribution	2,451,895	2,781,769	2,903,752	3,011,275	2,805,752
	After distribution	2,451,895	2,781,769	2,903,752	3,011,275	Note 2

Note 1: The above financial information for the years has been audited and attested by CPAs

Note 2: The 2023 earnings distribution proposal has been approved by the Board of Directors on March 8, 2024, but has not yet been resolved by the shareholders' meeting.

4. Standalone Condensed Statements of Comprehensive Income - IFRS

Unit: Thousands of NTD; Earnings per share: NTD

Item \ Year	Financial information for the last five years (Note)				
	2019	2020	2021	2022	2023
Operating revenue	1,742,549	1,992,138	2,406,655	1,815,332	1,555,903
Operating gross profit	436,496	740,201	763,327	483,816	277,394
Operating profit or loss	213,214	475,051	452,323	231,674	(36,695)
Non-operating income and expenses	(62,351)	(77,669)	(71,475)	(87,658)	(90,865)
Net profit (loss) before tax	150,863	397,382	380,848	144,016	(127,560)
Net profit (loss) for the period from continuing operations	106,669	359,014	303,309	148,758	(139,268)
Loss from discontinued operations	—	—	—	—	—
Net profit (loss) for the period	106,669	359,014	303,309	148,758	(139,268)
Other comprehensive income for the period (net of tax)	(1,698)	(113)	(504)	4,135	(2,272)
Total comprehensive income for the period	104,971	358,901	302,805	152,893	(141,540)
Net profit (loss) attributable to owners of the parent company	106,669	359,014	303,309	148,758	(139,268)
Net profit (loss) attributable to non-controlling interests	—	—	—	—	—
Total comprehensive income attributable to owners of the parent company	104,971	358,901	302,805	152,893	(141,540)
Total comprehensive income attributable to non-controlling interests	—	—	—	—	—
Earnings (Losses) per share	0.82	2.76	2.32	1.13	(1.06)

Note: The above financial information for the years has been audited and attested by CPAs

(II) The names of the attesting CPAs and their audit opinions for the last five years

Year	CPA firm	Name of CPA	Audit opinions
2019	Deloitte Taiwan	Yu-Feng Huang, Ming-Hui Chen	Unqualified opinion
2020	Deloitte Taiwan	Yu-Feng Huang, Ming-Hui Chen	Unqualified opinion
2021	Deloitte Taiwan	Yu-Feng Huang, Ming-Hui Chen	Unqualified opinion
2022	Deloitte Taiwan	Yu-Feng Huang, Ming-Hui Chen	Unqualified opinion
2023	Deloitte Taiwan	Ya-Yun Chang, Su-Li Fang	Unqualified opinion

II. Financial analysis for the last five years

(I) Financial Analysis - IFRS

Consolidated Financial Analysis - IFRS

Analysis item		Financial analysis for the most recent 5 years (Note 1)					The current year up to March 31, 2024
		2019	2020	2021	2022	2023	
Capital structure (%)	Debt to assets ratio	49.22	45.16	45.79	41.73	41.78	41.00
	Long-term capital to property, plant and equipment ratio	116.97	121.98	124.51	127.85	108.64	108.19
Solvency %	Current ratio	131.84	151.15	156.04	206.21	106.10	105.07
	Quick ratio	87.13	107.80	93.80	104.69	62.61	65.01
	Interest coverage multiplier	9.63	14.06	13.41	5.16	(3.15)	4.40
Operating performance	Accounts receivable turnover rate (times)	4.05	4.20	4.39	4.70	4.66	3.93
	Average collection days	90.12	86.90	83.14	77.65	78.32	92.87
	Inventory turnover rate (times)	3.19	3.98	3.74	2.37	2.40	3.13
	Accounts payable turnover rate (times)	9.39	15.35	12.53	15.72	38.89	26.05
	Average sales days	114.42	91.70	97.59	154.00	152.08	116.61
	Property, plant and equipment turnover rate (times)	0.59	0.59	0.69	0.54	0.46	0.56
	Total assets turnover rate (times)	0.39	0.40	0.45	0.35	0.31	0.38
Profitability	Return on assets (%)	2.36	7.55	6.10	3.04	(2.51)	2.58
	Return on equity (%)	3.74	13.38	10.35	4.59	(5.24)	3.49
	Net profit after tax to paid-in capital (%)	10.54	29.75	28.61	9.79	(10.71)	8.41
	Net profit margin (%)	5.23	17.33	12.31	7.21	(9.63)	5.31
	Earnings per share (NTD)	0.82	2.76	2.32	1.13	(1.06)	0.22
Cash flows	Cash flow ratio (%)	41.41	73.41	53.58	49.94	26.12	0.09
	Cash flow adequacy ratio (%)	70.66	86.01	72.84	64.33	74.26	90.95
	Cash reinvestment ratio (%)	3.40	9.95	5.72	3.17	4.48	0.02
Leverage	Operating leverage	5.09	2.67	3.01	6.44	(4.81)	8.79
	Financial leverage	1.11	1.07	1.08	1.29	0.78	1.50
Please explain the reason for the change in the financial ratios for the last two years (Exempted if the change is less than 20%)							
1. Solvency: (1) The decrease in current ratio and quick ratio was mainly due to the increase in current liabilities in the current period compared to the previous period.							
(2) The decrease in interest coverage multiplier was mainly due to the decrease in net profit before tax in the current period.							
2. Operating performance: The increase in accounts payable turnover rate was mainly due to the decrease in average accounts payable in the current period compared to the previous period.							
3. Profitability: Return on assets, return on equity, net profit before tax to paid-in capital ratio, net profit margin and earnings per share all decreased compared to the previous period, mainly due to the decrease in revenue and profit compared to the previous period as a result of the downturn in the consumer electronics market and the impact of inventory adjustments by customers.							
4. Cash flows: (1) The decrease in cash flow ratio was mainly due to the increase in current liabilities in the current period compared to the previous period.							
(2) The increase in cash reinvestment ratio was mainly due to the decrease in operating capital compared to the previous period.							
5. Leverage: The decrease in operating leverage and financial leverage was mainly due to the decrease in revenue and profit for the current period compared to the previous period.							

Standalone Financial Analysis - IFRS

Analysis item		Year	Financial analysis for the most recent 5 years (Note 1)				
			2019	2020	2021	2022	2023
Capital structure (%)	Debt to assets ratio		45.98	43.08	43.65	39.16	38.76
	Long-term capital to property, plant and equipment ratio		119.94	122.67	125.97	131.87	111.84
Solvency %	Current ratio		158.98	159.23	173.62	217.30	111.05
	Quick ratio		105.71	114.52	108.42	105.50	67.08
	Interest coverage multiplier		14.51	16.39	15.25	6.20	(3.39)
Operating performance	Accounts receivable turnover rate (times)		3.96	4.04	4.15	4.27	4.47
	Average collection days		91.94	90.23	87.77	85.44	81.52
	Inventory turnover rate (times)		3.35	4.28	4.14	2.42	2.44
	Accounts payable turnover rate (times)		9.38	15.36	12.74	15.03	38.01
	Average sales days		108.71	85.22	87.96	150.56	149.58
	Property, plant and equipment turnover rate (times)		0.61	0.61	0.71	0.54	0.48
	Total assets turnover rate (times)		0.41	0.42	0.47	0.35	0.32
Profitability	Return on assets (%)		2.73	8.05	6.46	3.38	(2.43)
	Return on equity (%)		4.30	13.71	10.66	5.02	(4.78)
	Net profit after tax to paid-in capital (%)		11.62	30.40	29.06	10.92	(9.64)
	Net profit margin (%)		6.12	18.02	12.60	8.19	(8.95)
	Earnings per share (NTD)		0.82	2.76	2.32	1.13	(1.06)
Cash flows	Cash flow ratio (%)		56.08	91.20	66.82	74.52	33.56
	Cash flow adequacy ratio (%)		78.88	93.93	79.84	74.36	88.72
	Cash reinvestment ratio (%)		3.85	11.55	6.46	4.81	5.52
Leverage	Operating leverage		3.58	2.35	2.63	3.82	(16.56)
	Financial leverage		1.05	1.05	1.06	1.13	0.55
Please explain the reason for the change in the financial ratios for the last two years (Exempted if the change is less than 20%)							
1. Solvency: (1) The decrease in current ratio and quick ratio was mainly due to the increase in current liabilities in the current period compared to the previous period.							
(2) The decrease in interest coverage multiplier was mainly due to the decrease in net profit before tax in the current period.							
2. Operating performance: The increase in accounts payable turnover rate was mainly due to the decrease in average accounts payable in the current period compared to the previous period.							
3. Profitability: Return on assets, return on equity, net profit before tax to paid-in capital ratio, net profit margin and earnings per share all decreased compared to the previous period, mainly due to the decrease in revenue and profit compared to the previous period as a result of the downturn in the consumer electronics market and the impact of inventory adjustments by customers.							
4. Cash flows: The decrease in cash flow ratio was mainly due to the increase in current liabilities in the current period compared to the previous period.							
5. Leverage: The decrease in operating leverage and financial leverage was mainly due to the decrease in revenue and profit for the current period compared to the previous period.							

Note 1: The above financial information for the years has been audited and attested by CPAs

Note 2: The formula for the financial analysis is as follows:

1. Capital structure
 - (1) Debt to assets ratio = total liabilities/total assets
 - (2) Long-term capital to property, plant and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment
2. Solvency
 - (1) Current ratio = current assets/current liabilities
 - (2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities
 - (3) Interests coverage multiplier = net profit before tax and interest expense/interest expense for the period
3. Operating performance
 - (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
 - (2) Average collection days = 365/accounts receivable turnover rate
 - (3) Inventory turnover rate = costs of goods sold/average inventory
 - (4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold / balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).
 - (5) Average sales days = 365/inventory turnover rate
 - (6) Property, plant and equipment turnover rate = net sales/average property, plant, and equipment
 - (7) Total assets turnover rate = net sales/average total assets
4. Profitability
 - (1) Return on assets = [net profit after tax + interest expense x (1 - tax rate)]/average total assets
 - (2) Return on equity = net profit after tax/average total equity
 - (3) Net profit margin = net profit after tax/net sales
 - (4) Earnings per share = (net profit attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding
5. Cash flows
 - (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
 - (2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years.
 - (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capitals).
6. Leverage:
 - (1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating profit.
 - (2) Financial leverage = operating profit / (operating profit - interest expense).

III. Audit Committee's review report on the financial statements for the most recent year

TAIMIDE TECH. INC.
Audit Committee's review report

The 2023 financial statements of the Company (including the consolidated financial statements) prepared by the Board of Directors have been audited and attested by CPAs Ya-Yun Chang, Su-Li Feng from Deloitte Taiwan, who issued an independent auditors' report. The financial statements together with the business report, earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this review report for your review.

To

The 2023 Regular Shareholders' Meeting of TAIMIDE TECH. INC.

TAIMIDE TECH. INC.

Convener of the Audit Committee: Chien-Ju Lin

March 8, 2024

- IV. For the most recent standalone financial statements audited and attested by CPAs, please refer to Attachment 2.
- V. For the most recent annual consolidated financial statements audited and attested by CPAs, please refer to Attachment 3.
- VI. If the Company or its affiliates have experienced financial difficulties in the most recent year or during the current year up to the publication of the annual report, their effects on the Company's financial position should be stated:
None.

Seven. Review and analysis of financial position and financial performance and risks

I. Financial position

Comparative analysis of financial position

Unit: Thousands of NTD

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	1,325,598	1,461,931	(136,333)	(9.33)
Non-current assets	3,513,022	3,749,446	(236,424)	(6.31)
Total assets	4,838,620	5,211,377	(372,757)	(7.15)
Current liabilities	1,249,326	708,943	540,383	76.22
Non-current liabilities	772,721	1,466,121	(693,400)	(47.29)
Total liabilities	2,022,047	2,175,064	(153,017)	(7.04)
Stock capital	1,322,053	1,317,990	4,063	0.31
Capital surplus	593,455	582,422	11,033	1.89
Retained earnings	892,879	1,112,449	(219,570)	(19.74)
Other equity	(2,635)	(1,586)	(1,049)	66.14
Non-controlling interests	10,821	25,038	(14,217)	(56.78)
Total equity	2,816,573	3,036,313	(219,740)	(7.24)
<p>1. Explanation of change: For changes of 20% or more in the last 2 years, and changes of more than \$10 million):</p> <p>(1) Increase in current liabilities: Mainly due to the reclassification of corporate bonds to current liabilities as the right to sell the bonds became exercisable within one year.</p> <p>(2) Decrease in non-current liabilities: Mainly due to the decrease in long-term loans and the reclassification of corporate bonds to current liabilities as the right to sell the bonds became exercisable within one year.</p> <p>(3) Decrease in non-controlling interests: Mainly due to the capital increase of the subsidiary, POMIRAN METALIZATION RESEARCH CO., LTD. in April 2022, and the decrease in net worth due to the losses of the subsidiary in 2023.</p> <p>2. If the impact is significant, the future response plan should be stated: None.</p>				

II. Financial performance

- (I) The main reasons for significant changes in operating revenue, operating profit, and net profit before tax for the last 2 years:

Unit: Thousands of NTD

Item \ Year	2023	2022	Increase (decrease) amount	Change percentage (%)
Net operating revenue	1,593,021	1,889,360	(296,339)	(15.68)
Operating costs	1,351,660	1,408,388	(56,728)	(4.03)
Operating gross profit	241,361	480,972	(239,611)	(49.82)
Operating expenses	367,474	343,434	24,040	7.00
Operating profit (loss)	(126,113)	137,538	(263,651)	(191.69)
Non-operating income and expenses	(15,521)	(8,468)	(7,053)	83.29
Net profit (loss) before tax	(141,634)	129,070	(270,704)	(209.73)
Income tax expense (benefit)	11,851	(7,187)	19,038	(264.89)
Net profit (loss) for the period	(153,485)	136,257	(289,742)	(212.64)
<p>Explanation of change: For changes of 20% or more in the last 2 years, and changes of more than \$10 million):</p> <ol style="list-style-type: none"> 1. Net operating revenue, operating gross profit and operating profit: Mainly due to the decrease in customer demand driven by the downturn in the consumer electronics market in 2023, which was affected by the economic climate and continued inventory adjustments by customers. 2. Net profit (loss) before tax: Mainly due to the decrease in revenue and the increase in costs as a result of lower utilization rate in 2023. 3. Income tax expense (benefit): Mainly due to the loss before tax in 2023 and the capital reduction by subsidiaries in 2022 to make up for losses, for which the parent company recognized realized investment losses. 4. Net profit (loss) for the period: Mainly due to the decrease in revenue and the increase in costs as a result of lower utilization rate in 2023. 				

- (II) Estimated sales volume in the coming year and its basis, possible impact on the Company's future finance and business and countermeasures:

1. The Company expects that sales volume will slightly grow in the coming year compared to the previous period, mainly based on changes in the general economic environment, industry trends and the Company's future development direction, as well as the operating targets set by the Company with reference to its historical operating performance. However, we still need to observe the impact of inflation, interest hikes, and geopolitics on the end market, industry competition, customer capacity planning, technology evolution and overall strategic orchestration. The Company will enhance its future financial and business performance through internal operational management optimization.
2. Expected benefits: The Company expects to reduce production costs with improved utilization rate and product yields, which will enable the Company to improve its competitiveness and expand its market share and increase net profit.

III. Cash flows

(I) Analysis of changes in cash flows for the most recent years

Unit: Thousands of NTD

Item \ Year	2023	2022	Increase (decrease)	
			Amount	%
Operating activities	326,386	354,094	(27,708)	(7.83)
Investing activities	(198,191)	(356,475)	158,284	(44.40)
Financing activities	(216,837)	(20,295)	(196,542)	968.43
Analysis of changes in cash flows:				
(1) Operating activities: The decrease in net cash inflow from operating activities was mainly due to the decrease in revenue, profit and purchases of raw materials in 2023.				
(2) Investing activities: The decrease in net cash outflows from investing activities was mainly due to the decrease in expenditures for the acquisition of property, plant and equipment.				
(3) Financing activities: The increase in net cash outflow from financing activities was mainly due to repayment of loans.				

(II) Improvement plan for lack of liquidity

As the Company is in the growth stage, its capital needs are financed by bank loans, issuance of domestic unsecured convertible bonds and cash capital increase, and therefore, there is no risk of lack of liquidity at present.

(III) Liquidity analysis for the coming year

Unit: Thousands of NTD

Cash balance at the beginning of the period①	Net cash flows from operating activities for the year②	Net cash flows from investing activities and financing activities for the year③	Cash surplus (shortage) ①+②+③	Remedies for cash shortage	
				Investing plan	Financing plan
366,633	825,655	(161,470)	1,030,818	—	—
1. Analysis of changes in cash flows for the coming year					
(1) Operating activities: The expected increase in net cash inflows in 2024 compared to 2023 is mainly due to the increase in net changes in cash inflows from assets and liabilities related to operating activities.					
(2) Investing activities: The expected cash outflows from investing activities in the coming year are mainly due to the capital expenditures for the improvement to maintain the normal operations of machinery and equipment, and for the Tongluo Plant.					
(3) Financing activities: The expected cash outflows from financing activities in the coming year is mainly due to the repayment of bank loans and distribution of cash dividends.					
2. Remedies for expected cash shortage and liquidity analysis: Not applicable.					

IV. Significant capital expenditures in the most recent year and the impact on finance and business: None

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year

(I) Investment policy: The Company's current investment policy is based on the investment targets related to the Company's core business and the Company does not engage in investments in other industries. The relevant executive departments follow the internal control system "Investment Cycle" and "Operating Procedures for Acquisition or Disposal of Assets", which are discussed and approved by the Board of Directors or shareholders' meeting.

(II) The main reasons for the profit or loss of investments for the most recent year, improvement plans and future investment plans for the coming year

Unit: Thousands of NTD

Investee \ Item	Recognized gain (loss) for 2023	Main reasons for profit or loss	Improvement plans
POMIRAN METALIZATION RESEARCH CO., LTD.	(83,214)	Operating market not yet clearly mature	In line with the long-term development of the company, we invest in the development of PI core technology related products, and cooperate with international brand customers to develop and continue mass production to increase the company's long-term competitiveness.
TAIMIDE INTERNATIONAL INC.	(11,252)	Investment gain for 2023 was 2,729 and unrealized loss on sales was 13,981	None
KUNSHAN TAIMIDE TECH. INC.	(11,251)	Investment gain for 2023 was 2,729 and unrealized loss on sales was 13,980	Mainly to expand the market in Mainland China and enhance the operating dynamics

(III) Investment plan for the coming year

The Company has no definite investment plan at present, and the investment will be made depending on the future operational conditions.

VI. Subject matters for risk management assessment

(I) Impact of the changes in interest rate and exchange rate, and inflation on the Company's profitability and future countermeasures:

1. Impact of the changes in interest rate

Unit: Thousands of NTD

Item	2023
Net interest income (expenses) - A	(30,394)
Operating revenue - B	1,593,021
Operating loss - C	(126,113)
A/B	(1.91%)
A/C	24.10%

The net interest income (expenses) for 2023 was NT\$(30,394) thousand, accounting for (1.91%) and 24.10% of operating revenue and operating loss, respectively, down 45.29% from 2022. If the market interest rate had decreased by 0.1%, with other variables held constant, the Company's net profit before tax would have increased by NT\$729 thousand. However, in order to avoid the impact of changes in interest rate, the Company will keep abreast of the trends of market interest rate, adjust its borrowing portfolio by currency, obtain the most favorable terms of interest rate from banks, control the overall turnover of accounts receivable, inventories and fixed assets, and increase cash flows to minimize the impact of rising interest rates on the Company.

2. Impact of the changes in exchange rate

The Company and its subsidiaries' products are mainly for export and quoted in USD or CNY, while purchases are made by following the recent changes in the international currency situation. Local purchases in Mainland China are mainly quoted in CNY to ensure that the gross profit margin will not be subject to excessive exchange rate fluctuations. The Company and its subsidiaries will keep an eye on the international economic situation and refer to banks' analysis reports and take hedging measures such as undertaking forward foreign exchange or selling spot currencies directly to reduce the impact of exchange rate fluctuations for the net asset position in USD and CNY and the possible future flows. The consolidated foreign exchange gain for 2023 was NT\$3,264 thousand and the consolidated foreign exchange gain for 1Q2024 was NT\$9,809 thousand.

3. Inflation

As of the publication of the annual report, the Company has not yet experienced any

significant impact on the Company's profit or loss due to inflation. In the future, we will maintain close and good interaction with our suppliers and customers, and keep an eye on the changes in market prices so that purchase and selling prices can be adjusted in response to market fluctuations to reduce the impact of changes in inflation.

- (II) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions, main reasons for gain or loss, and future countermeasures:

The Company does not engage in high-risk, highly leverage investments in commodities, and all investments are executed after careful evaluation.

The Company's lending of funds to others, endorsement and guarantee, and derivative transactions are carried out in accordance with the Company's "Operating Procedures for Acquisition or Disposal of Assets", "Operating Procedures for Lending Funds to Others" and "Operating Procedures for Endorsements and Guarantees".

- (III) Future R&D plans and estimated investment in R&D expenses

1. Future R&D plans

The Company develops new products to meet the needs of customers and the market, pays close attention to future industry trends and developments, develops products with market growth potential, and continues to invest in research and development resources and devotes itself to the strategic planning and maintenance of intellectual property rights to enhance the Company's tangible and intangible competitiveness. Future development will be carried out in the following directions:

- (1) High frequency and high speed PI for millimeter wave and its related material technology and application development (5G/B5G industry application).
- (2) Development of technology and application of PI materials for optoelectronics (foldable display screen).
- (3) Development of PI material and technology related to thin and flexible board (ultra-thin PI film).
- (4) Development of high modulus and high dimensional stability PI film for high density circuit and packaging.
- (5) Development of high thermal conductivity PI material related technology and application.
- (6) Development of ultra-thick PI graphite film with high heat flux.
- (7) Development of ultra-thick PI graphite film with ultra-high thermal conductivity
- (8) PI substrate tapes for semiconductor packaging carriers.
- (9) Enhancement of existing product characteristics and expansion of new applications.

2. Estimated investment in R&D expenses

The Company will continue to invest in research and development and expects to invest approximately NT\$198,600 thousand in research and development expenses in 2024.

- (IV) Impact of important domestic and foreign policy and legal changes on the Company's finance and business and countermeasures

The Restriction of Hazardous Substances Directive (RoHS) announced by the European Union became effective in July 2006. The Company is a specialized manufacturer of polyimide films. All of its products are now completely lead-free and it continues to require its production lines and all of its purchased products to comply with RoHS regulations in order to reduce harms to the earth. For the most recent year and the current year as of the publication of the annual report, there were no significant domestic or foreign policy and legal changes that have affected the Company's financial and business operations. However, the Company's rules and regulations are established and enforced in accordance with the relevant laws and regulations. If the relevant laws and regulations are amended, the Company will immediately amend and update the relevant rules and regulations accordingly.

- (V) Impact of important changes in technology or industry on the Company's finance and business and countermeasures:

Our polyimide film is one of the upstream raw materials for the electronic and electrical industry.

With the popularity of personalized electronic devices, it is expected that the demand and production capacity of polyimide film will increase significantly in the future with the continuous innovation of downstream products and technology, which will lead to the decrease of price. Therefore, how to control costs, reduce unit prices, add production lines, and strengthen service capabilities must be considered for the Company's operations. The global industry has begun to undergo a qualitative change in recent years. In the future, products of the manufacturing industry will be distributed at the two ends of the price spectrum, one is the key products with high unit price made in Europe, the United States and Japan, and the other is the low unit price products made in large quantities in China. Taiwan's past advantages in manufacturing are no longer there. In addition to continuing to reduce manufacturing costs, enterprises must effectively utilize their existing advantages to strengthen R&D for high value-added industries, especially for the fact that the information electronics, semiconductor and optoelectronics industries have become the mainstream of global economic development. In the current era of nanotechnology, the adoption of organic thin film materials has become a major trend in the development of electronic products towards thinness, small size, high functionality, high density, high reliability and low cost. In recent years, the Company not only cooperates with relevant international manufacturers to develop new functional polyimide film products for new application markets, but also obtains aerospace certification with our European and American partners, hoping to make new progress and refinement in application technology. The Company's technology development and response planning are adequate to meet the impact of changes in technology and industry.

In order to implement information security, the Company has built several complete network and computer security protection systems to strengthen information security operations, and has now introduced firewalls, malicious mail filtering, employee Internet protection, operating system updates, and anti-virus software deployment, etc. These information security protection systems are used to control information security risks, prevent leakage of business secrets, and maintain important business operations such as manufacturing and operations.

However, due to the rapid advancement of information technology and techniques, even if the Company has established these information security protection systems, there is still no guarantee that critical computer systems can be completely protected from any third-party malicious cyberattacks that may bring down the systems. These cyberattacks use email, phishing, brute force hacking and other techniques to introduce malicious programs into the Company's internal network to disrupt operations, steal important confidential information or damage corporate reputation.

The Company has established information-related management regulations and regularly reviews the Company's operating procedures to strengthen or enhance the risk and emergency response capabilities of information operations to prevent the Company's business secrets from being stolen by persons with ulterior motives. The Company's personnel implement regulations and follow relevant information procedures, and regularly review them to ensure their appropriateness and effectiveness. We provide information security education and training courses on a regular basis every year to educate and train employees on information security knowledge such as precautions for sending and receiving emails to enhance their awareness of information security.

For 2023 and the current year up to the publication of the annual report, the Company is not aware of any significant cyber attacks or incidents that have had or may have a material adverse effect on the Company's business and operations.

(VI) Impact of change in corporate image on corporate crisis management and countermeasures:

The Company will establish a crisis response team and take necessary countermeasures in the event that the Company's corporate image is at risk.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures: None.

(VIII) Expected benefits and possible risks of plant expansion and countermeasures:

The expansion of the Company's plants is carefully evaluated based on the existing production capacity and future operational growth, and major capital expenditures are submitted to the Board of Directors for review, and the investment benefits and possible risks are thoroughly considered.

(IX) Risks of concentrations of purchases or sales and countermeasures:

1. Risks of concentrations of purchases and countermeasures:

Polyimide film is widely considered as a high performance and high value-added product with excellent thermal, mechanical and chemical resistance, and is widely used in various extreme

environments. However, there are technical challenges in the manufacturing process, especially in the thermal imidization process, where the completeness of imidization and flatness of the film need to be ensured in order to meet the product quality requirements. As a result, the Company has very strict quality requirements for raw materials, which entail multi-stage testing and quality system validation in order to establish mutual trust and cooperation between each other. Considering the time, cost, risk and economic scale of supplier qualification, the Company only purchases from suppliers with stable quality, delivery and supply. Currently, there are more than three major suppliers of raw materials to choose from, which helps minimize the risks associated with over-reliance on a single supplier. The Company has maintained a good cooperative relationship with various suppliers, and over the years, the quality and delivery of all the suppliers have been maintained at normal levels, and there has not been any shortage or interruption of supply.

2. Risks of concentrations of sales and countermeasures:

Polyimide films are widely used in various industries such as aerospace, machinery, automotive, and electronics. Among these applications, the demand for flexible printed circuit boards and insulation applications is relatively higher. Therefore, the types of our sales customers include flexible copper clad substrate (FCCL) manufacturers and flexible printed circuit board (FPC) manufacturers. In the last two years, the net sales to the top ten customers accounted for approximately 80% of the Company's total operating revenue. However, there was no concentration of customers in the same group, so there should be no risks of concentration of sales.

(X) Impact on the Company and risks of the massive transfer or change of shareholdings by directors, supervisors or major shareholders with 10% stake or more and countermeasures: None.

(XI) Impact on the Company and risks of change in management rights and countermeasures: None

(XII) For litigious and non-litigious matters, please list major litigious, non-litigious or administrative disputes that have been resolved or are still proceeding involving the Company and/or any director, supervisor, the president, any person with actual responsibility for the firm and any major shareholder holding a more than 10% of the shares, and the affiliated companies. Moreover, where such a dispute could materially affect shareholders' equity or the prices of the securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the publication date of the annual report:

On October 7, 2020, DuPont de Nemours, Inc. (DuPont) filed a patent infringement lawsuit against the Company and its person in charge in the Intellectual Property Court, claiming that the Company infringed its R.O.C. patent No. I519576, "Polymethyleneimine Film for Matting Surface Treatment and Method of Relating to Such Film", and requesting payment of NT\$6,650,000, plus interest at 5% per annum from the date of service of the statement of claim to the date of settlement. On November 30, 2021, the Intellectual Property Court rendered a judgment of first instance, ruling that "the plaintiff's suit and the claim for provisional execution are dismissed, and the plaintiff shall bear the costs of the litigation. After receiving the judgment of defeat in the first instance, DuPont appealed against the judgment and on July 29, 2022, the Intellectual Property Court entered the second instance judgment dismissing DuPont's appeal. DuPont appealed against the judgment in the second instance on August 31, 2022, and on April 3, 2024, the Supreme Court issued its ruling, the syllabus of which reads "The appeal is dismissed. The costs of the third instance shall be borne by the appellant".

(XIII) Other major risks and countermeasures: None.

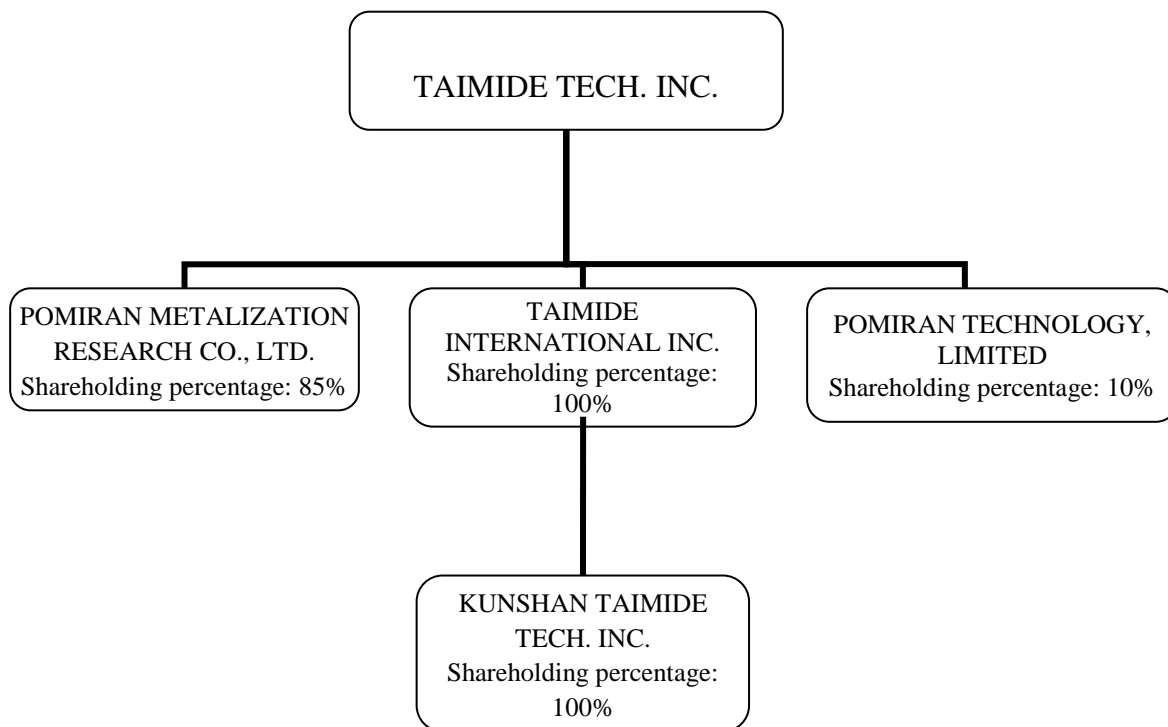
VII. Other important matters: None.

Eight.Special Matters

I. Information on affiliates

(I) Consolidated business report of affiliates

1. Organizational chart of affiliates (December 31, 2023)



2. Basic information on affiliates

December 31, 2023

Unit: Thousands of NTD

Enterprise name	Date of establishment	Address	Paid-in capital	Major business or production items
POMIRAN METALIZATION RESEARCH CO., LTD.	2012.03.20	No. 671, Zhongfeng Road, Pingzhen City, Taoyuan County	322,150	Manufacturing of electronic components, wholesale and surface treatment of electronic materials
POMIRAN TECHNOLOGY, LIMITED	2012.02.08	Address: No. 127, Section 3, Wende Road, Xindu Town, Hsinchu County	11,000	Wholesale and sale of electronic parts and materials
TAIMIDE INTERNATIONAL INC.	2012.04.30	Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, PO Box1868, Apia, Samoa	6,141	Investee business
KUNSHAN TAIMIDE TECH. INC.	2012.12.06	Room 2006, Block A, Modern Plaza, No. 18 Weiye Road, Kunshan City, Jiangsu Province	6,141	Wholesale of electronic equipment, parts and components, chemical products and chemical materials

3. Presumed to be in a controlling and subordinate relationship with TAIMIDE: None.

4. Industries covered by the business of all affiliates: Electronic materials manufacturing.

5. Names of directors, supervisors and presidents of affiliates and their shareholdings or capital contributions to such affiliates:

Shareholding base date: December 31, 2023

Unit: Thousands of NTD

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares (Thousands of shares)	Shareholding percentage
POMIRAN METALIZATION RESEARCH CO., LTD.	Chairperson of the Board	Representative of TAIMIDE TECH. INC.: Sheng-Chang Wu	27,480	85%
	Director	Representative of TAIMIDE TECH. INC.: Mei-Ling Tseng	27,480	85%
	Director	Representative of TAIMIDE TECH. INC.: Chi-Huan Lo	27,480	85%
	Supervisor	Dai-Tsun Chen	2	0%
POMIRAN TECHNOLOGY, LIMITED	Supervisor	Representative of TAIMIDE TECH. INC.: Mei-Ling Tseng	110	10%
TAIMIDE INTERNATIONAL INC.	Director	Representative of TAIMIDE TECH. INC.: Sheng-Chang Wu	200	100%
KUNSHAN TAIMIDE TECH. INC.	Director	TAIMIDE INTERNATIONAL INC. Representative: Sheng-Chang Wu	-	100%
KUNSHAN TAIMIDE TECH. INC.	President	Chen-Ying Huang	-	-

6. Operations overview of affiliates.

Enterprise name	capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	Profit or loss for the period (After tax)	Earnings per share (NTD) (After tax)
POMIRAN METALIZATION RESEARCH CO., LTD.	322,150	315,461	241,837	73,624	55,257	(92,433)	(96,723)	-
POMIRAN TECHNOLOGY, LIMITED	11,000	5,256	583	4,673	3,144	78	60	-
TAIMIDE INTERNATIONAL INC.	5,942	220,791	162,843	57,948	179,952	3,015	2,729	-
KUNSHAN TAIMIDE TECH. INC.	5,942	217,404	159,490	57,914	179,952	3,015	2,729	-

Note 1: If the affiliate is a foreign company, the capital is presented in NTD using the historical exchange rate.

Note 2: If the affiliate is a foreign company, the total assets and total liabilities are translated into NTD at the exchange rate of the reporting date; the operating revenue, operating profit (loss), profit or loss and earnings per share are translated into NTD at the average exchange rate of the year.

(II) Consolidated financial statements of affiliates

Representation Letter

We hereby declare that we have confirmed the companies which shall be included in the consolidated financial statements of the affiliates and the ones which shall be included in the consolidated financial statements in accordance with IFRS 10 are identical; the related information has been disclosed in consolidated financial statements and will hence not be included in consolidated financial statements of the affiliates for the year ended December 31, 2023, (January 1-December 31, 2023) in accordance with "Criteria Governing Preparation of Affiliation Reports" and "Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises."

Declared by

Company name: TAIMIDE TECH. INC.

Person in Charge: Sheng-Chang Wu

March 8, 2024

(III) Affiliation report: The Company is not in a controlling or subordinate relationship and therefore is not required to prepare an affiliation report.

II. Private placement of marketable securities during the most recent and the current year up till the date of publication of this Annual Report:

Information on private placement of marketable securities

Item	1st private placement in 2010 Issue date: June 22, 2010				
Type of privately placed marketable securities (Note 2)	Common stock				
Date and amount approved at shareholders' meeting (Note 3)	Shareholders' meeting on June 15, 2010 The total number of privately placed common stock to be issued will not exceed the limit of five million shares				
Basis and reasonableness of price determination	The reference price of the private placement is based on the net worth per share on the Company's financial statements audited and attested or reviewed by CPAs for the most recent period as of the pricing date in accordance with the "Directions for Public Companies Conducting Private Placements of Securities" at a premium of not less than the reference price (tentatively not less than \$8.73)				
The method for selecting designated persons (Note 4)	In accordance with Article 43, Paragraph 1 of the Securities and Exchange Act				
Necessary reasons for private placement	The Company intends to issue additional shares of common stock by way of a private placement for the purpose of reducing capital raising costs, introducing strategic shareholders, and strengthening the Company's capital structure at a time of peak operating expenses.				
Completion date of the payment of the price	July 28, 2010				
Information on the subscribers	Private placement target (Note 5)	Criteria for eligibility (Note 6)	Number of subscriptions	Relationship with the Company	Participation in the Company's operations
	ARAKAWA CHEMICAL INDUSTRIES,LTD.	In accordance with Article 43, Paragraph 1 of the Securities and Exchange Act	3,428,572	Not related to the Company	None
Actual subscription (or conversion) price (Note 7)	Private placement price per share NT\$35				
Difference between the actual subscription (or conversion) price and the reference price (Note 7)	In accordance with the pricing basis of the shareholders' meeting and the Board of Directors				
Effect of private placement on shareholders' equity (e.g., increase in accumulated losses...)	Increase in shareholders' equity due to introduction of strategic shareholders and issuance at premium				
Utilization of privately placed capitals and progress of plan implementation	In the third quarter of 2010, the Company replenished its operating capital of NT\$120,000 thousand and made 100% progress according to the original plan.				
Benefits of private placement	The Company's private placement of securities amounting to NT\$120,000 thousand was used to enrich its operating capital, increase its own capital and strengthen its capital structure. After the completion of the Company's private placement of securities, the debt ratio decreased from 17.98% to 17.28% and the current ratio increased from 298.25% to 346.67% in the first half of 2010. It is evident that the Company's capital				

	structure and solvency improved significantly, which showed that the benefits of the private placement of marketable securities gradually emerged.
--	--

Note 1: The number of fields can be adjusted according to the actual number of private placements, and if there are several instalments for the private placements of securities, they should be shown separately.

Note 2: This is for the types of privately placed securities such as common stock, preferred stock, convertible preferred stock, preferred stock with stock options, common corporate bond, convertible bond, corporate bond with stock options, overseas convertible bond, overseas depository receipts and employee stock options.

Note 3: This is for privately placed bonds that do not the shareholders' meeting's approval, and the date and amount approved by the Board of Directors should be entered.

Note 4: For private placement in progress, if the Company has already appointed the subscribers, the name of the subscribers and their relationship with the Company should be listed.

Note 5: The number of fields will be adjusted according to the actual number of private placements.

Note 6: Fill in Subparagraph 1, 2, or 3, Paragraph 1, Article 43-6 of the Securities and Exchange Act.

Note 7: Actual subscription (or conversion) price refers to the subscription (or conversion) price determined when the private placement of marketable securities is actually conducted.

III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and the current year up to the publication date of this Annual Report: None.

IV. Other matters that require additional explanation: None

Nine. Any of the situations listed in Subparagraph 2, Paragraph 3, Article 36, of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, during the most recent year or during the current year up to the date of publication of the Annual Report: None.

Attachment 1: Measures for the Issuance and Conversion of the 1st Domestic Unsecured Convertible Bonds)

TAIMIDE TECH. INC.

Measures for the Issuance and Conversion of the 1st Domestic Unsecured Convertible Bonds of the Company

I. Bond name:

First domestic unsecured convertible bonds (the "Bonds") of TAIMIDE TECH. INC. (the "Company")

II. Issue date:

June 21, 2022. (hereinafter referred to as the "issue date")

III. Total issue amount:

Each board lot of the Bonds has a face value of NT\$100,000, and the total number of board lots issued is 6,000, with a total face value of NT\$600,000,000. The convertible bonds are publicly underwritten by competitive bidding. The Bonds were issued at 108.67% of the face value, and the actual amount raised was NT\$652,006,370.

IV. Issue period:

The issue period is three years, starting from June 21, 2022 and expiring on June 21, 2025 (the "maturity date").

V. Coupon rate of the bonds:

Coupon rate 0% per annum.

VI. Repayment date and method:

In accordance with Article 5 of the Measures, the coupon rate of the convertible bonds is 0%, so there is no need to set the interest payment date and method. In addition, the Company shall repay the bonds held by the bondholders in cash within seven business days from the day after the maturity of the bonds, unless the bondholders convert the bonds into common shares of the Company in accordance with Article 10 of the Measures or exercise the right of sale in accordance with Article 18 of the Measures, or the Company redeems the bonds in advance in accordance with Article 17 of the Measures, or the Company purchases and retires the bonds from the securities dealer. If the aforementioned date falls on a day when the Taipei Stock Exchange is closed, it will be postponed to the next business day.

VII. Guarantee:

The Bonds are unsecured, but if the Company issues or private places other secured convertible bonds or secured corporate bonds with stock warrants after the issuance of the Bonds, the Bonds will be secured by the same level of creditor' rights or the same priority of collateral as the guaranteed convertible bonds or secured corporate bonds with stock warrants.

VIII. Conversion target:

The Company's common stock. The Company shall fulfill its conversion obligation by issuing new shares of the Company's common stock and deliver the new shares by book-entry transfer without printing physical certificates

IX. Conversion period:

From September 22, 2022 to June 21, 2025, the holders of the Bonds may request the Company to convert the Bonds into shares of the Company's common stock in accordance with Articles 10, 13, and 15 of the Measures at any time, except (I) during the period when the transfer of the common stock is suspended by law; (II) from fifteen business days prior to the date of suspension of stock transfer for stock dividends, cash dividends, or cash capital increase stock options, to the base date of distribution of rights; (III) from the base date for capital reduction to the day before commencement of trading of shares for capital reduction and stock exchange; (IV) from the starting date of suspension of conversion for change of stock denomination to the day before the commencement of trading of shares for new stock exchange, no request for conversion shall be made.

The starting date of suspension of conversion for change of stock denomination in the preceding paragraph shall be one business day prior to the date of application for change registration to the Ministry of Economic Affairs. The Company will announce the period of suspension of conversion four business days prior to the starting date.

X. Procedure for requesting conversion

- (I) The bondholders shall submit an "Application for Conversion/Redemption/Sale of Bond Book-Entry Transfer" (marked for conversion) to the Taiwan Depository & Clearing Corporation (hereinafter referred to as "TDCC") at the original securities dealer. The TDCC will notify the Company's stock affairs agency electronically upon acceptance of the application, and the application will become effective upon delivery, and no revocation can be applied for, and the conversion procedure will be completed within five business days after arrival, and the shares will be directly booked to the original bondholders' TDCC accounts.
- (II) When overseas compatriots and foreigners apply for the conversion of the bonds into common shares of the Company, the allotment will be made through book-entry by the TDCC.

XI. Conversion price and adjustment:

- (I) The conversion price of the Bonds shall be determined with May 31, 2022 as the base date by selecting one of the simple arithmetic averages of the closing prices of the Company's common stock for the one business day, three business days and five business days prior to the base date, multiplied by a conversion premium rate of 102.70% (rounded to NT\$0.1). If there is an ex-rights or ex-dividend date prior to the base date, the closing price used to calculate the conversion price shall be set as the ex-rights or ex-dividend price; if there is an ex-rights or ex-dividend date after the conversion price is determined before the actual issue date, the conversion price shall be adjusted in accordance with the conversion price adjustment formula in paragraphs (II) or (III) of this Article. In accordance with the above, the conversion price shall be \$57 per share based on the base price of \$55.50 per share, which is the simple arithmetic average of the closing price of the Company's common shares for the one business day prior to the base date.
- (II) Except for the issuance (or private placement) of common shares by the Company in exchange for various securities with conversion rights or stock options or the issuance of new shares as profit-sharing remuneration for employees, in the event of an increase in the number of common shares issued (or privately placed) by the Company after the issuance of the Bonds (including, but not limited to, cash capital increase by way of offering or private placement, capital increase from earnings, capital increase from capital surplus, issuance of new shares in connection with merger or transfer of shares of other companies, stock split and cash capital increase by participation in the issuance of global depository receipts), the Company shall adjust the conversion price of the Bonds according to the following formula (rounded to NT\$0.1, adjusted downwards, and not adjusted upwards) and Taipei Exchange ("TPEX") should be requested by a letter to announce the adjustment on the ex-rights base date of the new share issuance (Note 1) (If there is actual payment, the adjustment will be made on the date the shares are fully paid). If there is an increase in the number of common shares issued due to a change in the par value of the shares, the adjustment will be made on the base date of the new share exchange. If the issue price of new shares is changed after the ex-rights base date of new share issuance for cash capital increase, adjustment shall be made with the following formula based on the updated new share issue price and the current price of each share (The base date for setting the updated issue price of new shares as determined by the Company shall be the base date for setting the updated current price per share). If the conversion price is lower than the adjusted conversion price announced before the original ex-rights date, TPEX will be requested to announce the re-adjustment.

1. Increase in common stock with non-par value change

$$\begin{array}{l}
 \text{Conversion price after adjustment:} \\
 \text{Conversion price before adjustment:}
 \end{array}
 =
 \begin{array}{c}
 \left[\begin{array}{c} \text{Number of issued shares} \\ \text{(Note 2)} \end{array} + \frac{\begin{array}{c} \text{Paid-in amount per share (Note 3)} \times \begin{array}{c} \text{Number of new shares issued or privately placed} \end{array} \\ \text{Current price per share (Note 4)} \end{array} \right] \\
 \hline
 \text{(Number of issued shares + Number of new shares issued or privately placed)}
 \end{array}
 \times
 \begin{array}{c}
 \text{Conversion price before adjustment:}
 \end{array}$$

Note 1: In case of stock split, the adjustment is made on the split base date. In case of capital increase in connection with merger or transfer of shares, the adjustment is made on the merger base date.

In the case of a cash capital increase through book building or a cash capital increase by participation in the issuance of global depository receipts, the adjustment is made on the date on which the shares are fully paid up because there is no ex-rights base date. If the cash capital increase is made through a private placement or the additional shares are issued through a private placement of securities, the adjustment will be made on the date of delivery of the privately placed securities. If the issue price of new shares is changed after the ex-rights base date of new

share issuance for cash capital increase, adjustment shall be made based on the updated new share issue price. If the conversion price is lower than the adjusted conversion price announced before the original ex-rights date, TPEx should be requested to announce the re-adjustment.

Note 2: The number of shares issued refers to the total number of common shares issued (including offerings and private placements).

Less the number of treasury shares bought back by the Company but not yet retired or transferred.

Note 3: The paid-in amount per share is zero if the shares are allotted as stock dividends or stock split. In the case of capital increase by issuance of new shares in connection with merger, the paid-in amount per share shall be the net worth per share multiplied by the conversion ratio calculated on the basis of the financial statements of the dissolved company for the most recent period as attested or reviewed by CPAs prior to the base date of the merger. In the case of issuance of new shares in connection with transfer of shares of other company, the paid-in amount per share shall be the net worth per share multiplied by the conversion ratio calculated on the basis of the financial statements of the transferred company for the most recent period as attested or reviewed by CPAs

Note 4: The current price per share shall be determined by the simple arithmetic average of the closing prices of the common shares calculated on the ex-rights date, the pricing date, the stock split date, or one, three, or five business days prior to the date of delivery of the private placement of marketable securities.

2. Increase in the number of common stock due to a change in par value

$$\text{Conversion price after adjustment:} = \text{Conversion price before adjustment:} \times \frac{\text{Number of common stock issued before change in stock par value}}{\text{Number of common stock issued after change in stock par value}}$$

(III) After the issuance of the Bonds, if the Company distributes cash dividends for common shares, the conversion price shall be reduced by the ratio of the current price per share (rounded to the NT\$0.1) on the ex-dividend date, and the TPEx shall be requested by a letter to announce the adjusted conversion price on the ex-dividend date. The reduction of the conversion price is not applicable to those who have requested for conversion before the ex-dividend date (exclusive). The adjustment formula is as follows:

$$\text{Conversion price after the reduction} = \text{Conversion price before the reduction} \times (1 - \text{ratio of cash dividends per share to the current price per share (Note)})$$

Note: The current price per share is based on the simple arithmetic average of the closing prices of the Company's common shares for the one, three and five business days prior to the date of the ex-dividends announcement of the suspension of stock transfer for cash dividends.

(IV) If, after the issuance of the Bonds, the Company reissues (or privately places) various securities with conversion rights or stock options for common shares at a conversion or stock option price lower than the current price per share (Note 1), the Company shall adjust the conversion price of the Bonds according to the following formula (rounded to NT\$0.1, adjusted downwards, and not adjusted upwards), and TPEx should be requested by a letter to announce the adjustment on the date of issuance of the aforementioned securities or stock options or the date of delivery of the private placement of securities.

$$\begin{array}{lcl}
\text{Conversion price after adjustment:} & = & \text{Conversion price before adjustment:} \times \frac{\left[\begin{array}{l} \text{Number of issued shares (Note 2)} \\ + \end{array} \begin{array}{l} \text{Number of newly issued (or privately placed) securities or number of convertible or subscribable shares with stock options} \end{array} \times \begin{array}{l} \text{Number of newly issued (or privately placed) securities or number of converted or subscribed shares with stock options} \end{array} \right]}{\text{Current price per share (Note 1)}} \\
& & \frac{(\text{Number of issued shares} + \text{number of newly issued (or privately placed) securities or number of convertible or subscribable shares with stock options})}{\text{Current price per share (Note 1)}}
\end{array}$$

Note 1: The current price per share is calculated by selecting the simple arithmetic average of the closing prices of the Company's common shares on the first, third, and fifth business days prior to the date of reissuance (or private placement) of various securities with conversion rights or stock options. If there is an ex-rights or ex-dividend date, the closing price used to calculate the conversion price shall be calculated as the ex-rights or ex-dividend price.

Note 2: The number of issued shares refers to the number of shares of common stock that have been offered for issuance and private placement, less the number of treasury shares that have been bought back by the Company but not yet retired or transferred. The number of shares issued in the adjustment formula shall be reduced by the number of shares convertible or subscribable to the newly issued (or private placement) securities if the reissued (or privately placed) securities with conversion rights or stock options are backed by treasury shares.

(V) After the issuance of the Bonds, if the Company reduces the number of shares of common stock due to a capital reduction other than the retirement of treasury stock, the adjusted conversion price shall be calculated in accordance with the following formula (calculated to the nearest dollar, rounded up to the nearest dollar), and TPEx should be requested by a letter to announce the adjustment of the price on the capital reduction date. If there is a decrease in the number of common stock due to a change in the par value of the shares, the adjustment will be made on the base date of the new share exchange.

1. While reducing capital to make up for losses:

$$\begin{array}{lcl}
\text{Conversion price after adjustment:} & = & \text{Conversion price before adjustment:} \times \frac{\text{Number of common stock issued before capital reduction (Note)}}{\text{Number of common stock issued after capital reduction (Note)}}
\end{array}$$

2. While reducing capital:

$$\begin{array}{lcl}
\text{Conversion price after adjustment:} & = & \text{Conversion price before adjustment:} \times \frac{(1 - \text{ratio of the cash refunds per share to the closing price on the last trading day prior to the exchange of new shares}) \times \text{number of common shares issued before the capital reduction (Note)}}{\text{Number of common stock issued after capital reduction (Note)}}
\end{array}$$

3. Decrease in the number of common stock due to a change in par value:

$$\begin{array}{lcl}
\text{Conversion price after adjustment:} & = & \text{Conversion price before adjustment:} \times \frac{\text{Number of common stock issued before change in stock par value}}{\text{Number of common stock issued after change in stock par value}}
\end{array}$$

Note: The number of issued shares refers to the number of shares of common stock issued (including offering for issuance and private placement), less the number of treasury shares that have been

bought back by the Company but not yet retired or transferred.

XII. The Bond is listed on TPEX and delisted from TPEX

The Bonds will be listed and traded on TPEX prior to the issue date and will be delisted upon full conversion into common shares or full repurchase or repayment by the Company, all of which will be announced by the Company with the consent of TPEX.

XIII. TWSE listing of new shares after conversion.

The common shares issued upon conversion of the Bonds will be listed and traded on the Taiwan Stock Exchange Corporation (the "TWSE") from the date of delivery, as announced by the Company after obtaining the consent of the TWSE. The Company's common shares were issued without physical certificates and the converted common shares shall be listed and traded on TWSE from the date of delivery without physical certificates

XIV. Change registration of stock capital

Within 15 days after the end of each quarter, the Company shall announce the amount of shares delivered upon the exercise of conversion of the Bonds in the previous quarter, and shall apply to the competent authority for change registration of capital least once each quarter.

XV. Handling for conversion of less than one share

For conversion of less than one share, the Company shall pay the amount in cash (rounded to NT\$1), after deducting the TDCC book-entry charges.

XVI. Attribution of annual cash dividends and stock dividends in the conversion year

(I) Cash dividends

1. If the bondholders request the conversion of the Bonds from January 1 to 15 business days (exclusive) prior to the date on which the Company requests to TWSE for suspension of stock transfer for cash dividends, the common shares resulting from the conversion shall participate in the cash dividends for the previous year as resolved by the shareholders' meeting of the current year.
2. The conversion of the Bonds shall cease from fifteen business days prior to the date on which the Company ceases to transfer cash dividends to TWSE to the ex-dividend date of the current year (inclusive).
3. If the holders of the Bonds request for conversion from the day after the ex-dividend date of the current year to December 31 of the current year (inclusive), they shall forfeit the cash dividends for the previous year as resolved by the shareholders' meeting of the current year, but may participate in the cash dividends for the current year as resolved by the shareholders' meeting of the following year.

(II) Stock dividends

1. If the bondholders request the conversion of the Bonds from January 1 to 15 business days (exclusive) prior to the date on which the Company requests to TWSE for suspension of stock transfer for stock dividends, the common shares resulting from the conversion shall participate in the stock dividends for the previous year as resolved by the shareholders' meeting of the current year.
2. The conversion of the Bonds shall cease from fifteen business days prior to the date on which the Company ceases to transfer stock dividends to TWSE to the stock dividends ex-rights date of the current year (inclusive).
3. If the holders of the Bonds request for conversion from the day after the ex-rights date of the current year to December 31 of the current year (inclusive), they shall forfeit the stock dividends for the previous year as resolved by the shareholders' meeting of the current year, but may participate in the stock dividends for the current year as resolved by the shareholders' meeting of the following year.

XVII. The Company's right of early redemption of the Bonds

- (I) If the closing price of the Company's common stock on the TWSE exceeds the then current conversion price of the Bonds by more than 30% for 30 consecutive business days (inclusive) from the day after the expiration of three months from the date of issuance (September 22, 2022) until the 40th day before

the expiration of the issuance period (May 12, 2025), the Company may, within 30 business days thereafter, send the holders of the Bonds a 30-day "Notice of Bond Call" (The aforesaid period shall commence on the date of mailing and the expiration date of such period shall be the base date for the collection of the Bonds, and the aforesaid period shall not be the conversion suspension period as described in Article 9) by registered mail (the period shall be determined as of the fifth business day prior to the date of mailing and shall be announced to the bondholders who subsequently acquire the Bonds through trading or other reasons) and TPEX should be requested by a letter to announce that the bonds will be collected from the bondholders in cash within five business days after the collection date.

- (II) If the outstanding balance of the convertible bonds is less than 10% of the original issue amount from the day after the third month of the bond issue (September 22, 2022) to 40 days before the expiration of the issue period (May 12, 2025), the Company may, at any time thereafter, send the holders of the Bonds a 30-day "Notice of Bond Call" (The aforesaid period shall commence on the date of mailing and the expiration date of such period shall be the base date for the collection of the Bonds, and the aforesaid period shall not be the conversion suspension period as described in Article 9) by registered mail (the period shall be determined as of the fifth business day prior to the date of mailing and shall be announced to the bondholders who subsequently acquire the Bonds through trading or other reasons) and TPEX should be requested by a letter to announce that the bonds will be collected from the bondholders in cash within five business days after the collection date.
- (III) If the bondholders do not reply in writing to the Company's stock affairs agency before the base date specified by the Notice of Bond Call (effective upon delivery, postmarked if sent by mail), the Company shall redeem the Bonds in cash at their face value within five business days after the base date specified by the Notice of Bond Call.
- (IV) If the Company executes the call request, the deadline by bondholders for conversion is the second business day after the date of termination of over-the-counter trading of the bonds.

XVIII. Sale back rights of the bondholders

The day upon two years after the issuance of the convertible corporate bonds (June 21, 2024) is the reference date for the holders of the convertible corporate bonds to sell back the convertible corporate bonds in advance, and the following principles shall be followed:

The Company shall send a "Notice of Exercise of Sale Back Rights by Bondholders" to the holders of the Bonds by registered mail 30 days prior to the date of sale of the Bonds (May 22, 2024). (The "Notice of Exercise of Sale Back Rights by Bondholders" shall be based on the bondholders' register on the fifth business day prior to the date of mailing, and bondholders who acquired the Bonds by subsequent trading or for other reasons should be notified by way of announcement). TPEX should be requested by a letter to notify the holders of the Bonds of the conversion of the bonds of the exercise of their right to repurchase. The bondholders may request the Company to redeem the Bonds held by them in cash at the face value of the Bonds by notifying the Company's stock affairs agency in writing (effective upon delivery, postmarked if mailed, and not subject to revocation) within 30 days prior to the base date of the redemption. The Company shall redeem the convertible bonds in cash five business days after the date of accepting sale back requests (June 28, 2024).

If the aforementioned date falls on a day when TWSE is closed for business, it will be postponed to the next business day.

XIX. Rights and obligations after conversion

Except as otherwise provided in the Measures, the bondholders who request the conversion shall have the same rights and obligations as the shareholders who hold the issued common shares of the Company for the common shares acquired after the conversion request becomes effective.

- XX. All bonds redeemed (including those purchased from securities dealers), repaid or converted by the Company will be retired and may not be sold or issued again, and the conversion rights attached thereto will be extinguished.
- XXI. The bonds and the common shares exchanged are in registered form, and the transfer, change registration, pledge, loss, etc. are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the Company Act and tax matters are handled in accordance with the then prevailing tax laws.
- XXII. Taipei Fubon Bank is the trustee of the bondholders, and it represents the interests of the bondholders to check and supervise the Company's performance of the bond issuance. All holders of the Bonds, whether

they subscribe for the Bonds at the time of issuance or purchase the Bonds in the interim, agree to acknowledge the provisions of the Trust Deed between the Company and the trustee, the rights and obligations of the trustee, and the Measures for issuance and conversion of the Bonds, and grant the trustee full power of attorney in respect of the Trust. The trustee may inspect the contents of the Trust Deed at the Company's or the trustee's offices at any time during the prescribed business hours.

- XXIII. The Company's stock affairs agency is appointed to act for the repayment and conversion of the Bonds.
- XXIV. The bonds are issued in accordance with Article 8 of the Securities and Exchange Act and are delivered by book-entry without physical certificates
- XXV. Matters not covered in the Measures for the Issuance and Conversion of the Bonds shall be handled in accordance with relevant laws and regulations

Attachment 2The most recent standalone financial statements audited and attested by CPAs

Independent Auditors' Report

To the Board of Directors and Shareholders of TAIMIDE TECH. INC.:

Audit opinions

We have audited the accompanying standalone balance sheets of TAIMIDE TECH. INC. as of December 31, 2023 and 2022, and the related standalone statements of comprehensive income, changes in equity, cash flows, and notes to the standalone financial statements (including a summary of significant accounting policies) for the years then ended.

In our opinion, based on our audits, the standalone financial statements referred to above present fairly, in all material respects, the financial position of TAIMIDE TECH. INC. as of December 31, 2023 and 2022, and its standalone financial performance and cash flows for the years then ended, in conformity with the requirements of Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the standalone Financial Statements section of our report. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have remained independent of TAIMIDE TECH. INC. and fulfilled other responsibilities under the said regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of TAIMIDE TECH. INC. for the year ended December 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the standalone financial statements of TAIMIDE TECH. INC. for the year ended December 31, 2023 are stated as follows:

Authenticity of sales revenue

TAIMIDE TECH. INC. was affected by the decline in demand in the overall market in 2023. We compared the annual sales growth rates of the major sales customers to 2022. If their sales had positive growths in 2023 as opposed to the overall decline trend in the market, the sales revenue of these customers was considered as a source of potential fraud risk and was therefore judged to be a key audit matter, and audit procedures performed for these customers to address the above risk were as follows:

1. To understand and test the internal control system and operating procedures related to the sales transaction cycle to confirm and evaluate the effectiveness of the internal control procedures related to the sales transactions.
2. For the breakdown of sales revenue, a sample of the above-mentioned potential risky sales customers was selected for audit, and customers and external related certificates were examined to confirm the authenticity of sales revenue, and to examine whether the subsequent collection from the sales customers was abnormal.

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

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for necessary internal control as management determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

While preparing the standalone financial statements, the management is responsible for also evaluating the ability of TAIMIDE TECH. INC. to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate TAIMIDE TECH. INC. or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process of TAIMIDE TECH. INC.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the standalone financial statements. Misstatements can arise from fraud or error. Misstatements 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 the standalone financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the standalone financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 TAIMIDE TECH. INC.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operation by the management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of TAIMIDE TECH. INC. to continue with operation exist or not according to the evidence obtained from the audit. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the standalone financial statements are required to be provided in our audit report to allow users of standalone financial statements to be aware of such events or circumstances, 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. Future events or conditions, however, are likely to result in TAIMIDE TECH. INC. no longer capable of continuing with operation.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including relevant notes, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entity of TAIMIDE TECH. INC., and express an opinion on standalone financial statements. We are responsible for the direction, supervision and performance of the audit of TAIMIDE TECH. INC.. 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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were most significant in the audit of the 2023 standalone financial statements of TAIMIDE TECH. INC. and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Chang Ya-Yun

CPA Fang Su-Li

Approval document No. of the Financial
Supervisory Commission

Financial Management Certificate Audit Zi
No. 1110348898

Approval document No. of the Financial
Supervisory Commission

Financial Management Certificate VI Zi No.
0940161384

March 8, 2024

TAIMIDE TECH. INC.

Standalone Balance Sheets

December 31, 2023 and 2022

Unit: Thousands of NTD

Code	Assets	December 31, 2023		December 31, 2022		Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6 and 31)	\$ 319,541	7	\$ 345,521	7	2100	Short-term loans (Notes 17 and 31)	\$ -	-	\$ 90,000	2
1136	Financial assets at amortized cost - non-current (Notes 4, 9, and 31)	5,626	-	-	-	2120	Financial liabilities at fair value through profit or loss-current (Notes 4, 7, 18 and 31)	1,014	-	3,894	-
1150	Notes receivable (Notes 4, 10 and 31)	25,073	1	1,703	-	2130	Contract liabilities - current (Notes 4 and 24)	13	-	9	-
1170	Accounts receivable (Notes 4, 10, 24 and 31)	229,804	5	247,865	5	2170	Notes and accounts payable (Note 31)	49,433	1	17,827	-
1180	Accounts receivable - related parties (Notes 4, 24, 31 and 32)	159,062	3	31,454	1	2206	Remuneration payable to employees and directors (Note 25)	-	-	21,520	1
1210	Other receivables - related parties (Notes 31 and 32)	10	-	2	-	2213	Payables for equipment (Note 31)	30,194	1	45,959	1
130X	Inventories (Notes 4, 5 and 11)	439,611	10	608,289	12	2219	Other payables (Notes 19, 31 and 32)	131,080	3	134,713	3
1470	Other current assets (Notes 4 and 16)	45,086	1	56,178	1	2230	Current tax liabilities (Notes 4 and 26)	10,261	-	13,871	-
11XX	Total current assets	1,223,813	27	1,291,012	26	2280	Lease liabilities - current (Notes 4, 14 and 31)	15,023	-	14,610	-
	Non-current assets					2321	Corporate bonds due or with put option exercisable within one year (Notes 4, 18 and 31)	583,415	13	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	467	-	439	-	2322	Long-term loans due within one year (Notes 17, 31 and 33)	246,362	5	246,319	5
1535	Financial assets at amortized cost - non-current (Notes 4, 9, 31 and 33)	16,923	1	16,923	-	2399	Other current liabilities (Notes 4, 20, 29 and 32)	35,219	1	5,386	-
1550	Investment accounted for using the equity method (Notes 4 and 12)	106,992	2	202,535	4	21XX	Total current liabilities	1,102,014	24	594,108	12
1600	Property, plant and equipment (Notes 4, 5, 13 and 33)	3,111,728	68	3,302,899	67		Non-current liabilities				
1755	Right-of-use assets (Notes 4 and 14)	104,714	2	118,462	3	2530	Corporate bonds payable (Notes 4, 18 and 31)	-	-	572,433	12
1780	Intangible assets (Notes 4 and 15)	6,323	-	8,845	-	2540	Long-term loans (Notes 17, 31 and 33)	580,298	13	664,101	13
1915	Prepayments for equipment	7,891	-	4,552	-	2580	Lease liabilities - non-current (Notes 4, 14 and 31)	94,180	2	107,911	2
1920	Refundable deposits	3,059	-	3,059	-	2645	Deposits received	19	-	19	-
1975	Net defined benefit assets - non-current (Notes 4 and 21)	353	-	1,121	-	25XX	Total non-current liabilities	674,497	15	1,344,464	27
15XX	Total non-current assets	3,358,450	73	3,658,835	74	2XXX	Total liabilities	1,776,511	39	1,938,572	39
							Equity (Notes 4, 18, 22 and 23)				
						3110	Common stock capital	1,322,053	29	1,317,990	27
						3200	Capital surplus	593,455	13	582,422	12
							Retained earnings				
						3310	Legal reserve	279,983	6	264,789	5
						3320	Special reserve	1,586	-	2,538	-
						3350	Undistributed earnings	611,310	13	845,122	17
						3300	Total retained earnings	892,879	19	1,112,449	22
						3400	Other equity	(2,635)	-	(1,586)	-
						3XXX	Total equity	2,805,752	61	3,011,275	61
1XXX	Total assets	\$ 4,582,263	100	\$ 4,949,847	100		Total liabilities and equity	\$ 4,582,263	100	\$ 4,949,847	100

The accompanying notes are an integral part of the standalone financial report.

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC.
Standalone Statements of Comprehensive Income
From January 1 to December 31, 2023 and 2022

Unit: In thousands of NTD; except (loss) earnings per share in NTD

Code		2023		2022	
		Amount	%	Amount	%
4110	Total operating revenue	\$ 1,572,167	101	\$ 1,847,628	102
4170	Returns and discounts on sales	<u>16,264</u>	<u>1</u>	<u>32,296</u>	<u>2</u>
4100	Net operating revenue (Notes 4, 24 and 32)	1,555,903	100	1,815,332	100
5000	Operating cost (Notes 11, 25 and 32)	<u>1,278,509</u>	<u>82</u>	<u>1,331,516</u>	<u>73</u>
5900	Operating gross profit	277,394	18	483,816	27
5910	Realized (Unrealized) profit with subsidiaries	(<u>14,689</u>)	(<u>1</u>)	<u>18,885</u>	<u>1</u>
5950	Realized operating profit	<u>262,705</u>	<u>17</u>	<u>502,701</u>	<u>28</u>
	Operating expense (Note 25)				
6100	Selling expense	36,060	2	30,253	2
6200	Administrative expense	85,131	6	92,878	5
6300	Research and development expense	178,205	11	147,933	8
6450	Expected credit impairment losses (recovery benefits)	<u>4</u>	<u>-</u>	(<u>37</u>)	<u>-</u>
6000	Total operating expense	<u>299,400</u>	<u>19</u>	<u>271,027</u>	<u>15</u>
6900	Net operating (loss) profit	(<u>36,695</u>)	(<u>2</u>)	<u>231,674</u>	<u>13</u>
	Non-operating income and expenses				
7100	Interest income (Note 25)	3,144	-	991	-
7010	Other income (Notes 25, 29 and 32)	8,625	1	5,394	-
7020	Other gain and loss (Note 25)	6,170	-	9,612	1

(Continued on next page)

(Continued from previous page)

Code		2023		2022	
		Amount	%	Amount	%
7050	Financial costs (Notes 4 and 25)	(\$ 29,027)	(2)	(\$ 27,655)	(2)
7070	Share of loss of subsidiaries accounted for using the equity method	(79,777)	(5)	(76,000)	(4)
7000	Total non-operating income and expense	(90,865)	(6)	(87,658)	(5)
7900	Net (loss) profit before tax	(127,560)	(8)	144,016	8
7950	Income tax expense (benefit) (Notes 4 and 26)	11,708	1	(4,742)	-
8200	Net profit (loss) for the year	(139,268)	(9)	148,758	8
	Other comprehensive income				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 21)	(1,223)	-	3,182	-
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income (Note 22)	28	-	145	-
8360	Items that may be reclassified subsequently to profit or loss:				
8380	Share of other comprehensive income of subsidiaries accounted for using the equity method (Note 22)	(1,077)	-	808	-
8300	Other comprehensive income for the year	(2,272)	-	4,135	-
8500	Total comprehensive income for the year	(\$ 141,540)	(9)	\$ 152,893	8
	(Loss) earnings per share (Note 27)				
9750	Basic	(\$ 1.06)		\$ 1.13	
9850	Diluted	(\$ 1.06)		\$ 1.12	

The accompanying notes are an integral part of the standalone financial report.

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC.
Standalone Statement of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		Common stock capital		Capital surplus	Retained earnings			Other equity		Total equity
		Number of shares (in thousands)	Amount		Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	
A1	Balance at January 1, 2022	131,018	\$ 1,310,185	\$ 478,342	\$ 234,484	\$ 2,290	\$ 880,990	(\$ 2,363)	(\$ 176)	\$ 2,903,752
	Distribution of earnings for 2021									
B1	Legal reserve	-	-	-	30,305	-	(30,305)	-	-	-
B3	Provision of special reserve	-	-	-	-	248	(248)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(157,255)	-	-	(157,255)
	Changes in other capital surplus:									
C5	Issuance of convertible bonds recognized as a component of equity	-	-	79,259	-	-	-	-	-	79,259
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	9	-	-	-	-	-	9
D1	Net profit for 2022	-	-	-	-	-	148,758	-	-	148,758
D3	Other comprehensive income for 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,182</u>	<u>808</u>	<u>145</u>	<u>4,135</u>
D5	Total comprehensive income for 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,940</u>	<u>808</u>	<u>145</u>	<u>152,893</u>
M7	Change in ownership interests in subsidiaries	-	-	2,470	-	-	-	-	-	2,470
N1	Share-based payment transaction	<u>781</u>	<u>7,805</u>	<u>22,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,147</u>
Z1	Balance at December 31, 2022	131,799	1,317,990	582,422	264,789	2,538	845,122	(1,555)	(31)	3,011,275
	Distribution of earnings for 2022									
B1	Legal reserve	-	-	-	15,194	-	(15,194)	-	-	-
B17	Reversal of special reserve	-	-	-	-	(952)	952	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(79,079)	-	-	(79,079)
	Changes in other capital surplus:									
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	23	-	-	-	-	-	23
D1	Net loss for 2023	-	-	-	-	-	(139,268)	-	-	(139,268)
D3	Other comprehensive income for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,223)</u>	<u>(1,077)</u>	<u>28</u>	<u>(2,272)</u>
D5	Total comprehensive income for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(140,491)</u>	<u>(1,077)</u>	<u>28</u>	<u>(141,540)</u>
N1	Share-based payment transaction	<u>406</u>	<u>4,063</u>	<u>11,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,073</u>
Z1	Balance at December 31, 2023	<u>132,205</u>	<u>\$ 1,322,053</u>	<u>\$ 593,455</u>	<u>\$ 279,983</u>	<u>\$ 1,586</u>	<u>\$ 611,310</u>	<u>(\$ 2,632)</u>	<u>(\$ 3)</u>	<u>\$ 2,805,752</u>

The accompanying notes are an integral part of the standalone financial report.

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC.
Standalone Statements of Cash Flows
From January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		2023	2022
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the year	(\$ 127,560)	\$ 144,016
A20010	Income and expense items		
A20100	Depreciation expense	326,502	321,676
A20200	Amortization expense	3,233	4,067
A20300	Expected credit impairment losses (reversal gain)	4	(37)
A20400	Net (profit) loss on financial liabilities at fair value through profit or loss	(2,880)	3,180
A20900	Financial cost	29,027	27,655
A21200	Interest income	(3,144)	(991)
A21900	Share-based payment remuneration cost	-	270
A22400	Share of loss of subsidiaries accounted for using the equity method	79,777	76,000
A23700	Loss on decline in value of inventories	60,887	37,928
A23900	Unrealized (Realized) profit with subsidiaries	14,689	(18,885)
A24100	Net gain on foreign exchange	(3,290)	(12,792)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(23,370)	39,403
A31150	Accounts receivable	17,421	167,980
A31160	Accounts receivable - related parties	(127,608)	95,072
A31190	Other receivables - related parties	(8)	-
A31200	Inventories	107,791	(156,046)
A31240	Other current assets	11,099	41,011
A31990	Net defined benefit assets	(455)	2,061
A32125	Contract liabilities	4	(5)
A32150	Notes and accounts payable	33,254	(145,944)
A32180	Other payables	(3,488)	(46,032)
A32230	Other current liabilities	29,833	(527)
A32240	Net defined benefit liabilities	-	(2,480)
A32990	Remuneration payable to employees and directors	(21,520)	(35,389)
A33000	Net cash inflows from operations	400,198	541,191
A33100	Interest received	3,137	951
A33300	Interest paid	(18,180)	(21,920)
A33500	Income tax paid	(15,318)	(77,457)
AAAA	Net cash in-flows from operating activities	<u>369,837</u>	<u>442,765</u>

(Continued on next page)

(Continued from previous page)

Code		2023	2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 5,626)	(\$ 8,392)
B00050	Disposal of financial assets at amortized cost	-	10,768
B01800	Acquisition of long-term equity investments accounted for using the equity method	-	(255,276)
B02700	Purchase of property, plant and equipment	(135,869)	(221,093)
B03800	Decrease in refundable deposits	-	2,703
B04500	Purchase of intangible asset	(711)	(2,398)
B07100	Increase in prepayments for equipment	(3,339)	-
B07200	Decrease in prepayments for equipment	-	2,662
BBBB	Net cash outflows from investing activities	(<u>145,545</u>)	(<u>471,026</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	260,000	800,000
C00200	Decrease in short-term loans	(350,000)	(710,000)
C01200	Issuance of convertible bonds	-	646,723
C01600	Borrowing of long-term loans	300,000	562,000
C01700	Repayment of long-term loans	(383,760)	(1,194,089)
C04020	Repayment of principal for lease liabilities	(14,685)	(14,409)
C04500	Cash dividends to shareholders	(79,079)	(157,255)
C04800	Employee exercise of stock options	15,073	29,814
C09900	Unclaimed dividends to shareholders after the statute of limitations	<u>23</u>	<u>9</u>
CCCC	Net cash outflows from financing activities	(<u>252,428</u>)	(<u>37,207</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>2,156</u>	<u>3,199</u>
EEEE	Net decrease in cash and cash equivalents	(25,980)	(62,269)
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>345,521</u>	<u>407,790</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 319,541</u>	<u>\$ 345,521</u>

The accompanying notes are an integral part of the standalone financial report.

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC.
Notes to Standalone Financial Statements
From January 1 to December 31, 2023 and 2022
(Amounts in thousands of NTD unless otherwise specified)

I. Company History

TAIMIDE TECH. INC. (hereinafter referred to as the Company) was established on June 22, 2000 with the approval of the Ministry of Economic Affairs and was listed for trading on the Taiwan Stock Exchange on October 5, 2011.

The Company's business scope mainly covers international trade and wholesale, manufacturing and sales of electronic components and materials.

The standalone financial statements were expressed in NTD, which is the Company's functional currency.

II. Date and Procedure for Approval of Financial Statements

These standalone financial statements were approved by the Board of Directors on March 8, 2024.

III. Application of New and Revised Standards and Interpretations

- (I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Application of aforementioned amendments to IFRSs will not have a significant effect on the Company's accounting policies.

- (II) IFRSs endorsed by FSC applicable in 2024

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease liabilities in sale-and-leasebacks"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier financing arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The seller and lessee should apply the amendments to IFRS 16 retrospectively to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: Disclosure requirements for exemption from this amendment upon initial application

As of the date the consolidated financial statements were authorized for issue, the Company has assessed the possible impact that the application of the above standards and

interpretations would have on the Company's financial position and financial performance, and has determined that there would be no such material impact.

(III) IFRSs already announced by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture"	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First time of application of IFRS 17 and IFRS 9—comparison information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: Applicable to the reporting periods beginning on or after January 1, 2025. Upon initial application of this amendment, the impact amount is recognized in retained earnings at the date of initial application. When the Company uses a non-functional currency as the presentation currency, the impact amount will be adjusted to the exchange difference of foreign operations under equity at the date of initial application.

As of the date of publication of the standalone financial statements, the Company will continue to evaluate the impact of the above-mentioned amendments to standards and interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

These standalone financial statements were prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(II) Basis of preparation

The standalone financial statements have been prepared on the historical cost basis except for financial instruments and net defined benefit assets recognized as the present value of defined benefit obligations less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement input values are observable and the significance of the input values to the fair value measurement in its entirety, which are described as follows:

1. Level 1 input values: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 input values are input values other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 input values are unobservable input values for the asset or liability.

In preparing the standalone financial statements, the equity method is adopted to the investments in subsidiaries. In order to make the profit or loss for the year, other comprehensive income and equity in these standalone financial statements the same as the current year's profit or loss, other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the standalone basis and the consolidated basis are adjusted for "investments accounted for using the equity method," "share of profit or loss of subsidiaries accounted for using the equity method," and "share of other comprehensive income of subsidiaries accounted for using the equity method."

(III) Standard for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets that are expected to be realized within twelve months from the balance sheet date; and
3. Cash and cash equivalent (unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities that will be due for settlement within 12 months from the balance sheet date, and
3. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Foreign currency

In preparing the standalone financial statements, transactions in currencies (foreign currencies) other than the Company's functional currency are recognized at the exchange rates prevailing at the dates of the transactions.

Foreign currency monetary amount is translated at the closing rate at each date of the balance sheet. Exchange differences arising from settlement or translation are recognized as profit or loss at the period.

Non-monetary foreign currencies held at fair value at the exchange rates prevailing at the date of transaction; however, non-monetary foreign currencies held at fair value through other comprehensive income are recognized in other comprehensive income.

Non-monetary items carried at historical cost is reported using the exchange rate at the date of the transaction and will not be calculated again.

In preparing the standalone financial statements, assets and liabilities from foreign operations of the Company, including subsidiaries whose location or currency are different from the Company, are translated into the presentation currency, the NTD, at the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates at the period. The resulting currency translation differences are recognized in other comprehensive income.

(V) Inventories

Inventories include raw materials, work in process, and finished goods. Inventories are stated at the lower of cost or net realizable value. The lower of cost and net realizable value is based on the individual inventory items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted-average method.

(VI) Investment in subsidiaries

The Company's investments in the subsidiaries are accounted for using the equity method.

Subsidiaries are entities which the Company holds the control of.

Under the equity method, an investment is initially recognized in the statements of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiaries as well as the distribution received. In addition, the Company also recognizes its share in the changes in equities of subsidiaries.

Changes in equity in the ownership of subsidiaries which do not result in loss of control are disposed as equity transaction. The difference between carrying amount invested and the fair value paid and payable or received and receivable is directly recognized as equity.

The loss of shares of the subsidiary equals or exceeds the Company's interest in that subsidiary, including the carrying amount of that subsidiary under equity method and other long-term equity as the Company's net investment in that subsidiary, is recognized as loss according to proportion of shareholding.

The Company considers cash-generating unit in the entire financial statement as testing for impairment and compares its recoverable amount with its carrying amount. If the recoverable amount of assets increases, the reversal of impairment loss will be recognized as profit. However, the carrying amount of assets after the reversal of impairment loss shall not exceed the carrying amount that would have been determined net of required amortization and have no impairment loss been recognized. Impairment loss of goodwill shall not reverse in the subsequent period.

Unrealized profit and loss from downstream transactions with a subsidiary are eliminated in the standalone financial statements. Profit and loss from upstream and sidestream transactions between subsidiaries are recognized in the Company's standalone financial statements only to the extent that interests in the subsidiary are not related to the Company.

(VII) Property, Plant and Equipment

Property, plant and equipment are recognized at costs and subsequently measured at costs of the amount less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component, except for the land owned by the consolidated Company, which is not depreciated. The Company reviews the estimated useful lives, residual values and depreciation methods, at least by the end of each reporting period, and the effect on accounting estimates are recorded in profit or loss in the next reporting period.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Intangible assets

1. Acquired separately

Intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Intangible assets are amortized on a straight-line basis over their useful lives. The Consolidated Company reviews the estimated useful lives, residual values and amortization methods once a year and defers the effect of changes in applicable accounting estimates.

2. Derecognition

When intangible assets are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss for the year.

(IX) Impairments of related assets including property, plant and equipment, right-of-use assets and intangible assets.

At the end of each reporting period, the Company reviews whether there is any indication that its property, plant and equipment, right-of-use assets and intangible assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When impairment loss subsequently reverses, the carrying amounts of the asset, or cash-generating units are increased to the revised recoverable amounts. However, the increased carrying amounts shall not exceed the carrying amounts of the asset, or cash-generating units which were not recognized as impairment loss at the past period (less amortization or depreciation). The reversal of impairment loss is recognized as profit or loss.

(X) Financial instruments

Financial assets and liabilities shall be recognized in the standalone financial statements when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

All regular purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(1) Type of measurement

Financial assets held by the Company are classified to financial assets at amortized cost and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets at amortized cost

When the financial assets invested by the Company satisfies the following two criteria at the same time, it is classified as the amortized cost financial assets:

- a. Where the financial assets are held under certain business model, and the purpose of such model is to hold the financial assets in order to collect contract cash flows; and

- b. Where contract terms incur cash flow of specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

Financial assets at amortized cost include cash and cash equivalents and notes receivable, accounts receivable, pledged time deposits and other current assets at amortized cost). When the recognition commences, effective interest method is used to determine the carrying amount less any amortized cost of depreciation. Any exchange gains and losses are recognized as gains and losses.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

- a. Interest income on credit-impaired financial assets acquired or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
- b. Interest income is computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after credits are impaired to financial assets that are not credit-impaired when acquired or created but subsequently become credit-impaired.

A credit-impaired financial asset is one for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or it is probable that the debtor will declare bankruptcy or other financial reorganization or that an active market for the financial assets will disappear due to financial difficulties.

Cash equivalents are highly liquid bonds with repurchase agreement and time deposits that are readily convertible into fixed amounts of cash with minimal risk of changes in value.

B. Investments in equity instruments at fair value through other comprehensive income

On initial recognition, the Company may irrevocably designate investments in equity instruments that is not held for trading and not recognized as contingent consideration as at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value. Subsequently the changes in fair value are reported in other comprehensive income and accumulated in other equity. On disposal of investments, the accumulated profit or loss is directly transferred to retained earnings and it is not reclassified to profit or loss.

The dividend from investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss upon the Company's right to receive payment is established, except for apparently the dividend representing the recovery of the partial investment cost.

(2) Impairment of financial assets

At the date of each balance sheet, the Company reviews expected credit losses to estimate the impairment loss of financial assets, including notes receivable, measured at amortized cost.

The allowance for loss on accounts receivable is measured at an amount equal to useful lives expected credit losses. Other financial assets are assessed to determine whether the credit risk has significantly increased since the original recognition. If there is no significant increase, then the allowance loss is recognized according to the 12-month expected credit loss. If it has increased significantly, then allowance loss is recognized according to the lifetime expected credit loss.

Expected credit losses are weighted average credit losses with the probability of default events. The 12-month expected credit losses are expected credit losses that result from default events possible within 12 months after the reporting date. Lifetime expected credit losses result from all possible default events over the expected life of the financial instruments.

For the purpose of internal credit risk management, the Company determines that a breach of contract on financial assets has occurred when there is internal or external information indicating that the debtor is unlikely to pay its debts, without considering the collateral held.

All impairment losses on financial assets is decreased its carrying amount through contra accounts.

(3) Derecognition of financial assets

The Company derecognizes the financial assets only when the contractual rights to the cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the financial assets to another entity.

On derecognition of financial assets at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of Investments in equity instruments at fair value through other comprehensive income, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

Equity instruments issued by the Company are classified as equity based on the substance of the contractual agreements and the definition of equity instruments.

Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

The Company's own equity instruments re-acquired is recognized and derecognized under equity. The purchase, sale, issuance or retirement of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using effective interest method.

(2) Derecognition of financial liabilities

On the derecognition of financial liabilities, the difference between their carrying amount and the consideration paid and payable, including any transfer of non-cash assets or liabilities, is recognized as profit or loss.

4. Convertible bonds

The components of the compound financial instruments (convertible bonds) issued by the Company are classified as financial liabilities and equity, respectively, on initial recognition based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate of a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. The components of liabilities that are embedded in non-equity derivatives are measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the fair value of the complex instrument as a whole less the fair value of the liability component determined separately and is recognized in equity, net of income tax effect, and is not subsequently measured. When the conversion right is exercised, the related liability component and the amount in equity are transferred to equity and capital surplus - issue premium. If the conversion rights of convertible bonds are not exercised on the maturity date, the amount recognized in equity will be transferred to capital surplus - issue premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and equity components (included in equity) of the instrument in proportion to the total apportioned price.

(XI) Revenue recognition

The Company allocates the transaction price to each performance obligation and recognizes the revenue when each of the obligation is satisfied after the customer has identified it.

Revenue form merchandise sales

Revenue from merchandise sales is derived from the sale of polyamide films. The Company recognizes revenue and accounts receivable at the point when the merchandise arrives at the customer's designated location because the customer has the right to set the price and use the merchandise and has the primary responsibility for re-selling the merchandise and bears the risk of obsolescence. Advance receipts for merchandise are recognized as contract liabilities until the merchandise arrives.

When materials are exported for processing, the control of the ownership of the processed products has not been transferred. Therefore, no revenue is recognized when materials are exported for processing.

(XII) Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1. The Company as the lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under the operating lease, lease payments less lease incentives granted are recognized as revenue on a straight-line basis. The initial direct cost which occurs on granting operating leases is the carrying amount accumulated to the underlying assets and is recognized as expense on a straight of line basis.

2. The Company as the lessee

Except for payments for low-value asset leases and short-term leases applicable to exemption of recognition are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments made before commencement date less lease incentives granted, initial direct costs as well as estimated costs to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the standalone balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are measured initially at the present value of lease payments (including fixed payments). The lease payments are discounted using the interest rate in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms.

When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized as profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Rentals under lease agreements that do not depend on changes in indices or rates are recognized as expenses in the period in which they are incurred.

(XIII) Borrowing costs

Borrowing costs require that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, that necessarily takes a substantial period of time to get ready for its intended use or sale, are included in the cost of the asset.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(XIV) Government grants

A government grant is recognized only when there is reasonable assurance that the Company will comply with any conditions attached to the grant and the grant will be received.

Government grants related to revenue are recognized in profit or loss on a systematic basis over the period in which they are intended to compensate for the related costs recognized as expenses by the Company.

The grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, shall be recognized as profit or loss in the period in which it is receivable.

(XV) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

For defined contribution plans, the amount of contribution payable in respect of service rendered by employees in that period should be recognized as expenses.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur.

Net defined benefit liability represents the actual deficit in the Company's defined benefit plan. Net defined benefit liability shall not exceed the present value of refunds from the plan or reductions in future contributions to the plan.

(XVI) Employee stock options

1. Employee stock options granted to employees

Employee stock options are recognized as expense on a straight-line basis over the vesting period based on the fair value of the equity instruments at the date of grant and the expected best estimate of the number to be vested, with a simultaneous adjustment to capital surplus - employee stock options. If an equity instrument is vested immediately on the date of grant, the expense is recognized in full on the date of grant.

The Company revises the estimated number of employee stock options expected to be vested at each balance sheet date. If the original estimate is revised, the effect is recognized in profit or loss so that the cumulative expense reflects the revised estimate and the capital surplus - employee stock options are adjusted accordingly.

2. Employee stock options granted to employees of subsidiaries

Employee stock options granted to employees of subsidiaries with the Company's equity instruments are considered as capital contributions to the subsidiaries and are measured at the fair value of the equity instruments at the date of grant and are recognized as an increase in the carrying amount of the investment in the subsidiary during the vesting period, with a corresponding adjustment to capital surplus - employee stock options.

3. Employee stock options granted by a subsidiary to employees of the Company

Employee stock options granted to employees of subsidiaries by a subsidiary with equity instruments are considered to be given to the Company and are measured at the fair value of the equity instruments at the date of grant and are recognized as expenses during the vesting period, with a corresponding adjustment to the carrying amount of the investment in the subsidiary.

(XVII) Income tax

The provision for income tax recognized in profit or loss comprises current and deferred tax.

1. Current income tax

The Company has determined the current income (losses) and calculated taxes payable (receivable) in accordance with income tax act of the R.O.C. for tax return.

According to Income Tax Act in Republic of China, an additional income tax levied at unappropriated earnings are recognized in shareholders' meeting.

Income tax payable for prior year is adjusted to the current income tax.

2. Deferred income tax

Deferred income tax is accounted for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit or loss.

Deferred tax liability is generally recognized for all taxable temporary differences. Deferred tax asset is recognized for deductible temporary differences or income tax credits for purchases of equipment and other expenditures to the extent that taxable profit is probably available.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and affiliates, except where the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits to realize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the date of balance sheet and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets originally not recognized is also reviewed at the date of balance sheet and increased to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is recovered, based on tax rates and laws that have been enacted or substantively enacted by the date of balanced sheet. The measurement of deferred tax liabilities and assets reflects the tax consequences that arise from the manner in which the Company expects, at the date of balance sheet, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss, except the current and deferred income tax that relates to items recognized in other comprehensive income or directly in equity are recognized respectively in other comprehensive income or directly in equity.

V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

When developing significant accounting estimates, the Company will take into account the possible impact on inflation and market interest rate fluctuations in cash flow estimates, growth rates, discount rates, profitability and other relevant significant estimates. Management will continue to review estimates and basic assumptions.

Major source of estimates and assumption uncertainty

(I) Impairment of property, plant, and equipment

The Company assesses impairment of property, plant and equipment based on the recoverable amount of those assets (i.e., the higher of the fair value of those assets less costs to sell and their value in use). Changes in market prices, future cash flows or discount rates will affect the recoverable amount of those assets and may result in additional impairment losses being recognized or reversal of impairment losses already recognized. In addition, the estimated cash flow, growth rate and discount rate are subject to greater uncertainty due to the uncertainty of the impacts from inflation and market interest rate fluctuations, as well as the volatility of financial markets.

(II) Impairment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to complete and estimated costs to sell, which are based on current market conditions and historical sales experience of similar products. Changes in market conditions could materially affect these estimates. In addition, the net realizable value estimate is subject to a high degree of uncertainty due to the uncertainty of the subsequent development of inflation and fluctuations in market interest rates, resulting in greater volatility in raw material prices.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	\$ 779	\$ 630
Bank demand deposits	177,291	253,157
Cash equivalents (investments with original maturity of less than 3 months)		
Bonds with repurchase agreements	117,570	49,962
Bank time deposits	23,901	41,772
	<u>\$ 319,541</u>	<u>\$ 345,521</u>

The market interest rate range of bank deposits and bonds with repurchase agreements at the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Bank deposits	0%~5.47%	0%~3.70%
Bonds with repurchase agreements	1.1%~5.45%	0.72%~0.80%

VII. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
<u>Financial liabilities - current</u>		
Held for trading		
Derivative instruments (not designated as hedges)		
-Value of convertible bond redemption rights (Note 18)	<u>\$ 1,014</u>	<u>\$ 3,894</u>

VIII. Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
<u>Non-current</u>		
Domestic investments		
Unlisted stocks		
Common stock of POMIRAN TECHNOLOGY, LIMITED	<u>\$ 467</u>	<u>\$ 439</u>

The Company invests the aforementioned common stocks in accordance with long-term strategic objectives and expects to profit from long-term investments. The management of the Company deems if the short-term volatility at fair value of such investments recognized in profit or loss is not consistent with the aforementioned long-term investment plan, it will be determined that such investments are measured through other comprehensive income at fair value.

IX. Financial assets at amortized cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Time deposits with original maturity over 3 months	<u>\$ 5,626</u>	<u>\$ -</u>
<u>Non-current</u>		
Pledged time deposits	<u>\$ 16,923</u>	<u>\$ 16,923</u>

(I) For information on credit risk management and impairment assessment related to financial assets at amortized cost, please refer to Note 31.

(II) For information on pledges of financial assets at amortized cost, refer to Note 33.

X. Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Notes receivable</u>		
Incurred as a result of operations	<u>\$ 25,073</u>	<u>\$ 1,703</u>

The Company considered any change in the credit quality of the notes receivable at the balance sheet date and assessed that there was no material change in the credit quality and the related amounts were still recoverable, therefore, no impairment was suspected.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts receivable</u>		
Accounts receivable - non-related parties		
Measure at amortized cost		
Total carrying amount	\$ 229,808	\$ 247,865
Less: Allowance for loss	(<u>4</u>)	<u>-</u>
	229,804	247,865
Accounts receivable - related parties		
Measure at amortized cost		
Total carrying amount	<u>159,062</u>	<u>31,454</u>
	<u>\$ 388,866</u>	<u>\$ 279,319</u>

The average collection period for selling products of the Company is 10 to 100 days, excluding accounts receivable. To mitigate credit risk, the management of the Company has designated functional working group responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue receivables. In addition, the collectible amount of accounts receivable of the Company shall be reviewed individually at the date of balance sheet to ensure the uncollectible receivables has been listed to appropriate impairment loss. Accordingly, the management of the Company considers the Company's credit risk has significantly decreased.

The allowance for loss on accounts receivable of the Company is measured at an amount equal to useful lives expected credit losses. The expected credit losses over the duration are calculated using an allowance matrix, which takes into account the customer's past default history, current financial condition, and the economic conditions of the industry. Since the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days overdue on accounts receivable to determine the expected credit loss rate.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, for example, if the counterparty is in liquidation, the Company

will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

The Company measures the allowance for loss on accounts receivable based on the allowance matrix as follows:

December 31, 2023

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Total carrying amount	\$388,429	\$ 441	\$ -	\$ -	\$ -	\$388,870
Allowance for loss (expected credit losses during the duration)	-	(4)	-	-	-	(4)
Amortized cost	<u>\$388,429</u>	<u>\$ 437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$388,866</u>

December 31, 2022

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Total carrying amount	\$279,319	\$ -	\$ -	\$ -	\$ -	\$279,319
Allowance for loss (expected credit losses during the duration)	-	-	-	-	-	-
Amortized cost	<u>\$279,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$279,319</u>

Changes on allowance for accounts receivable loss are as below:

	2023	2022
Balance at the beginning of the year	\$ -	\$ 37
Provision (reversal) of impairment loss for the year	4	(37)
Balance at the end of the year	<u>\$ 4</u>	<u>\$ -</u>

XI. Inventories

	December 31, 2023	December 31, 2022
Finished goods	\$ 192,403	\$ 285,217
Work in process	188,070	230,844
Raw materials	<u>59,138</u>	<u>92,228</u>
	<u>\$ 439,611</u>	<u>\$ 608,289</u>

The cost of goods sold related to inventory in 2023 and 2022 were \$1,278,509 thousand and \$1,331,516, respectively. Cost of goods sold included losses from inventory depreciation of \$60,887 thousand and \$37,928 thousand, respectively.

XII. Investment accounted for using the equity method

Investment in subsidiaries

	December 31, 2023	December 31, 2022
POMIRAN METALIZATION RESEARCH CO., LTD.	\$ 61,813	\$ 145,027
TAIMIDE INTERNATIONAL INC.	<u>45,179</u>	<u>57,508</u>
	<u>\$ 106,992</u>	<u>\$ 202,535</u>

Company name	Percentage of ownership interests and voting rights	
	December 31, 2023	December 31, 2022
POMIRAN METALIZATION RESEARCH CO., LTD.	85%	85%
TAIMIDE INTERNATIONAL INC.	100%	100%

Please refer to Note 28 for the disclosure of the Company's acquisition of POMIRAN METALIZATION RESEARCH CO., LTD.

The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method in 2023 and 2022 are in accordance with auditors' reviews of each subsidiary's report for the same period.

XIII. Property, plant and equipment

For the use of the Consolidated Company

	Land owned by the Company	Houses and buildings	Machinery and equipment	Facility equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment pending inspection	Total
<u>Cost</u>									
Balance at January 1, 2022	\$ 291,073	\$1,623,635	\$2,376,528	\$ 818,271	\$ 4,194	\$ 15,074	\$ 613	\$ 270,619	\$5,400,007
Increase for the year	-	7,624	34,831	40,122	1,431	3,282	1,003	145,571	233,864
Decrease for the year	-	-	(556,311)	(194,303)	(1,756)	(3,481)	-	-	(755,851)
Reclassification for the year	-	<u>138,013</u>	<u>30,247</u>	<u>173,567</u>	<u>330</u>	<u>721</u>	-	(342,878)	-
Balance at December 31, 2022	<u>291,073</u>	<u>1,769,272</u>	<u>1,885,295</u>	<u>837,657</u>	<u>4,199</u>	<u>15,596</u>	<u>1,616</u>	<u>73,312</u>	<u>4,878,020</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2022	-	349,123	1,256,656	409,135	1,923	7,536	16	-	2,024,389
Increase for the year	-	30,453	198,072	74,408	660	2,896	94	-	306,583
Decrease for the year	-	-	(556,311)	(194,303)	(1,756)	(3,481)	-	-	(755,851)
Balance at December 31, 2022	-	<u>379,576</u>	<u>898,417</u>	<u>289,240</u>	<u>827</u>	<u>6,951</u>	<u>110</u>	-	<u>1,575,121</u>
Net as of December 31, 2022	<u>\$ 291,073</u>	<u>\$1,389,696</u>	<u>\$ 986,878</u>	<u>\$ 548,417</u>	<u>\$ 3,372</u>	<u>\$ 8,645</u>	<u>\$ 1,506</u>	<u>\$ 73,312</u>	<u>\$3,302,899</u>
<u>Cost</u>									
Balance at January 1, 2023	\$ 291,073	\$1,769,272	\$1,885,295	\$ 837,657	\$ 4,199	\$ 15,596	\$ 1,616	\$ 73,312	\$4,878,020
Increase for the year	-	-	51,376	16,590	95	1,792	473	49,890	120,216
Decrease for the year	-	-	(85,432)	(17,378)	-	(1,479)	-	-	(104,289)
Reclassification for the year	-	-	<u>83,662</u>	<u>1,738</u>	-	<u>320</u>	<u>136</u>	(85,856)	-
Balance at December 31, 2023	<u>291,073</u>	<u>1,769,272</u>	<u>1,934,901</u>	<u>838,607</u>	<u>4,294</u>	<u>16,229</u>	<u>2,225</u>	<u>37,346</u>	<u>4,893,947</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2023	-	379,576	898,417	289,240	827	6,951	110	-	1,575,121
Increase for the year	-	32,493	186,811	88,268	620	2,895	300	-	311,387
Decrease for the year	-	-	(85,432)	(17,378)	-	(1,479)	-	-	(104,289)
Balance at December 31, 2023	-	<u>412,069</u>	<u>999,796</u>	<u>360,130</u>	<u>1,447</u>	<u>8,367</u>	<u>410</u>	-	<u>1,782,219</u>
Net at December 31, 2023	<u>\$ 291,073</u>	<u>\$1,357,203</u>	<u>\$ 935,105</u>	<u>\$ 478,477</u>	<u>\$ 2,847</u>	<u>\$ 7,862</u>	<u>\$ 1,815</u>	<u>\$ 37,346</u>	<u>\$3,111,728</u>

Depreciation is computed on a straight-line basis over the following estimated useful life:

Houses and buildings	10 to 50 years
Machinery and equipment	1 to 20 years
Facility equipment	2 to 15 years
Transportation equipment	5 to 10 years
Office equipment	3 to 10 years
Other equipment	5 to 8 years

For the amount of property, plant and equipment pledged as collateral for loans by the Company, please refer to Note 33.

XIV. Lease agreements

(I) Right-of-use assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of right-of-use assets		
Land	\$ 103,493	\$ 118,180
Transportation equipment	<u>1,221</u>	<u>282</u>
	<u>\$ 104,714</u>	<u>\$ 118,462</u>
	<u>2023</u>	<u>2022</u>
Addition to right-of-use assets	<u>\$ 1,367</u>	<u>\$ 394</u>
Depreciation expense of right-of-use assets		
Land	\$ 14,761	\$ 14,755
Transportation equipment	<u>354</u>	<u>338</u>
	<u>\$ 15,115</u>	<u>\$ 15,093</u>

(II) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of lease liabilities		
Current	<u>\$ 15,023</u>	<u>\$ 14,610</u>
Non-current	<u>\$ 94,180</u>	<u>\$ 107,911</u>

Ranges of discount rates for lease liabilities are as follows::

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land	1.50%~1.79%	1.50%~1.79%
Transportation equipment	2.20%	1.60%

(III) Material leases and terms

The Company leases certain land for factory use for a period of 11 to 14 years. Upon the termination of the lease period, the Company has no bargain purchase option for leased land.

(IV) Information on other leases

	2023	2022
Short-term lease expense	<u>\$ 246</u>	<u>\$ 210</u>
Lease expense for low-value assets	<u>\$ 204</u>	<u>\$ 185</u>
Variable lease payment expense not included in the measurement of lease liabilities	<u>\$ 1,256</u>	<u>\$ 4,821</u>
Total cash (outflows) from leases	<u>(\$ 18,444)</u>	<u>(\$ 21,932)</u>

The Company leases certain office equipment which qualifies as short-term leases. The Company has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

XV. Intangible assets

	Computer software cost	Power circuit subsidy cost	Royalty payment	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 20,817	\$ 14,768	\$ 1,500	\$ 37,085
Increase for the year	<u>2,398</u>	<u>-</u>	<u>-</u>	<u>2,398</u>
Balance at December 31, 2022	<u>\$ 23,215</u>	<u>\$ 14,768</u>	<u>\$ 1,500</u>	<u>\$ 39,483</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2022	\$ 15,735	\$ 10,427	\$ 409	\$ 26,571
Increase for the year	<u>2,678</u>	<u>1,298</u>	<u>91</u>	<u>4,067</u>
Balance at December 31, 2022	<u>\$ 18,413</u>	<u>\$ 11,725</u>	<u>\$ 500</u>	<u>\$ 30,638</u>
Net as of December 31, 2022	<u>\$ 4,802</u>	<u>\$ 3,043</u>	<u>\$ 1,000</u>	<u>\$ 8,845</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 23,215	\$ 14,768	\$ 1,500	\$ 39,483
Increase for the year	<u>711</u>	<u>-</u>	<u>-</u>	<u>711</u>
Balance at December 31, 2023	<u>\$ 23,926</u>	<u>\$ 14,768</u>	<u>\$ 1,500</u>	<u>\$ 40,194</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 18,413	\$ 11,725	\$ 500	\$ 30,638
Increase for the year	<u>1,868</u>	<u>1,274</u>	<u>91</u>	<u>3,233</u>
Balance at December 31, 2023	<u>\$ 20,281</u>	<u>\$ 12,999</u>	<u>\$ 591</u>	<u>\$ 33,871</u>
Net at December 31, 2023	<u>\$ 3,645</u>	<u>\$ 1,769</u>	<u>\$ 909</u>	<u>\$ 6,323</u>

Amortization is computed on a straight-line basis over the following estimated useful life:

Computer software cost	1 to 8 years
Power circuit subsidy cost	5 years
Royalty payment	16.5 years

XVI. Other current assets

	December 31, 2023	December 31, 2022
supplies inventory	\$ 17,924	\$ 23,434
Tax overpaid retained for offsetting future tax payable	12,382	21,207
Prepayment for goods	2,843	58
Others	11,937	11,479
	<u>\$ 45,086</u>	<u>\$ 56,178</u>

XVII. Loans

(I) Short-term loans

	December 31, 2023	December 31, 2022
<u>Unsecured loans</u>		
Line of credit loans	\$ -	\$ 90,000

The interest rate on revolving bank loans was 1.88% as of December 31, 2022.

(II) Long-term loans

	December 31, 2023	December 31, 2022
<u>Unsecured loans</u>		
Bank credit loans (1)	\$ 471,753	\$ 626,500
<u>Secured loans (Note 33)</u>		
Bank loans (2)	354,907	283,920
Subtotal	826,660	910,420
Less: Recorded as portion due within one year	(246,362)	(246,319)
Long-term loans	<u>\$ 580,298</u>	<u>\$ 664,101</u>

1. The bank credit loans as of December 31, 2023 and 2022 are due for repayment by the end of April 2028, with interest rates ranging from 1.3% to 2.2% and 1.18% to 2.12%, respectively, as of December 31, of 2023 and 2022.
2. The bank loans are secured by pledges of the Company's own land, buildings and equipment (see Note 33). The loans as of December 31, 2023 and 2022 are due for repayment by the end of April 2028, with interest rates ranging from 1.3% to 2.0% and 1.18% to 1.75% as of December 31, 2023 and 2022, respectively.

In accordance with the restrictions on current ratio, debt ratio, interest coverage multiplier, and tangible net worth in the Company's half-year and annual consolidated financial

statements in accordance with the relevant loan agreements. The Company's financial ratios were in compliance with the requirements as of December 31, 2023.

XVIII. Corporate bonds payable

	December 31, 2023	December 31, 2022
Domestic unsecured convertible bonds	\$ 600,000	\$ 600,000
Less: Discount on corporate bonds payable	(<u>16,585</u>)	(<u>27,567</u>)
	583,415	572,433
Less: Portion recorded as due within one year	(<u>583,415</u>)	<u>-</u>
	<u>\$ -</u>	<u>\$ 572,433</u>
Value of redemption rights	\$ 1,014	\$ 3,894
Value of conversion rights	79,259	79,259

(I) Domestic unsecured convertible bonds

On June 21, 2022, the Company issued 6,000 thousand units of NTD-denominated unsecured convertible bonds with a face value of \$100 thousand and 0% interest rate in Taiwan, with a total principal amount of \$600,000 thousand. The issue price was based on 108.67% of the face value. The bondholders may request the Company to convert the convertible bonds into common stock at a conversion price of \$57 per share from the day after three months from the date of issuance (September 22, 2022) to the maturity date (June 21, 2025), or request the Company to repurchase the bonds at face value in cash 30 days prior to two years from the date of issuance (June 21, 2024). If the closing price of the Company's common stock exceeds the prevailing conversion price by 30% or more for 30 consecutive business days from the day after the third month after the issuance of the convertible bonds (September 22, 2022) to 40 days before the expiration of the issuance period (May 12, 2025), the Company may also redeem all of the bonds at their face value. Since the Company distributed cash dividends in July 2023, the conversion price was adjusted to \$54.5 effective August 6, 2023.

This convertible bond includes liabilities and equity components, which are expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 1.90%.

Issue price (\$652,006 thousand minus transaction costs of \$5,283 thousand)	\$646,723
Equity component (net of transaction costs allocated to equity of \$647 thousand)	(79,259)
Value of redemption rights (net of transaction costs of \$6 thousand allocated to liabilities)	(<u>714</u>)
Liabilities component at issuance date (net of \$4,630 thousand of transaction costs allocated to liabilities)	566,750
Interest calculated at the effective interest rate of 1.90%	<u>5,683</u>
Liabilities component as of December 31, 2022	572,433

Interest calculated at the effective interest rate of 1.90%	<u>10,982</u>
Liabilities component as of December 31, 2023	<u>\$ 583,415</u>

XIX. Other payables

	December 31, 2023	December 31, 2022
Wages and bonuses payable	\$ 34,681	\$ 42,782
Utilities payable	14,362	11,482
Waste disposals payable	12,265	9,939
Others	<u>69,772</u>	<u>70,510</u>
	<u>\$ 131,080</u>	<u>\$ 134,713</u>

XX. Other current liabilities

	December 31, 2023	December 31, 2022
Deferred income	\$ 30,429	\$ -
Receipts under custody	3,295	3,438
Temporary receipts	<u>1,495</u>	<u>1,948</u>
	<u>\$ 35,219</u>	<u>\$ 5,386</u>

XXI. Post-employment benefit plans

(I) Defined contribution plans

The pension system of the “Labor Pension Act” is applicable to the Company, belonging to the affirmed appropriation of pension plan under the management of the government, and pension is appropriated at the rate of 6% of the monthly salary of employees into the personal dedicated account of the Bureau of Labor Insurance.

(II) Defined benefit plans

The Company has labor pension system as defined benefit plans under the Labor Standards Act of R.O.C.. The payment of the employee pension is made based on an employee’s length of service and average monthly salary for the six-month period prior to retirement approved. The Company contributes an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee’s name in the Bank of Taiwan. Before the end of each year, the balance in the Funds is assessed. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees qualified with retirement requirements in the next year, the Company is required to make up the difference all at once with one appropriation, which is required to be made before the end of March of next year. The Funds are operated and managed by the government’s designated authorities. Accordingly, the Company does not have any right to intervene in the investments of the Funds.

The amount of defined benefit plans recognized in the standalone balance sheets is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	\$ 13,213	\$ 11,734
Fair value of plan assets	(<u>13,566</u>)	(<u>12,855</u>)
Net defined benefit assets	(<u>\$ 353</u>)	(<u>\$ 1,121</u>)

Changes in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
January 1, 2022	<u>\$ 13,948</u>	(<u>\$ 11,468</u>)	<u>\$ 2,480</u>
Service cost			
Interest expense (income)	<u>70</u>	(<u>59</u>)	<u>11</u>
Recognized in profit or loss	<u>70</u>	(<u>59</u>)	<u>11</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(898)	(898)
Actuarial gain - changes in financial assumptions	(1,020)	-	(1,020)
Actuarial gain - adjustments through experiences	(<u>1,264</u>)	-	(<u>1,264</u>)
Recognized in other comprehensive income	(<u>2,284</u>)	(<u>898</u>)	(<u>3,182</u>)
Contributions from employer	<u>-</u>	(<u>430</u>)	(<u>430</u>)
December 31, 2022	<u>11,734</u>	(<u>12,855</u>)	(<u>1,121</u>)
Service cost			
Interest expense (income)	<u>162</u>	(<u>180</u>)	(<u>18</u>)
Recognized in profit or loss	<u>162</u>	(<u>180</u>)	(<u>18</u>)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(94)	(94)

(Continued on next page)

(Continued from previous page)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Actuarial gain - changes in financial assumptions	\$ 140	\$ -	\$ 140
Actuarial gain - adjustments through experiences	<u>1,177</u>	<u>-</u>	<u>1,177</u>
Recognized in other comprehensive income	<u>1,317</u>	(<u>94</u>)	<u>1,223</u>
Contributions from employer	<u>-</u>	(<u>437</u>)	(<u>437</u>)
December 31, 2023	<u>\$ 13,213</u>	(<u>\$ 13,566</u>)	(<u>\$ 353</u>)

Due to the defined benefit plans under the Labor Standards Act of R.O.C. the Company is exposed to the following risks:

1. Investment risk: The pension funds are invested in domestic and foreign equity securities, debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds' designated authorities or under the mandated management. However, the distributable amount of plan assets of the Company shall not be less than the return calculated by the average interest rate on a two-year time deposit published by the local banks.
2. Interest risk: A decrease in the interest rate of government bond/corporate bond will increase the present value of the defined benefit obligation. However, the return on the debt investments of the plan assets will increase as well. The two will be partially offset on net defined benefit liabilities.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of the Company are carried out by qualified actuaries. The principal assumptions are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.38%
Expected salary increase rate	2.00%	2.00%

If reasonably likely changes respectively occur in the principal assumptions and all other assumptions are held constant, the amount of present value of the defined benefit obligation is increased (decreased) as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	(<u>\$ 277</u>)	(<u>\$ 269</u>)
Decrease by 0.25%	<u>\$ 287</u>	<u>\$ 279</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 280</u>	<u>\$ 272</u>

	December 31, 2023	December 31, 2022
Decrease by 0.25%	<u>(\$ 272)</u>	<u>(\$ 264)</u>

The sensitivity analysis presented above may not reflect the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2023	December 31, 2022
Contributions expected to be made within 1 year	<u>\$ 456</u>	<u>\$ 414</u>
Average maturity of defined benefit obligation	8.5 years	9.3 years

XXII. Equity

(I) Common stock capital

	December 31, 2023	December 31, 2022
Authorized number of shares (in thousands)	<u>200,000</u>	<u>200,000</u>
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and fully paid shares (in thousands)	<u>132,205</u>	<u>131,799</u>
Public offering of ordinary shares	\$ 1,282,363	\$ 1,278,300
Private equity	<u>39,690</u>	<u>39,690</u>
Issued capital	<u>\$ 1,322,053</u>	<u>\$ 1,317,990</u>

The shareholders resolved to amend the Articles of Incorporation at the shareholders' meeting held on June 21, 2023. After the amendment of the Articles of Incorporation, 30,000 thousand shares of the authorized capital are reserved for issuance of employee stock options, preferred shares with warrants or corporate bonds with warrants. Prior to the amendment, 20,000 thousand shares of the authorized capital were reserved for issuance of employee stock options, preferred shares with warrants or corporate bonds with warrants.

The change in the Company's common stock capital was mainly due to the execution of stock options by employees.

On June 21, 2023, the shareholders' meeting of the Company resolved to increase capital by cash through a private placement of up to 10 million shares with specific parties.

Within 3 years from the date of delivery, the aforesaid private placement securities shall not be sold to other objects except those transferred in accordance with the Securities Exchange Law.

The rights and obligations of the company's private common shares listed above are the same as those of the Company's issued common shares, except that the company's private common shares are subject to restrictions on circulation and transfer in accordance with the Securities Exchange Law and can only apply for listing and trading after 3 years from the date of delivery and a public offering.

(II) Capital surplus

	December 31, 2023	December 31, 2022
<u>For loss make-up, distribution in cash or capitalization as equity</u>		
Stock issue premium (1)	\$ 488,746	\$ 461,517
<u>Only for loss make-up</u>		
Recognition of changes in ownership interests in subsidiaries (2)	24,928	25,992
Unclaimed dividends to shareholders after the statute of limitations	522	499
<u>Not to be used for any purpose</u>		
Employee stock options	-	15,155
Stock options (Note 18)	<u>79,259</u>	<u>79,259</u>
	<u>\$ 593,455</u>	<u>\$ 582,422</u>

1. This type of capital surplus may be used to make up for losses or, in the absence of losses, to distribute cash or to capitalize as equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus represents the effect of equity transactions recognized for changes in the Company's equity when the Company has not actually acquired or disposed of the subsidiary's shares, or adjustments to the capital surplus of the Company's subsidiaries recognized under the equity method.

(III) Retained earnings and dividend policy

In accordance with the Company's earnings distribution policy as stipulated in the Articles of Incorporation, if there is any surplus earnings as indicated by the Company's final accounts, 10% of the annual earnings shall be set aside as legal reserve after paying taxes and making up for accumulated losses in accordance with the law. But if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside as or reversed from special reserve as provided by law. If there are still remaining earnings, the Board of Directors shall prepare a proposal for distribution of the remaining earnings together with the accumulated undistributed earnings as dividends to shareholder, and submit it to the shareholders' meeting for resolution on the distribution. For the Company's policy on the distribution of remuneration to employees and directors, please refer to Note 25 (7) Remuneration to Employees and Directors.

The Company's dividend policy is to cater to the current and future development plans with consideration of the investment environment, capital requirements and domestic and international competition, and the interests of shareholders; dividends to shareholders may be distributed in cash or in stocks, with cash dividends not less than 10% of the total dividends.

Legal capital reserve shall be set aside until its balance equals to full amount of the paid-in capital. The reserve may be used to make up for losses When the Company has no losses, the portion in excess of 25% of the paid-in capital may be used to distributed as dividends in stocks or cash.

The shareholders' meetings of the Company held on June 21, 2023 and June 24, 2022 resolved to distribute the earnings of 2022 and 2021 as follows:

	Earnings distribution proposal	
	2022	2021
Legal reserve	\$ 15,194	\$ 30,305
(Reversal) Provision of special reserve	(952)	248
Cash dividends	79,079	157,255
Cash dividends per share (NTD)	0.60	1.20

The 2023 earnings distribution proposal made by the Board of Directors on March 8, 2024 was as follows:

	2023
Undistributed earnings at the beginning of the year	\$ 751,801
Remeasurement of defined benefit plans	(1,223)
Net loss for the period	(139,268)
Provision of special reserve	(1,049)
Cash dividends (\$0.3 per share)	(39,662)
Undistributed earnings at the end of the year	<u>\$ 570,599</u>

The 2023 earnings distribution proposal is subject to the resolution of the shareholders' meeting to be held on June 25, 2024.

(IV) Other equity

1. Exchange differences on translation of the financial statements of foreign operations

	2023	2022
Balance at the beginning of the year	(\$ 1,555)	(\$ 2,363)
Incurred during the year		
Exchange differences arising from translation of the financial statements of foreign operations	(1,077)	808
Balance at the end of the year	<u>(\$ 2,632)</u>	<u>(\$ 1,555)</u>

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	2023	2022
Balance at the beginning of the year	(\$ 31)	(\$ 176)
Incurred during the year		
Unrealized profit or loss		
Equity instruments	28	145
Other comprehensive income for the year	28	145
Balance at the end of the year	<u>(\$ 3)</u>	<u>(\$ 31)</u>

XXIII. Employee stock options

(I) The Company's employee stock options plan

In August 2017, the Company granted 3,698 thousand units of stock options to employees, each unit of which is entitled to subscribe for one share of common stock. The stock options were granted to employees of the Company and its subsidiaries who meet certain criteria. The stock options are granted for a duration of 6 years, and the holders of the stock options may exercise a certain percentage of the stock options granted after 2 years from the date of issuance. The exercise price of the stock options is the closing price of the Company's common stock on the date of issuance. If there is a change in the Company's common stock after the stock options are issued, the exercise price of the stock options will be adjusted according to the prescribed formula.

Information on employee stock options is as follows:

Employee stock options	2023		2022	
	Units (in thousands)	Weighted average exercise price (NTD)	Units (in thousands)	Weighted average exercise price (NTD)
Outstanding at the beginning of the year	1,031	\$ 37.10	1,813	\$ 38.20
Executed during the year	(406)	37.10	(781)	38.20
Renounced during the year	(625)	37.10	(1)	38.20
Outstanding at the end of the year	-		1,031	
Executable at the end of the year	-		1,031	
Weighted average fair value of stock options granted during the year (NTD)	\$15.02~16.04		\$15.02~16.04	

Information on outstanding employee stock options as of the balance sheet date as follows:

	December 31, 2023	December 31, 2022
Range of exercise prices (NTD)	\$ -	\$37.10
Weighted average remaining contract period (years)	-	0.61 years

The Company used the Black-Scholes valuation model for the employee stock options granted in August 2017, and the input values used in the valuation model were as follows:

	August 2017
Stock price at the grant date	\$47.00
Exercise price	NT\$37.10
Expected volatility	46.89%~51.17%
Duration	2.03~3.03 years
Expected dividend yield	-
Risk-free interest rate	0.53%~0.56%

In July 2022, the Company modified the terms of the then outstanding employee stock options plan to reduce the exercise price from \$38.20 per share to the stock price on that date of \$37.10 per share.

(II) Employee stock options reserved in cash capital increase

The Board of Directors resolved to increase capital of POMIRAN METALIZATION RESEARCH CO., LTD. by cash with issuance of new shares. On March 9, 2022, the Board of Directors resolved to adjust the final number of shares to be issued and the amount to be raised, and to reserve 15% of the total number of new shares (4,500 thousand shares) to be subscribed by employees of the Company and subsidiaries in accordance with the Company Act. For fractional shares or stock options renounced by employees for subscription, the Chairperson of the Board of Directors is authorized to negotiate with specific persons to subscribe for the shares.

The fair value of the employee stock options granted by POMIRAN METALIZATION RESEARCH CO., LTD. in March 2022 is based on the Black-Scholes valuation model, and the parameters used in the valuation model were as follows:

	March 2022
Stock price at the grant date	NT\$8.89
Exercise price	NT\$10.00
Expected volatility	36.17%
Expected duration	0.12 years
Expected dividend yield	-
Risk-free interest rate	0.27%

For 2022, the Company recognized profit-sharing remuneration cost of \$270 thousand.

XXIV. Revenue

	2023	2022
Revenue from contracts with customers		
Revenue form merchandise sales	\$ 1,555,903	\$ 1,815,204
Other income	-	128
	<u>\$ 1,555,903</u>	<u>\$ 1,815,332</u>

(I) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (including related parties) (Note 10)	<u>\$ 229,804</u>	<u>\$ 247,865</u>	<u>\$ 401,838</u>
Accounts receivable - Related parties (Note 10)	<u>\$ 159,062</u>	<u>\$ 31,454</u>	<u>\$ 125,871</u>
Contract liabilities - current Merchandise sales	<u>\$ 13</u>	<u>\$ 9</u>	<u>\$ 14</u>

The amount of revenue recognized during the year in which the performance obligation was satisfied from the contract liabilities at the beginning of the year was as follows:

	2023	2022
<u>From the contract liabilities</u> <u>at the beginning of the</u> <u>year</u>		
Merchandise sales	\$ 9	\$ 14
(II) Breakdown of revenue from contracts with customers		
Region	2023	2022
Taiwan (where the Company is located)	\$ 652,269	\$ 827,739
Mainland China	591,341	668,776
South Korea	267,965	262,702
U.S.A.	25,409	23,504
Japan	12,000	23,897
Others	6,919	8,714
	<u>\$ 1,555,903</u>	<u>\$ 1,815,332</u>
XXV. <u>Net profit</u>		
(I) Interest income		
	2023	2022
Bank deposits	<u>\$ 3,144</u>	<u>\$ 991</u>
(II) Other income		
	2023	2022
Lease income (operating lease)	\$ 820	\$ 877
Government grant income (Note 29)	6,086	2,608
Others	1,719	1,909
	<u>\$ 8,625</u>	<u>\$ 5,394</u>
(III) Other gain and loss		
	2023	2022
Net gain on foreign currency exchange	\$ 3,290	\$ 12,792
Gain (Loss) on financial instruments at fair value through profit or loss	2,880	(3,180)
	<u>\$ 6,170</u>	<u>\$ 9,612</u>
(IV) Financial cost		
	2023	2022
Interest on bank loans	\$ 15,992	\$ 19,665
Interest on convertible bonds	10,982	5,683

		2023	2022
	Interest on lease liabilities	<u>2,053</u>	<u>2,307</u>
		<u>\$ 29,027</u>	<u>\$ 27,655</u>
(V)	Depreciation and amortization		
		2023	2022
	Summary of depreciation		
	expense by function		
	Operating costs	\$ 266,360	\$ 265,945
	Operating expenses	<u>60,142</u>	<u>55,731</u>
		<u>\$ 326,502</u>	<u>\$ 321,676</u>
	Summary of amortization		
	expense by function		
	Operating cost	\$ 1,822	\$ 2,562
	Operating expense	<u>1,411</u>	<u>1,505</u>
		<u>\$ 3,233</u>	<u>\$ 4,067</u>
(VI)	Employee benefit expense		
		2023	2022
	Post-employment benefits		
	(Note 21)		
	Defined contribution plans	\$ 11,954	\$ 12,014
	Defined benefit plans	<u>-</u>	<u>11</u>
		11,954	12,025
	Share-based payment (Note 23)		
	Equity settlement	-	270
	Other employee benefits	<u>311,243</u>	<u>364,603</u>
		<u>\$ 323,197</u>	<u>\$ 376,898</u>
	Summary by function		
	Operating costs	\$ 228,380	\$ 273,021
	Operating expenses	<u>94,817</u>	<u>103,877</u>
		<u>\$ 323,197</u>	<u>\$ 376,898</u>

(VII) Profit-sharing remuneration for employees and directors

If the Company makes a profit in a year, the Company shall set aside 6% to 15% of the profit as profit-sharing remuneration for employees, in stock or cash as resolved by the Board of Directors in the form of stock or cash, including employees of the Company's subsidiaries who meet certain criteria; the Company may set aside not more than 3% of the above profit as remuneration to directors as resolved by the Board of Directors. Proposal for profit-sharing remuneration for employees and profit-sharing remuneration for directors should be reported

to the shareholders' meeting. However, if the Company still has accumulated losses, the amount of loss make-up shall be reserved first, and then the profit-sharing remuneration for employees and directors can be appropriated in accordance with the aforementioned percentages.

The Company had a net loss before tax for 2023, so profit-sharing remunerations for employees and directors were not estimated.

The Board of Directors resolved the following on March 9, 2023 for the 2022 remuneration for employees and directors:

Estimated percentage

	2022
Profit-sharing remuneration for employees	10%
Profit-sharing remuneration for directors	3%

Amount

	2022
	Cash
Profit-sharing remuneration for employees	\$ 16,554
Profit-sharing remuneration for directors	4,966

If there is a change in the amounts after the annual standalone financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amount of profit-sharing remunerations for employees and directors for 2022 and 2021 and the amounts recognized in the standalone financial statements for 2022 and 2021.

Please see “Market Observation Post System” (MOPS) under the Taiwan Stock Exchange for the information on the profit-sharing remuneration for employees and profit-sharing remuneration for directors resolved by the Board of Directors.

XXVI. Income tax on continuing operations

(I) Main components of income tax expense (benefit) recognized in profit or loss

	2023	2022
Current income tax		
Incurred during the year	\$ 10,504	\$ 13,919
Adjustments for prior years	<u>1,204</u>	(<u>18,661</u>)
Income tax expense (benefit) recognized in profit or loss	<u>\$ 11,708</u>	(<u>\$ 4,742</u>)

A reconciliation of accounting income and income tax expense (benefit) is as follows:

	2023	2022
Net profit before tax from continuing operations	(<u>\$ 127,560</u>)	<u>\$ 144,016</u>

	2023	2022
Income tax expense (benefit) calculated at the statutory rate on net profit before tax	(\$ 25,512)	\$ 28,803
Non-deduction expense or loss for tax purpose	16,549	15,624
Unrecognized (Recognized) deductible temporary difference	\$ 19,467	(\$ 30,508)
Adjustments during the year for current income tax expenses of previous years	<u>1,204</u>	(<u>18,661</u>)
Income tax expense (benefit) recognized in profit or loss	<u>\$ 11,708</u>	(<u>\$ 4,742</u>)
(II) Current income tax liabilities		
	December 31, 2023	December 31, 2022
Current income tax liabilities		
Income tax payable	<u>\$ 10,261</u>	<u>\$ 13,871</u>

(III) Income tax assessment

The Company's income tax returns have been assessed by the tax authorities through 2021.

XXVII. Earnings per share (loss)

	2023	2022
Basic (loss) earnings per share	(<u>\$ 1.06</u>)	<u>\$ 1.13</u>
Diluted (loss) earnings per share	(<u>\$ 1.06</u>)	<u>\$ 1.12</u>

Unit: NTD per share

The net (loss) profit and weighted average number of shares of common stock used to calculate (loss) earnings per share were as follows:

Net (loss) profit for the year

	2023	2022
Net (loss) profit used to calculate basic (loss) earnings per share	(\$ 139,268)	\$ 148,758
Effect of potentially dilutive common stock		
Convertible bonds	-	-
Profit-sharing remuneration for employees	-	-
Employee stock options	<u>-</u>	<u>-</u>
Net (loss) profit used to calculate diluted (loss) earnings per share	(<u>\$ 139,268</u>)	<u>\$ 148,758</u>

Number of shares

	(Units: In thousands)	
	2023	2022
Weighted average number of shares of common stock used to calculate basic (loss) earnings per share	131,958	131,607
Effect of potentially dilutive common stock		
Convertible bonds	-	-
Profit-sharing remuneration for employees	-	693
Employee stock options	-	212
Weighted average number of shares of common stock used to calculate diluted (loss) earnings per share	<u>131,958</u>	<u>132,512</u>

Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

The Company's outstanding convertible corporate bonds are not included in the calculation of diluted earnings per share due to their anti-dilution effect.

The Company had a net loss for the period January 1 to December 31, 2023 and the potential common stocks were anti-dilutive and therefore not included in the calculation of loss per share.

XXVIII. Investment in partially acquired subsidiaries - no impact on control

On April 21, 2022, the Company did not recognize the new shares issued by POMIRAN METALIZATION RESEARCH CO., LTD. in cash capital increase in proportion to shareholding, resulting in an decrease in shareholding from 88% to 85%.

Since the above transaction did not change the Company's control over the subsidiaries, the Company treated it as an equity transaction. For a description of the partial acquisition of POMIRAN METALIZATION RESEARCH CO., LTD., please refer to Note 28 to the Company's consolidated financial statements for 2023.

XXIX. Government grants

The Company's application for the "Subsidy Program for Demonstration and Promotion of Energy Conservation Performance Guarantee Project" of the Ministry of Economic Affairs has been reviewed and approved with a grant amount of \$8,694 thousand. As of December 31, 2023, the accumulated amount granted was \$8,694 thousand, which was recorded as non-operating income at the approved time and the case was closed.

The Company's application for the "Low Carbon Millimeter Wave Materials and Carbon Reduction Process Technology Development Project" of the Ministry of Economic Affairs has been reviewed and approved with a grant amount of \$40,000 thousand. As of December 31, 2023, the accumulated amount granted was \$30,429 thousand.

XXX. Capital risk management

The Company manages its capital to ensure that it is able to maximize shareholders return as a going concern through the optimization of the debt and equity balance.

The Company's capital structure consists of net debt (leases less cash and cash equivalent) and equity (capital stock, capital surplus, retained earnings and other equity).

XXXI. Financial instruments

(I) Information on fair value - Financial instruments not at fair value

December 31, 2023

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Convertible bonds	\$ 583,415	\$ 585,240	\$ -	\$ -	\$ 585,240

December 31, 2022

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Convertible bonds	\$ 572,433	\$ 575,520	\$ -	\$ -	\$ 575,520

(II) Information on fair value - Financial instruments at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	<u>\$ -</u>	<u>\$ 1,014</u>	<u>\$ -</u>	<u>\$ 1,014</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Unlisted stocks				
Stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467</u>	<u>\$ 467</u>

December 31, 2022

	<u>L e v e l 1</u>	<u>L e v e l 2</u>	<u>L e v e l 3</u>	<u>T o t a l</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 3,894	\$ -	\$ 3,894
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Unlisted stocks	\$ -	\$ -	\$ 439	\$ 439

There was no transfer of fair value measurements between Level 1 and Level 2 for 2023 and 2022.

2. Valuation techniques and input value used in Level 2 fair value measurement

<u>Type of financial instruments</u>	<u>Valuation techniques and input values</u>
Derivative instruments - Value of convertible bond redemption rights	Binary tree convertible bond valuation model: tracks the evolution of option key underlying variables over discrete time periods through a binary tree at multiple time steps between the valuation date and the maturity date. Each node of the tree represents the probable price at a given point in time.

3. Reconciliation of Level 3 fair value measurements on financial instruments

2023

	<u>Other comprehensive income</u>
	<u>Financial assets at fair value</u>
	<u>Equity instruments</u>
Balance at the beginning of the year	\$ 439
Recognized in other comprehensive income - Unrealized gain or loss on financial assets at fair value through other comprehensive income	28
Balance at the end of the year	\$ 467

2022

	<u>Other comprehensive income</u>
	<u>Financial assets at fair value</u>
	<u>Equity instruments</u>
Balance at the beginning of the year	\$ 294
Recognized in other comprehensive income - Unrealized gain or loss on financial assets at fair value through other comprehensive income	145
Balance at the end of the year	\$ 439

4. Valuation techniques and input value used in Level 3 fair value measurement

Domestic unlisted equity investments are valued using the asset method, and the total value of individual assets and liabilities covered by the underlying asset is assessed to reflect the overall value of the enterprise or business.

(III) Type of financial instruments

	December 31, 2023	December 31, 2022
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 756,156	\$ 643,715
Financial assets at fair value through other comprehensive income - investments in equity instruments	467	439
<u>Financial liabilities</u>		
at fair value through profit or loss		
Held for trading	1,014	3,894
Measure at amortized cost (Note 2)	1,582,371	1,698,150

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost such as notes receivable, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties and other current assets at amortized cost.

Note 2: The balance includes short-term loans, notes and accounts payable, other payables, corporate bonds payable, payables for equipment, other current liabilities, long-term loans due within one year and long-term loans and other financial liabilities at amortized cost.

(IV) Financial risk management objectives and policies

The Company's major financial instruments include equity, accounts receivable, accounts payable, corporate bonds payable and loans. The Company's financial management department provides services to each business unit, coordinates access to financial markets, and monitors and manages the financial risks associated with the Company's operations through internal risk reporting that analyzes the exposure based on the level and breadth of risk. Such risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Company mitigates the impact of these risks by hedging the exposure through derivative financial instruments. The use of derivative financial instruments is governed by the policies approved by the Company's Board of Directors, which are the written principles for exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of surplus liquidity. Internal auditors review compliance with the policies and the exposure limits on an ongoing basis. The Company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

The main financial risks to which the Company is exposed as a result of its operating activities are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below).

The Company engages in derivative financial instruments (including forward exchange contracts) to manage its exposure to risk of foreign currency exchange rate.

(1) Exchange rate risk

A portion of the Company's cash inflows and outflows are denominated in foreign currencies, and therefore have a natural hedging effect. The Company's management of exchange rate risk is for hedging purposes and not for profit-making purposes.

Please see Note 35 for the carrying amount of monetary assets and liabilities denominated in non-functional currency at the date of balance sheet.

Sensitivity analysis

The Company is mainly affected by fluctuations in USD and RMB.

The following table details the Company's sensitivity analysis when the functional currency appreciates and depreciates by 5% against each of the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translations at year end by a 5% change in exchange rates. The sensitivity analysis covers cash and cash equivalents, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties, accounts payable, other payables and short-term loans. The following table represents the increase or decrease in net profit before tax if NTD appreciates by 5% against each of the relevant currencies.

	Effect of USD		Effect of RMB	
	2023	2022	2023	2022
Profit or loss	(\$ 3,285)	(\$ 5,927)	(\$ 12,914)	(\$ 9,178)

(2) Interest rate risk

Interest rate risk arises because the Company holds both fixed and floating rate assets and liabilities.

The carrying accounts of financial assets and liabilities exposed to interest rate risk at the date of balance sheet are as follows:

	December 31, 2023	December 31, 2022
With fair value interest rate risk		
- Financial assets	\$ 148,405	\$ 93,082
- Financial liabilities	692,618	784,954
With cash flow interest rate risk		
- Financial assets	192,906	268,732
- Financial liabilities	826,660	910,420

Sensitivity analysis

The following sensitivity analysis is determined in accordance with interest rate risk of non-derivative instruments at the date of balance sheet. For the floating rate assets and liabilities, the analysis is to assume that the amount of assets and liabilities outstanding at the date of balance sheet is all outstanding for the reporting period.

If the annual interest rate had increased/decreased by 0.1%, with all other variables holding constant, the Company's net profit before tax would have decreased/increased by \$634 thousand and \$642 thousand for 2023 and 2022, respectively, mainly due to the interest rate exposure on the Company's variable-rate net liabilities and loans.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As of the balance sheet date, the Company's maximum exposure to credit risk that may result in financial losses due to non-performance of counterparties' obligations mainly arises from the carrying amount of financial assets recognized in the standalone balance sheets.

As of December 31, 2023 and 2022, the percentages of receivables from the top ten customers to the Company's receivables were both 95%.

3. Liquidity risk

The Company manages and maintains a level of cash and cash equivalents adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, the management of the Company monitors the utilization of borrowings and ensures compliance with loan conditions.

The bank borrowing is a material source of liquidity to the Company. As of December 31, 2023 and 2022, the Company had undrawn financing lines as described in (2) Description of Financing Facilities below.

(1) Liquidity and interest rate risk table

The following table details the analysis of the remaining contract maturities of the Company's non-derivative financial liabilities with agreed repayment periods, which are based on the earliest possible date on which the Company could be required to make repayments, and is prepared using the undiscounted cash flows of financial liabilities, including cash flows of interests and principals.

The Company's bank loans that are repayable on demand immediately are listed in the table below with the earliest possible date, regardless of the probability that banks will immediately enforce the rights; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

December 31, 2023

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 53,284	\$ 66,823	\$ 16,747	\$ 19	\$ -
Lease liabilities	1,403	2,806	12,625	65,895	33,706
Floating interest rate instruments	12,647	50,239	195,777	595,138	-
Fixed interest rate instruments	-	-	600,000	-	-
	<u>\$ 67,334</u>	<u>\$ 119,868</u>	<u>\$ 825,149</u>	<u>\$ 661,052</u>	<u>\$ 33,706</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	\$ 16,834	\$ 65,895	\$ 33,706	\$ -
Floating interest rate instruments	258,663	595,138	-	-
Fixed interest rate instruments	600,000	-	-	-
	<u>\$ 875,497</u>	<u>\$ 661,033</u>	<u>\$ 33,706</u>	<u>\$ -</u>

December 31, 2022

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 39,961	\$ 58,218	\$ 21,349	\$ 19	\$ -
Lease liabilities	1,393	2,786	12,486	65,455	49,717
Floating interest rate instruments	7,631	63,650	186,018	656,428	23,163
Fixed interest rate instruments	90,148	-	-	600,000	-
	<u>\$ 139,133</u>	<u>\$ 124,654</u>	<u>\$ 219,853</u>	<u>\$ 1,321,902</u>	<u>\$ 72,880</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	\$ 16,665	\$ 65,455	\$ 49,717	\$ -
Floating interest rate instruments	257,299	656,428	23,163	-
Fixed interest rate instruments	<u>90,148</u>	<u>600,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 364,112</u>	<u>\$1,321,883</u>	<u>\$ 72,880</u>	<u>\$ -</u>

(2) Financing lines

	December 31, 2023	December 31, 2022
The unsecured bank loan lines may be extended by mutual consent		
- Amount drawn	\$ 501,956	\$ 718,009
- Amount undrawn	<u>1,123,322</u>	<u>1,231,041</u>
	<u>\$ 1,625,278</u>	<u>\$ 1,949,050</u>
The secured bank loan lines may be extended by mutual consent		
- Amount drawn	\$ 362,196	\$ 283,920
- Amount undrawn	<u>537,711</u>	<u>100,000</u>
	<u>\$ 899,907</u>	<u>\$ 383,920</u>

XXXII. Related party transactions

Transactions between the Company and related parties as follows:

(I) Related party name and relationship

Related party name	Relationship with the Company
KUNSHAN TAIMIDE TECH. INC.	Subsidiary
POMIRAN METALIZATION RESEARCH CO., LTD.	Subsidiary
POMIRAN TECHNOLOGY, LIMITED	De facto related party

(II) Operating revenue

Type of related party	2023	2022
Subsidiary		
KUNSHAN TAIMIDE TECH. INC.	\$ 194,926	\$ 170,549
POMIRAN METALIZATION RESEARCH CO., LTD.	2,410	2,078

	Type of related party	2023	2022
	De facto related party	<u>754</u>	<u>1,783</u>
		<u>\$ 198,090</u>	<u>\$ 174,410</u>
(III)	Manufacturing overheads		
	Type of related party	2023	2022
	Subsidiary	<u>\$ -</u>	<u>\$ 9</u>
(IV)	Rental income		
	Type of related party	2023	2022
	De facto related party	<u>\$ 23</u>	<u>\$ 23</u>
(V)	Accounts receivable - related parties		
	Type of related party	December 31, 2023	December 31, 2022
	Subsidiary		
	KUNSHAN TAIMIDE TECH. INC.	\$ 158,444	\$ 31,385
	POMIRAN METALIZATION RESEARCH CO., LTD.	<u>618</u>	<u>69</u>
		<u>\$ 159,062</u>	<u>\$ 31,454</u>
(VI)	Other receivables - related parties		
	Type of related party	December 31, 2023	December 31, 2022
	Subsidiary	<u>\$ 8</u>	<u>\$ -</u>
	De facto related party	<u>2</u>	<u>2</u>
		<u>\$ 10</u>	<u>\$ 2</u>
(VII)	Other payables - related parties (posted as other payables)		
	Type of related party	December 31, 2023	December 31, 2022
	Subsidiary	<u>\$ 74</u>	<u>\$ 90</u>
(VIII)	Temporary receipts (posted as other current liabilities)		
	Type of related party	December 31, 2023	December 31, 2022
	De facto related party		
	POMIRAN TECHNOLOGY, LIMITED	<u>\$ 1,427</u>	<u>\$ 1,898</u>

The sale transactions between the Company and its related parties are based on mutually agreed prices and terms, and there are no other counterparties for comparison.

Rentals under lease contracts between the Company and its related parties are determined and collected in accordance with contractual provisions.

(IX) Remuneration of key management

	2023	2022
Short-term employee benefits	\$ 13,982	\$ 20,262
Post-employment benefits	346	330
Share-based payment	-	-
	<u>\$ 14,328</u>	<u>\$ 20,592</u>

The remuneration of directors and other key management is determined by the Remuneration Committee based on the value of the individual's participation in and contribution to the operations of the Company and with reference to the usual industry standards.

XXXIII. Pledged Assets

The following assets of the Company were pledged as collaterals for bank loans, post release duty payment to customs, and security deposits for the land leased from the Science Park Administration and for issuing letters of credit.

	December 31, 2023	December 31, 2022
Property, plant and equipment	\$ 1,437,725	\$ 1,465,524
Pledged time deposits (posted as financial assets at amortized cost - non-current)	<u>16,923</u>	<u>16,923</u>
	<u>\$ 1,454,648</u>	<u>\$ 1,482,447</u>

XXXIV. Significant Contingent Liabilities and Unrecognized Commitments

- (I) On October 7, 2020, DuPont de Nemours, Inc. (DuPont) filed a patent infringement lawsuit against the Company and its person in charge in the Intellectual Property Court, claiming that the Company infringed its R.O.C. patent No. I519576, "Polymethyleneimine Film for Matting Surface Treatment and Method of Relating to Such Film", and requesting payment of NT\$6,650thousand, plus interest at 5% per annum from the date of service of the statement of claim to the date of settlement. On November 30, 2021, the Intellectual Property Court rendered a judgment of first instance, ruling that "the plaintiff's suit and the claim for provisional execution are dismissed, and the plaintiff shall bear the costs of the litigation. After receiving the judgment of defeat in the first instance, DuPont appealed against the judgment and on July 29, 2022, the Intellectual Property Court entered the second instance judgment dismissing DuPont's appeal. However, DuPont still refused to accept the judgment of the second instance and filed an appeal on August 31, 2022, which is currently being heard by the Supreme Court.
- (II) The amounts of unused letters of credit issued by the Company as of December 31, 2023 and 2022, respectively, were shown below:

Unit: In thousands of each foreign currency

	December 31, 2023	December 31, 2022
USD	\$ <u>111</u>	\$ <u>2</u>
RMB	\$ <u>4,070</u>	\$ <u>-</u>

XXXV. Information on Foreign-currency-denominated Assets And Liabilities with significant effect

The following information is summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed are used to translate the foreign currencies into the functional currency. Assets and liabilities denominated in foreign currencies with significant effect were as follows:

	December 31, 2023		December 31, 2022	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 2,392	30.705	\$ 4,002	30.71
RMB	65,591	4.327	41,641	4.408
Foreign currency liabilities				
<u>Monetary items</u>				
USD	252	30.705	142	30.71
RMB	5,901	4.327	-	-

Gain and loss (realized and unrealized) on translation of foreign currencies with significant effect were as follows:

	2023		2022	
Foreign currency	Exchange rate	Net exchange gain or loss	Exchange rate	Net exchange gain or loss
USD	30.705(USD: NTD)	\$ 3,246	30.71(USD: NTD)	\$ 6,130
JPY	0.2172(JPY: NTD)	15	0.2324(JPY: NTD)	125
RMB	4.327(RMB: NTD)	(54)	4.408(RMB: NTD)	6,435
EUR	33.98(EUR : NTD)	83	32.72(EUR : NTD)	66
SGD	23.29(SGD: NTD)	-	22.88(SGD: NTD)	36
		<u>\$ 3,290</u>		<u>\$12,792</u>

XXXVI. Other Disclosures

- (I) Significant transactions: There are no other disclosures than those listed below:
1. Endorsements and guarantees for others: Table 1.
 2. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures under control): Table 2 .
 3. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.

4. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- (II) Information on Investees: Table 5.
- (III) Information on Investment in Mainland China:
1. The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment gain or loss, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 6.
 2. Significant direct or indirect transactions through a third area with the investee in the Mainland Area, and its prices and terms of payment, unrealized gain or loss are as follows: Table 7.
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements and guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financial accommodation.
 - (6) Other transactions that have a material effect on the profit or loss for the period or on overall financial position, such as the rendering or receiving of services.
- (IV) Information on major shareholders: names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the equity (Table 8).

TAIMIDE TECH. INC.
Endorsements and guarantees for others
From January 1 to December 31, 2023

Table 1

Unit: Thousands of NTD, unless otherwise specified.

No.	The company providing endorsement and guarantee	The party receiving endorsement and guarantee		Limit of endorsement and guarantee to a single enterprise (Note 2)	Maximum balance of endorsement and guarantee for the period	Balance of endorsement and guarantee at the end of the period	Actual amount drawn	Amount of endorsement and guarantee collateralized by properties	Ratio of accumulated guarantees to net worth of the most recent financial statements (%)	Maximum limit of endorsement and guarantee (Note 2)	Endorsement and guarantee by parent company for subsidiary	Endorsement and guarantee by subsidiary for parent company	Endorsement and guarantee for party in Mainland China	Remark
		Company name	Relationship											
0	The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Note 1	\$ 1,122,300	\$ 430,000	\$ 300,000	\$ 270,000	\$ -	11	\$ 2,244,601	Yes	—	—	—

Note 1: Subsidiaries directly held

Note 2: The limit of the Company's endorsement and guarantee obligations for a single enterprise and subsidiary and the total amount of external endorsement and guarantee are limited to 40% and 80% of the Company's net worth, respectively.

TAIMIDE TECH. INC.
Marketable securities held at the end of the period
December 31, 2023

Table 2

Unit In Thousands of NTD, unless stated otherwise

Company held	Type of marketable securities	Name of marketable securities	Relationship with the issuers of the marketable securities	Account on the financial statements	The end of the period				Remark
					Number of units / board lots Number of shares	Carrying amount	Shareholding percentage (%)	Fair value	
The Company	Stock	POMIRAN TECHNOLOGY, LIMITED	—	Financial assets at fair value through other comprehensive income- non-current	110,000	\$ 467	10	\$ 467	Note 1

Note 1: Presented at book value.

Note 2: As of December 31, 2023, there were no guarantees, collateral loans or other contractually restriction on the use of the marketable securities listed above.

TAIMIDE TECH. INC.

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

From January 1 to December 31, 2023

Table 3

Unit In Thousands of NTD, unless stated otherwise

Purchase (sales) company	Name of counterparty	Relationship	Transaction details				Circumstances and reasons why the terms of the transaction differ from those of general transactions		Notes and accounts receivable (payable)		Remark
			Purchase (sales)	Amount	As a percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable)	
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	Sales	\$ 194,926	13%	In accordance with the mutually agreed terms	\$ -	—	\$ 158,444	38%	—

TAIMIDE TECH. INC.
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
December 31, 2023

Table 4Unit In Thousands of NTD, unless stated otherwise

The company recorded the transaction as accounts receivable	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Past due receivables from related parties		Amount of receivables from related parties collected in the subsequent period	Provision of allowance for loss
					Amount	Handling method		
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	\$158,444	2.05	\$ -	—	\$15,054	\$ -

TAIMIDE TECH. INC.

Information on investees, locations... and other related information

From January 1 to December 31, 2023

Table 5

Unit In Thousands of NTD, unless stated otherwise

Investor name	Investee name	Location	Main business	Initial investment amount		Holding at the end of the period			(Loss) Profit of investee for the period	Investment (loss) gain recognized in the period	Remark
				The end of the period	The end of last year	Number of shares	Ratio %	Carrying amount			
The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Taiwan	Manufacturing of electronic components, wholesale and surface treatment of electronic materials	\$ 610,567	\$ 610,567	27,479,905	85	\$ 61,813	(\$ 96,722)	(\$ 83,214)	Notes 2 and 3
	TAIMIDE INTERNATIONAL INC.	Samoa	Investee business	6,141	6,141	200,000	100	45,179	2,729	(11,252)	Notes 1, 2 and 3
TAIMIDE INTERNATIONAL INC.	KUNSHAN TAIMIDE TECH. INC.	Mainland China	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	(USD 200 thousand)	(USD 200 thousand)	-	100	45,146	2,729	(11,251)	Notes 1, 2 and 3
				6,141	6,141						

Note 1: The foreign currency portion is converted at the US dollar exchange rate as of December 31, 2023.

Note 2: The calculation was made based on the investee's financial statements for the same period audited by CPAs.

Note 3: Including the elimination of unrealized profit or loss on intercompany transactions.

TAIMIDE TECH. INC.
Information on Investment in Mainland China
From January 1 to December 31, 2023

Table 6

Unit In Thousands of NTD, unless stated otherwise

Name of Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or repatriated during the period		Accumulated investment amount remitted from Taiwan at the end of the year	Profit for the period of investee	Shareholding percentage of the Company's direct or indirect investment	Investment gain (loss) recognized in the period (Note 2)	Carrying amount of investment at the end of the period	Investment income repatriated as of the end of the period
					Outward remittance	Repatriation						
KUNSHAN TAIMIDE TECH. INC.	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	\$ 6,141 (USD200 thousand)	Note 1	\$ 6,141 (USD200 thousand)	\$ -	\$ -	\$ 6,141 (USD200 thousand)	\$ 2,729	100%	(\$ 11,251)	\$ 45,146	\$ -

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission, MOEA	60% of the net investment limit in Mainland China as stipulated by the Investment Commission, MOEA
\$6,141 (USD 200 thousand)	\$6,141 (USD 200 thousand)	\$1,683,451

Note 1: The Company invested in TAIMIDE INTERNATIONAL INC. and then invested in Mainland China through this company. The investment was approved by the Investment Commission, MOEA and the approved investment amount was USD 200 thousand.

Note 2: The calculation was made based on the investee's financial statements for the same period audited by CPAs.

Note 3: The foreign currency portion is converted at the US dollar exchange rate as of December 31, 2023.

TAIMIDE TECH. INC.

Significant direct or indirect transactions through a third region with the investee in the Mainland China, and its prices and terms of payment, unrealized gain or loss and other related information.

From January 1 to December 31, 2023

Table 7

Unit In Thousands of NTD, unless stated otherwise

Name of the trading party	Counterparty	Relationship between the Company and the counterparty	Type of transaction	Sales		Price	Trading terms		Notes and accounts receivable (payable)		Unrealized profit	Remark
				Amount	Percentage		Payment terms	Comparison with general transactions	Amount	Percentage		
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	Sales	\$ 194,926	13%	In accordance with the mutually agreed price	In accordance with the mutually agreed terms	No other comparable counterparty	\$ 158,444	38%	\$ 12,769	—

TAIMIDE TECH. INC.
Information on Major Shareholders
December 31, 2023

Table 8

Name of major shareholder	Shares	
	Number of shares held	Shareholding percentage
Sheng-Chang Wu	7,059,232	5.33%

Note: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of current quarter. There may be a discrepancy in the number of shares recorded on the consolidated financial statements and its dematerialized securities arising from the difference in basis of preparation.

§Schedules of Major Accounting Items Table of Contents§

Item	No./Index
Schedules of assets, liabilities, and equity	
Schedule of cash and cash equivalents	Schedule 1
Schedule of notes and accounts receivable	Schedule 2
Schedule of inventories	Schedule 3
Schedule of other current assets	Note 16
Schedule of changes in investments accounted for using the equity method	Schedule 4
Schedule of changes in financial assets at fair value through other comprehensive income - non-current	Schedule 5
Schedule of changes in property, plant and equipment	Note 13
Schedule of changes in accumulated depreciation of property, plant and equipment	Note 13
Schedule of changes in right-of-use assets	Schedule 6
Schedule of changes in accumulated depreciation of right-of-use assets	Schedule 6
Schedule of changes in intangible assets	Note 15
Schedule of changes in financial assets at fair value through profit or loss - current	Note 7
Schedule of notes and accounts payable	Schedule 7
Schedule of other payables	Note 19
Schedule of other current liabilities	Note 20
Schedule of corporate bonds payable	Note 18
Schedule of long-term loans	Schedule 8
Schedule of lease liabilities	Schedule 9
Schedule of profit or loss items	
Schedule of operating revenue	Schedule 10
Schedule of operating cost	Schedule 11
Schedule of operating expense	Schedule 12
Summary of employee benefits, depreciation and amortization expenses incurred during the period by function	Schedule 13

TAIMIDE TECH. INC.
Schedule of cash and cash equivalents
December 31, 2023

Schedule1

Unit In Thousands of NTD, unless stated otherwise

Item	Amount
Bank deposits	
Demand deposits	\$ 85,007
Foreign currency demand deposits (Note 3)	<u>92,284</u>
Subtotal	<u>177,291</u>
Cash equivalents	
Bonds with repurchase agreements (Note 1)	117,570
Time deposits (Note 2)	<u>46,450</u>
Subtotal	<u>164,020</u>
Petty cash	<u>779</u>
Financial assets at amortized cost - current	(<u>5,626</u>)
Pledged time deposits	(<u>16,923</u>)
Total	<u>\$ 319,541</u>

Note 1: Due one after another before the end of January 2024, with interest rates ranging from 1.1% to 5.45% per annum.

Note 2: Due one after another before the end of October 2024, with interest rates ranging from 1.1% to 5.47% per annum.

Note 3: Including USD 631 thousand (exchange rate USD 1 : NTD 30.705), JPY 186 thousand (exchange rate JPY 1 : NTD 0.2172), RMB 16,771 thousand (exchange rate RMB 1 : NTD 4.327) and EUR 8 thousand (exchange rate EUR 1 : NTD 33.98).

TAIMIDE TECH. INC.
Schedule of notes and accounts receivable
December 31, 2023

Schedule 2

Unit: In thousands of NTD

Customer name	Amount
Notes receivable	
Customer B	\$ 24,198
Others (Note)	<u>875</u>
Subtotal	<u>25,073</u>
Related party	
KUNSHAN TAIMIDE TECH. INC.	158,444
POMIRAN METALIZATION RESEARCH CO., LTD.	<u>618</u>
Subtotal	<u>159,062</u>
Non-related party	
Customer K	46,167
Customer A	44,681
Customer G	39,828
Customer C	20,224
Customer E	14,872
Others (Note)	<u>64,036</u>
	229,808
Allowance for bad debts	(<u>4</u>)
Subtotal	<u>229,804</u>
Net	<u>\$ 413,939</u>

Note: None of the balance of each customer reached 5% of the balance of this account.

TAIMIDE TECH. INC.

Schedule of inventories

December 31, 2023

Schedule 3

Unit: In thousands of NTD

Item	Amount	
	Cost	Net realizable value
Finished goods	\$ 192,403	\$ 379,486
Work in process	188,070	551,819
Raw materials	<u>59,138</u>	<u>60,092</u>
Total	<u>\$ 439,611</u>	<u>\$ 991,397</u>

Note: The insured amount of inventories was \$600,564 thousand.

TAIMIDE TECH. INC.

Schedule of changes in investments accounted for using the equity method

From January 1 to December 31, 2023

Schedule 4

Unit In Thousands of NTD, unless stated otherwise

Investee name	Balance at the beginning of the year		Increase for the year	Decrease for the year	Cumulative translation adjustments	Gain (loss) on investments accounted for using the equity method	Unrealized profit on sales	Balance at the end of the year			Equity net worth	Provision of guarantees or pledges
	Number of shares (in thousands)	Amount						Number of shares (in thousands)	Shareholding percentage %	Amount		
POMIRAN METALIZATION RESEARCH CO., LTD.	27,480	\$ 145,027	\$ -	\$ -	\$ -	(\$ 82,506)	(\$ 708)	27,480	85	\$ 61,813	\$ 62,803	None
TAIMIDE INTERNATIONAL INC.	200	<u>57,508</u>	<u>-</u>	<u>-</u>	(<u>1,077</u>)	<u>2,729</u>	(<u>13,981</u>)	200	100	<u>45,179</u>	<u>57,948</u>	None
		<u>\$ 202,535</u>	<u>\$ -</u>	<u>\$ -</u>	(<u>\$ 1,077</u>)	(<u>\$ 79,777</u>)	(<u>\$ 14,689</u>)			<u>\$ 106,992</u>	<u>\$ 120,751</u>	

TAIMIDE TECH. INC.

Schedule of changes in financial assets at fair value through other comprehensive income - non-current

From January 1 to December 31, 2023

Schedule 5

Unit In Thousands of NTD, unless stated otherwise

Investee name	Balance at the beginning of the year		Valuation adjustments		Balance at the end of the year		Provision of guarantees or pledges
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	
POMIRAN TECHNOLOG Y, LIMITED	110	<u>\$ 439</u>	-	<u>\$ 28</u>	110	<u>\$ 467</u>	None

TAIMIDE TECH. INC.

Schedule of changes in right-of-use assets and changes in accumulated depreciation of right-of-use assets

From January 1 to December 31, 2023

Schedule 6

Unit: In thousands of NTD

	Land	Transportation equipment	Total
Cost			
Balance at January 1, 2023	\$ 175,620	\$ 1,015	\$ 176,635
Increase	74	1,293	1,367
Disposal	<u>-</u>	<u>(1,015)</u>	<u>(1,015)</u>
Balance at December 31, 2023	<u>\$ 175,694</u>	<u>\$ 1,293</u>	<u>\$ 176,987</u>
Accumulated depreciation			
Balance at January 1, 2023	\$ 57,440	\$ 733	\$ 58,173
Depreciation	14,761	354	15,115
Disposal	<u>-</u>	<u>(1,015)</u>	<u>(1,015)</u>
Balance at December 31, 2023	<u>\$ 72,201</u>	<u>\$ 72</u>	<u>\$ 72,273</u>
Net at December 31, 2023	<u>\$ 103,493</u>	<u>\$ 1,221</u>	<u>\$ 104,714</u>

TAIMIDE TECH. INC.
Schedule of notes and accounts payable
December 31, 2023

Schedule 7

Unit: In thousands of NTD

Supplier name	Amount
Company K	\$ 5,338
Company G	5,226
Company F	4,239
Company P	3,199
Company T	2,454
Others (Note)	<u>28,977</u>
Total	<u>\$ 49,433</u>

Note: None of the balance of each supplier reached 5% of the balance of this account.

TAIMIDE TECH. INC.
Schedule of long-term loans
December 31, 2023

Schedule 8 Unit In Thousands of NTD, unless stated otherwise

Creditor	Abstract	Amount	Contract period	Annual interest rate (%)	Mortgage or guarantee
E.SUN Bank	Medium-term loan	\$ 36,400	2021.04.28~2026.04.15	1.3	None
Hua Nan Commercial Bank	Medium-term loan	33,600	2021.04.28~2028.04.15	1.3	None
KGI Bank	Medium-term loan	12,500	2021.02.05~2024.02.05	2.13	None
KGI Bank	Medium-term loan	12,500	2021.08.04~2024.02.05	2.13	None
Hua Nan Commercial Bank	Medium-term loan	13,400	2022.12.19~2028.04.15	1.3	None
Hua Nan Commercial Bank	Medium-term loan	45,000	2021.10.04~2028.04.15	1.3	None
E.SUN Bank	Medium-term loan	41,378	2022.01.24~2026.04.15	1.3	None
Hua Nan Commercial Bank	Medium-term loan	89,000	2022.08.16~2028.04.15	1.3	None
First Commercial Bank	Medium-term loan	87,975	2022.06.23~2027.06.23	2.2	None
First Commercial Bank	Medium-term loan	100,000	2023.03.13~2028.03.13	2.2	None
Taiwan Cooperative Bank	Medium-term secured loan	90,263	2020.04.14~2025.04.14	2.0	Note 1
Taiwan Cooperative Bank	Long-term secured loan	18,644	2015.05.04~2025.05.04	2.0	Note 1
E.SUN Bank	Medium-term secured loan	45,800	2022.01.24~2028.04.15	1.3	Note 2
E.SUN Bank	Medium-term secured loan	30,600	2022.05.04~2028.04.15	1.3	Note 2
E.SUN Bank	Medium-term secured loan	19,600	2021.04.28~2028.04.15	1.3	Note 2
Bank of Taiwan	Medium-term secured loan	<u>150,000</u>	2023.08.22~2028.01.13	1.95	Note 3:
Total		826,660			
Portion due within one year		(<u>246,362</u>)			
		<u>\$ 580,298</u>			

- Note 1: The medium-term and long-term secured loans from Taiwan Cooperative Bank were secured by land with a book value of \$289,340 thousand.
- Note 2: The medium-term secured loan from E. Sun Bank was secured by houses and buildings with a book value of \$122,034 thousand and facility equipment with a book value of \$14,250 thousand.
- Note 3: The medium-term secured loan from Bank of Taiwan was secured by houses and buildings with a book value of \$818,772 thousand.

TAIMIDE TECH. INC.
Schedule of lease liabilities
December 31, 2023

Schedule 9 Unit In Thousands of NTD, unless stated otherwise

Item	Lease period	Discount rate	Amount
Land	2019.1.1~2032.12.31	1.50%~1.79%	\$ 107,980
Transportation equipment	2023.11.2~2026.11.2	2.20%	<u>1,223</u>
Total			109,203
Less: Lease liabilities - current			(<u>15,023</u>)
Lease liabilities - non- current			<u>\$ 94,180</u>

TAIMIDE TECH. INC.
Schedule of operating revenue
From January 1 to December 31, 2023

Schedule 10

Unit: In thousands of NTD

Item	Quantity (rolls)	Amount
Polyimide films	15,962	\$ 1,572,167
Returns and discounts on sales		(<u>16,264</u>)
Net		<u>\$ 1,555,903</u>

TAIMIDE TECH. INC.
Schedule of operating cost
From January 1 to December 31, 2023

Schedule 11

Unit: In thousands of NTD

Item	Amount
Raw materials at the beginning of the year	\$ 92,228
Purchases during the year	320,035
Raw materials at the end of the year	(59,138)
Transfer as expenses	(<u>21,362</u>)
Consumption during the year	331,763
Direct labor	73,216
Manufacturing overheads	<u>777,216</u>
Manufacturing costs	1,182,195
Work in process at the beginning of the year	230,844
Work in process at the end of the year	(188,070)
Transfer as expenses	(<u>1,585</u>)
Cost of finished goods	1,223,384
Cost of finished goods at the beginning of the year	285,217
Cost of finished goods at the end of the year	(192,403)
Transfer as expenses	(<u>37,689</u>)
Cost of goods sold	<u>\$ 1,278,509</u>

TAIMIDE TECH. INC.
Schedule of operating expense
From January 1 to December 31, 2023

Schedule 12

Unit: In thousands of NTD

Item	Selling expense	Administrative expense	Research and development expense
Salary expense	\$ 12,401	\$ 28,618	\$ 36,504
Consumable expense	11,793	-	41,681
Sample expense	2,634	-	-
Freight expense	2,289	22	155
Export expense	1,828	-	36
Depreciation expense	141	16,656	43,345
Utilities expense	78	2,674	15,502
Service expense	9	11,955	785
Repair and maintenance expense	-	695	9,051
Outsourced R&D expense	-	-	10,475
Others (Note)	<u>4,887</u>	<u>24,511</u>	<u>20,671</u>
Total	<u>\$ 36,060</u>	<u>\$ 85,131</u>	<u>\$ 178,205</u>

Note: None of the balance of each item reached 5% of the balance of each account.

TAIMIDE TECH. INC.

Summary of employee benefits, depreciation and amortization expenses incurred during the period by function
From January 1 to December 31, 2022 and 2023

Schedule 13

Unit: Thousands of NTD

	2023			2022		
	Classified as operating cost	Classified as operating expense	Total	Classified as operating cost	Classified as operating expense	Total
Employee benefit expense						
Salary expense	\$ 185,855	\$ 77,523	\$ 263,378	\$ 230,041	\$ 82,103	\$ 312,144
Labor and health insurance expense	21,750	7,875	29,625	21,494	7,641	29,135
Pension expense	8,346	3,608	11,954	8,439	3,586	12,025
Remuneration of directors	-	1,890	1,890	-	6,615	6,615
Other employee benefit expense	<u>12,429</u>	<u>3,921</u>	<u>16,350</u>	<u>13,047</u>	<u>3,932</u>	<u>16,979</u>
Total	<u>\$ 228,380</u>	<u>\$ 94,817</u>	<u>\$ 323,197</u>	<u>\$ 273,021</u>	<u>\$ 103,877</u>	<u>\$ 376,898</u>
Depreciation expense	<u>\$ 266,360</u>	<u>\$ 60,142</u>	<u>\$ 326,502</u>	<u>\$ 265,945</u>	<u>\$ 55,731</u>	<u>\$ 321,676</u>
Amortization expense	<u>\$ 1,822</u>	<u>\$ 1,411</u>	<u>\$ 3,233</u>	<u>\$ 2,562</u>	<u>\$ 1,505</u>	<u>\$ 4,067</u>

Note 1: Average number of employees in the current and previous year was 404 and 432, respectively, of which the number of directors who did not concurrently serve as employees was 9 for both years.

Note 2: For companies whose stocks are listed on the Taiwan Stock Exchange or traded over the counter on the Taipei Exchange, the following additional information should be disclosed.

- (1) Average employee benefit expense for 2023 was \$813 thousand ("Total employee benefit expense for 2023 - Total remuneration to directors" / "Number of employees for 2023 - Number of directors who did not concurrently serve as employees").

Average employee benefit expense for 2022 was \$871 thousand ("Total employee benefit expense for 2022 - Total remuneration to directors" / "Number of employees for 2022 - Number of directors who did not concurrently serve as employees").

- (2) Average employee salary expense for 2023 was \$667 thousand ("Total employee salary expense for 2023" / "Number of employees for 2023 - Number of directors who did not concurrently serve as employees").

Average employee salary expense for 2022 was \$734 thousand ("Total employee salary expense for 2022" / "Number of employees for 2022 - Number of directors who did not concurrently serve as employees").

- (3) Change in average employee salary expense was (9.1)% ("Average employee salary expense for 2023 - Average employee salary expense for 2022" / Average employee salary expense for 2022)

- (4) The remuneration policy for directors, managerial officers and employees is determined by the Remuneration Committee based on individual performance and market trends.

Attachment 3. the most recent annual consolidated financial statements audited and attested by CPAs

Independent Auditors' Report

To the Board of Directors and Shareholders of TAIMIDE TECH. INC.:

Audit opinions

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

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TAIMIDE TECH. INC. and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years then ended, are in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have remained independent of TAIMIDE TECH. INC. and its subsidiaries and fulfilled other responsibilities under the said regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of TAIMIDE TECH. INC. and its subsidiaries for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of TAIMIDE TECH. INC. and its subsidiaries for the year ended December 31, 2023 are stated as follows:

Authenticity of sales revenue

AIMIDE TECH. INC. and subsidiaries were affected by the decline in demand in the overall market in 2023. We compared the annual sales growth rates of the major sales of customers to 2022. If their sales had positive growths in 2023 as opposed to the overall decline trend in the market, the sales revenue of these customers was considered as a source of potential fraud risk and was therefore judged to be a key audit matter, and audit procedures performed for these customers to address the above risk were as follows:

1. To understand and test the internal control system and operating procedures related to the sales transaction cycle to confirm and evaluate the effectiveness of the internal control procedures related to the sales transactions.
2. For the breakdown of sales revenue, a sample of the above-mentioned potential risky sales customers was selected for audit, and customers and external related certificates were examined to confirm the authenticity of sales revenue, and to examine whether the subsequent collection from the sales customers was abnormal.

Other Matters

TAIMIDE TECH. INC. has prepared the standalone financial statements for 2023 and 2022, to which we have also issued an independent auditors' report with unqualified opinion on record for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C., and for necessary 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.

While preparing the consolidated financial statements, the management is responsible for also evaluating the ability of TAIMIDE TECH. INC. and its subsidiaries to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate TAIMIDE TECH. INC. and its subsidiaries or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

Those charged with governance, Including the Audit Committee, are responsible for overseeing the financial reporting process of TAIMIDE TECH. INC. and its subsidiaries.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term of "reasonable assurance" refers to

high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the consolidated financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 TAIMIDE TECH. INC. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operation by the management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of TAIMIDE TECH. INC. and its subsidiaries to continue with operation exist or not according to the evidence obtained from the audit. 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. Future events or conditions, however, are likely to result in TAIMIDE TECH. INC. and its subsidiaries no longer capable of continuing with operation.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entity of TAIMIDE TECH. INC. and its subsidiaries, and express an opinion on consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of TAIMIDE TECH. INC. and its subsidiaries. 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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the 2023 consolidated financial statements of TAIMIDE TECH. INC. and its subsidiaries and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Chang Ya-Yun

CPA Fang Su-Li

Approval document No. of the Financial
Supervisory Commission

Financial Management Certificate Audit
Zi No. 1110348898

Approval document No. of the Financial
Supervisory Commission

Financial Management Certificate VI Zi No.
0940161384

March 8, 2024

TAIMIDE TECH. INC. and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: Thousands of NTD											
Code	Assets	December 31, 2023		December 31, 2022		Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100						2100	Short-term loans (Notes 17, 31 and 33)	\$ 105,000	2	\$ 130,000	3
	Cash and cash equivalents (Notes 4, 6 and 31)	\$ 366,633	8	\$ 454,318	9	2120					
1136	Financial assets at amortized cost - current (Notes 4, 9 and 31)	15,626	-	-	-		Financial liabilities at fair value through profit or loss-current (Notes 4, 7, 18 and 31)	1,014	-	3,894	-
1150	Notes receivable (Notes 4, 10 and 31)	75,129	1	27,967	1	2130	Contract liabilities - current (Notes 4 and 24)	3,400	-	161	-
1170						2170	Notes and accounts payable (Notes 31 and 32)	50,791	1	18,710	-
	Accounts receivable (Notes 4, 10, 24 and 31)	322,786	7	257,799	5	2206	Remuneration payable to employees and directors (Note 25)	-	-	21,520	1
130X	Inventories (Notes 4, 5 and 11)	480,481	10	643,790	12	2213	Payables for equipment (Note 31)	30,420	1	72,171	1
1470	Other current assets (Notes 4 and 16)	64,943	1	78,057	1	2219	Other payables (Notes 19 and 31)	144,391	3	152,033	3
11XX	Total current assets	1,325,598	27	1,461,931	28	2230	Current tax liabilities (Notes 4 and 26)	10,287	-	13,871	-
						2280					
	Non-current assets						Lease liabilities - current (Notes 4, 14 and 31)	22,113	1	21,684	1
1517						2321	Corporate bonds due or with put option exercisable within one year (Notes 4, 18 and 31)	583,415	12	-	-
	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	467	-	439	-	2322	Long-term loans due within one year (Notes 17, 31 and 33)	262,700	5	268,655	5
1535	Financial assets at amortized cost - non-current (Notes 4, 9, 31 and 33)	16,923	1	16,923	-	2399	Other current liabilities (Notes 4, 20, 29 and 32)	35,795	1	6,244	-
1600	Property, plant and equipment (Notes 4, 5, 13 and 33)	3,303,570	68	3,521,403	68	21XX	Total current liabilities	1,249,326	26	708,943	14
1755	Right-of-use assets (Notes 4 and 14)	167,347	4	188,608	4		Non-current liabilities				
1780	Intangible assets (Notes 4 and 15)	7,249	-	10,015	-	2530	Corporate bonds payable (Notes 4, 18 and 31)	-	-	572,433	11
1915	Prepayments for equipment	12,069	-	5,908	-	2540	Long-term loans (Notes 17, 31 and 33)	619,710	13	719,849	14
1920	Refundable deposits	5,044	-	5,029	-	2580	Lease liabilities - non-current (Notes 4, 14 and 31)	152,992	3	173,820	3
1975	Net defined benefit assets (Notes 4 and 21)	353	-	1,121	-	2645	Deposits received	19	-	19	-
15XX	Total non-current assets	3,513,022	73	3,749,446	72	25XX	Total non-current liabilities	772,721	16	1,466,121	28
						2XXX	Total liabilities	2,022,047	42	2,175,064	42
							Equity attributable to owners of the Company (Notes 4, 18, 22, 23 and 28)				
						3110	Common stock capital	1,322,053	27	1,317,990	25
						3200	Capital surplus	593,455	12	582,422	11
							Retained earnings				
						3310	Legal reserve	279,983	6	264,789	5
						3320	Special reserve	1,586	-	2,538	-
						3350	Undistributed earnings	611,310	13	845,122	17
						3300	Total retained earnings	892,879	19	1,112,449	22
						3400	Other equity	(2,635)	-	(1,586)	-
						31XX	Total owners' equity of the Company	2,805,752	58	3,011,275	58
						36XX	Non-controlling interests (Notes 4, 22 and 28)	10,821	-	25,038	-
						3XXX	Total equity	2,816,573	58	3,036,313	58
1XXX	Total assets	\$ 4,838,620	100	\$ 5,211,377	100		Total liabilities and equity	\$ 4,838,620	100	\$ 5,211,377	100

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

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries
Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2023 and 2022

Unit: In thousands of NTD; except (loss) earnings per share in NTD

Code		2023		2022	
		Amount	%	Amount	%
4110	Total operating revenue	\$ 1,609,718	101	\$ 1,922,686	102
4170	Returns and discounts on sales	<u>16,697</u>	<u>1</u>	<u>33,326</u>	<u>2</u>
4100	Net operating revenue (Notes 4, 24 and 32)	1,593,021	100	1,889,360	100
5000	Operating cost (Notes 11, 25 and 32)	<u>1,351,660</u>	<u>85</u>	<u>1,408,388</u>	<u>75</u>
5900	Operating gross profit	<u>241,361</u>	<u>15</u>	<u>480,972</u>	<u>25</u>
	Operating expense (Note 25)				
6100	Selling expense	48,409	3	45,065	2
6200	Administrative expense	100,746	6	114,502	6
6300	Research and development expense	218,231	14	183,742	10
6450	Expected credit impairment losses	<u>88</u>	<u>-</u>	<u>125</u>	<u>-</u>
6000	Total operating expense	<u>367,474</u>	<u>23</u>	<u>343,434</u>	<u>18</u>
6900	Net operating (loss) profit	(<u>126,113</u>)	(<u>8</u>)	<u>137,538</u>	<u>7</u>
	Non-operating income and expenses				
7100	Interest income (Note 25)	3,730	-	1,824	-
7010	Other income (Notes 25, 29 and 32)	9,152	1	10,592	1
7020	Other gain and loss (Note 25)	5,721	-	10,088	1
7050	Financial costs (Note 25)	(<u>34,124</u>)	(<u>2</u>)	(<u>30,972</u>)	(<u>2</u>)
7000	Non-operating income and expenses				
	Total	(<u>15,521</u>)	(<u>1</u>)	(<u>8,468</u>)	<u>-</u>
7900	Net (loss) profit before tax	(141,634)	(9)	129,070	7
7950	Income tax expense (benefit) (Notes 4 and 26)	<u>11,851</u>	<u>1</u>	(<u>7,187</u>)	<u>-</u>
8200	Net profit (loss) for the year	(<u>153,485</u>)	(<u>10</u>)	<u>136,257</u>	<u>7</u>

(Continued on next page)

(Continued from previous page)

Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 21)	(\$ 1,223)	-	\$ 3,182	-
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income (Note 22)	28	-	145	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations (Note 22)	(1,077)	-	808	-
8300	Other comprehensive income for the year	(2,272)	-	4,135	-
8500	Total comprehensive income for the year	(\$ 155,757)	(10)	\$ 140,392	7
	Net (loss) profit attributable to:				
8610	Owners of the Company	(\$ 139,268)	(9)	\$ 148,758	8
8620	Non-controlling interests	(14,217)	(1)	(12,501)	(1)
8600		(\$ 153,485)	(10)	\$ 136,257	7
	Total comprehensive income attributable to:				
8710	Owners of the Company	(\$ 141,540)	(9)	\$ 152,893	8
8720	Non-controlling interests	(14,217)	(1)	(12,501)	(1)
8700		(\$ 155,757)	(10)	\$ 140,392	7
	(Loss) earnings per share (Note 27)				
9750	Basic	(\$ 1.06)		\$ 1.13	
9850	Diluted	(\$ 1.06)		\$ 1.12	

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

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

		Equity attributable to owners of the Company										
		Equity attributable to owners of the Company						Other equity		Total	Non-controlling interests	Total equity
		Common stock capital		Capital surplus	Retained earnings			Exchange differences on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income			
Code		Number of shares (in thousands)	Amount		Legal reserve	Special reserve	Undistributed earnings					
A1	Balance at January 1, 2022	131,018	\$ 1,310,185	\$ 478,342	\$ 234,484	\$ 2,290	\$ 880,990	(\$ 2,363)	(\$ 176)	\$ 2,903,752	(\$ 4,832)	\$ 2,898,920
	Distribution of earnings for 2021											
B1	Legal reserve	-	-	-	30,305	-	(30,305)	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	248	(248)	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(157,255)	-	-	(157,255)	-	(157,255)
	Changes in other capital surplus:											
C5	Issuance of convertible bonds recognized as a component of equity	-	-	79,259	-	-	-	-	-	79,259	-	79,259
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	9	-	-	-	-	-	9	-	9
D1	Net profit (loss) for 2022	-	-	-	-	-	148,758	-	-	148,758	(12,501)	136,257
D3	Other comprehensive income for 2022	-	-	-	-	-	3,182	808	145	4,135	-	4,135
D5	Total comprehensive income for 2022	-	-	-	-	-	151,940	808	145	152,893	(12,501)	140,392
M7	Change in ownership interests in subsidiaries	-	-	2,470	-	-	-	-	-	2,470	(2,470)	-
N1	Share-based payment transaction	781	7,805	22,342	-	-	-	-	-	30,147	117	30,264
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	44,724	44,724
Z1	Balance at December 31, 2022	131,799	1,317,990	582,422	264,789	2,538	845,122	(1,555)	(31)	3,011,275	25,038	3,036,313
	Distribution of earnings for 2022											
B1	Legal reserve	-	-	-	15,194	-	(15,194)	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	-	(952)	952	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(79,079)	-	-	(79,079)	-	(79,079)
	Changes in other capital surplus											
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	23	-	-	-	-	-	23	-	23
D1	Net loss for 2023	-	-	-	-	-	(139,268)	-	-	(139,268)	(14,217)	(153,485)
D3	Other comprehensive income for 2023	-	-	-	-	-	(1,223)	(1,077)	28	(2,272)	-	(2,272)
D5	Total comprehensive income for 2023	-	-	-	-	-	(140,491)	(1,077)	28	(141,540)	(14,217)	(155,757)
N1	Share-based payment transaction	406	4,063	11,010	-	-	-	-	-	15,073	-	15,073
Z1	Balance at December 31, 2023	132,205	\$ 1,322,053	\$ 593,455	\$ 279,983	\$ 1,586	\$ 611,310	(\$ 2,632)	(\$ 3)	\$ 2,805,752	\$ 10,821	\$ 2,816,573

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

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries
Consolidated Statement of Cash Flows
From January 1 to December 31, 2023 and 2022

		Unit: Thousands of NTD	
Code		2023	2022
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the year	(\$ 141,634)	\$ 129,070
A20010	Income and expense items		
A20100	Depreciation expense	374,471	348,687
A20200	Amortization expense	3,477	4,118
A20300	Expected credit impairment losses	88	125
A20400	Net (profit) loss on financial liabilities at fair value through profit or loss	(2,880)	3,180
A20900	Financial cost	34,124	30,972
A21200	Interest income	(3,730)	(1,824)
A21900	Share-based payment remuneration cost	-	450
A23700	Loss on decline in value of inventories	70,738	34,864
A24100	Net gain on foreign exchange	(3,264)	(13,268)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(47,162)	64,882
A31150	Accounts receivable	(65,574)	179,640
A31200	Inventories	92,589	(135,231)
A31240	Other current assets	13,220	38,160
A31990	Net defined benefit assets	(455)	2,061
A32125	Contract liabilities	3,239	(7,839)
A32150	Notes and accounts payable	33,698	(146,187)
A32180	Other payables	(7,589)	(36,817)
A32230	Other current liabilities	29,551	(856)
A32240	Net defined benefit liabilities	-	(2,480)
A32990	Remuneration payable to employees and directors	(21,520)	(35,389)
A33000	Net cash inflows from operations	361,387	456,318
A33100	Interest received	3,427	1,537
A33300	Interest paid	(23,190)	(25,255)
A33500	Income tax paid	(15,238)	(78,506)
AAAA	Net cash in-flows from operating activities	<u>326,386</u>	<u>354,094</u>

(Continued on next page)

(Continued from previous page)

Code		2023	2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 15,626)	(\$ 8,392)
B00050	Disposal of financial assets at amortized cost	-	10,768
B02700	Purchase of property, plant and equipment	(175,678)	(361,363)
B03700	Increase in refundable deposits	(15)	-
B03800	Decrease in refundable deposits	-	2,702
B04500	Purchase of intangible asset	(711)	(3,619)
B07100	Increase in prepayments for equipment	(6,161)	-
B07200	Decrease in prepayments for equipment	-	3,429
BBBB	Net cash outflows from investing activities	(<u>198,191</u>)	(<u>356,475</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	570,000	1,135,000
C00200	Decrease in short-term loans	(595,000)	(1,120,000)
C01200	Issuance of convertible bonds	-	646,723
C01600	Borrowing of long-term loans	300,000	629,000
C01700	Repayment of long-term loans	(406,094)	(1,206,847)
C03100	Refund of deposits received	-	(390)
C04020	Repayment of principal for lease liabilities	(21,760)	(21,073)
C04500	Cash dividends to shareholders	(79,079)	(157,255)
C04800	Employee exercise of stock options	15,073	29,814
C05800	Changes in non-controlling interests	-	44,724
C09900	Unclaimed dividends to shareholders after the statute of limitations	<u>23</u>	<u>9</u>
CCCC	Net cash outflows from financing activities	(<u>216,837</u>)	(<u>20,295</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>957</u>	<u>3,969</u>
EEEE	Net decrease in cash and cash equivalents	(87,685)	(18,707)
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>454,318</u>	<u>473,025</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 366,633</u>	<u>\$ 454,318</u>

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

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries
Notes to consolidated financial statements
From January 1 to December 31, 2023 and 2022
(Amounts in thousands of NTD unless otherwise specified)

I. Company History

TAIMIDE TECH. INC. (hereinafter referred to as the Company) was established on June 22, 2000 with the approval of the Ministry of Economic Affairs and was listed for trading on the Taiwan Stock Exchange on October 5, 2011.

The Company's business scope mainly covers international trade and wholesale, manufacturing and sales of electronic components and materials.

The consolidated financial statements were expressed in New Taiwan Dollars, which is the Company's functional currency.

II. Date and Procedure for Approval of Financial Statements

These consolidated financial statements were approved by the Board of Directors on March 8, 2024.

III. Application of New and Revised Standards and Interpretations

- (I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Application of aforementioned amendments to IFRSs will not have a significant effect on the Company and controlled entities (hereinafter referred to as the "Consolidated Company")'s accounting policies.

- (II) IFRSs endorsed by FSC applicable in 2024

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease liabilities in sale-and-leasebacks"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier financing arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The seller and lessee should apply the amendments to IFRS 16 retrospectively to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: Disclosure requirements for exemption from this amendment upon initial application

As of the date the consolidated financial statements were authorized for issue, the Consolidated Company has assessed the possible impact that the application of the above standards and interpretations would have on the Consolidated Company's financial position and financial performance, and has determined that there would be no such material impact.

(III) IFRSs already announced by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture"	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First time of application of IFRS 17 and IFRS 9—comparison information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: Applicable to the reporting periods beginning on or after January 1, 2025. Upon initial application of this amendment, the impact amount is recognized in retained earnings at the date of initial application. When the Consolidated Company uses a non-functional currency as the presentation currency, the effect will be adjusted to the exchange differences of foreign operations under equity at the date of initial application.

As of the date of publication of the consolidated financial statements, the Consolidated Company will continue to evaluate the impact of the above-mentioned amendments to standards and interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

The preparation of the consolidated financial statements is based on the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRSs accepted and effectively published by FSC.

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and net defined benefit assets recognized at the present value of the defined benefit obligation less the fair value of plan assets, which are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement input values are observable and the significance of the input values to the fair value measurement in its entirety, which are described as follows:

1. Level 1 input values: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 input values are input values other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 input values are unobservable input values for the asset or liability.

(III) Standard for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets that are expected to be realized within twelve months from the balance sheet date; and
3. Cash and cash equivalent (unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities that will be due for settlement within 12 months from the balance sheet date, and
3. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Adjustments have been made to the financial statements of subsidiaries to allow their accounting policies to be consistent with those used by the Consolidated Company. During the preparation of the consolidated financial statements, the transaction, account balance, revenue and expense among entities have been eliminated completely. The total comprehensive income/loss of the subsidiaries are attributed to the owner's and non-controlling interests of the Company, and the same is true when the non-controlling interests consequently become loss balance.

Changes in the Consolidated Company's ownership interests in subsidiaries that do not result in the Consolidated Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Consolidated Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value paid or received is recognized directly in equity and attributed to shareholders of the Company.

Please see Note 12 and Table 5 for details of subsidiaries, percentage of ownership and business.

(V) Foreign currency

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

Foreign currency monetary amount is translated at the closing rate at each date of the balance sheet. Exchange differences arising from settlement or translation are recognized as profit or loss at the period.

Non-monetary foreign currencies held at fair value at the exchange rates prevailing at the date of transaction; however, non-monetary foreign currencies held at fair value through other comprehensive income are recognized in other comprehensive income.

Non-monetary items carried at historical cost is reported using the exchange rate at the date of the transaction and will not be calculated again.

In preparing the consolidated financial statements, assets and liabilities from foreign operations of the Consolidated Company, including subsidiaries whose location or currency are different from the Company, are translated into the presentation currency, the NTD, at the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates at the period. The resulting currency translation differences are recognized in other comprehensive income.

(VI) Inventories

Inventories include raw materials, work in process, and finished goods. Inventories are stated at the lower of cost or net realizable value. The lower of cost and net realizable value is based on the individual inventory items. Net realized value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted-average method.

(VII) Property, Plant and Equipment

Property, plant and equipment are recognized at costs and subsequently measured at costs of the amount less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component, except for the land owned by the consolidated Company, which is not depreciated. The Consolidated Company reviews the estimated useful lives, residual values and depreciation method by the end of each reporting period, and defers the impact of changes in applicable accounting estimates.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Intangible assets

1. Acquired separately

Intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Intangible assets are amortized on a straight-line basis over their useful lives. The Consolidated Company reviews the estimated useful lives, residual values and amortization methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

2. Derecognition

When intangible assets are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss for the year.

(IX) Impairments of related assets including property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Consolidated Company reviews whether there is any indication that its property, plant and equipment, right-of-use assets and intangible assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When impairment loss subsequently reverses, the carrying amounts of the asset, or cash-generating units are increased to the revised recoverable amounts. However, the increased carrying amounts shall not exceed the carrying amounts of the asset, or cash-generating units which were not recognized as impairment loss at the past period (less amortization or depreciation). The reversal of impairment loss is recognized as profit or loss.

(X) Financial instruments

Financial assets and financial liabilities are recognized when a Consolidated Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

All regular purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(1) Type of measurement

Financial assets held by the Consolidated Company are classified to financial assets at amortized cost and investments in equity instruments measured through other comprehensive income at fair value.

A. Financial assets at amortized cost

When the financial assets invested by the Consolidated Company satisfies the following two criteria at the same time, it is classified as the amortized cost financial assets:

- a. Where the financial assets are held under certain business model, and the purpose of such model is to hold the financial assets in order to collect contract cash flows; and
- b. Where contract terms incur cash flow of specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

Financial assets at amortized cost include cash and cash equivalents and notes receivable, accounts receivable, pledged time deposits and other current assets at amortized cost). When the recognition commences, effective interest method is used to determine the carrying amount less any amortized cost of depreciation. Any exchange gains and losses are recognized as gains and losses.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

- a. Interest income on credit-impaired financial assets acquired or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
- b. Interest income is computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after credits are impaired to financial assets that are not credit-impaired when acquired or created but subsequently become credit-impaired.

A credit-impaired financial asset is one for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or it is probable that the debtor will declare bankruptcy or other financial reorganization or that an active market for the financial assets will disappear due to financial difficulties.

Cash equivalents are highly liquid bonds with repurchase agreement and time deposits that are readily convertible into fixed amounts of cash with minimal risk of changes in value.

B. Investments in equity instruments at fair value through other comprehensive income

On initial recognition, the Consolidated Company may irrevocably designate investments in equity instruments that is not held for trading and not recognized as contingent consideration as at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value. Subsequently the changes in fair value are reported in other comprehensive income and accumulated in other equity. On disposal of investments, the accumulated profit or loss is directly transferred to retained earnings and it is not reclassified to profit or loss.

The dividend from investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss upon the Consolidated Company's right to receive payment is established, except for apparently the dividend representing the recovery of the partial investment cost.

(2) Impairment of financial assets

At the date of each balance sheet, the Consolidated Company reviews expected credit losses to estimate the impairment loss of financial assets, including notes receivable, measured at amortized cost.

The allowance for loss on accounts receivable is measured at an amount equal to useful lives expected credit losses. Other financial assets are assessed to determine whether the credit risk has significantly increased since the original recognition. If there is no significant increase, then the allowance loss is recognized according to the 12-month expected credit loss. If it has increased significantly, then allowance loss is recognized according to the lifetime expected credit loss.

Expected credit losses are weighted average credit losses with the probability of default events. The 12-month expected credit losses are expected credit losses that result from default events possible within 12 months after the reporting date. Lifetime expected credit losses result from all possible default events over the expected life of the financial instruments.

For the purpose of internal credit risk management, the Consolidated Company determines that a breach of contract on financial assets has occurred when there is internal or external information indicating that the debtor is unlikely to pay its debts, without considering the collateral held.

All impairment losses on financial assets is decreased its carrying amount through contra accounts.

(3) Derecognition of financial assets

The Consolidated Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of financial assets at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of Investments in equity instruments at fair value through other comprehensive income, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

Equity instruments issued by the Consolidated Company are classified as equity based on the substance of the contractual agreements and the definition of equity instruments.

Equity instruments issued by the Consolidated Company are recognized at the acquisition price less direct issue costs.

The Company's own equity instruments re-acquired is recognized and derecognized under equity. The purchase, sale, issuance or retirement of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using effective interest method.

(2) Derecognition of financial liabilities

On the derecognition of financial liabilities, the difference between their carrying amount and the consideration paid and payable, including any transfer of non-cash assets or liabilities, is recognized as profit or loss.

4. Convertible bonds

The components of the compound financial instruments (convertible bonds) issued by the Company are classified as financial liabilities and equity, respectively, on initial recognition based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate of a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. The components of liabilities that are embedded in non-equity derivatives are measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the fair value of the complex instrument as a whole less the fair value of the liability component determined separately and is recognized in equity, net of income tax effect, and is not subsequently measured. When the conversion right is exercised, the related liability component and the amount in equity are transferred to equity and capital surplus - issue premium. If the conversion rights of convertible bonds are not exercised on the maturity date, the amount recognized in equity will be transferred to capital surplus - issue premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and equity components (included in equity) of the instrument in proportion to the total apportioned price.

(XI) Revenue recognition

The Consolidated Company allocates the transaction price to each performance obligation and recognizes the revenue when each of the obligation is satisfied after the customer has identified it.

Revenue from merchandise sales

Revenue from merchandise sales is derived from the sale of polyamide films and flexible copper foil substrates. The Consolidated Company recognizes revenue and accounts receivable at the point when the merchandise arrives at the customer's designated location because the customer has the right to set the price and use the merchandise and has the primary responsibility for re-selling the merchandise and bears the risk of obsolescence. Advance receipts for merchandise are recognized as contract liabilities until the merchandise arrives.

When materials are exported for processing, the control of the ownership of the processed products has not been transferred. Therefore, no revenue is recognized when materials are exported for processing.

(XII) Leases

At the inception of a contract, the Consolidated Company assesses whether the contract is, or contains, a lease.

1. The Consolidated Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under the operating lease, lease payments less lease incentives granted are recognized as revenue on a straight-line basis. The initial direct cost which occurs on granting operating leases is the carrying amount accumulated to the underlying assets and is recognized as expense on a straight of line basis.

2. The Consolidated Company as lessee

Except for payments for low-value asset leases and short-term leases applicable to exemption of recognition are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments made before commencement date less lease incentives granted, initial direct costs as well as estimated costs to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are measured initially at the present value of lease payments (including fixed payments). The lease payments are discounted using the interest rate in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms.

When there is a change in a lease term, the Consolidated Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized as profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Rentals under lease agreements that do not depend on changes in indices or rates are recognized as expenses in the period in which they are incurred.

(XIII) Borrowing costs

Borrowing costs require that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, that necessarily takes a substantial period of time to get ready for its intended use or sale, are included in the cost of the asset.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(XIV) Government grants

A government grant is recognized only when there is reasonable assurance that the Consolidated Company will comply with any conditions attached to the grant and the grant will be received.

Government grants related to revenue are recognized in profit or loss on a systematic basis over the period in which they are intended to compensate for the related costs recognized as expenses by the Consolidated Company.

The grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, shall be recognized as profit or loss in the period in which it is receivable.

(XV) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

For defined contribution plans, the amount of contribution payable in respect of service rendered by employees in that period should be recognized as expenses.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur.

Net defined benefit liability represents the actual deficit in the Company's defined benefit plan. Net defined benefit liability shall not exceed the present value of refunds from the plan or reductions in future contributions to the plan.

(XVI) Employee stock options

Employee stock options granted to employees

Employee stock options are recognized as expense on a straight-line basis over the vesting period based on the fair value of the equity instruments at the date of grant and the expected best estimate of the number to be vested, with a simultaneous adjustment to capital surplus - employee stock options and non-controlling interests. If an equity instrument is vested immediately on the date of grant, the expense is recognized in full on the date of grant.

The Consolidated Company revises the estimated number of employee stock options expected to be vested at each balance sheet date. If the original estimate is revised, the effect is recognized in profit or loss so that the cumulative expense reflects the revised estimate and the capital surplus - employee stock options and non-controlling interests are adjusted accordingly.

(XVII) Income tax

The provision for income tax recognized in profit or loss comprises current and deferred tax.

1. Current income tax

The Consolidated Company has determined the current income (losses) and calculated taxes payable (receivable) in accordance with regulations established by the jurisdiction for tax return.

According to Income Tax Act in Republic of China, an additional income tax levied at unappropriated earnings are recognized in shareholders' meeting.

Income tax payable for prior year is adjusted to the current income tax.

2. Deferred income tax

Deferred income tax is accounted for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit or loss.

Deferred tax liability is generally recognized for all taxable temporary differences. Deferred tax asset is recognized for deductible temporary differences or income tax credits for purchases of equipment and other expenditures to the extent that taxable profit is probably available.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Consolidated Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits to realize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the date of balance sheet and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets originally not recognized is also reviewed at the date of balance sheet and increased

to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is recovered, based on tax rates and laws that have been enacted or substantively enacted by the date of balanced sheet. The measurement of deferred tax liabilities and assets reflects the tax consequences that arise from the manner in which the Consolidated Company expects, at the date of balance sheet, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss, except the current and deferred income tax that relates to items recognized in other comprehensive income or directly in equity are recognized respectively in other comprehensive income or directly in equity.

V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the application of the Consolidated Company's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

When developing significant accounting estimates, the Consolidated Company will take into account the possible impact on inflation and market interest rate fluctuations in cash flow estimates, growth rates, discount rates, profitability and other relevant significant estimates. Management will continue to review estimates and basic assumptions.

Major source of estimates and assumption uncertainty

(I) Impairment of property, plant, and equipment

The Consolidated Company assesses impairment of property, plant and equipment based on the recoverable amount of those assets (i.e., the higher of the fair value of those assets less costs to sell and their value in use). Changes in market prices, future cash flows or discount rates will affect the recoverable amount of those assets and may result in additional impairment losses being recognized or reversal of impairment losses already recognized. In addition, the estimated cash flow, growth rate and discount rate are subject to greater uncertainty due to the uncertainty of the impact of inflation and market interest rate fluctuations, as well as the volatility of financial markets.

(II) Impairment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to complete and estimated costs to sell, which are based on current market conditions and historical sales experience of similar products. Changes in market conditions could materially affect these estimates. In addition, the net realizable value estimate is subject to a high degree of uncertainty due to the uncertainty of the subsequent development of inflation and fluctuations in market interest rates, resulting in greater volatility in raw material prices.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	\$ 809	\$ 657
Bank demand deposits	213,102	300,467
Cash equivalents (investments with original maturity of less than 3 months)		
Bonds with repurchase agreements	117,570	99,962
Bank time deposits	35,152	53,232
	<u>\$ 366,633</u>	<u>\$ 454,318</u>

The market interest rate range of bank deposits and bonds with repurchase agreements at the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Bank deposits	0.001%~5.47%	0%~3.70%
Bonds with repurchase agreements	0.8%~5.45%	0.72%~0.80%

VII. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
<u>Financial liabilities - current</u>		
Held for trading		
Derivative instruments (not designated as hedges)		
-Value of convertible bond redemption rights (Note 18)	<u>\$ 1,014</u>	<u>\$ 3,894</u>

VIII. Financial assets at fair value through other comprehensive income

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-current</u>		
Domestic investments		
Unlisted stocks		
Common stock of POMIRAN TECHNOLOGY, LIMITED	<u>\$ 467</u>	<u>\$ 439</u>

The Consolidated Company invests in the aforementioned common stocks in accordance with the medium and long-term strategic objectives and expects to profit from the long-term investments. The management of the Consolidated Company considers that if the short-term volatility at fair value of such investments recognized in profit or loss is not consistent with the aforementioned long-term investment plan, it will be determined that such investments are measured through other comprehensive income at fair value.

IX. Financial assets at amortized cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Time deposits with original maturity over 3 months	<u>\$ 15,626</u>	<u>\$ -</u>
<u>Non-current</u>		
Pledged time deposits	<u>\$ 16,923</u>	<u>\$ 16,923</u>

(I) For information on credit risk management and impairment assessment related to financial assets at amortized cost, please refer to Note 31.

(II) For information on pledges of financial assets at amortized cost, refer to Note 33.

X. Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Notes receivable</u>		
Incurred as a result of operations	<u>\$ 75,129</u>	<u>\$ 27,967</u>

The Consolidated Company considered any change in the credit quality of the notes receivable at the balance sheet date and assessed that there was no material change in the credit quality and the related amounts were still recoverable, therefore, no impairment was suspected.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts receivable</u>		
Accounts receivable - non-related parties		
Measure at amortized cost		
Total carrying amount	\$ 323,031	\$ 257,960
Less: Allowance for loss	(245)	(161)
	<u>\$ 322,786</u>	<u>\$ 257,799</u>

The average collection period for selling products of the Consolidated Company is 10 to 100 days, excluding accounts receivable. To mitigate credit risk, the management of the Consolidate Company has designated functional working Consolidated Company responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue receivables. In addition, the collectible amount of accounts receivable of the Consolidated Company

shall be reviewed individually at the date of balance sheet to ensure the uncollectible receivables has been listed to appropriate impairment loss. According these, the management considers the Consolidated Company's credit risk has significantly decreased.

The allowance for loss on accounts receivable of the Consolidated Company is measured at an amount equal to useful lives expected credit losses. The expected credit losses over the duration are calculated using an allowance matrix, which takes into account the customer's past default history, current financial condition, and the economic conditions of the industry. Since the Consolidated Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days overdue on accounts receivable to determine the expected credit loss rate.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, for example, if the counterparty is in liquidation, the Consolidated Company will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

The Consolidated Company measures the allowance for loss on accounts receivable based on the allowance matrix as follows:

December 31, 2023

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Total carrying amount	\$298,517	\$ 24,514	\$ -	\$ -	\$ -	\$323,031
Allowance for loss (expected credit losses during the duration)	-	(245)	-	-	-	(245)
Amortized cost	<u>\$298,517</u>	<u>\$ 24,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$322,786</u>

December 31, 2022

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Total carrying amount	\$254,522	\$ 1,761	\$ 706	\$ 971	\$ -	\$257,960
Allowance for loss (expected credit losses during the duration)	-	(29)	(35)	(97)	-	(161)
Amortized cost	<u>\$254,522</u>	<u>\$ 1,732</u>	<u>\$ 671</u>	<u>\$ 874</u>	<u>\$ -</u>	<u>\$257,799</u>

Changes on allowance for accounts receivable loss are as below:

	2023	2022
Balance at the beginning of the year	\$ 161	\$ 37
Provision of impairment loss for the year	88	125
Exchange differences on translation	(4)	(1)
Balance at the end of the year	<u>\$ 245</u>	<u>\$ 161</u>

XI. Inventories

	December 31, 2023	December 31, 2022
Finished goods	\$ 226,536	\$ 312,963
Work in process	188,323	231,209
Raw materials	<u>65,622</u>	<u>99,618</u>
	<u>\$ 480,481</u>	<u>\$ 643,790</u>

The cost of goods sold related to inventory amounted to \$1,351,660 thousand and \$1,408,388 thousand for 2023 and 2022, respectively. Cost of goods sold includes inventory depreciation losses of \$70,738 thousand and \$34,864 thousand, respectively.

XII. Subsidiary

Subsidiaries incorporated in the consolidated financial statements

The basis for the consolidated financial statements is as follows:

Investor name	Subsidiary name	Business nature	Percentage of shareholding	
			December 31, 2023	December 31, 2022
The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Manufacturing of electronic components, wholesale and surface treatment of electronic materials	85%	85%
	TAIMIDE INTERNATIONAL INC. (TAIMIDE INTERNATIONAL)	Investee business	100%	100%
TAIMIDE INTERNATIONAL	KUNSHAN TAIMIDE TECH. INC.	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	100%	100%

The financial statements of the above subsidiaries included in the consolidated financial statements for 2023 and 2022 were recognized on the basis of the financial statements audited by CPAs for the same period.

XIII. Property, plant and equipment

For the use of the Consolidated Company

	Land owned by the Company	Houses and buildings	Machinery and equipment	Facility equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending inspection	Total
Cost										
Balance at January 1, 2022	\$291,073	\$1,623,635	\$2,547,019	\$859,685	\$ 5,836	\$ 15,286	\$ 613	\$ 3,532	\$270,619	\$5,617,298
Increase for the year	-	7,624	156,094	48,787	1,431	4,041	1,003	35,490	146,569	401,039
Decrease for the year	-	-	(606,911)	(194,715)	(1,756)	(3,481)	-	(477)	-	(807,340)
Reclassification for the year	-	138,013	30,247	173,567	330	721	-	-	(342,878)	-
Effect of exchange rate	-	-	-	-	25	1	-	-	-	26
Balance at December 31, 2022	<u>291,073</u>	<u>1,769,272</u>	<u>2,126,449</u>	<u>887,324</u>	<u>5,866</u>	<u>16,568</u>	<u>1,616</u>	<u>38,545</u>	<u>74,310</u>	<u>5,211,023</u>
Accumulated depreciation										
Balance at January 1, 2022	-	349,123	1,373,903	436,093	2,402	7,692	15	1,338	-	2,170,566
Increase for the year	-	30,453	212,721	78,577	900	3,006	95	634	-	326,386
Decrease for the year	-	-	(606,911)	(194,715)	(1,756)	(3,481)	-	(477)	-	(807,340)
Effect of exchange rate	-	-	-	-	7	1	-	-	-	8
Balance at December 31, 2022	-	<u>379,576</u>	<u>979,713</u>	<u>319,955</u>	<u>1,553</u>	<u>7,218</u>	<u>110</u>	<u>1,495</u>	-	<u>1,689,620</u>
Net as of December 31, 2022	<u>\$291,073</u>	<u>\$1,389,696</u>	<u>\$1,146,736</u>	<u>\$567,369</u>	<u>\$ 4,313</u>	<u>\$ 9,350</u>	<u>\$ 1,506</u>	<u>\$ 37,050</u>	<u>\$ 74,310</u>	<u>\$3,521,403</u>
Cost										
Balance at January 1, 2023	\$291,073	\$1,769,272	\$2,126,449	\$887,324	\$ 5,866	\$ 16,568	\$ 1,616	\$ 38,545	\$ 74,310	\$5,211,023
Increase for the year	-	-	63,253	18,008	95	2,447	473	861	48,892	134,029
Decrease for the year	-	-	(88,723)	(22,319)	-	(1,479)	-	-	-	(112,521)
Reclassification for the year	-	-	83,662	1,738	-	320	136	-	(85,856)	-
Effect of exchange rate	-	-	-	-	(31)	(2)	-	-	-	(33)
Balance at December 31, 2023	<u>291,073</u>	<u>1,769,272</u>	<u>2,184,641</u>	<u>884,751</u>	<u>5,930</u>	<u>17,854</u>	<u>2,225</u>	<u>39,406</u>	<u>37,346</u>	<u>5,232,498</u>
Accumulated depreciation										
Balance at January 1, 2023	-	379,576	979,713	319,955	1,553	7,218	110	1,495	-	1,689,620
Increase for the year	-	32,493	214,839	93,542	859	3,288	300	6,527	-	351,848
Decrease for the year	-	-	(88,723)	(22,319)	-	(1,479)	-	-	-	(112,521)
Effect of exchange rate	-	-	-	-	(17)	(2)	-	-	-	(19)
Balance at December 31, 2023	-	<u>412,069</u>	<u>1,105,829</u>	<u>391,178</u>	<u>2,395</u>	<u>9,025</u>	<u>410</u>	<u>8,022</u>	-	<u>1,928,928</u>
Net at December 31, 2023	<u>\$291,073</u>	<u>\$1,357,203</u>	<u>\$1,078,812</u>	<u>\$493,573</u>	<u>\$ 3,535</u>	<u>\$ 8,829</u>	<u>\$ 1,815</u>	<u>\$ 31,384</u>	<u>\$ 37,346</u>	<u>\$3,303,570</u>

Depreciation is computed on a straight-line basis over the following estimated useful life:

Houses and buildings	10 to 50 years
Machinery and equipment	1 to 20 years
Facility equipment	2 to 15 years
Transportation equipment	5 to 10 years
Office equipment	3 to 10 years
Other equipment	5 to 8 years

Leasehold improvements

6 to 7 years

For the amount of property, plant and equipment pledged as collateral for loans by the Consolidated Company, please refer to Note 33.

XIV. Lease agreements

(I) Right-of-use assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of right-of-use assets		
Land	\$ 103,493	\$ 118,180
Buildings	62,633	70,146
Transportation equipment	<u>1,221</u>	<u>282</u>
	<u>\$ 167,347</u>	<u>\$ 188,608</u>
	<u>2023</u>	<u>2022</u>
Addition to right-of-use assets	<u>\$ 1,367</u>	<u>\$ 5,306</u>
Depreciation expense of right-of-use assets		
Land	\$ 14,761	\$ 14,755
Buildings	7,508	7,208
Transportation equipment	<u>354</u>	<u>338</u>
	<u>\$ 22,623</u>	<u>\$ 22,301</u>
Sublease income of right-of-use assets (included in other income)	<u>\$ -</u>	<u>\$ 1,092</u>

(II) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of lease liabilities		
Current	<u>\$ 22,113</u>	<u>\$ 21,684</u>
Non-current	<u>\$ 152,992</u>	<u>\$ 173,820</u>

Ranges of discount rates for lease liabilities are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land	1.50%~1.79%	1.50%~1.79%
Buildings	2.32%~4.75%	2.32%~4.75%
Transportation equipment	2.20%	1.60%

(III) Material leases and terms

The Consolidated Company leases certain land and buildings for use for a period of 11 to 14 years. Upon the termination of the lease period, the Consolidated Company has no bargain purchase option for leased lands and buildings.

(IV) Information on other leases

	2023	2022
Short-term lease expense	\$ 843	\$ 945
Lease expense for low-value assets	\$ 204	\$ 185
Variable lease payment expense not included in the measurement of lease liabilities	\$ 1,589	\$ 5,175
Total cash (outflows) from leases	(\$ 28,061)	(\$ 31,347)

The Consolidated Company leases certain computer software, houses and buildings and office equipment which qualify as short-term leases. The Consolidated Company has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

XV. Intangible assets

	Computer software cost	Power circuit subsidy cost	Royalty payment	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 20,817	\$ 14,768	\$ 1,500	\$ 37,085
Increase for the year	<u>3,087</u>	<u>532</u>	<u>-</u>	<u>3,619</u>
Balance at December 31, 2022	<u>\$ 23,904</u>	<u>\$ 15,300</u>	<u>\$ 1,500</u>	<u>\$ 40,704</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2022	\$ 15,735	\$ 10,427	\$ 409	\$ 26,571
Increase for the year	<u>2,702</u>	<u>1,325</u>	<u>91</u>	<u>4,118</u>
Balance at December 31, 2022	<u>\$ 18,437</u>	<u>\$ 11,752</u>	<u>\$ 500</u>	<u>\$ 30,689</u>
Net as of December 31, 2022	<u>\$ 5,467</u>	<u>\$ 3,548</u>	<u>\$ 1,000</u>	<u>\$ 10,015</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 23,904	\$ 15,300	\$ 1,500	\$ 40,704
Increase for the year	<u>711</u>	<u>-</u>	<u>-</u>	<u>711</u>
Balance at December 31, 2023	<u>\$ 24,615</u>	<u>\$ 15,300</u>	<u>\$ 1,500</u>	<u>\$ 41,415</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 18,437	\$ 11,752	\$ 500	\$ 30,689
Increase for the year	<u>2,006</u>	<u>1,380</u>	<u>91</u>	<u>3,477</u>
Balance at December 31, 2023	<u>\$ 20,443</u>	<u>\$ 13,132</u>	<u>\$ 591</u>	<u>\$ 34,166</u>
Net at December 31, 2023	<u>\$ 4,172</u>	<u>\$ 2,168</u>	<u>\$ 909</u>	<u>\$ 7,249</u>

Amortization is computed on a straight-line basis over the following estimated useful life:

Computer software cost	1 to 8 years
Power circuit subsidy cost	5 years
Royalty payment	16.5 years

XVI. Other current assets

	December 31, 2023	December 31, 2022
Tax overpaid retained	\$ 23,258	\$ 36,012
Supply inventory	18,413	24,013
Input tax	6,099	3,827
Prepayment for goods	2,843	58
Others	14,330	14,147
	<u>\$ 64,943</u>	<u>\$ 78,057</u>

XVII. Loans

(I) Short-term loans

	December 31, 2023	December 31, 2022
<u>Unsecured loans</u>		
Line of credit loans	\$ 40,000	\$ 110,000
<u>Secured loans</u>		
Line of credit loans	65,000	20,000
	<u>\$ 105,000</u>	<u>\$ 130,000</u>

The interest rates on revolving bank loans ranged from 2.20%~2.52% and 1.88%~2.33% as of December 31, 2023 and 2022, respectively.

(II) Long-term loans

	December 31, 2023	December 31, 2022
<u>Unsecured loans</u>		
Bank credit loans (1)	\$ 471,753	\$ 626,500
<u>Secured loans</u>		
Bank loans (2)	410,657	362,004
	882,410	988,504
Portion due within one year	(<u>262,700</u>)	(<u>268,655</u>)
	<u>\$ 619,710</u>	<u>\$ 719,849</u>

1. The bank credit loans as of December 31, 2023 and 2022 are due for repayment by the end of April 2028, with interest rates ranging from 1.3% to 2.20% and 1.18% to 2.12% as of December 31, 2023 and 2022, respectively.
2. The bank loans are secured by pledges of the Consolidated Company's own land, buildings and equipment (see Note 33). The loans are both due for repayment upon maturity by the end of April 2028 for both December 31, 2023 and 2022, with the interest rates ranging from 1.30% to 2.90% and 1.18% to 2.76% for 2023 and 2022, respectively.

In accordance with the restrictions on current ratio, debt ratio, interest coverage multiplier, and tangible net worth in the Consolidated Company's half-year and annual consolidated financial statements in accordance with the relevant loan agreements. The Consolidated Company's financial ratios were in compliance with the requirements as of December 31, 2023.

XVIII. Corporate bonds payable

	December 31, 2023	December 31, 2022
Domestic unsecured convertible bonds	\$ 600,000	\$ 600,000
Less: Discount on corporate bonds payable	(<u>16,585</u>)	(<u>27,567</u>)
	583,415	572,433
Less: Portion recorded as due within one year	(<u>583,415</u>)	-
	<u>\$ -</u>	<u>\$ 572,433</u>
Value of redemption rights	\$ 1,014	\$ 3,894
Value of conversion rights	79,259	79,259

(I) Domestic unsecured convertible bonds

On June 21, 2022, the Company issued 6,000 thousand units of NTD-denominated unsecured convertible bonds with a face value of \$100 thousand and 0% interest rate in Taiwan, with a total principal amount of \$600,000 thousand. The issue price was based on 108.67% of the face value. The bondholders may request the Company to convert the convertible bonds into common stock at a conversion price of \$57 per share from the day after three months from the date of issuance (September 22, 2022) to the maturity date (June 21, 2025), or request the Company to repurchase the bonds at face value in cash 30 days prior to two years from the date of issuance (June 21, 2024). If the closing price of the Company's common stock exceeds the prevailing conversion price by 30% or more for 30 consecutive business days from the day after the third month after the issuance of the convertible bonds (September 22, 2022) to 40 days before the expiration of the issuance period (May 12, 2025), the Company may also redeem all of the bonds at their face value. Since the Company distributed cash dividends in July 2023, the conversion price was adjusted to \$54.5 effective August 6, 2023.

This convertible bond includes liabilities and equity components, which are expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 1.90%.

Issue price (\$652,006 thousand minus transaction costs of \$5,283 thousand)	\$646,723
Equity component (net of transaction costs allocated to equity of \$647 thousand)	(79,259)
Value of redemption rights (net of transaction costs of \$6 thousand allocated to liabilities)	(<u>714</u>)
Liabilities component at issuance date (net of \$4,630 thousand of transaction costs allocated to liabilities)	\$ 566,750
Interest calculated at the effective interest rate of 1.90%	<u>5,683</u>
Liabilities component as of December 31, 2022	572,433
Interest calculated at the effective interest rate of 1.90%	<u>10,982</u>
Liabilities component as of December 31, 2023	<u>\$ 583,415</u>

XIX. Other payables

	December 31, 2023	December 31, 2022
Wages and bonuses payable	\$ 41,724	\$ 50,491
Utilities payable	15,160	12,240
Waste disposals payable	12,265	9,939
Others	<u>75,242</u>	<u>79,363</u>
	<u>\$ 144,391</u>	<u>\$ 152,033</u>

XX. Other current liabilities

	December 31, 2023	December 31, 2022
Deferred income	\$ 30,429	\$ -
Receipts under custody	3,777	3,976
Temporary receipts	<u>1,589</u>	<u>2,268</u>
	<u>\$ 35,795</u>	<u>\$ 6,244</u>

XXI. Post-employment benefit plans

(I) Defined contribution plans

The labor pension system under the “Labor Pension Act” applicable to the Company and POMIRAN METALIZATION RESEARCH CO., LTD. of the Consolidated Company refers to the defined contribution retirement benefit plans managed by the government. The employer shall contribute labor pension funds equal to 6 percent of an employee's monthly salary to individual labor pension accounts at the Bureau of Labor Insurance (the Bureau) for employees.

(II) Defined benefit plans

The Company has labor pension system as defined benefit plans under the Labor Standards Act of R.O.C.. The payment of the employee pension is made based on an employee's length of service and average monthly salary for the six-month period prior to retirement approved. The Company contributes an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the balance in the Funds is assessed. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees qualified with retirement requirements in the next year, the Company is required to make up the difference all at once with one appropriation, which is required to be made before the end of March of next year. The Funds are operated and managed by the government's designated authorities. Accordingly, the Company does not have any right to intervene in the investments of the Funds.

The amount of defined benefit plans recognized in the consolidated balance sheets is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	\$ 13,213	\$ 11,734
Fair value of plan assets	(13,566)	(12,855)
Net defined benefit assets	(\$ 353)	(\$ 1,121)

Changes in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
January 1, 2022	\$ 13,948	(\$ 11,468)	\$ 2,480
Service cost			
Interest expense (income)	70	(59)	11
Recognized in profit or loss	70	(59)	11
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(898)	(898)
Actuarial gain - changes in financial assumptions	(1,020)	-	(1,020)
Actuarial gain - adjustments through experiences	(1,264)	-	(1,264)
Recognized in other comprehensive income	(2,284)	(898)	(3,182)
Contributions from employer	-	(430)	(430)
December 31, 2022	11,734	(12,855)	(1,121)
Service cost			
Interest expense (income)	162	(180)	(18)
Recognized in profit or loss	162	(180)	(18)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(94)	(94)
Actuarial gain - changes in financial assumptions	140	-	140
Actuarial gain - adjustments through experiences	1,177	-	1,177
Recognized in other comprehensive income	1,317	(94)	1,223
Contributions from employer	-	(437)	(437)
December 31, 2023	\$ 13,213	(\$ 13,566)	(\$ 353)

Due to the defined benefit plans under the Labor Standards Act of R.O.C. the Company is exposed to the following risks:

1. Investment risk: The pension funds are invested in domestic and foreign equity securities, debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds' designated authorities or under the mandated management. However, the distributable amount of plan assets of the Company shall not be less than the return calculated by the average interest rate on a two-year time deposit published by the local banks.
2. Interest risk: A decrease in the interest rate of government bond/corporate bond will increase the present value of the defined benefit obligation. However, the return on the debt investments of the plan assets will increase as well. The two will be partially offset on net defined benefit liabilities.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of the Company are carried out by qualified actuaries. The principal assumptions are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.38%
Expected salary increase rate	2.00%	2.00%

If reasonably likely changes respectively occur in the principal assumptions and all other assumptions are held constant, the amount of present value of the defined benefit obligation is increased (decreased) as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	(\$ 277)	(\$ 269)
Decrease by 0.25%	\$ 287	\$ 279
Expected salary increase rate		
Increase by 0.25%	\$ 280	\$ 272
Decrease by 0.25%	(\$ 272)	(\$ 264)

The sensitivity analysis presented above may not reflect the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2023	December 31, 2022
Contributions expected to be made within 1 year	\$ 456	\$ 414
Average maturity of defined benefit obligation	8.5 years	9.3 years

XXII. Equity

(I) Common stock capital

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Authorized number of shares (in thousands)	<u>200,000</u>	<u>200,000</u>
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and fully paid shares (in thousands)	<u>132,205</u>	<u>131,799</u>
Public offering of ordinary shares	\$ 1,282,363	\$ 1,278,300
Private equity	<u>39,690</u>	<u>39,690</u>
Issued capital	<u>\$ 1,322,053</u>	<u>\$ 1,317,990</u>

The shareholders resolved to amend the Articles of Incorporation at the shareholders' meeting held on June 21, 2023. After the amendment of the Articles of Incorporation, 30,000 thousand shares of the authorized capital are reserved for issuance of employee stock options, preferred shares with warrants or corporate bonds with warrants. Prior to the amendment, 20,000 thousand shares of the authorized capital were reserved for issuance of employee stock options, preferred shares with warrants or corporate bonds with warrants.

The change in the Company's common stock capital was mainly due to the execution of stock options by employees.

On June 21, 2023, the shareholders' meeting of the Company resolved to increase capital by cash through a private placement of up to 10 million shares with specific parties.

Within 3 years from the date of delivery, the aforesaid private placement securities shall not be sold to other objects except those transferred in accordance with the Securities Exchange Law.

The rights and obligations of the company's private common shares listed above are the same as those of the Company's issued common shares, except that the company's private common shares are subject to restrictions on circulation and transfer in accordance with the Securities Exchange Law and can only apply for listing and trading after 3 years from the date of delivery and a public offering.

(II) Capital surplus

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>For loss make-up, distribution in cash or capitalization as equity</u>		
Stock issue premium (1)	\$ 488,746	\$ 461,517
<u>Only for loss make-up</u>		
Recognition of changes in ownership interests in subsidiaries (2)	24,928	25,992
Unclaimed dividends to shareholders after the statute of limitations	522	499
<u>Not to be used for any purpose</u>		
Employee stock options	-	15,155
Stock options (Note 18)	<u>79,259</u>	<u>79,259</u>
	<u>\$ 593,455</u>	<u>\$ 582,422</u>

1. This type of capital surplus may be used to make up for losses or, in the absence of losses, to distribute cash or to capitalize as equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus represents the effect of equity transactions recognized for changes in the Company's equity when the Company has not actually acquired or disposed of the subsidiary's shares, or adjustments to the capital surplus of the Company's subsidiaries recognized under the equity method.

(III) Retained earnings and dividend policy

In accordance with the Company's earnings distribution policy as stipulated in the Articles of Incorporation, if there is any surplus earnings as indicated by the Company's final accounts, 10% of the annual earnings shall be set aside as legal reserve after paying taxes and making up for accumulated losses in accordance with the law. But if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside as or reversed from special reserve as provided by law. If there are still remaining earnings, the Board of Directors shall prepare a proposal for distribution of the remaining earnings together with the accumulated undistributed earnings as dividends to shareholder, and submit it to the shareholders' meeting for resolution on the distribution. For the Company's policy on the distribution of remuneration to employees and directors, please refer to Note 25 (7) Remuneration to Employees and Directors.

The Company's dividend policy is to cater to the current and future development plans with consideration of the investment environment, capital requirements and domestic and international competition, and the interests of shareholders; dividends to shareholders may be distributed in cash or in stocks, with cash dividends not less than 10% of the total dividends.

Legal capital reserve shall be set aside until its balance equals to full amount of the paid-in capital. The reserve may be used to make up for losses. When the Company has no losses, the portion in excess of 25% of the paid-in capital may be used to distributed as dividends in stocks or cash.

The shareholders' meetings of the Company held on June 21, 2023 and June 24, 2022 resolved to distribute the earnings of 2022 and 2021 as follows:

	Earnings distribution proposal	
	2022	2021
Legal reserve	\$ 15,194	\$ 30,305
(Reversal) Provision of special reserve	(952)	248
Cash dividends	79,079	157,255
Cash dividends per share (NTD)	0.60	1.20

The 2023 earnings distribution proposal made by the Board of Directors on March 8, 2024 was as follows:

	2023
Undistributed earnings at the beginning of the year	\$ 751,801
Remeasurement of defined benefit plans	(1,223)
Net loss for the period	(139,268)
Provision of special reserve	(1,049)
Cash dividends (\$0.3 per share)	(<u>39,662</u>)
Undistributed earnings at the end of the year	<u>\$ 570,599</u>

The 2023 earnings distribution proposal is subject to the resolution of the shareholders' meeting to be held on June 25, 2024.

(IV) Other equity

1. Exchange differences on translation of the financial statements of foreign operations

	2023	2022
Balance at the beginning of the year	(\$ 1,555)	(\$ 2,363)
Incurred during the year		
Exchange differences arising from translation of the financial statements of foreign operations	(<u>1,077</u>)	<u>808</u>
Balance at the end of the year	(<u>\$ 2,632</u>)	(<u>\$ 1,555</u>)

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	2023	2022
Balance at the beginning of the year	(<u>\$ 31</u>)	(<u>\$ 176</u>)
Incurred during the year		
Unrealized profit or loss Equity instruments	<u>28</u>	<u>145</u>
Other comprehensive income for the year	<u>28</u>	<u>145</u>
Balance at the end of the year	(<u>\$ 3</u>)	(<u>\$ 31</u>)

(V) Non-controlling interests

	2023	2022
Balance at the beginning of the year	\$25,038	(\$ 4,832)
Share attributable to non-controlling interests.		
Net loss for the year	(14,217)	(12,501)
Increase in non-controlling interest in POMIRAN METALIZATION RESEARCH CO., LTD. (Note 28)	\$ -	\$ 42,254
Non-controlling interests related to outstanding vested stock options held by employees of POMIRAN METALIZATION RESEARCH CO., LTD. (Note 23)	-	117
Balance at the end of the year	<u>\$ 10,821</u>	<u>\$ 25,038</u>

XXIII. Employee stock options

(I) The Company's employee stock options plan

In August 2017, the Company granted 3,698 thousand units of stock options to employees, each unit of which is entitled to subscribe for one share of common stock. The stock options were granted to employees of the Company and its subsidiaries who meet certain criteria. The stock options are granted for a duration of 6 years, and the holders of the stock options may exercise a certain percentage of the stock options granted after 2 years from the date of issuance. The exercise price of the stock options is the closing price of the Company's common stock on the date of issuance. If there is a change in the Company's common stock after the stock options are issued, the exercise price of the stock options will be adjusted according to the prescribed formula.

Information on employee stock options is as follows:

	2023		2022	
Employee stock options	Units (in thousands)	Weighted average exercise price (NTD)	Units (in thousands)	Weighted average exercise price (NTD)
Outstanding at the beginning of the year	1,031	\$ 37.10	1,813	\$ 38.20
Executed during the year	(406)	37.10	(781)	38.20
Renounced during the year	(625)	37.10	(1)	38.20
Outstanding at the end of the year	<u>-</u>		<u>1,031</u>	
Executable at the end of the year	<u>-</u>		<u>1,031</u>	

	2023		2022	
	Units (in thousands)	Weighted average exercise price (NTD)	Units (in thousands)	Weighted average exercise price (NTD)
Employee stock options				
Weighted average fair value of stock options granted during the year (NTD)	<u>\$15.02~16.04</u>		<u>\$15.02~16.04</u>	

Information on outstanding employee stock options as of the balance sheet date as follows:

	December 31, 2023	December 31, 2022
Range of exercise prices (NTD)	\$ -	\$37.10
Weighted average remaining contract period (years)	-	0.61 years

The Company used the Black-Scholes valuation model for the employee stock options granted in August 2017, and the input values used in the valuation model were as follows:

	August 2017
Stock price at the grant date	\$47.00
Exercise price	NT\$37.10
Expected volatility	46.89%~51.17%
Duration	2.03~3.03 years
Expected dividend yield	-
Risk-free interest rate	0.53%~0.56%

In July 2022, the Company modified the terms of the then outstanding employee stock options plan to reduce the exercise price from \$38.20 per share to the stock price on that date of \$37.1 per share.

(II) Employee stock options reserved in cash capital increase

The Board of Directors resolved to increase capital of POMIRAN METALIZATION RESEARCH CO., LTD. by cash with issuance of new shares. On March 9, 2022, the Board of Directors resolved to adjust the final number of shares to be issued and the amount to be raised, and to reserve 15% of the total number of new shares (4,500 thousand shares) to be subscribed by employees of the Company and subsidiaries in accordance with the Company Act. For fractional shares or stock options renounced by employees for subscription, the Chairperson of the Board of Directors is authorized to negotiate with specific persons to subscribe for the shares.

The fair value of the employee stock options granted by POMIRAN METALIZATION RESEARCH CO., LTD. in March 2022 is based on the Black-Scholes valuation model, and the parameters used in the valuation model were as follows:

	March 2022
Stock price at the grant date	NT\$8.89
Exercise price	NT\$10.00
Expected volatility	36.17%
Expected duration	0.12 years
Expected dividend yield	-
Risk-free interest rate	0.27%

For 2022, the Company recognized profit-sharing remuneration cost of \$450 thousand.

XXIV. Revenue

	2023	2022
Revenue from contracts with customers		
Revenue form merchandise sales	\$ 1,549,174	\$ 1,887,769
Other income	<u>43,847</u>	<u>1,591</u>
	<u>\$ 1,593,021</u>	<u>\$ 1,889,360</u>
(I) Contract balance		
	December 31, 2023	December 31, 2022
Accounts receivable (Note 10)	<u>\$ 322,786</u>	<u>\$ 257,799</u>
Contract liabilities - current		January 1, 2022
Merchandise sales	<u>\$ 3,400</u>	<u>\$ 8,000</u>

The amount of revenue recognized during the year in which the performance obligation was satisfied from the contract liabilities at the beginning of the year was as follows:

	2023	2022
<u>From the contract liabilities at the beginning of the year</u>		
Merchandise sales	<u>\$ 161</u>	<u>\$ 8,000</u>

(II) Breakdown of revenue from contracts with customers

Region	2023	2022
Taiwan (where the Company is located)	\$ 657,721	\$ 831,705
Mainland China	579,189	715,951
South Korea	267,965	262,702
U.S.A.	69,009	46,316
Japan	12,000	23,897
Others	<u>7,137</u>	<u>8,789</u>
	<u>\$ 1,593,021</u>	<u>\$ 1,889,360</u>

XXV. Net profit

(I) Interest income

	2023	2022
Bank deposits	<u>\$ 3,730</u>	<u>\$ 1,824</u>

(II) Other income

	2023	2022
Lease income (operating lease)	\$ 820	\$ 1,969
Government grant income (Note 29)	6,086	2,608
Others	<u>2,246</u>	<u>6,015</u>
	<u>\$ 9,152</u>	<u>\$ 10,592</u>

(III) Other gain and loss

	2023	2022
Net gain on foreign currency exchange	\$ 3,264	\$ 13,268
Gain (Loss) on financial instruments at fair value through profit or loss	2,880	(3,180)
Others	(423)	-
	<u>\$ 5,721</u>	<u>\$ 10,088</u>

(IV) Financial cost

	2023	2022
Interest on bank loans	\$ 19,477	\$ 21,320
Interest on convertible bonds	10,982	5,683
Interest on lease liabilities	<u>3,665</u>	<u>3,969</u>
	<u>\$ 34,124</u>	<u>\$ 30,972</u>

(V) Depreciation and amortization

	2023	2022
Summary of depreciation expense by function		
Operating costs	\$302,378	\$279,881
Operating expenses	<u>72,093</u>	<u>68,806</u>
	<u>\$ 374,471</u>	<u>\$ 348,687</u>
Summary of amortization expense by function		
Operating cost	\$ 1,908	\$ 2,583
Operating expense	<u>1,569</u>	<u>1,535</u>
	<u>\$ 3,477</u>	<u>\$ 4,118</u>

(VI) Employee benefit expense

	2023	2022
Post-employment benefits (Note 21)		
Defined contribution plans	\$ 14,552	\$ 14,210
Defined benefit plans	<u>62</u>	<u>11</u>
	14,614	14,221
Share-based payment (Note 23)		
Equity settlement	-	450
Other employee benefits	<u>368,418</u>	<u>414,069</u>
	<u>\$ 383,032</u>	<u>\$ 428,740</u>
Summary by function		
Operating costs	\$ 258,509	\$ 295,403
Operating expenses	<u>124,523</u>	<u>133,337</u>
	<u>\$ 383,032</u>	<u>\$ 428,740</u>

(VII) Profit-sharing remuneration for employees and directors

If the Company makes a profit in a year, the Company shall set aside 6% to 15% of the profit as profit-sharing remuneration for employees, in stock or cash as resolved by the Board of Directors in the form of stock or cash, including employees of the Company's subsidiaries who meet certain criteria; the Company may set aside not more than 3% of the above profit as remuneration to directors as resolved by the Board of Directors. Proposal for profit-sharing remuneration for employees and profit-sharing remuneration for directors should be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount of loss make-up shall be reserved first, and then the profit-sharing remuneration for employees and directors can be appropriated in accordance with the aforementioned percentages.

The Company had a net loss before tax for 2023, so profit-sharing remunerations for employees and directors were not estimated.

The Board of Directors resolved the following on March 9, 2023 for 2022 profit-sharing remuneration for employees and directors:

Estimated percentage

	2022
Profit-sharing remuneration for employees	10%
Profit-sharing remuneration for directors	3%

Amount

	2022
	Cash
Profit-sharing remuneration for employees	\$ 16,554
Profit-sharing remuneration for directors	4,966

If there is a change in the amounts after the standalone financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the next year.

There was no difference between the actual amount of profit-sharing remuneration for employees and profit-sharing remuneration for directors for 2022 and 2021 and the amounts recognized in the consolidated financial statements for 2022 and 2021.

Please see "Market Observation Post System" (MOPS) under the Taiwan Stock Exchange for the information on the profit-sharing remuneration for employees and profit-sharing remuneration for directors resolved by the Board of Directors.

XXVI. Income tax on continuing operations

(I) Main components of income tax expense (benefit) recognized in profit or loss

	2023	2022
Current income tax		
Incurred during the year	\$ 10,647	\$ 11,474
Additional levy on undistributed earnings	-	-
Adjustments for prior years	<u>1,204</u>	(<u>18,661</u>)
Income tax expense (benefit) recognized in profit or loss	<u>\$ 11,851</u>	(<u>\$ 7,187</u>)

A reconciliation of accounting income and income tax expense (benefit) is as follows:

	2023	2022
Net profit (loss) before tax from continuing operations	(<u>\$ 141,634</u>)	<u>\$ 129,070</u>
Income tax expense (benefit) calculated at the statutory rate on net profit before tax	(\$ 44,138)	\$ 10,521
Non-deduction expense or loss for tax purpose	16,549	15,719
Unrecognized (Recognized) deductible temporary difference	18,892	(33,208)
Unrecognized loss carryforward	19,344	18,442
Adjustments during the year for current income tax expenses of previous years	<u>1,204</u>	(<u>18,661</u>)
Income tax expense (benefit) recognized in profit or loss	<u>\$ 11,851</u>	(<u>\$ 7,187</u>)

(II) Current income tax liabilities

	December 31, 2023	December 31, 2022
Current income tax liabilities		
Income tax payable	<u>\$ 10,287</u>	<u>\$ 13,871</u>

(III) Amount of deductible temporary difference and unused loss carryforwards of deferred income tax assets which was not recognized in the consolidated balance sheet.

	December 31, 2023	December 31, 2022
Loss carryforward		
Expire in 2023	\$ -	\$ 15,667
Expire in 2024	32,824	32,824
Expire in 2025	29,373	29,373
Expire in 2026	36,206	36,206
Expire in 2027	57,303	57,303
Expire in 2028	72,150	72,150
Expire in 2029	69,843	69,843
Expire in 2030	73,269	73,269
Expire in 2031	78,125	78,125
Expire in 2032	92,622	92,148
Expire in 2033	<u>86,202</u>	<u>-</u>
	<u>\$ 627,917</u>	<u>\$ 556,908</u>
Deductible temporary difference	<u>\$ 125,584</u>	<u>\$ 111,382</u>

(IV) Income tax assessment

The Company's income tax returns have been assessed by the tax authorities through 2021.

XXVII. Earnings per share (loss)

	2023	Unit: NTD per share 2022
Basic (loss) earnings per share	<u>(\$ 1.06)</u>	<u>\$ 1.13</u>
Diluted (loss) earnings per share	<u>(\$ 1.06)</u>	<u>\$ 1.12</u>

The net (loss) profit and weighted average number of shares of common stock used to calculate (loss) earnings per share were as follows:

Net (loss) profit for the year

	2023	2022
Net (Loss) profit attributed to owners of the Company	<u>(\$ 139,268)</u>	<u>\$ 148,758</u>
Net (loss) profit used to calculate basic (loss) earnings per share	(\$ 139,268)	\$ 148,758
Effect of potentially dilutive common stock		
Convertible bonds	-	-
Profit-sharing remuneration for employees	-	-
Employee stock options	<u>-</u>	<u>-</u>
Net (loss) profit used to calculate diluted (loss) earnings per share	<u>(\$ 139,268)</u>	<u>\$ 148,758</u>

<u>Number of shares</u>	(Units: In thousands)	
	2023	2022
Weighted average number of shares of common stock used to calculate basic (loss) earnings per share	131,958	131,607
Effect of potentially dilutive common stock		
Convertible bonds	-	-
Profit-sharing remuneration for employees	-	693
Employee stock options	-	212
Weighted average number of shares of common stock used to calculate diluted (loss) earnings per share	<u>131,958</u>	<u>132,512</u>

Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

If the company's outstanding convertible corporate bonds are converted, they are not included in the calculation of diluted earnings per share due to their anti-dilution effect.

The Company had a net loss for the period January 1 to December 31, 2023 and the potential common stocks were anti-dilutive and therefore not included in the calculation of loss per share.

XXVIII. Equity transactions with non-controlling interests

On April 21, 2022, the Consolidated Company did not recognize the new shares issued by POMIRAN METALIZATION RESEARCH CO., LTD. in cash capital increase in proportion to shareholding, resulting in an decrease in shareholding from 88% to 85%.

Since the above transaction did not change the Consolidated Company's control over the subsidiary, the Consolidated Company treated it as an equity transaction.

	POMIRAN METALIZATION RESEARCH CO., LTD.
<u>2022</u>	
Cash consideration received	\$ 44,724
The carrying amount of net assets of subsidiaries should be transferred to non-controlling interests based on the relative changes in equity.	(<u>42,254</u>)
Equity transaction difference	<u>\$ 2,470</u>

Adjustment for equity transaction difference:

POMIRAN
METALIZATION
RESEARCH CO.,
LTD.

2022

Capital surplus - recognition of changes in ownership interests in subsidiaries

\$ 2,470

XXIX. Government grants

The Consolidated Company's application for the "Subsidy Program for Demonstration and Promotion of Energy Conservation Performance Guarantee Project" of the Ministry of Economic Affairs has been reviewed and approved with a grant amount of \$8,694 thousand. As of December 31, 2023, the accumulated amount granted was \$8,694 thousand, which was recorded as non-operating income at the approved time and the case was closed.

The Consolidated Company's application for the "Low Carbon Millimeter Wave Materials and Carbon Reduction Process Technology Development Project" of the Ministry of Economic Affairs has been reviewed and approved with a grant amount of \$40,000 thousand. As of December 31, 2023, the accumulated amount granted was \$30,429 thousand.

XXX. Capital risk management

The Consolidated Company manages its capital to ensure that it will be able to maximize shareholders return as a going concern through the optimization of the debt and equity balance.

The Consolidated Company's capital structure consists of net debt of the Consolidated Company (leases less cash and cash equivalent) and equity (stock capital, capital surplus, retained earnings, other equity and non-controlling interests).

XXXI. Financial instruments

(I) Information on fair value - Financial instruments not at fair value

December 31, 2023

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Convertible bonds	\$ 583,415	\$ 585,240	\$ -	\$ -	\$ 585,240

December 31, 2022

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Convertible bonds	\$ 572,433	\$ 575,520	\$ -	\$ -	\$ 575,520

(II) Information on fair value - Financial instruments at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 1,014	\$ -	\$ 1,014
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Unlisted stocks	\$ -	\$ -	\$ 467	\$ 467

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 3,894	\$ -	\$ 3,894
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Unlisted stocks	\$ -	\$ -	\$ 439	\$ 439

There was no transfer of fair value measurements between Level 1 and Level 2 for 2023 and 2022.

2. Valuation techniques and input value used in Level 2 fair value measurement

<u>Type of financial instruments</u>	<u>Valuation techniques and input values</u>
Derivative instruments - Value of convertible bond redemption rights	Binary tree convertible bond valuation model: tracks the evolution of option key underlying variables over discrete time periods through a binary tree at multiple time steps between the valuation date and the maturity date. Each node of the tree represents the probable price at a given point in time.

3. Reconciliation of Level 3 fair value measurements on financial instruments

2023

	Financial assets at fair value through other comprehensive income
	Equity instruments
Balance at the beginning of the year	\$ 439
Recognized in other comprehensive income -	
Unrealized gain or loss on financial assets at fair value through other comprehensive income	28
Balance at the end of the year	<u>\$ 467</u>

2022

	Financial assets at fair value through other comprehensive income
	Equity instruments
Balance at the beginning of the year	\$ 294
Recognized in other comprehensive income -	
Unrealized gain or loss on financial assets at fair value through other comprehensive income	145
Balance at the end of the year	<u>\$ 439</u>

4. Valuation techniques and input value used in Level 3 fair value measurement

Domestic unlisted equity investments are valued using the asset method, and the total value of individual assets and liabilities covered by the underlying asset is assessed to reflect the overall value of the enterprise or business.

(III) Type of financial instruments

	December 31, 2023	December 31, 2022
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 799,205	\$ 758,928
Financial assets at fair value through other comprehensive income - investments in equity instruments	467	439
<u>Financial liabilities</u>		
at fair value through profit or loss		
Held for trading	1,014	3,894
Measure at amortized cost (Note 2)	1,748,814	1,850,956

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost such as notes receivable, accounts receivable, other receivables (including related parties) and other current assets at amortized cost.

Note 2: The balance includes short-term loans, notes receivable and accounts payable, other payables, corporate bonds due within one year, payables for equipment, other current liabilities, long-term loans due within one year and long-term loans and other financial liabilities at amortized cost.

(IV) Financial risk management objectives and policies

The Consolidated Company's major financial instruments include equity, accounts receivable, accounts payable, corporate bonds payable and loans. The Consolidated Company's financial management department provides services to each business unit, coordinates access to financial markets, and monitors and manages the financial risks associated with the Consolidated Company's operations through internal risk reporting that analyzes the exposure based on the level and breadth of risk. Such risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Consolidated Company mitigates the impact of these risks by hedging the exposure through derivative financial instruments. The use of derivative financial instruments is governed by the policies approved by the Consolidated Company's Board of Directors, which are the written principles for exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of surplus liquidity. Internal auditors review compliance with the policies and the exposure limits on an ongoing basis. The Consolidated Company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

The main financial risks to which the Consolidated Company is exposed as a result of its operating activities are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below).

The Consolidated Company engages in derivative financial instruments (including forward exchange contracts) to manage its exposure to risk of foreign currency exchange rate.

(1) Exchange rate risk

A portion of the Consolidated Company's cash inflows and outflows are denominated in foreign currencies, and therefore have a natural hedging effect. The Consolidated Company's management of exchange rate risk is for hedging purposes and not for profit-making purposes.

The carrying amounts of the Consolidated Company's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the Consolidated Financial Statements) are described in Note 34.

Sensitivity analysis

The Consolidated Company is mainly affected by fluctuations in USD and RMB.

The following table details the Consolidated Company's sensitivity analysis when the functional currency appreciates and depreciates by 5% against each of the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translations at year end by a 5% change in exchange rates. The sensitivity analysis covers cash and cash equivalents, accounts receivable, other receivables, accounts payable, other payables and short-term loans. The following table represents the increase or decrease in net profit before tax if NTD appreciates by 5% against each of the relevant currencies.

	Effect of USD		Effect of RMB	
	2023	2022	2023	2022
Profit or loss	(\$ 3,768)	(\$ 6,451)	(\$ 12,915)	(\$ 9,179)

(2) Interest rate risk

Interest rate risk arises because the Consolidated Company holds both fixed and floating rate assets and liabilities.

The carrying accounts of financial assets and liabilities exposed to interest rate risk at the date of balance sheet are as follows:

	December 31, 2023	December 31, 2022
With fair value interest rate risk		
- Financial assets	\$ 169,655	\$ 154,543
- Financial liabilities	788,521	672,433
With cash flow interest rate risk		
- Financial assets	228,718	316,041
- Financial liabilities	957,409	1,018,504

Sensitivity analysis

The following sensitivity analysis is determined in accordance with interest rate risk of non-derivative instruments at the date of balance sheet. For the floating rate assets and liabilities, the analysis is to assume that the amount of assets and liabilities outstanding at the date of balance sheet is all outstanding for the entire year.

If the annual interest rate had increased/decreased by 0.1%, with all other variables holding constant, the Consolidated Company's net profit before tax would have decreased/increased by \$729 thousand and \$702 thousand for 2023 and 2022, respectively, mainly due to the interest rate exposure on the Consolidated Company's variable-rate net liabilities and loans.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Company. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk that may result in financial losses due to non-performance of counterparties' obligations mainly arises from the carrying amount of financial assets recognized in the consolidated balance sheets.

As of December 31, 2023 and 2022, the percentages of receivables from the top ten customers to the Consolidated Company's receivables were 78% and 84%, respectively.

3. Liquidity risk

The Consolidated Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Consolidated Company's operations and mitigate the effects of fluctuations in cash flows. In addition, the management of the Consolidated Company monitors the utilization of financing lines and ensures compliance with terms of loan contracts.

Bank loans are a material source of liquidity to the Consolidated Company. As of December 31, 2023 and 2022, the Consolidated Company had undrawn financing lines as described in (2) Description of Financing Facilities below.

(1) Liquidity and interest rate risk table

The following table details the analysis of the remaining contract maturities of the Consolidated Company's non-derivative financial liabilities with agreed repayment periods, which are based on the earliest possible date on which the Consolidated Company could be required to make repayments, and is prepared using the undiscounted cash flows of financial liabilities, including cash flows of interests and principals.

The Consolidated Company's bank loans that are repayable on demand immediately are listed in the table below with the earliest possible date, regardless of the probability that banks will immediately enforce the rights; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

December 31, 2023

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 56,173	\$ 68,810	\$ 16,921	\$ 19	\$ -
Lease liabilities	2,126	4,252	18,987	100,933	67,469
Floating interest rate instruments	13,068	130,072	208,629	636,121	-
Fixed interest rate instruments	-	30,165	600,000	-	-
	<u>\$ 71,367</u>	<u>\$233,299</u>	<u>\$844,537</u>	<u>\$737,073</u>	<u>\$ 67,469</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	\$ 25,365	\$ 100,933	\$ 67,469	\$ -
Floating interest rate instruments	351,769	636,121	-	-
Fixed interest rate instruments	630,165	-	-	-
	<u>\$1,007,299</u>	<u>\$ 737,054</u>	<u>\$ 67,469</u>	<u>\$ -</u>

December 31, 2022

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$55,996	\$75,975	\$21,498	\$ 19	\$ -
Lease liabilities	2,117	4,233	19,000	100,114	92,396
Floating interest rate instruments	8,735	95,989	206,962	715,031	23,163
Fixed interest rate instruments	90,148	10,058	-	600,000	-
	<u>\$156,996</u>	<u>\$186,255</u>	<u>\$247,460</u>	<u>\$1,415,164</u>	<u>\$115,559</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	\$ 25,350	\$ 100,114	\$ 92,396	\$ -
Floating interest rate instruments	311,686	715,031	23,163	-
Fixed interest rate instruments	100,206	600,000	-	-
	<u>\$ 437,242</u>	<u>\$1,415,145</u>	<u>\$ 115,559</u>	<u>\$ -</u>

(2) Financing lines

	December 31, 2023	December 31, 2022
The unsecured bank loan lines may be extended by mutual consent		
- Amount drawn	\$ 511,753	\$ 738,009
- Amount undrawn	<u>1,193,525</u>	<u>1,291,041</u>
	<u>\$ 1,705,278</u>	<u>\$ 2,029,050</u>
The secured bank loan lines may be extended by mutual consent		
- Amount drawn	\$ 475,657	\$ 382,005
- Amount undrawn	<u>589,999</u>	<u>168,000</u>
	<u>\$ 1,065,656</u>	<u>\$ 550,005</u>

XXXII. Related party transactions

Transactions, balances, income and expenses between the Company and subsidiaries (related parties of the Company) may be all eliminated in consolidation, which are thus not disclosed in the note. Transactions between the Consolidated Company and other related parties as follows:

(I) Related party name and relationship

Related party name	Relationship with the Consolidated Company
POMIRAN TECHNOLOGY, LIMITED	De facto related party

(II) Operating revenue

Type of related party	2023	2022
De facto related party	<u>\$ 965</u>	<u>\$ 2,317</u>

(III) Purchases

Type of related party	2023	2022
De facto related party	<u>\$ 2,760</u>	<u>\$ 6,083</u>

(IV) Lease income (operating lease)

Type of related party	2023	2022
De facto related party	<u>\$ 23</u>	<u>\$ 23</u>

(V) Other receivables - related parties (posted as other current assets)

Type of related party	December 31, 2023	December 31, 2022
De facto related party	<u>\$ 2</u>	<u>\$ 2</u>

(VI) Accounts payable - related parties

Account on the financial statements	Type of related party	December 31, 2023	December 31, 2022
Accounts payable	De facto related party	<u>\$ 334</u>	<u>\$ -</u>

(VII) Temporary receipts (posted as other current liabilities)

Type of related party	December 31, 2023	December 31, 2022
De facto related party	<u>\$ 1,427</u>	<u>\$ 1,898</u>

The purchase and sale transactions between the Consolidated Company and its related parties are based on mutually agreed prices and terms, and there are no other counterparties for comparison.

Rentals under lease contracts between the Consolidated Company and its related parties are determined and collected in accordance with contractual provisions.

(VIII) Part of the long-term and short-term loans and letters of credit issued by the Company were jointly guaranteed by key management, and the remaining amount was \$573 thousand and \$11,085 thousand as of December 31, 2023 and 2022, respectively.

(IX) Remuneration of key management

	2023	2022
Short-term employee benefits	\$ 16,349	\$ 22,454
Post-employment benefits	454	439
Share-based payment	-	-
	<u>\$ 16,803</u>	<u>\$ 22,893</u>

The remuneration of directors and other key management is determined by the Remuneration Committee based on the value of the individual's participation in and contribution to the operations of the Consolidated Company and with reference to the usual industry standards.

XXXIII. Pledged assets

The following assets of the Consolidated Company were pledged as collaterals for bank loans, post release duty payment to customs, and security deposits for the land leased from the Science Park Administration and for issuing letters of credit.

	December 31, 2023	December 31, 2022
Property, plant and equipment	\$ 1,522,794	\$ 1,560,327
Pledged time deposits (posted as financial assets at amortized cost)	<u>16,923</u>	<u>16,923</u>
	<u>\$ 1,539,717</u>	<u>\$ 1,577,250</u>

XXXIV. Significant Contingent Liabilities and Unrecognized Commitments

(I) On October 7, 2020, DuPont de Nemours, Inc. (DuPont) filed a patent infringement lawsuit against the Company and its person in charge in the Intellectual Property Court, claiming that the Company infringed its R.O.C. patent No. I519576, "Polymethyleneimine Film for Matting Surface Treatment and Method of Relating to Such Film", and requesting payment of NT\$6,650 thousand, plus interest at 5% per annum from the date of service of the statement of claim to the date of settlement. On November 30, 2021, the Intellectual Property Court rendered a judgment of first instance, ruling that "the plaintiff's suit and the claim for provisional execution are dismissed, and the plaintiff shall bear the costs of the litigation. After receiving the judgment of defeat in the first instance, DuPont appealed against the judgment and on July 29, 2022, the Intellectual Property Court entered the second instance judgment dismissing DuPont's appeal. However, DuPont still refused to accept the judgment of the second instance and filed an appeal on August 31, 2022, which is currently being heard by the Supreme Court.

- (II) The amounts of unused letters of credit issued by the Consolidated Company as of December 31, 2023 and 2022, respectively, were shown below:

Unit: In thousands of each foreign currency		
	December 31, 2023	December 31, 2022
USD	\$ 111	\$ 2
RMB	\$ 4,070	\$ -

XXXV. Information on Foreign-currency-denominated Assets And Liabilities with significant effect

The following information is summarized according to the foreign currencies other than the functional currency of the Consolidated Company. The exchange rates disclosed are used to translate the foreign currencies into the functional currency. Assets and liabilities denominated in foreign currencies with significant effect were as follows:

	December 31, 2023		December 31, 2022	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 2,706	30.705	\$ 4,343	30.71
RMB	65,598	4.327	41,648	4.408
JPY	606	0.2172	29,217	0.2324
 <u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	252	30.705	142	30.71
RMB	5,901	4.327	-	4.408
JPY	1,250	0.2172	30,080	0.2324

Gain and loss (realized and unrealized) on translation of foreign currencies with significant effect were as follows:

Foreign currency	2023		2022	
	Exchange rate	Net exchange gain or loss	Exchange rate	Net exchange gain or loss
USD	30.705(USD: NTD)	\$ 3,256	30.71(USD: NTD)	\$ 5,835
JPY	0.2172(JPY: NTD)	(21)	0.2324(JPY: NTD)	896
RMB	4.327(RMB: NTD)	(54)	4.408(RMB: NTD)	6,435
EUR	33.98(EUR : NTD)	83	32.72(EUR : NTD)	66
SGD	23.29(SGD: NTD)	-	22.88(SGD: NTD)	36
		<u>\$ 3,264</u>		<u>\$13,268</u>

XXXVI. Other Disclosures

- (I) Significant transactions: There are no other disclosures than those listed below:
 - 1. Endorsements and guarantees for others: Table 1.
 - 2. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures under control): Table 2 .
 - 3. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
 - 4. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
 - 5. The business relationship between the parent and the subsidiaries and significant transactions between them: Table 8.
- (II) Information on Investees: Table 5.
- (III) Information on Investment in Mainland China:
 - 1. The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment gain or loss, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 6.
 - 2. Significant direct or indirect transactions through a third area with the investee in the Mainland Area, and its prices and terms of payment, unrealized gain or loss are as follows: Table 7.
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements and guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financial accommodation.
 - (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- (IV) Information on major shareholders: names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the equity (Table 9).

XXXVII. Segment information

(I) Segment revenue, operating results and segment assets

The operating decision makers of the Consolidated Company allocate resources and evaluate segment performance with emphasis on the overall consolidated financial information. While individual companies have similar economic characteristics and use similar manufacturing processes to produce similar products and sell them by the same sales methods. Therefore, the Consolidated Company is reported as a single operating segment. The segment information provided by the Consolidated Company to the operating decision makers is measured on the same basis as the financial statements, and the operating segment profit or loss, assets and liabilities are measured on the same basis as the consolidated financial statements. Therefore, the reportable segment revenue and operating results for 2023 and 2022 can be referred to the consolidated statements of comprehensive income for 2023 and 2022. The reportable segment assets as of December 31, 2023 and 2022 can be referred to the consolidated balance sheets as of December 31, 2023 and 2022.

(II) Revenue from major products and services:

An analysis of the Consolidated Company's revenue from major products and services as follows:

	2023	2022
Polyimide films	\$ 1,549,174	\$ 1,887,769
Others	<u>43,847</u>	<u>1,591</u>
	<u>\$ 1,593,021</u>	<u>\$ 1,889,360</u>

(III) Information by regions

Information on the Consolidated Company's operating revenue from external customers by country of customer and non-current assets by location of assets is presented below:

	Revenue from external customers		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan (where the Company is located)	\$ 657,721	\$ 831,705	\$ 3,489,302	\$ 3,724,434
Mainland China	579,189	715,951	933	1,500
South Korea	267,965	262,702	-	-
U.S.A.	69,009	46,316	-	-
Japan	12,000	23,897	-	-
Others	<u>7,137</u>	<u>8,789</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,593,021</u>	<u>\$ 1,889,360</u>	<u>\$ 3,490,235</u>	<u>\$ 3,725,934</u>

Non-current assets do not include financial instruments, refundable deposits, and defined benefit assets.

(IV) Information on major customers

Revenue from a single customer which exceeds ten percent of total revenue of the Consolidated Company is as follows:

	2023	2022
Customer A (Note)	<u>\$ 347,550</u>	<u>\$ 419,230</u>
Customer E (Note)	<u>269,943</u>	<u>264,196</u>
	<u>\$ 617,493</u>	<u>\$ 683,426</u>

Note: This is revenue from merchandise sales.

TAIMIDE TECH. INC. and Subsidiaries
Endorsements and guarantees for others
From January 1 to December 31, 2023

Table 1Unit: Thousands of NTD, unless otherwise specified.

No.	The company providing endorsement and guarantee	The party receiving endorsement and guarantee		Limit of endorsement and guarantee to a single enterprise (Note 2)	Maximum balance of endorsement and guarantee for the period	Balance of endorsement and guarantee at the end of the period	Actual amount drawn	Amount of endorsement and guarantee collateralized by properties	Ratio of accumulated guarantees to net worth of the most recent financial statements (%)	Maximum limit of endorsement and guarantee (Note 2)	Endorsement and guarantee by parent company for subsidiary	Endorsement and guarantee by subsidiary for parent company	Endorsement and guarantee for party in Mainland China	Remark
		Company name	Relationship											
0	The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Note 1	\$ 1,122,300	\$ 430,000	\$ 300,000	\$ 270,000	\$ -	11	\$ 2,244,601	Yes	—	—	—

Note 1: Subsidiaries directly held
Note 2: The limit of the Company's endorsement and guarantee obligations for a single enterprise and subsidiary and the total amount of external endorsement and guarantee are limited to 40% and 80% of the Company's net worth, respectively.

TAIMIDE TECH. INC. and Subsidiaries
Marketable securities held at the end of the period
December 31, 2023

Table 2Unit: Thousands of NTD, unless otherwise specified

Company held	Type of marketable securities	Name of marketable securities	Relationship with the issuers of the marketable securities	Account on the financial statements	The end of the period				Remark
					Number of units / board lots Number of shares	Carrying amount	Shareholding percentage (%)	Fair value	
The Company	Stock	POMIRAN TECHNOLOGY, LIMITED	—	Financial assets at fair value through other comprehensive income- non-current	110,000	\$ 467	10	\$ 467	Note 1

Note 1: Presented at book value.

Note 2: As of December 31, 2023, there were no guarantees, collateral loans or other contractually restriction on the use of the marketable securities listed above.

TAIMIDE TECH. INC. and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

From January 1 to December 31, 2023

Table 3Unit In Thousands of NTD, unless stated otherwise

Purchase (sales) company	Name of counterparty	Relationship	Transaction details				Circumstances and reasons why the terms of the transaction differ from those of general transactions		Notes and accounts receivable (payable)		Remark
			Purchase (sales)	Amount	As a percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable)	
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	Sales	\$ 194,926	13%	In accordance with the mutually agreed terms	\$ -	—	\$ 158,444	38%	—

TAIMIDE TECH. INC. and Subsidiaries
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
December 31, 2023

Table 4

Unit In Thousands of NTD, unless stated otherwise

The company recorded the transaction as accounts receivable	Name of counterparty	Relationship	Balance of receivables from related parties (Note 1)	Turnover rate	Past due receivables from related parties		Amount of receivables from related parties collected in the subsequent period	Provision of allowance for loss
					Amount	Handling method		
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	\$ 158,444	2.05	\$ -	—	\$ 15,054	\$ -

Note 1: The related transactions between the investees were eliminated in full in the preparation of the consolidated financial statements.

TAIMIDE TECH. INC. and Subsidiaries
Information on investees, locations... and other related information
From January 1 to December 31, 2023

Table 5

Unit In Thousands of NTD, unless stated otherwise

Investor name	Investee name	Location	Main business	Initial investment amount		Holding at the end of the period			(Loss) Profit of investee for the period	Investment (loss) gain recognized in the period	Remark
				The end of the period	The end of last year	Number of shares	Ratio %	Carrying amount			
The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Taiwan	Manufacturing of electronic components, wholesale and surface treatment of electronic materials	\$ 610,567	\$ 610,567	27,479,905	85	\$ 61,813	(\$ 96,722)	(\$ 83,214)	Notes 2 and 3
	TAIMIDE INTERNATIONAL INC.	Samoa	Investee business	6,141 (USD 200 thousand)	6,141 (USD 200 thousand)	200,000	100	45,179	2,729	(11,252)	Notes 1, 2 and 3
TAIMIDE INTERNATIONAL INC.	KUNSHAN TAIMIDE TECH. INC.	Mainland China	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	6,141 (USD 200 thousand)	6,141 (USD 200 thousand)	-	100	45,146	2,729	(11,251)	Notes 1, 2 and 3

Note 1: The foreign currency portion is converted at the US dollar exchange rate as of December 31, 2023.

Note 2: The calculation was made based on the investee's financial statements for the same period audited by CPAs.

Note 3: Including the elimination of unrealized profit or loss on intercompany transactions.

TAIMIDE TECH. INC. and Subsidiaries
Information on Investment in Mainland China
From January 1 to December 31, 2023

Table 6

Unit In Thousands of NTD, unless stated otherwise

Name of Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or repatriated during the period		Accumulated investment amount remitted from Taiwan at the end of the year	Profit for the period of investee	Shareholding percentage of the Company's direct or indirect investment	Investment gain (loss) recognized in the period (Note 2)	Carrying amount of investment at the end of the period	Investment income repatriated as of the end of the period
					Outward remittance	Repatriation						
KUNSHAN TAIMIDE TECH. INC.	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	\$ 6,141 (USD 200 thousand)	Note 1	\$ 6,141 (USD 200 thousand)	\$ -	\$ -	\$ 6,141 (USD 200 thousand)	\$ 2,729	100%	(\$ 11,251)	\$ 45,146	\$ -

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission, MOEA	60% of the net investment limit in Mainland China as stipulated by the Investment Commission, MOEA
\$6,141 (USD 200 thousand)	\$6,141 (USD 200 thousand)	\$1,683,451

- Note 1: The Company invested in TAIMIDE INTERNATIONAL INC. and then invested in Mainland China through this company. The investment was approved by the Investment Commission, MOEA and the approved investment amount was USD 200 thousand.
- Note 2: The calculation was made based on the investee's financial statements for the same period audited by CPAs.
- Note 3: Translation was made based on the USD exchange rate as of December 31, 2023 where foreign currencies were involved.

TAIMIDE TECH. INC. and Subsidiaries

Significant direct or indirect transactions through a third region with the investee in the Mainland China, and its prices and terms of payment, unrealized gain or loss and other related information.

From January 1 to December 31, 2023

Table 7

Unit In Thousands of NTD, unless stated otherwise

Name of the trading party	Counterparty	Relationship between the Company and the counterparty	Type of transaction	Sales		Price	Trading terms		Notes and accounts receivable (payable)		Unrealized profit	Remark
				Amount	Percentage		Payment terms	Comparison with general transactions	Amount	Percentage		
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	Sales	\$ 194,926	13%	In accordance with the mutually agreed price	In accordance with the mutually agreed terms	No other comparable counterparty	\$ 158,444	38%	\$ 12,769	—

TAIMIDE TECH. INC. and Subsidiaries
The business relationship and significant transactions between the parent and the subsidiaries
From January 1 to December 31, 2023

Table 8

Unit: In thousands of NTD

No.	Name of the trading party	Counterparty	Relationship with the trading party (Note 1)	Transaction details			
				Account on the financial statements	Amount	Trading terms (Note 2)	As a percentage of consolidated total revenue or total assets
0	The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	1	Sales revenue	\$ 2,410	—	-
				Accounts receivable	618	—	-
				Other payables	74	—	-
		KUNSHAN TAIMIDE TECH. INC.	2	Sales revenue	194,926	—	12%
				Accounts receivable	158,444	—	3%
				Other receivables	8	—	-

Note 1: 1. Representing parent company's transactions to subsidiary.

2. Representing parent company's transactions to sub-subsidiary.

Note 2: The transactions between the Company and its subsidiaries are based on the prices and terms agreed by both parties, and there is no other comparable counterparties.

TAIMIDE TECH. INC.
 Information on Major Shareholders
 December 31, 2023

Table 9

Name of major shareholder	Shares	
	Number of shares held	Shareholding percentage
Sheng-Chang Wu	7,059,232	5.33%

Note: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of current quarter. There may be a discrepancy in the number of shares recorded on the consolidated financial statements and its dematerialized securities arising from the difference in basis of preparation.

TAIMIDE TECH. INC.

Person in Charge: Sheng-Chang Wu